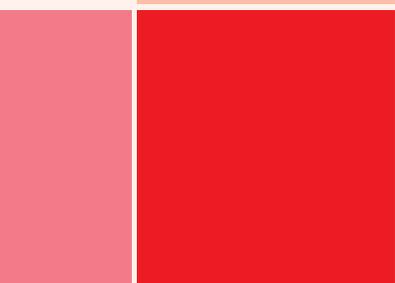
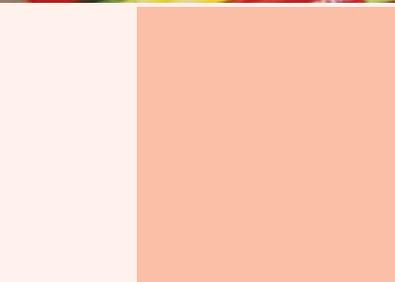
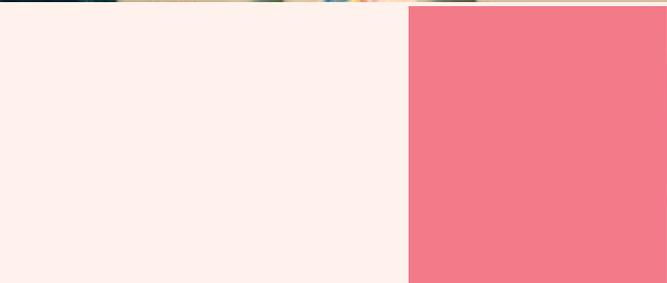




BERJAYA
BERJAYA SPORTS TOTO BERHAD
(Company No. 9109-K)

برجاي سפורتس توتو برحد
成功多多博彩有限公司

LAPORAN TAHUNAN
2010
ANNUAL REPORT





The corporate logo comprises the word BERJAYA in gold and a symbol made up of closely interwoven Bs in rich cobalt blue with gold lining around the circumference and a gold dot in the centre.

BERJAYA means “success” in Bahasa Malaysia and reflects the success and Malaysian character of the Berjaya Corporation’s core businesses. The intertwining Bs of the symbol represent our strong foundations and the constant synergy taking place within the Berjaya Corporation group of companies. Each B faces a different direction, depicting the varied strengths of the companies that make up the Berjaya Corporation group of companies.

Our Mission and Vision

To generate consistently profitable returns for our shareholders from investments in core business activities:-

- By providing direction, financial resources and management support for each operating unit;
- Through establishing a major market presence for each activity;
- Through dynamic and innovative management, teamwork and a commitment to excellence.

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Corporate Profile

Berjaya Sports Toto Berhad (“BToto”) was incorporated in 1969 as Unilite Electrical Industries Berhad. The Company changed its name to Far East Asset Berhad in 1987. On 31 October 1992, the Company completed its acquisition of the entire issued and paid-up share capital of 112,522,500 ordinary shares of 50 sen each in Sports Toto Malaysia Sdn Bhd (“Sports Toto”) for a purchase consideration of RM600 million through an issue of RM390.97 million 9% nominal amount of RM1.00 Redeemable Convertible Unsecured Loan Stocks 1992/97 in the Company and the balance in cash of RM209.03 million. On 17 May 1993, the Company was renamed Berjaya Sports Toto Berhad.

The principal activities of the Group are:

- operations of Toto betting under Section 5 of the Pool Betting Act, 1967
- leasing of on-line lottery equipment; and
- manufacture and distribution of computerised lottery and voting systems

The history of Sports Toto began in 1969 when it was incorporated to run the Toto betting business. It was essentially the Government’s effort to raise funds to promote and develop sports, youth and cultural activities.

Sports Toto was privatized in 1985 when its Chief Executive Officer, Tan Sri Dato’ Seri Vincent Tan Chee Yioun, through his private company acquired 70% of the paid-up capital.

Sports Toto offers 6 games which are drawn 3 days in a week.

Internationally, BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. (*formerly known as*

Prime Gaming Philippines, Inc.) which is listed on the Philippine Stock Exchange. Its wholly owned subsidiary, Philippine Gaming Management Corporation supplies and maintains a computerized on-line lottery system and software support to Philippine Charity Sweepstakes Office in Luzon Island, Philippines. The lottery operation in Luzon, Philippines commenced in 1995 and currently offers 8 games at over 2,400 outlets.

In the USA, BToto’s subsidiary, International Lottery & Totalizator Systems, Inc. (“ILTS”) provides computerized wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide and voting jurisdictions in USA.

On 3rd June 2010, Dow Jones Indices announced the addition of BToto into the Dow Jones Emerging Markets Consumer Service Titan 30 Index.

The Group has a total employee strength of 930 as at 30 April 2010.

Sports Toto’s financial growth over the past 24 years after its privatization in 1985 is highlighted below:

	30/4/10 (Million)		31/12/85 (Million)		24 Years’ Annualised Increase (%)
	RM	US\$	RM	US\$	
Revenue	3,262.7	1,023.0	76.0	21.3	174.7
Pre-tax Profit	530.2	166.2	5.0	1.4	437.7
Equity Funds	371.8	116.6	1.0	0.3	1,545.0
Total Assets	855.1	268.1	12.7	3.6	276.4

Exchange rate : US\$1.00 : RM3.1895

Corporate Information

BOARD OF DIRECTORS

Chairman

Tan Sri Dato' Thong Yaw Hong

Chief Executive Officer

Dato' Robin Tan Yeong Ching

Executive Directors

Freddie Pang Hock Cheng

Chan Kien Sing

Rayvin Tan Yeong Sheik

Seow Swee Pin

Non-Executive Directors

Tan Sri Dato' Tan Chee Sing

Mohamed Saleh Bin Gomu

Datuk Robert Yong Kuen Loke

AUDIT COMMITTEE

Chairman / Independent

Non-Executive Director

Tan Sri Dato' Thong Yaw Hong

Independent /

Non-Executive Directors

Mohamed Saleh bin Gomu

Datuk Robert Yong Kuen Loke

SECRETARIES

Su Swee Hong

(MAICSA No. 0776729)

Tham Lai Heng, Michelle

(MAICSA No. 7013702)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd

Lot 06-03, Level 6, East Wing

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel : 03-2145 0533

Fax : 03-2145 9702

AUDITORS

Ernst & Young

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel : 03-2149 1999

Fax : 03-2143 1685

PRINCIPAL BANKERS

Malayan Banking Berhad

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Market

STOCK SHORT NAME

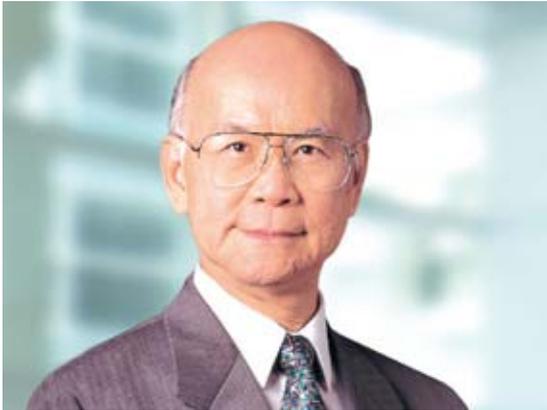
BJTOTO (1562)

PLACE OF INCORPORATION AND DOMICILE

Malaysia



Profile of Directors



TAN SRI DATO' THONG YAW HONG

80 years of age, Malaysian
Chairman
(Independent/Non-Executive Director)

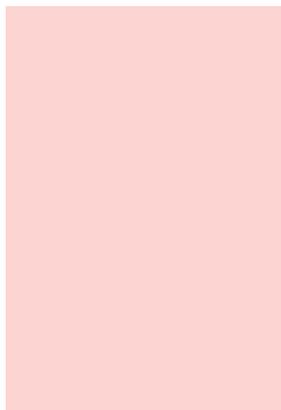
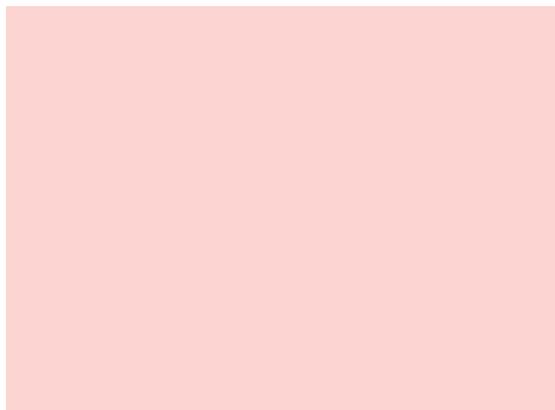
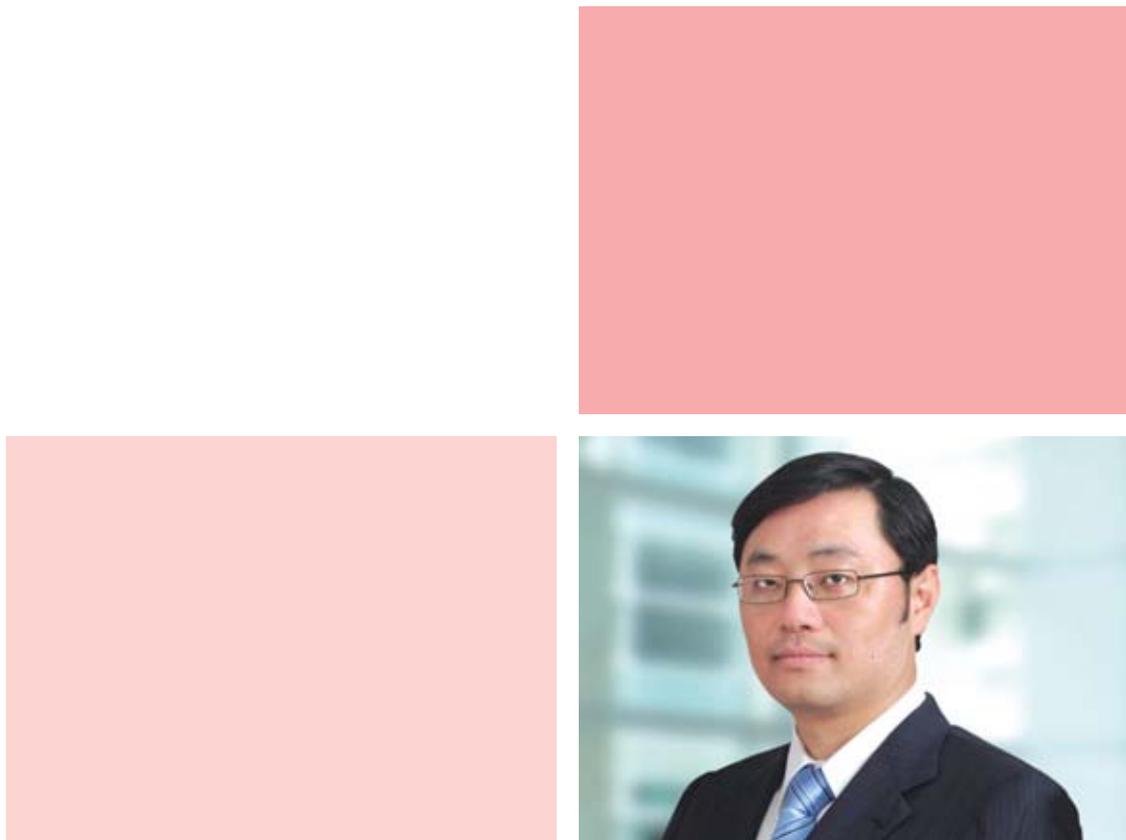
He was appointed to the Board on 18 October 2001 as the Chairman. He graduated with a Bachelor of Arts (Hons) degree in Economics from University of Malaya, a Master's degree in Public Administration from Harvard University, as well as Advanced Management Program from Harvard Business School. In June 1998, he was appointed a Pro-Chancellor of University Putra Malaysia until his retirement in June 2006. In September 2006, he was conferred the Doctor of Economics (Honorary) from University Putra Malaysia.

He had a distinguished career with the Government of Malaysia, primarily in the fields of socio-economic development, planning and finance. He served in the Economic Planning Unit in the Prime Minister's Department since 1957 and became its Director-General from 1971 to 1978. From 1979 until his retirement in 1986, he served as the Secretary-General of the Ministry of Finance. He was responsible for setting up Sports Toto Malaysia Sdn Bhd in 1969 under the direction of the Government when he was overall in charge of the Economic Planning Unit in the Prime Minister's Department.

He also holds directorships in several public listed companies namely, Batu Kawan Berhad, Glenealy Plantations (Malaya) Berhad, Kuala Lumpur Kepong Berhad, Public Bank Berhad (Co-Chairman) and LPI Capital Berhad (Co-Chairman). His directorships in other public companies include Malaysian South-South Corporation Berhad, HHB Holdings Berhad (Chairman), Public Islamic Bank Berhad, Public Investment Bank Berhad (Co-Chairman), Lonpac Insurance Berhad (Co-Chairman) and Public Mutual Berhad (Co-Chairman). He also serves as a member on the Boards of Trustees of Program Pertukaran Fellowship Perdana Menteri Malaysia, Tun Razak Foundation, Yayasan Wah Seong and the Malaysian Institute of Economic Research, among others. He is also a senior member of the Working Group of the Executive Committee for the National Economic Council. Presently, he also serves as Senior Adviser of the Advisory Panel on Private and Public Sector Investment in the Economic Planning Unit of the Prime Minister's Department. Tan Sri Dato' Thong Yaw Hong is a Distinguished Fellow of the Institute of Strategic and International Studies (ISIS) Malaysia and is also a Fellow of the Institute of Bankers Malaysia.

Tan Sri Dato' Thong Yaw Hong is the Chairman of the Audit Committee, Remuneration Committee, Risk Management Committee and Nomination Committee of the Company.

Profile of Directors



DATO' ROBIN TAN YEONG CHING

36 years of age, Malaysian
Chief Executive Officer
(Non-Independent)

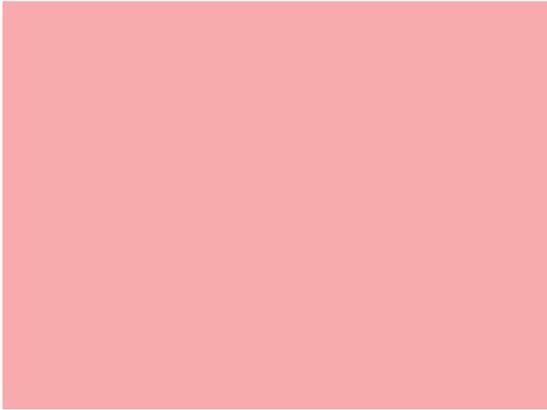
He was appointed to the Board on 21 February 1998 as an Executive Director and subsequently, was appointed as the Chief Executive Officer of the Company on 21 December 2006. He graduated with a Bachelor of Social Science Degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is an Executive Director of Berjaya Corporation Berhad and Sports Toto Malaysia Sdn Bhd. He is also a Director of Berjaya Sampo Insurance Berhad, Berjaya Hills Berhad, KDE Recreation Berhad, TMC Life Sciences Berhad and Berjaya Golf Resort Berhad. He is the Chairman of Berjaya Media Berhad, Berjaya Food Berhad, Sun Media Corporation Sdn Bhd and MOL.com Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

His uncle, Tan Sri Dato' Tan Chee Sing and his brother, Rayvin Tan Yeong Sheik, are also members of the Board while his father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

Dato' Robin Tan Yeong Ching is a member of the Remuneration Committee of the Company.

Profile of Directors



FREDDIE PANG HOCK CHENG

55 years of age, Malaysian
(Non-Independent/Executive Director)

He was appointed to the Board on 1 December 1992. He began his career with a predecessor firm of Messrs Ernst & Young where he worked for seven years until 1982 during which he qualified for entry as a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Accountants. Thereafter, he joined the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad where he was actively involved in a wide variety of corporate exercises in an advisory capacity until his departure in 1990 to join Berjaya Group Berhad.

He is currently the Chairman of Intan Utilities Berhad, an Executive Director of Berjaya Corporation Berhad and a Director of Berjaya Group Berhad, MOL.com Berhad, Berjaya Vacation Club Berhad, TMC Life Sciences Berhad and Informatics Education Ltd, Singapore. He also holds directorships in several other private limited companies.

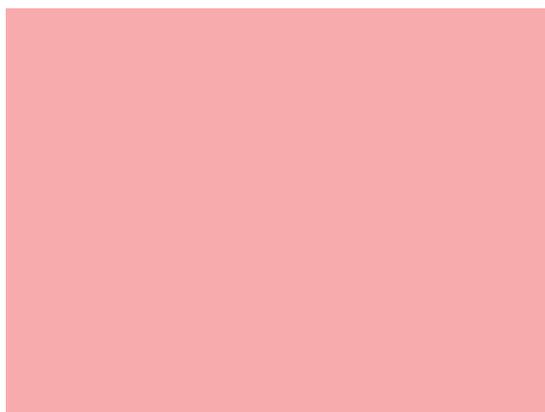
CHAN KIEN SING

54 years of age, Malaysian
(Non-Independent/Executive Director)

He was appointed to the Board on 1 December 1992. He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (*now known as KPMG*) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (*now known as AmMerchant Bank Berhad*) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad. He has more than 20 years of experience in the operations and management of companies and also in leading the development of its businesses.

Currently, he is an Executive Director of Berjaya Corporation Berhad and Berjaya Media Berhad. He is also the Managing Director of 7-Eleven Malaysia Sdn Bhd and Sun Media Corporation Sdn Bhd. He also sits on the boards of Berjaya Assets Berhad, Cosway Corporation Limited (*formerly known as Berjaya Holdings (HK) Limited*), Berjaya Retail Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad, Berjaya Group Berhad, Berjaya Capital Berhad and International Lottery & Totalizator Systems Inc, United States of America. He also holds directorships in several other private limited companies.

Profile of Directors



RAYVIN TAN YEONG SHEIK

31 years of age, Malaysian
(Non-Independent/Executive Director)

He was appointed to the Board on 19 October 2006 as an Executive Director. He graduated with a Bachelor of Science (First Class Hons) degree in Accounting and Finance from the London School of Economics, United Kingdom, in 2000.

During his vocational training as a research intern with Jardine Fleming and Merrill Lynch & Co./Smith Zain Securities, he gained extensive experience in the field of research covering the various sectors of property, commodities, telecommunications and transport.

He joined the Berjaya Group of Companies in May 2001 and was subsequently appointed to the position of Executive Director of Berjaya Group Berhad in May 2002.

Currently, he is also an Executive Director of Berjaya Corporation Berhad and Cosway Corporation Limited (formerly known as Berjaya Holdings (HK) Limited). He also holds directorships in Sports Toto Malaysia Sdn Bhd, Singer (Malaysia) Sdn Bhd, International Lottery & Totalizator Systems Inc, United States of America and several other private limited companies.

His uncle, Tan Sri Dato' Tan Chee Sing and his brother, Dato' Robin Tan Yeong Ching, are also members of the Board while his father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

SEOW SWEE PIN

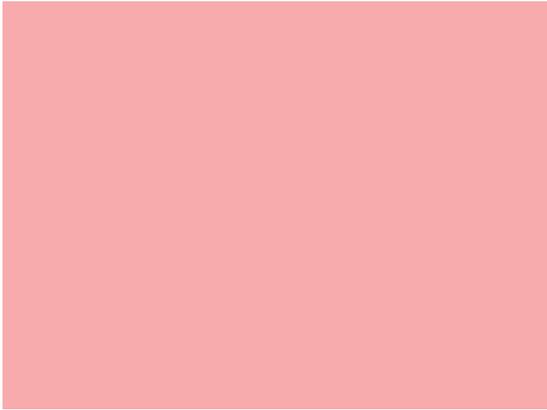
53 years of age, Malaysian
(Non-Independent/Executive Director)

He was appointed to the Board on 17 December 2007 as an Executive Director. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and Certified Practising Accountants, Australia. He has extensive working experience in auditing, accounting, financial management and corporate finance. He worked with Messrs Ernst & Young from 1976 to 1984 and was appointed as an Audit Manager in 1982. Between 1984 and 1990, he held senior management positions in several major public listed groups including Group Financial Controller of Island & Peninsular Berhad, Group Chief Accountant of Sime Darby Berhad and Group Chief Accountant of Lion Corporation Berhad. He joined Berjaya Land Berhad as General Manager (Finance) in 1991. In 1994, he was appointed as General Manager (Finance & Operations) of Sports Toto Malaysia Sdn Bhd and was subsequently promoted to Senior General Manager in 1996.

Currently, he is also an Executive Director of Sports Toto Malaysia Sdn Bhd and Chairman of Philippine Gaming Management Corporation. He is also a Director of Berjaya Philippines Inc. (formerly known as Prime Gaming Philippines, Inc.) and several other private limited companies.

Seow Swee Pin is a member of the Risk Management Committee of the Company.

Profile of Directors



TAN SRI DATO' TAN CHEE SING

55 years of age, Malaysian
(Non-Independent/Non-Executive Director)

He was appointed to the Board on 15 April 2009.

He is a businessman and entrepreneur having a wide spectrum of business with extensive experience in property development, resort management, restaurants, leisure and entertainment operations through his investments in various public and private companies.

Currently, he is the Chairman of Sports Toto Malaysia Sdn Bhd, Deputy Chairman of Berjaya Corporation Berhad, Berjaya Assets Berhad and Berjaya Land Berhad, Executive Vice-Chairman of TT Resources Berhad, Group Chief Executive Officer of Dijaya Corporation Berhad and Chief Executive Officer of Tropicana Golf & Country Resort Berhad. He also holds directorships in Berjaya Capital Berhad, Bukit Kiara Resort Berhad, Tioman Island Resort Berhad, KDE Recreation Berhad and Berjaya Golf Resort Berhad.

His nephews, Dato' Robin Tan Yeong Ching and Rayvin Tan Yeong Sheik, are also members of the Board and his brother, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a major shareholder of the Company.

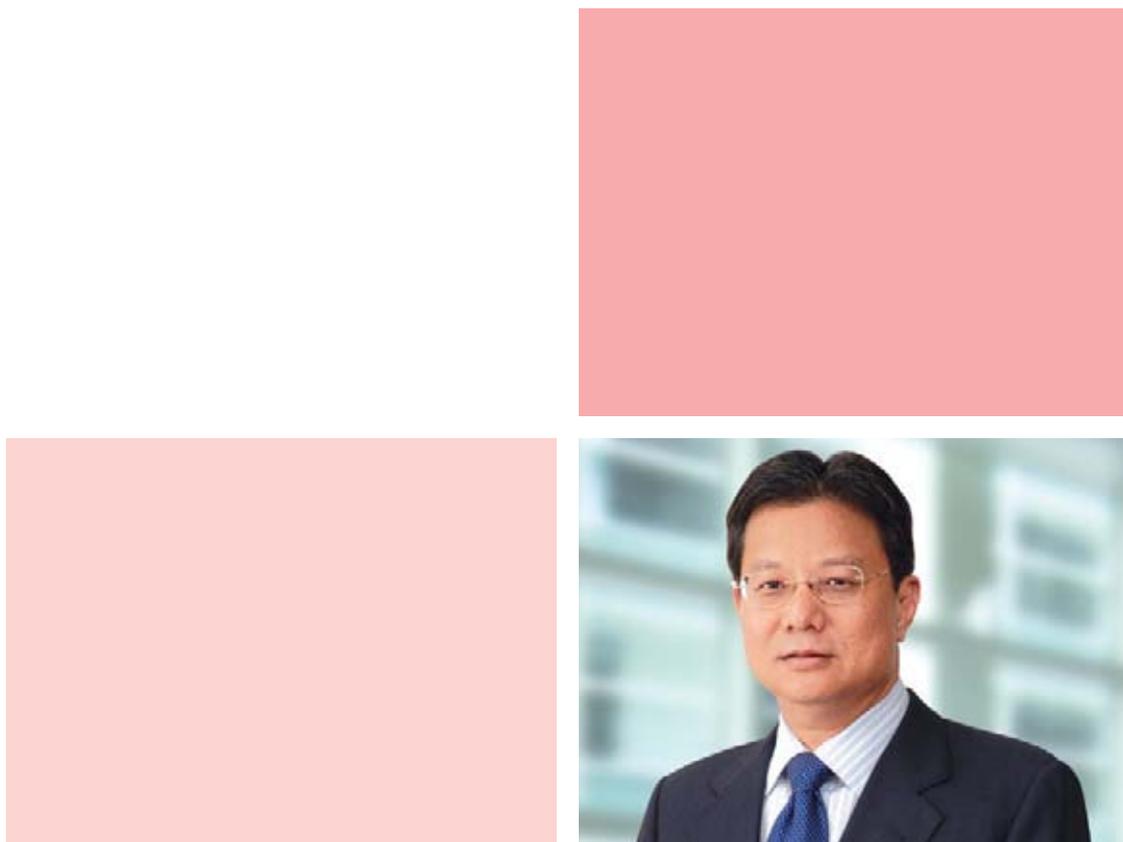
MOHAMED SALEH BIN GOMU

60 years of age, Malaysian
(Independent/Non-Executive Director)

He was appointed to the Board on 22 December 1999 as an Independent Non-Executive Director. He joined Polis DiRaja Malaysia ("PDRM") as an Inspector in June 1970 and left for England to further his studies in 1981. He graduated with a Bachelor of Laws (Hons) Degree in 1982 and obtained a Certificate in Legal Practice in 1984. Upon graduation, he continued to serve PDRM in various capacities including as a Staff Officer in the Special Branch, Officer-in-charge of Prosecution (Lower Courts) Kuala Lumpur and Officer-in-charge of Brickfields Police District. Before his optional retirement in June 1992, he was Head of the INTERPOL/National Central Bureau Secretariat. Soon after his retirement, he went into private legal practice.

Mohamed Saleh Bin Gomu is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

Profile of Directors



DATUK ROBERT YONG KUEN LOKE

58 years of age, Malaysian
(Independent/Non-Executive Director)

He was appointed to the Board on 1 December 1992. He is a Fellow member of The Institute of Chartered Accountants in England and Wales, The Association of Chartered Certified Accountants and a member of The Institute of Certified Public Accountants of Singapore and the Malaysian Institute of Accountants. He is also a Council Member of the Malaysian Institute of Certified Public Accountants and presently serves as a member of its executive committee. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked for more than five years in chartered accounting firms in London including two years with Moore Stephens & Co. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. From 1983 to 1986, he served as Group Finance Manager in UMW Holdings Berhad and Group Treasurer in Edaran Otomobil Nasional Bhd. He joined Berjaya Group of companies in 1987 until his retirement as Executive Director on 30 November 2007. He has been re-designated as an Independent Non-Executive Director of the Company during the financial year.

Currently, he is also a Director of Berjaya Corporation Berhad, Berjaya Land Berhad and Berjaya Assets Berhad.

Datuk Robert Yong Kuen Loke is a member of the Audit Committee, Nomination Committee and Risk Management Committee of the Company.

Save as disclosed, none of the Directors have:-

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest with the Company; and
3. any convictions for offences within the past 10 years other than traffic offences.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements for the financial year ended 30 April 2010.

FINANCIAL PERFORMANCE

For the financial year, the Company registered an 8.2% revenue decline to RM3.39 billion from RM3.7 billion in the previous year. Profit before taxation declined by 6.4% from RM585.5 million in the previous financial year to RM548.2 million this year.

The lower performance was mainly attributed to its principal subsidiary, Sports Toto Malaysia Sdn Bhd ("Sports Toto") recording a lower revenue and profit before tax. This was primarily due to the high base effect of the previous year which experienced strong sales from several high jackpots in the Mega 6/52 game and the mandated introduction of common draw days for special draws in the financial year under review.

DIVIDEND

The Company had paid two interim dividends of an aggregate of 27 sen comprising first interim dividend of 9 sen tax exempt dividend and 10 sen single tier exempt dividend as well as second interim dividend of 8 sen single tier exempt dividend in respect of the financial year ended 30 April 2010. These would bring the total net cash dividend distribution for the financial year to approximately RM345.6 million representing about 90.5% of the attributable profit of the Group.

On 27 July 2009, the Group had also distributed 89.7 million treasury shares on the basis of one treasury share for every fourteen existing ordinary shares held which is equivalent to about 30.5 sen per share based on the ordinary shares in issue with voting rights as at 27 July 2009 of 1.256 billion.

The Company will continue to maintain its 75% dividend payment policy subject to factors such as availability of distributable reserves as well as the Company's cash flow requirements.

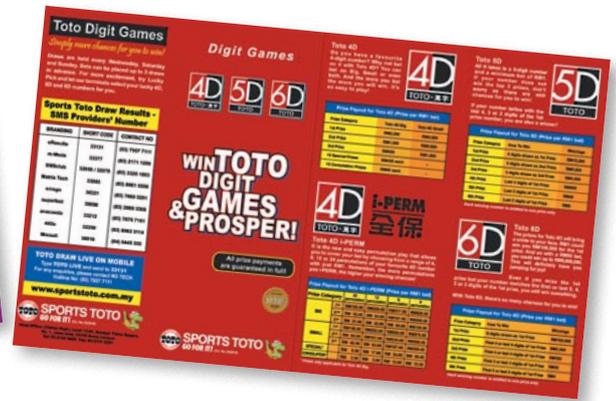
CORPORATE DEVELOPMENTS

Major corporate developments during the year under review include the following:

1. On 15 June 2009, the Company entered into a Share Sale Agreement with its wholly-owned subsidiary, Magna Mahsuri Sdn Bhd ("Magna Mahsuri") for the disposal of 19,500,000 shares of USD1.00 each representing 100% of the issued and paid-up share capital of Berjaya Sports Toto (Cayman) Limited ("BSTC"), another wholly-owned subsidiary of the Company for a total consideration of RM520.0 million. The total consideration of RM520.0 million for the sale of shares was satisfied by Magna Mahsuri via the issuance of 260.0 million new ordinary shares of RM1.00 each valued at RM2.00 per share. Upon completion of the disposal of BSTC, an exceptional gain on disposal of approximately RM469.33 million was recognized at the Company level. However, the disposal was an intra group transaction and did not have any effect at the group level as the gain on disposal was eliminated under the consolidation principles.
2. On 17 December 2009, the Company acquired a total of 2,000 ordinary shares of USD1.00 each representing 20% equity interest in Berjaya Lottery Vietnam Limited ("BLVL") from Berjaya Corporation Berhad, the ultimate holding company of the Company, for a total cash consideration of USD2,000 or approximately RM6,900. Subsequently on 30 April 2010, BLVL issued additional 4.990 million ordinary shares of USD1.00 each, and the Company subscribed for its 20% share at a consideration of USD998,000 or approximately RM3,383,000.



A Toto draw in progress.



3. On 28 December 2009, the Company announced that Prime Gaming Philippines, Inc. ("PGPI"), an indirect subsidiary of the Company has incorporated a wholly-owned subsidiary, Perdana Hotel Philippines Inc. in the Philippines to acquire an interest in the operation of a hotel in Makati, Philippines.

On 19 April 2010, PGPI announced the acquisition of a 212-room hotel in Makati, Philippines by Perdana Hotel Philippines Inc. as the purchaser of the hotel and PGPI's associated company, Perdana Land Philippines Inc. as the purchaser for the hotel land as well as an adjacent land and building. PGPI had subscribed to shares representing 40% equity interest of Perdana Land Philippines Inc. as part of its strategy to acquire an interest in the operation of the hotel. The total consideration for the acquisition amounted to Peso 804.0 million (equivalent to RM57.5 million). As at 30 April 2010, a sum of Peso 757.5 million (equivalent to RM54.2 million) was paid to the vendors.

On 18 June 2010, PGPI announced that it has changed its corporate name to Berjaya Philippines Inc.

4. On 23 June 2010, the Company announced that its wholly-owned subsidiary company, Sports Toto proposed to undertake a medium-term note ("MTN") programme of up to RM800.0 million in nominal value which has received the approval of the Securities Commission.

The MTN programme is akin to a revolving credit facility where-in the tenure for the MTNs shall be above one year and up to ten years.



YAB Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia presenting The Edge Billion Ringgit Club Highest Return on Equity Award to Dato' Robin Tan, CEO of Berjaya Sports Toto Berhad.

The drawdown of the initial MTN of RM500.00 million was completed on 30 June 2010 and the proceeds were principally utilized to refinance the Group's existing bank borrowings and for working capital. The tenure of issue are RM150.0 million for 3 years, RM200.0 million for 5 years and RM150.0 million for 7 years.

5. On 1 July 2010, the Company announced that Sports Toto has received a letter dated 29 June 2010 from the Ministry of Finance on the revision of pool betting duty. The pool betting duty which is based on gross turnover after deduction of gaming tax payable has been increased from 6% to 8% effective 1 June 2010.

6. On 12 July 2010, Berjaya Sports Toto Berhad received The Edge Billion Ringgit Club Award for Highest Return on Equity (ROE) over 3 years (2007-2009) under the trading and services sector.

REVIEW OF OPERATIONS

Malaysia

For the financial year under review, Sports Toto recorded a revenue of RM3.263 billion, a decrease of 8.6% from the previous year's revenue of RM3.571 billion. The lower revenue was mainly attributed to the high base effect of the previous financial year which recorded strong sales from several high jackpots in the Mega 6/52 game and the mandated introduction of common draw days for special draws in the financial year under review.

Pre-tax profit decreased by 4.9% to RM530.2 million from RM557.7 million in the previous financial year. The lower decrease in profit before tax compared to the decrease in revenue was due to the lower prize payout in the financial year under review.



A Sports Toto outlet in Malaysia.



Left:
ILTS' OpenElect® Voting Optical Scan integrated with ballot box.

Right:
ILTS' voting precinct with Unisyn Voting Solutions suite of OpenElect® Voting equipment.

To enhance its competitive edge, Sports Toto introduced the Power Toto 6/55 jackpot game in October 2009 to replace its Toto 6/42 Jackpot game. Power Toto 6/55 has a guaranteed minimum upfront jackpot of RM3.0 million. In March 2010, Sports Toto introduced the Supreme Toto 6/58 jackpot game with a guaranteed minimum upfront jackpot of RM8,888,888 – the highest in Malaysia. The Supreme Toto 6/58 game is a replacement for the Super Toto 6/49 jackpot game and is based on RM2 minimum bet.

In line with our continuous effort to provide better services to our customers, Sports Toto purchased an additional 150 new check winner terminals in February 2010. These terminals, placed in selected outlets, are popular with punters who can self-validate their tickets without the need to refer to the sales counters thereby allowing the counter sales staff to focus on sales activities.

Sports Toto also successfully migrated its nationwide telecommunications network from analogue services to digital services. The phased migration program which commenced in December 2008 was completed in the first quarter of the current financial year.

The Philippines

For the financial year under review, Berjaya Philippines Inc. ("BPI") (formerly known as Prime Gaming Philippines, Inc.) reported a revenue increase of 3.9% to Peso 1.53 billion from Peso 1.47 billion the previous year resulting from the higher revenue recorded by its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC").

However, BPI's pre-tax profit declined 5.7% from Peso 936.6 million last year to Peso 883.3 million this year mainly due to higher expenses as well as foreign exchange losses resulting from the strengthening of the Peso against the US dollar.

PGMC's revenue increased 3.9% to Peso 1.53 billion mainly attributable to the introduction of the third daily draw for the EZ2 game in August 2009 and increase in the weekly draw frequency of the Lotto 6/42 game in November 2009 from twice a week to three times a week.

Pre-tax profit however decreased 5.5% to Peso 879.5 million mainly due to higher expenses as well as foreign exchange losses resulting from the strengthening of the Peso against the US dollar.

During the financial year under review, PGMC added another 500 terminals to support the Philippine Charity Sweepstakes Office's ("PCSO") outlets expansion project. As at the end of the financial year under review, 2,854 terminals have been installed in 2,398 outlets in Luzon. In January 2010, PGMC ordered an additional 500 terminals of which 250 terminals purchased were delivered in July 2010 and the balance of 250 terminals will be delivered in November 2010.

In April 2010, PCSO launched the Grand Lotto 6/55 game to replace the PowerLotto game. This new game, which is drawn three times a week, is priced at an affordable minimum bet of Peso 20.00 with a minimum guaranteed amount of Peso 30 million and has contributed to higher sales since its launch.

The United States of America

For the financial year under review, International Lottery & Totalizator Systems, Inc. ("ILTS") posted a revenue of USD7.12 million compared to USD6.51 million in the previous financial year. A net loss of USD0.57 million was registered compared to a net loss of USD0.87 million in prior year.

In its lottery business segment, ILTS secured a new contract with Natural Avenue Sdn. Bhd. in December 2009 to supply a complete on-line lottery system to replace the ILTS system installed in Sarawak, Malaysia in 1996. Under the terms of the agreement, ILTS will deliver a turnkey system, including central system hardware and software, and terminals, and also provide a number of services, including installation, training and technical support.



Philippines – A draw in progress.



A Philippine Lotto outlet.

Chairman's Statement

For its voting business segment, ILTS' wholly-owned subsidiary and marketing arm, Unisyn Voting Solutions, Inc. became the first U.S. company to receive the U.S. 2005 Voluntary Voting System Guidelines ("VVSG") certification in January 2010 from the United States Election Assistance Commissions ("EAC") for its OpenElect® digital optical scan election system – the only digital scan voting system built with Java on a streamlined and hardened Linux platform. Unisyn had embraced the changes requested by the U.S. voting community and designed a solution that is auditable, scalable, secure and transparent. The impact of Unisyn's OpenElect® products can completely revolutionize the way elections are managed in both the public and private sectors, and may offer opportunities for business growth and prospects to ILTS moving forward.

ILTS is a supplier of secure processing systems and equipment to government-sanctioned lotteries, racing organizations and voting jurisdictions.

CORPORATE RESPONSIBILITY

During the year under review, Sports Toto continued to carry out a diverse range of corporate responsibility ("CR") programs that are reflective of the company's business philosophy of giving back to the society in which it operates.

Community

The underprivileged or needy section of our society has become an important part of Sports Toto's CR program as they are undoubtedly the most deserving of attention and assistance. During the year under review, Sports Toto lent its helping hand to a great number of underprivileged and needy people through various activities.

Sports Toto has always made it a point to bring cheer to the less fortunate during festive occasions as the company believes everyone, regardless of social status or background, deserves a heartwarming time during festivities. In this regard, Sports Toto's Annual *Chinese New Year Ang Pow Donation Campaign* has become a

trademark charity event which has been held for the past 22 years. In January 2010, over 15,000 needy old folks in 41 cities and towns throughout the country received ang paws and hampers from Sports Toto.

Similar festive donation events were also held during Hari Raya and Deepavali. A total of 200 orphans from Yayasan Nur Salam, Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR) and Persatuan Anak-anak Yatim & Ibu Tunggal Kg. Medan were treated to a rewarding and fun-filled breaking-of-fast session during the Ramadhan month. As for Deepavali celebrations, 400 needy folks in Kajang and Kuala Kubu Bharu received Deepavali goodies from Sports Toto.

In addition, Sports Toto made substantial contributions to charitable organizations and welfare homes such as Cempaka Welfare Home, National Council of Women's Organization, Malaysian Liver Foundation, Soroptimist International Damansara, St John Ambulance of Malaysia, Malaysian Red Crescent, Down Syndrome Association of Malaysia, Grace Community Service and Mount Miriam Cancer Hospital, Penang.

Sports Toto also took part in the *Loving Malaysia Charity Walk Hunt* in aid of Spastic Children's Association of Selangor and Federal Territory, and presented *Ice-cream 4U Charity Concert* in aid of the building fund for Pusat Penjagaan Kanak-kanak Cacat Taman Megah, PJ, Selangor.

In an effort to instill a sense of caring and social responsibility among individuals for the underprivileged, Sports Toto launched *Outreach to the Unreached People* public donation campaign. The campaign received encouraging response from the public, especially our customers. Its proceeds were utilized to meet the needs of several indigenous groups around the country, especially in Pahang, Perak, Sarawak and Sabah for the construction of a learning centre and a kindergarten; purchase of vans, school essentials and other useful items that help enhance their living conditions.



Sports Toto supporting the greening campaign by Dewan Bandaraya Kuala Lumpur.



Contribution to Borneo Child Aid Centre in Puchong through *Outreach to the Unreached People* public donation campaign.



Launching of Sports Toto Fitness Centre by YB Dato' Wira Chor Chee Heung.

Sports

Sports Toto has always been associated with sports. It is not only because of the company name Sports Toto, but also because of the objective of its very initial existence, namely, to raise funds for the promotion of sports.

In the area of contributing towards sports development, our sizeable annual financial contribution to the National Sports Council and our conscientious support for community sports activities driven by media partners, local councils as well as sports associations are testaments of our unremitting efforts towards this end.

During the year under review, Sports Toto was proud to be a part of numerous sports events – Seremban Half Marathon, Ipoh International Run, Penang Bridge International Marathon, KL-Maran Marathon, City Day Run, MPSJ Squash Open, The Sun Motor Hunt, Lion Motor Charity Hunt, Datuk Bandar Cup Basketball Championship, N.S. Royal Sevens Rugby Tournament, Sports Toto Trophy, as well as netball, swimming and arm-wrestling events driven by the National Sports Council.

It is noteworthy that Sports Toto has established a long-standing relationship with some of the above-mentioned sports events so much so that they have become a regular feature in Sports Toto's CR calendar.

Culture and popular entertainment

Meeting the demand for popular entertainment among the masses, Sports Toto played its part by presenting the 8TV Carnival which was held in conjunction with Mid-Autumn Festival; In Memory of Legends – Leslie Cheung & Anita Mui Singing Competition which engaged many singing enthusiasts and entertained innumerable spectators; Star Live Concert which was a countdown musical extravaganza and Power Music Extravaganza which comprised a series of musical roadshows that jazzed up the local entertainment scene of several places around the country.



Winners of the "In Memory of Legends-Leslie Cheung and Anita Mui Singing Competition" at Berjaya Times Square.

In the area of cultural preservation, Sports Toto continued to support the Nanyang Wushu Festival that showcased a host of activities including lion dance, martial arts and kung fu performances in Sarawak. The Chingay Parade in Penang, Kuching Fest and Padawan Fest in Sarawak are regular annual cultural events supported by Sports Toto.

Environment

In response to the growing need to be environment-friendly, Sports Toto embarked on a tree-planting project in collaboration with the Olympic Council of Malaysia and Dewan Bandaraya Kuala Lumpur focusing on residential areas where trees beautify our surroundings. A total of 300 trees were planted at 5 residential areas around Kuala Lumpur, where robust urban development has increasingly compromised its air quality. During the event launch, Sports Toto also took the opportunity to create a day of fun for the local residents staying at Taman Maluri, Cheras with jazzercise, mini sports clinic, gardening tips as well as fun games with prizes to be won.

Sports Toto also took part in a green campaign organized by Dewan Bandaraya Kuala Lumpur that planted over 12,000 trees.

Group synergy

Apart from our own initiatives, Sports Toto also supported CR initiatives driven at the Group level, by Berjaya Cares Foundation. One very significant contribution to the Group during the year under review was the setting up of Sports Toto Fitness Centre at Berjaya Times Square, Kuala Lumpur. The centre which was officially launched on 8 March 2010 aims to promote healthy lifestyle and well-being of our employees in the workplace.



Visit to Siri Jayanti Metta Home.

Chairman's Statement

A public fund raising campaign through Sports Toto's outlets was initiated and proceeds of approximately RM73,000 were channeled to the literacy program driven by Berjaya Cares Foundation. Mini libraries and reading corners were set up at 4 homes namely Harvest Centre, Gulpuri Foundation, Rumah Amal Belaian Kasih and EduCare Centre. The literacy program also incorporated several entertaining storytelling and craft sessions for underprivileged children from EduCare Centre, Harvest Centre, Rumah Titian Kaseh, Chempaka Welfare Home and Yayasan Salam. Sports Toto also supported the Group's regular goodwill visits to old folks' and children's homes.

Moving forward, Sports Toto wishes to continue to deliver a multifarious corporate responsibility spectrum that will benefit and engage as many sections of the society as possible.

CORPORATE RESPONSIBILITY IN THE PHILIPPINES

PGMC has been supporting the Department of Tourism in promoting Philippines' beautiful destinations as well as its rich traditional and cultural heritage. The Fiestang Pinoy Project was launched in February 2010, whereby PGMC supported its regional fiestas around the country by coordinating with local municipalities and contributing in kind to their fiesta celebrations.

FUTURE PROSPECTS

The Malaysian economy registered a strong growth of 9.5% in the first half of 2010, led by continued expansion in domestic demand and stronger external demand. Real GDP growth forecast in 2010 is projected to be at least 6%, driven by strengthening domestic demand particularly private expenditure and supported by improving external demand.

Against this scenario, Sports Toto will continue to undertake strategies to adapt to changes in customer demands. The introduction of the Supreme Toto 6/58 jackpot game in March 2010 with a guaranteed minimum upfront jackpot of RM8,888,888 is expected to contribute positively to revenue.

In the Philippines, PGMC will continue to work closely with PCSO on the marketing and promotion of Grand Lotto 6/55 game launched in April 2010 and other new games which are expected to be launched in the current financial year. PCSO is also planning to introduce text betting based on the short message service (SMS) platform. PGMC is confident that the Grand Lotto 6/55 and the new games together with the planned additional betting channel will contribute to higher revenues which will further improve its results.



Barring any unforeseen circumstances and taking into account the launch of the Supreme Toto 6/58 in March 2010, the Directors are of the opinion that the operating performance of the Group for the financial year ending 30 April 2011 will remain satisfactory.

IN APPRECIATION

On behalf of the Board, I wish to express our utmost gratitude to the staff and management team for their unwavering dedication and sterling commitment. Our sincere appreciation goes to all our valued shareholders, customers, business associates, financiers, analysts, the media and the government authorities for their continued support and confidence in the Company.

To my fellow colleagues on the Board, I would also like to thank them for their guidance and active participation in the Board and look forward to their continued support and counsel.

Tan Sri Dato' Thong Yaw Hong
Chairman

1 September 2010

主席报告

本人谨代表董事部，欣然向各位提呈截至2010年4月30日财政年的年度报告及财务报告。

业绩

在本财政年度，本公司的收益降低了8.2%，即由上一年度的37亿令吉减至33亿9千万令吉。税前盈利则下跌6.4%，由上一财政年度的5亿8千5百50万令吉减至本年的5亿4千8百20万令吉。

表现逊色主要是因为主要子公司多多博彩马来西亚私人有限公司 (Sports Toto Malaysia Sdn Bhd) (“Sports Toto”) 取得较低的营业收益及税前盈利所致。这主要是上一年度的高基数效应所导致，即该公司通过无敌多多六合彩 (Mega Toto 6/52) 游戏的多项高积宝奖金在当年缔造强劲的营业额和在检讨中的财政年度所实施强制性统一的特别开彩日的效果。

股息

本公司已在截至2010年4月30日的财政年两度派发总共27仙的中期股息，包括第一中期有9仙的免税股息和10仙的单层次豁免股息，以及第二中期为8仙的单层次豁免股息。因此，本财政年度所派发的净现金股息总额约为3亿4千5百60万令吉，相等于本集团可分派盈利的大约90.5%。

在2009年7月27日，本集团也以每持有14股现有普通股配一股库存股方式派发8千9百70万股库存股。根据截至2009年7月27日之12亿5千6百万股具投票权的已发行普通股，这相等于每股大约30.5仙。

本公司将延续派发75%股息的政策，胥视各种因素而定，例如是否拥有可分派储备金，以及本公司的现金流动需求。

企业发展

本检讨年度的重大企业发展包括：

1. 2009年6月15日，本公司与独资子公司 Magna Mahsuri Sdn Bhd (“Magna Mahsuri”) 签署了售股协议，脱售本公司另一家独资子公司 Berjaya Sports Toto (Cayman) Limited (“BSTC”) 之每股1美元的1千9百50万股股票，占其已发行及缴足股份资金的100%，总值为5亿2千万令吉。Magna Mahsuri 已通过发行2亿6千万股每股1令吉，价值为2令吉的新普通股以支付5亿2千万令吉的总代价。在完成脱售BSTC后，公司确认了一笔约为4亿6千9百33万令吉的售股特别赚益。然而，由于该脱售乃是一项集团内部交易而且脱售赚益已在统合原则下被对消，因此对集团并无任何影响。
2. 2009年12月17日，本公司向成功集团有限公司，即本公司最终控股公司收购了 Berjaya Lottery Vietnam Limited (“BLVL”) 每股1美元，共2千股普通股，占其股份的20%，总值为2千美元或大约6千9百令吉。接着在2010年4月30日，BLVL 发行额外4百99万股每股1美元的普通股，而本公司以总值99万8千美元或大约3百38万3千令吉认购其20%股份。
3. 2009年12月28日，本公司宣布其一家非直属子公司，菲律宾百灵博彩股份有限公司 (“PGPI”)，在菲律宾注册成立一家独资子公司 Perdana Hotel Philippines Inc.，以收购菲律宾马卡迪一家酒店之运作权益。



开彩正在进行。



工作人员正谨慎地进行开彩活动。



2010年4月19日，PGPI宣布由其全资子公司Perdana Hotel Philippines Inc.作为买方，以收购菲律宾马卡迪一家拥有212间客房的酒店，并由PGPI的联号Perdana Land Philippines Inc.作为买方，以收购该酒店的地段及一幅毗连地段和建筑物。PGPI已认购Perdana Land Philippines Inc (40%的股份) 作为它收购该酒店之运作权益策略的一部分。这项收购总值8亿零4百万比索(相等于5千7百50万令吉)。截至2010年4月30日，一共7亿5千7百50万比索(相等于5千4百20万令吉)已缴付于卖方。

2010年6月18日，PGPI宣布其公司改名为Berjaya Philippines Inc.。

- 2010年6月23日，本公司宣布其全资子公司Sports Toto建议承担一项面值高达8亿令吉的中期票据("MTN")计划，并已获得证券委员会批准。

该MTN计划类似一项周转信贷，其期限须超过一年并长达十年。5亿令吉的初期MTN已在2010年6月30日完成提款，所得款额主要是用来再融资本集团现有的银行借贷和充作营运资金。发行期限分别为1亿5千万令吉(3年)，2亿令吉(5年)及1亿5千万令吉(7年)。

- 2010年7月1日，本公司宣布多多博彩已收到由财政部发出一封志期2010年6月29日的调整彩池税公函。根据扣除博彩税后之毛营业额计算的彩池税已从6%提高到8%，并于2010年6月1日起生效。
- 2010年7月12日，成功多多博彩有限公司因连续3年取得最高股票回酬(ROE)而荣获The Edge Billion Ringgit Club贸易及服务业务领域奖。

营业检讨

马来西亚

在检讨中的财政年度，多多博彩取得32亿6千3百万令吉的收益，比上一财政年度的35亿7千1百万令吉收益少了8.6%。收益减低主要是上一财政年度的高基数效应所导致，该公司通过无敌多多六合彩(Mega Toto 6/52)游戏的多项高积宝奖金在当年缔造强劲营业额和在检讨中的财政年度实施统一特别开奖日的效果。

税前盈利则降低4.9%，由上一财政年度的5亿5千7百70万令吉减至5亿3千零20万令吉。与收益减少相比，税前盈利的降低幅度较小乃是因为检讨中的财政年度的派彩奖金较低。



无敌多多六合彩“击中积宝或多一次机会赢奖”竞赛得奖者。



开彩前的准备步骤之一。

为了提升竞争优势，多多博彩在2009年10月推出至尊多多六合彩(Power Toto 6/55)积宝游戏，以取代其多多六合彩积宝(Toto 6/42 Jackpot)游戏。至尊多多六合彩(Power Toto 6/55)提供3百万令吉的保证最低积宝奖金。在2010年3月，多多博彩推出了好运多多六合彩(Supreme Toto 6/58)积宝游戏，并提供马来西亚最高的888万8888令吉的保证最低积宝奖金。好运多多六合彩(Supreme Toto 6/58)积宝游戏是取代超级多多六合彩(Super Toto 6/49)积宝游戏，每投注额为至少2令吉。

配合本公司锲而不舍地努力为顾客提供更佳的服务，多多博彩在2010年2月添购了150台新的中奖号码核对终端机。这些置放于特选投注站的终端机备受投注者欢迎，他们可自行核对票根，而无需到销售柜台询问，这样可让柜台的销售人员专注于收注活动。

多多博彩也成功将其全国各地的电讯网络由模拟服务线转移为数码服务线。该分阶段的转移计划于2008年12月展开，并于本财政年第一季度完成。

菲律宾

在检讨中的财政年度，菲律宾成功股份有限公司(“BPI”) (前称菲律宾百灵博彩股份有限公司)取得3.9%的收益成长，即由上一财政年度的14亿7千万比索增至15亿3千万比索，这可归功于其独资子公司菲律宾博彩管理公司(“PGMC”)缔造的更高收益。



菲律宾的博彩销售站。

然而，BPI的税前盈利却降低5.7%，即由去年的9亿3千6百60万比索减至8亿8千3百30万比索，主要是因为开销更高，以及比索对美元兑换率提升所造成的汇率亏损。

PGMC的收益增加3.9%至15亿3千万比索，主要可归功于在2009年8月推出EZ2游戏的第三次每日开彩及在2009年11月提高Lotto 6/42游戏的每周开彩次数，即每周两次增至每周三次。

然而，税前盈利却降低5.5%至8亿7千9百50万比索，主要是因为更高的开销，以及比索对美元兑换率提升所造成的汇率亏损。

在检讨中的财政年度，PGMC添置了另外500台终端机，以支援菲律宾慈善大彩办事处(“PCSO”)的投注站扩充计划。截至检讨中的财政年底，吕宋岛的2,398间销售站已安装了2,854台终端机。在2010年1月，PGMC定购了另外500台终端机，其中250台已在2010年7月交货，其余的250台则将在2010年11月交货。

在2010年4月，PCSO推出Grand Lotto 6/55游戏以取代PowerLotto游戏。该新游戏的投注价格适宜，即每注至少20.00比索，最低保证奖金为3千万比索。自推出以来，其每周三次开彩缔造了更高的营业额。

美国

在检讨中的财政年度，国际博彩与赛马测彩系统有限公司(“ILTS”)呈报7百12万美元的收益，上一财政年度为6百51万美元。该公司的净亏损为57万美元，上一年的对比为87万美元亏损。

在彩票业务领域，ILTS在2009年12月与Natural Avenue Sdn. Bhd.达成一份新合约，供应全套在线彩票系统以取代于1996年安装于马来西亚砂拉越州古晋的ILTS系统。该协议的条件阐明，该公司将递交一套立即可使用的系统，包括中央系统软硬件设备，以及终端机，并提供一系列服务，包括安装，培训和技术支援。



菲律宾博彩开彩场所。

主席报告

在投票业务领域，ILTS的独资子公司及行销臂膀Unisyn Voting Solutions, Inc. 在2010年1月因其OpenElect®数码光学扫描选举系统成为第一家美国公司获得美国选举援助委员会(“EAC”)颁发美国2005自愿投选系统准则(“VVSG”)证书。OpenElect®是唯一内设Java于精简和加固Linux平台的数码扫描投票系统。Unisyn已采纳美国投票群众所要求的改变并设计了一项可审核，可测量，安全且具透明度的方案。Unisyn的OpenElect®产品足以全面革新公共和私人领域的选举管理方式，并可能为ILTS未来的业务成长和展望制造许多机会。

ILTS是一家安全电脑系统处理和器材的供应商，供应对象是政府批准的博彩与赛马机构，以及投票司法机构。

企业社会责任

在检讨中的年度，多多博彩继续推行一系列多元化的企业社会责任活动，体现本公司取之社会，用之社会的经营理念。

社群

多多博彩企业社会责任活动的重要一环是援助社会弱势和需要支援的群体，因为他们极需关注及帮助。在检讨中的年度，多多博彩通过多项活动向无数的弱势群体和需要援助的社群伸出援手。

一直以来，多多博彩不忘在佳节期间为不幸者带来欢乐，因为本公司相信佳节的温馨时刻应该人人共享，没有社会层次和背景之分。在这方面，已经举办了22年的“多多博彩华人新年慈善施赠贫老”理所当然成为本公司最有代表性的慈善活动。2010年1月，多多博彩在全国各地41个城镇向超过1万5千名贫老派发红包和礼包。

同样的，开斋节和屠妖节也有类似的佳节施赠活动。在斋戒月期间，多多博彩邀请了200名Yayasan Nur



在檳城举行的多多博彩华人新年慈善施赠贫老活动。

Salam, Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR)和Persatuan Anak-anak Yatim & Ibu Tunggal Kg. Medan的孤儿参与既有意义又充满乐趣的开斋聚会；屠妖节期间，多多博彩则把屠妖节礼物带到400名加影和新古毛需要援助的人士手中。

多多博彩慷慨捐助多家慈善机构和福利中心如千百家乐苑、全国妇女组织理事会、马来西亚肝脏基金会、白沙罗国际兰馨交流协会、马来西亚圣约翰救护队、马来西亚红新月会、马来西亚唐氏儿症协会、恩典社区服务和檳城马利安山癌症医院。

此外，多多博彩也参与“我爱马来西亚慈善徒步寻宝赛”以帮助雪兰莪及联邦直辖区痉挛儿童协会，并赞助“买冰淇淋给你慈善演唱会”，援助雪兰莪州八打灵再也的美嘉园残缺中心。

为了努力向大众灌输对弱势群体的关爱及个人社会责任，多多博彩推介“向原住民朋友出发”公众筹款运动。这项运动获得公众人士，尤其是本公司顾客的热烈响应。多多博彩用筹获的义款来帮助国内多个州属如彭亨州、霹靂州、砂拉越州和沙巴州的原住民社群，为他们建造一所学习中心、一所幼儿园，购买客货车、学校必需品和各种其他物品，协助他们改善生活素质。



多多博彩健身中心。



为RACTAR儿童之家及Kg. Medan孤儿与单亲妈妈之家举办的开斋晚宴。

主席报告

体育

顾名思义，本公司的英文名是“Sports Toto”，说明多多博彩与体育息息相关，毕竟本公司最初成立的宗旨乃是推广体育的发展。

本公司每年拨出巨款捐助国家体育理事会，更热心赞助由媒体伙伴、地方政府和体育组织推动的社区体育活动。这是本公司不遗余力推动体育发展的见证。

在检讨中的年度，多多博彩很荣幸能参与多个体育活动：森美兰半马拉松、怡保国际赛跑、槟城大桥国际马拉松、吉隆坡一马兰马拉松、联邦直辖区日竞跑、梳邦再也市议会壁球公开赛、《太阳报》汽车寻宝活动、狮子会慈善汽车寻宝活动、古晋市长杯篮球锦标赛、森美兰皇家7人组橄榄球锦标赛、多多博彩杯赛马锦标赛，以及由国家体育理事会主催的英式篮球、游泳和胳膊角力比赛。

特别值得一提的是，多年合作让多多博彩和上述多个体育活动建立了友好关系，这些活动甚至成了多多博彩致力履行企业社会责任的年度项目。

文娱

为了满足人们热爱文娱活动的需求，多多博彩荣誉呈献好几项广受欢迎的文娱活动，如配合中秋节举办的“八度空间嘉年华”；吸引许多歌唱爱好者和娱乐无数观众的“怀念传奇人物一张国荣和梅艳芳全国歌唱大赛”；年终倒数音乐盛会“十分红演唱会”及在国内多个地方举行的好歌动感音乐会巡回表演，为当地增添文娱气息。

在文化传承方面，多多博彩一如既往，支持在砂拉越呈献的一系列精彩表演如舞狮，武术和功夫的南洋武术节。此外，槟城的舞大旗游行，砂拉越的古晋节和巴达旺节都是多多博彩常年赞助的文化活动。



环保

城市发展蓬勃已渐渐影响吉隆坡的空气素质。为了响应日益增加的环保意识，多多博彩与马来西亚奥运理事会和吉隆坡市政局携手推行一项住宅区植树项目，在吉隆坡5个住宅区种植300棵树木，绿化住宅区，美化环境。多多博彩在蕉赖马鲁里花园举行这个项目的推介礼，并趁机为当地居民带来欢乐洋溢的一天。当天呈献的节目有韵律操、迷你体育指导班、园艺技巧以及乐趣无穷的有奖游戏。

另一方面，多多博彩也参与一项种植超过1万2千棵树的绿化运动。这项运动是由吉隆坡市政局举办的。

与集团配合及协作

除了公司的活动，多多博彩也支持本集团主催，成功爱心基金会 (BCF) 推动的企业社会责任计划。在检讨中的年度，它为本集团作出的其中一项极为重要的贡献——在吉隆坡的成功时代广场设立多多博彩健身中心。2010年3月8日，该中心正式开幕，旨在职场发扬健康的生活方式及促进雇员的安康。



在怡保举行的好歌动感音乐会。



赞助2010年吉隆坡-马兰204公里马拉松赛跑。

主席报告

此外，本公司也发起一项通过多多博彩投注站筹款的公众乐捐运动，筹获大约7万3千令吉款项，并转交至BCF发起的阅读计划。该基金会为4间儿童院，即在Harvest Centre、Gurpuri Foundation、Rumah Amal Belaian Kasih和EduCare Centre设立了迷你图书馆和阅读角落。这项阅读计划也为EduCare Centre, Harvest Centre, Rumah Titian Kasih, 千百家乐苑和Yayasan Salam的弱势儿童举办多场趣味讲故事和手工艺术活动。此外，多多博彩也支持本集团定期亲善访问老人院和孤儿院。

展望未来，多多博彩希望继续呈献多样化的企业社会责任活动，以竭尽所能惠及社会多阶层人士、接触群体。

在菲律宾的企业社会责任

菲律宾博彩管理公司（PGMC）一向来支持菲律宾旅游局为该景观、丰富的传统和文化所做的宣传。通过于2010年2月推行的Fiestang Pinoy计划，PGMC与地方议会配合及支持全国各地的区域节庆并为这些庆祝活动提供物资方面的支助。

未来展望

在国内需求继续扩增和国外需求更强劲的推动下，马来西亚在2010年首半年取得强劲的9.5%经济成长。在国内需求，尤其是私人领域开销提升和国外需求增长下，2010年的实际国内生产总值成长率预料将是至少6%。

在这情况下，多多博彩将继续采取各种策略以应对顾客需求的不断改变。而在2010年3月推出，并提供888万8888令吉的保证最低积宝奖金的好运多多六合彩(Supreme Toto 6/58)积宝游戏，预料可为收益作出积极贡献。

在菲律宾，PGMC将继续与菲律宾慈善大彩办事处(PCSO)密切合作以促销于2010年4月推出的Grand Lotto 6/55游戏及预定将在本财政年度推出的其他新游戏。PCSO也计划推介通过短讯服务(SMS)平台所提供的短讯投注服务。PGMC相信Grand Lotto 6/55和各种新游戏，加上已策划的额外投注管道，将可贡献更高的收益，进一步改善其业绩。



在没有任何不可预见的状况下，考虑到于2010年3月推出的好运多多六合彩(Supreme Toto 6/58)新游戏，董事会认为本集团在截至2011年4月30日财政年将取得令人满意的营业表现。

感谢

我谨代表董事部，向所有员工和管理层团队不遗余力的贡献和全力以赴的精神表示无比感激。我们由衷感谢所有尊贵的股东，顾客，合作商家，融资机构，分析员，媒体和政府机构给予本公司的鼎力支持及信心。

对于诸位董事部同仁，我也在此感谢他们的指导和积极参与，并期望他们继续给予支持和辅助。

丹斯里拿督汤耀鸿
主席

2010年9月1日



1

1 Needy senior citizens receiving angpow and goody bags from the then Deputy Minister of Finance, YB Dato' Wira Chor Chee Heung accompanied by Dato' Robin Tan, Mr Vincent Seow and Ms Nerine Tan.



2

2 Sports Toto Angpow Donation Campaign 2010.

3 Launching of Sports Toto Fitness Centre by YB Dato' Wira Chor Chee Heung.

4 SuperStars Jacky Cheung & Sammi Cheng singing competition.

5 *Loving Malaysia Charity Walk Hunt* in aid of Spastic Children's Association of Selangor and Federal Territory.

6 Chingay Parade in Penang.



3



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2

1 Contribution to Orang Asli Education Centre, Raub, Pahang.

2 Ice-cream 4U Charity Concert.

3 MIC Deputy President and Hulu Selangor division Chairman Dato' G. Palanivel distributing Sports Toto Deepavali gifts to needy folks in Kuala Kubu Bharu.

4 Contribution to Nanyang Wushu Federation of Sarawak.

5 Donation of bicycles to underprivileged children in Sitiawan, Perak.

6 Jolin Tsai's Flower Butterfly Promotional Tour.



3



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6



7

7 Tree planting project in collaboration with the Olympic Council of Malaysia and Dewan Bandaraya Kuala Lumpur.



8

8 Star Live Concert 2009.



9

9 Sponsoring the Selangor Turf Club International Racing Carnival.



10 Sponsoring The Sun Motor Hunt 2009.

11 Bringing cheer to children at the paediatric ward of Sg. Buloh Hospital.

12 Breaking of fast with children of Yayasan Nur Salam.



10



11



12

Group Financial Summary

Description	2010 US\$'000	2010 RM'000	2009 RM'000	2008 RM'000
Revenue	1,063,744	3,392,810	3,695,686	3,277,797
Profit Before Tax	171,873	548,188	585,544	502,627
Profit For The Year	121,799	388,478	422,016	358,749
Minority Interests	(1,559)	(4,974)	(8,462)	(10,086)
Profit Attributable To Equity Holders Of The Company	120,240	383,504	413,554	348,663
Share Capital	42,359	135,103	135,103	135,103
Share Premium	–	–	207,431	207,431
8% Irredeemable Convertible Unsecured Loan Stocks 2002/2012 (“ICULS”) – Equity Component	–	–	–	–
Reserves	116,543	371,715	546,512	394,241
Equity Funds	158,902	506,818	889,046	736,775
Treasury Shares	(17,978)	(57,341)	(406,099)	(406,099)
Premium Over ICULS Bought Back	–	–	–	–
Net Equity Funds	140,924	449,477	482,947	330,676
Minority Interests	4,726	15,074	15,959	23,244
Total Equity	145,650	464,551	498,906	353,920
Other Long Term Liabilities	440	1,402	1,308	1,004
Borrowings	95,626	305,000	124,247	262,686
Deferred Liabilities/Income	12,012	38,313	37,147	34,992
Deferred Tax Liabilities	668	2,129	1,710	2,473
ICULS – Liability Component	–	–	–	–
Current Liabilities	131,741	420,189	451,156	369,113
Total Equity And Liabilities	386,137	1,231,584	1,114,474	1,024,188
Property, Plant & Equipment	29,470	93,996	98,362	94,910
Intangible Assets	201,908	643,986	618,358	618,425
Investments	31,642	100,921	86,534	86,779
Prepaid Land Lease Payments	836	2,667	2,705	2,743
Deferred Tax Assets	3,033	9,674	5,214	858
Long Term Receivable	–	–	–	–
Current Assets	119,248	380,340	303,301	220,473
Total Assets	386,137	1,231,584	1,114,474	1,024,188
Net Assets Per Share (Cents/Sen)	10.54	33.61	38.45	26.33
Net Earnings Per Share (Cents/Sen)	9.10	29.02	32.93	27.60
Gross Dividend Rate Per Share (Cents/Sen)	18	57.5*	29	35
Net Dividend Amount (US\$'000/RM'000)	228,548	728,954 [^]	316,669	325,974

Notes:

Where additional shares are issued, the earnings per share are calculated on weighted average number of shares.

Exchange rate: US\$1.00: RM3.1895

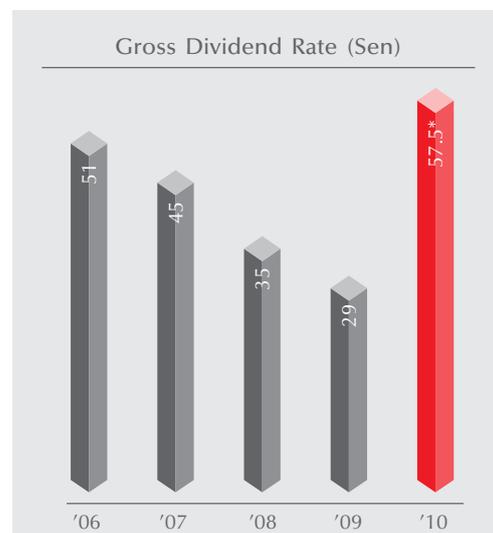
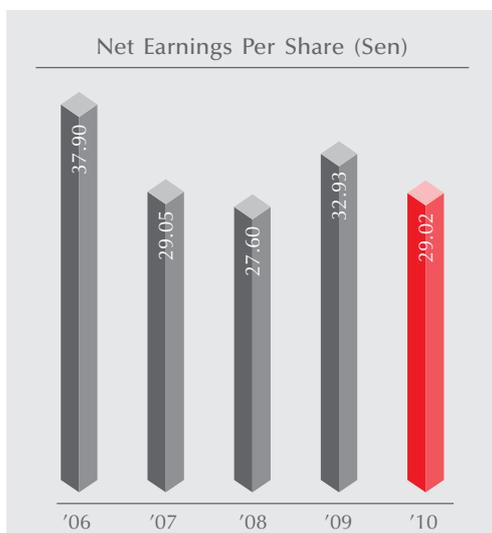
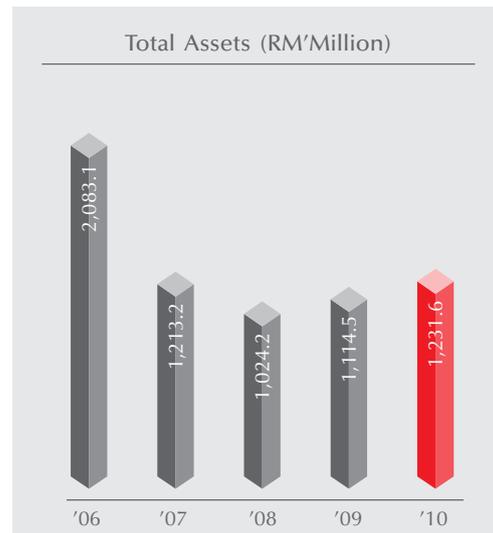
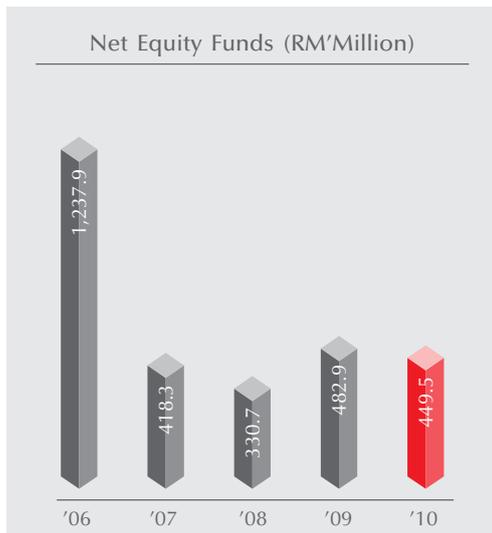
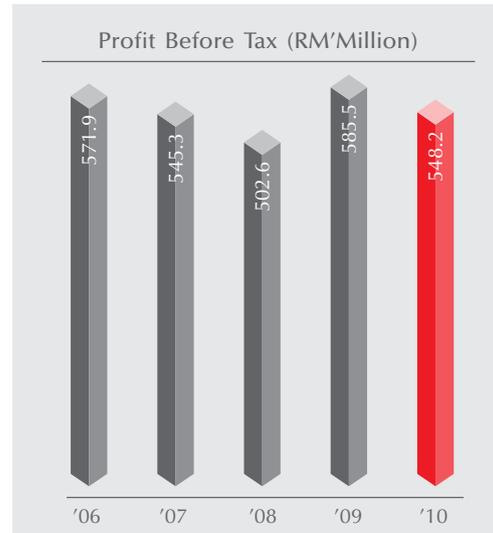
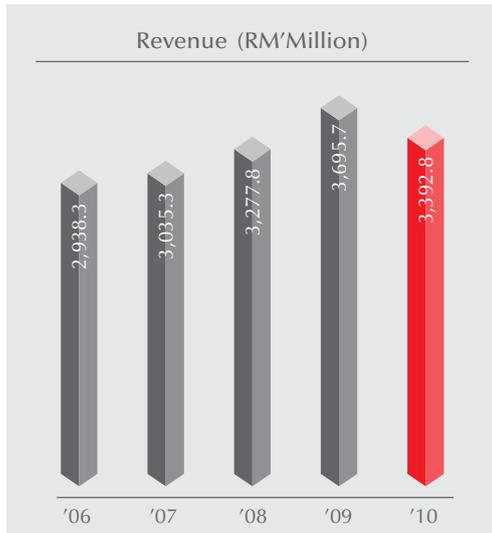
* This figure includes a share dividend of 30.5 sen per share.

[^] The net dividend amount includes share dividend based on treasury shares book cost of RM383.314 million.

This figure includes a special dividend of 170 sen per share.

2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000
3,035,288	2,938,322	2,670,206	2,477,296	2,205,646	2,294,343	2,333,339
545,332	571,914	487,497	437,989	393,583	426,235	400,858
382,526	467,314	329,463	297,232	261,842	292,670	272,595
(6,839)	(2,789)	(1,307)	(159,193)	(4,340)	10,830	11,039
375,687	464,525	328,156	138,039	257,502	303,500	283,634
135,103	675,515	1,212,105	1,037,588	801,315	584,878	575,758
207,431	336,904	296,411	261,607	192,817	144,180	97,731
–	–	52,296	133,134	240,702	–	–
356,990	463,891	443,458	366,719	579,248	1,224,696	1,021,525
699,524	1,476,310	2,004,270	1,799,048	1,814,082	1,953,754	1,695,014
(281,239)	(238,427)	(373,568)	(215,258)	(206,089)	(162,993)	(96,358)
–	–	(57,355)	(57,355)	(35,348)	–	–
418,285	1,237,883	1,573,347	1,526,435	1,572,645	1,790,761	1,598,656
10,179	10,306	7,429	8,485	(155,116)	(152,585)	(136,994)
428,464	1,248,189	1,580,776	1,534,920	1,417,529	1,638,176	1,461,662
774	895	2,223	1,858	1,816	475	365
360,000	472,500	–	–	–	–	–
46,639	33,784	32,364	31,528	31,117	30,903	32,278
3,400	2,378	17,059	11,889	7,488	3,652	4,721
–	–	18,394	116,865	248,966	–	–
373,958	325,332	229,399	423,173	349,292	419,193	485,165
1,213,235	2,083,078	1,880,215	2,120,233	2,056,208	2,092,399	1,984,191
92,132	72,224	72,777	79,453	115,086	123,732	113,937
617,810	607,995	609,422	619,768	612,801	642,141	644,546
81,427	67,542	71,882	85,250	14,719	19,894	19,841
–	–	–	–	–	–	–
1,468	969	407	243	159	–	–
–	–	3,393	3,504	–	–	–
420,398	1,334,348	1,122,334	1,332,015	1,313,443	1,306,632	1,205,867
1,213,235	2,083,078	1,880,215	2,120,233	2,056,208	2,092,399	1,984,191
32.66	95.6	134.2	139.3	173.8	320.6	286.6
29.05	37.9	32.6	16.3	39.9	54.5	50.1
45	51	45	28	208 [#]	50	28
421,079	467,360	343,365	193,342	958,623	199,972	112,869

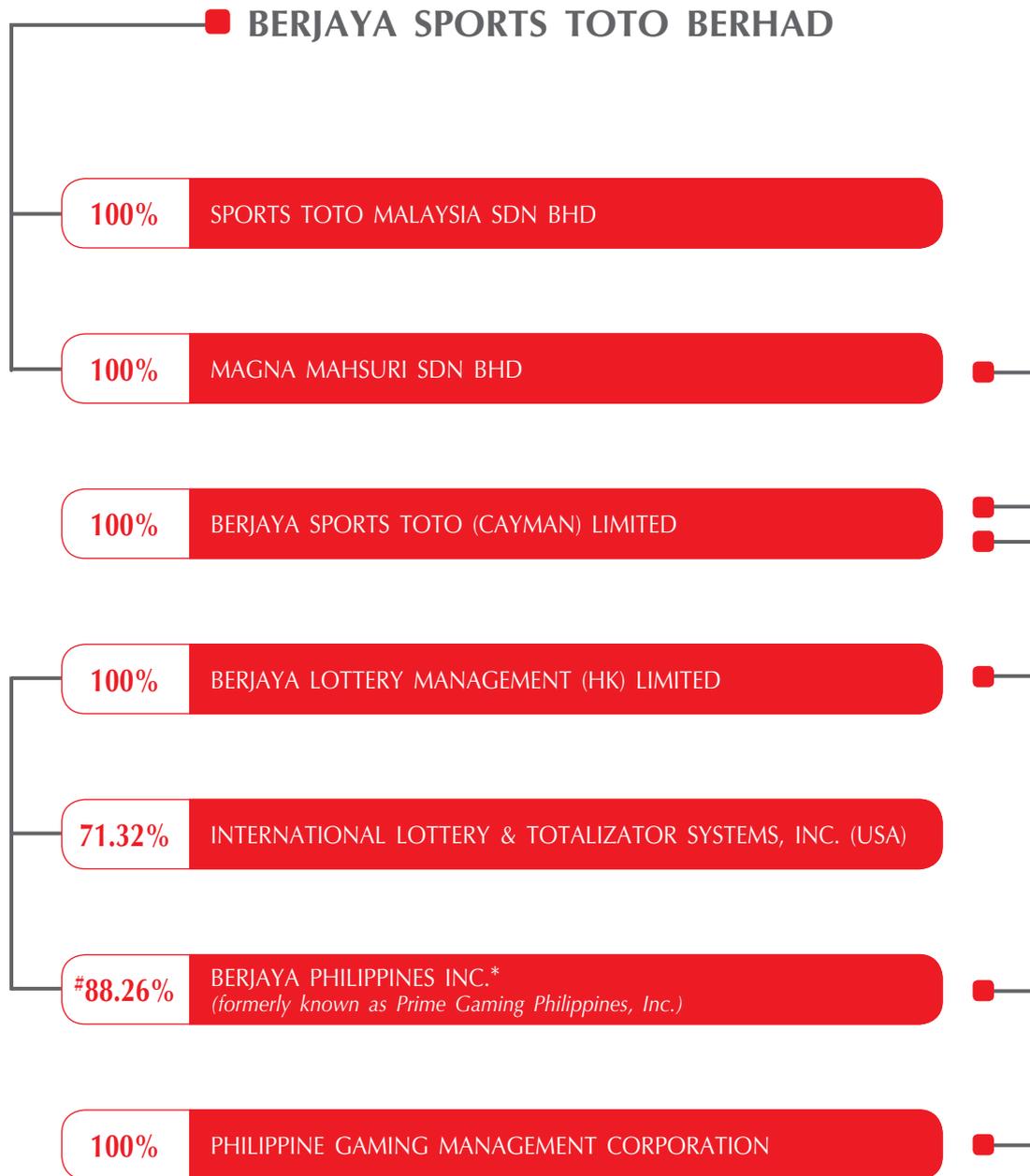
Group Financial Highlights



* This includes a share dividend of 30.5 sen per share.

Corporate Structure

of main operating companies as at 24 August 2010



* Listed company
Combined Interest

Audit Committee Report

The Board of Directors of Berjaya Sports Toto Berhad is pleased to present the report of the Audit Committee for the financial year ended 30 April 2010.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprises the following:-

Tan Sri Dato' Thong Yaw Hong

– Chairman/Independent/Non-Executive Director (appointed on 2 September 2009)

Mohamed Saleh Bin Gomu

– Independent/Non-Executive Director

Datuk Robert Yong Kuen Loke

– Independent/Non-Executive Director #

Redesignated from Non-Independent Non-Executive Director to Independent Non-Executive Director with effect from 1 December 2009.

The Audit Committee held five (5) meetings during the financial year ended 30 April 2010. The details of attendance of the Audit Committee members are as follows:-

Name	Attendance
Tan Sri Dato' Thong Yaw Hong (appointed on 2 September 2009)	3/3*
Mohamed Saleh Bin Gomu	5/5
Datuk Robert Yong Kuen Loke	5/5

* Reflects the attendance and the number of meetings held during the period the Audit Committee member held office.

The Senior Manager of Internal Audit of Sports Toto Malaysia Sdn Bhd and the Head of Group Accounts and Budgets were also invited to attend the audit committee meetings. The external auditors were also invited to attend two of these meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 April 2010, the activities undertaken by the Audit Committee included the following:-

1. Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;
2. Reviewed the external auditors' scope of work and audit plan for the year;
3. Reviewed and discussed the external auditors' audit report and areas of concern in the management letter thereof;
4. Assessed the adequacy and effectiveness of the system of internal control and accounting control procedures and the weaknesses of the Group's major subsidiary by reviewing the various internal audit reports and management's responses thereto and ensuring significant findings are adequately addressed by management;
5. Reviewed the related party transactions and the shareholders' circulars in relation to the recurrent related party transactions;
6. Reported to the Board on its activities and significant findings and results.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The primary function of Internal Audit Department is to assist the Audit Committee in discharging its duties and responsibilities. Their role is to provide the Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

The internal audit function was principally carried out by the Internal Audit Department of Sports Toto Malaysia Sdn Bhd ("STMSB"), the major subsidiary of the Group which is involved in the gaming operations.

During the financial year ended 30 April 2010, the Internal Audit Department of STMSB carried out various audit assignments on STMSB. The areas audited included branch audit of company's sales offices, audit of Head Office operating departments, IT audit and software testing of on-line gaming systems. Internal audit reports were issued to the Audit Committee and the STMSB management, incorporating audit recommendations and management's responses with regard to any audit findings on the weaknesses in the systems and controls of the operation. The Internal Audit Department also followed up with management on the implementation of the agreed audit recommendations.

The total cost incurred for the internal audit function of the Company for the financial year ended 30 April 2010 was approximately RM573,000.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Membership

The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, all of whom shall be non-executive Directors. The majority of the Committee Members shall be Independent Directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad ("BMSB").

A quorum shall consist of two members and a majority of the members present must be Independent Directors.

If a member of the audit committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Chairman

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

3. Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the audit committee and circulating them to the Committee members and to the other members of the Board of Directors.

4. Frequency of Meetings

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibilities of the Group's finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

Audit Committee Report

5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors, the internal auditors, or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

6. Duties

The duties of the Committee shall be:-

- a. To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;
- b. To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;
- c. To review the quarterly results and year end financial statements prior to the approval by the Board, focusing on:-
 - going concern assumption
 - compliance with applicable financial reporting standards and regulatory requirements
 - any changes in accounting policies and practices
 - significant issues arising from the audit
 - major judgemental areas
- d. To prepare Audit Committee Report at the end of each financial year;
- e. To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);
- f. To review the external auditors' management letter and management's response;
- g. To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- h. To do the following with regards to the internal audit function:-
 - review the adequacy of scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;
 - review internal audit programme;
 - ensure coordination of external audit with internal audit;
 - consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of the staff of the internal audit function;
 - approve any appointment or termination of senior staff member of the internal audit function;
 - inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation;
 - to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
 - to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;
- i. To carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and the Board of Directors from time to time;
- j. In compliance with Paragraph 15.16 of the Main Market Listing Requirements of BMSB ("Main Listing Requirements"), where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Listing Requirements, the Committee must promptly report such matter to BMSB.

Statement on Corporate Governance

The Board of Directors (“Board”) of Berjaya Sports Toto Berhad (“the Company”) is committed to ensure an appropriate and sound system of corporate governance is being practised throughout the Group by supporting and implementing the prescribed principles and best practices set out in the Malaysian Code of Corporate Governance (“the Code”).

The Board is pleased to provide the following statement which outlined how the Group had applied the principles laid down in the Code during the financial year ended 30 April 2010.

A. DIRECTORS

i. The Board

The Board of Directors of the Company is primarily responsible for the strategic direction of the Group.

The Board meets regularly on a quarterly basis with additional meetings being convened as necessary. For the financial year ended 30 April 2010, the Board met six (6) times. The record of attendance for the Directors who held office as at the end of the financial year is set out below:-

Directors	Attendance
Tan Sri Dato’ Thong Yaw Hong ##	6/6
Dato’ Robin Tan Yeong Ching	6/6
Chan Kien Sing	6/6
Freddie Pang Hock Cheng	6/6
Rayvin Tan Yeong Sheik	4/6
Seow Swee Pin	6/6
Tan Sri Dato’ Tan Chee Sing	5/6
Mohamed Saleh Bin Gomu ##	6/6
Datuk Robert Yong Kuen Loke #	6/6

Redesignated from Non-Independent Non-Executive Director to Independent Non-Executive Director with effect from 1 December 2009.

Denotes Independent Non-Executive Directors

In the intervals between Board meetings, any matter requiring urgent Board decisions or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

ii. Board Balance

There are presently nine (9) Board members in Berjaya Sports Toto Berhad comprising:-

- The Chairman (who is Independent Non-Executive)
- The Chief Executive Officer
- Four Executive Directors
- One Non-Independent Non-Executive Director
- Two Independent Non-Executive Directors

The qualifications and experience of each of the Director are set out in the Directors’ profile on pages 3 to 8 of the Annual Report.

Statement on Corporate Governance

The Board is satisfied with its current composition which comprises a balanced mix of skills, knowledge and experience in the business, professional and management fields and which are relevant to enable the Board to carry out its responsibilities in an effective and competent manner.

There is a clearly accepted division of responsibilities between the Chairman and Chief Executive Officer to ensure a balance of power and authority.

The Chairman is responsible for ensuring Board effectiveness and standards of conduct. He has authority over the agenda for each Board meeting to ensure that all Directors are provided with relevant information on a timely basis. The general agenda may include minutes of previous meetings of the Board and its sub-committees, quarterly financial results of the Group, issues requiring the Board's deliberation and approval, reports or briefings on operational and financial issues of major subsidiaries and other ad-hoc reportings.

The Chief Executive Officer has overall responsibility for the Group's business operations, organisational effectiveness and the implementation of Board policies and decisions.

Tan Sri Dato' Thong Yaw Hong has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

iii. Supply of Information

All Directors have full and timely access to information concerning the Company and the Group. The Board papers and reports which includes the Group's performance and major operational, financial and corporate information are distributed to the Directors in sufficient time prior to Board Meetings to enable Directors to obtain further clarifications and/or explanations, where necessary, in order to be properly briefed before the meeting.

All Directors have access to the advice and services of the Company Secretary and the senior Management staff in the Group. They may also obtain independent professional advice at the Company's expense in furtherance of their duties.

iv. Appointments to the Board

The Nomination Committee currently comprises the following members:-

Tan Sri Dato' Thong Yaw Hong	- <i>Chairman/Senior Independent Director</i>
Mohamed Saleh Bin Gomu	- <i>Independent/Non-Executive</i>
Datuk Robert Yong Kuen Loke	- <i>Independent/Non-Executive</i>

The Nomination Committee is responsible amongst others, for reviewing the Board composition and making recommendations to the Board for appointments of new Directors by evaluating and assessing the suitability of candidates as Board member or Board Committee member. In making these recommendations, due consideration is given to the required mix of skills, knowledge, expertise and experience, professionalism and integrity that the proposed Directors shall bring to the Board.

v. Directors' Training

All the Directors have attended the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

The Directors are mindful that they should continually attend seminars and courses to keep abreast with the latest economic and corporate developments as well as new regulations and statutory requirements.

The Directors are also encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

Statement on Corporate Governance

During the financial year, the Directors had attended various training programmes and seminars, details of which are as follows:-

Director	Title of Programmes/Seminars/Courses/Forum
Tan Sri Dato' Thong Yaw Hong	<ul style="list-style-type: none"> - The 13th Malaysian Banking Summit: "Riding Out the Global Financial Crisis – Banking Reforms & Revival" - Tun Ismail Ali Chair: A Public Lecture on Comparison of the Financial Crisis: Japan and Asia in 1997 – 1998 vs US 2008-2009 - Dialogue with Dato' Mohd Razif, Deputy Governor, BNM on "Islamic Banking – The Way Forward" - Seminar Entitled "Masterclass for Islamic Banks' Board of Directors" - FIDE Programme: Talk by Professor James Sebenius on "3D-Negotiation: A Strategic Tool for Board and Senior Executives" - Forum on FRS 139 Financial Instruments: Recognition & Measurement entitled "The Challenges of Implementing FRS 139" - Seminar on "Cut Costs, Grow Stronger" - FIDE "Townhall Session with BNM" - FIDE – Focus Group for Nomination Committee/Remuneration Committee Programme - Financial Industry Conference 2009 - FIDE "Banking Insights" by Professor Nabil N. El-Hage, Harvard Business School - Talk on "Managing Risks on Mortgage Financing" - Audit Committee Institute Roundtable Discussion titled Going Forward: Risk & Reform – Implications for Audit Committee Oversight
Dato' Robin Tan Yeong Ching	<ul style="list-style-type: none"> - High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance - Seminar on Non-Financial Institutions – Financial Instruments: Recognition, Measurement, Presentation and Disclosure - The Launch of The Malaysia-Europe Forum (MEF) & The Inaugural MEF-European Union (EU) Kuala Lumpur Roundtable
Freddie Pang Hock Cheng	<ul style="list-style-type: none"> - High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance - Incentive & equity based Compensation Design Issues organised by Singapore Institute of Directors and SGX - Governance Expectation of International Fund Managers organised by Bursa Malaysia Securities Berhad
Chan Kien Sing	<ul style="list-style-type: none"> - High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance - Asia Intelligence Update - Corporate Governance Guide – Towards Boardroom Excellence - Judging Instructions for Malaysia Effie Awards 2009 - Seminar on Non-Financial Institutions – Financial Instruments: Recognition, Measurement, Presentation and Disclosure - Seminar on Goods and Services Tax

Statement on Corporate Governance

Director	Title of Programmes/Seminars/Courses/Forum
Seow Swee Pin	<ul style="list-style-type: none">– High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance– Corporate Governance Guide – Towards Boardroom Excellence– Asia Pacific Lotteries Association – Regional Conference 2009, Auckland
Mohamed Saleh Bin Gomu	<ul style="list-style-type: none">– Bursa Malaysia’s Evening Talk on Corporate Governance
Datuk Robert Yong Kuen Loke	<ul style="list-style-type: none">– Malaysian Institute of Certified Public Accountants – Bursa Business Forum– Corporate Governance Guide – Towards Boardroom Excellence
Tan Sri Dato’ Tan Chee Sing	} Tan Sri Dato’ Tan Chee Sing and Rayvin Tan Yeong Sheik were briefed by management on the business operations of the Group during the financial year ended 30 April 2010 and they also kept themselves abreast with the latest developments on the various economic and business issues in the country and around the world through their extensive networking and the relevant reading material.
Rayvin Tan Yeong Sheik	

vi. Re-election of Directors

Any Director appointed during the year is required under the Company’s Articles of Association, to retire and seek election by shareholders at the following Annual General Meeting (“AGM”) immediately after their appointment. The Articles also requires that one-third of the Directors including the Managing Director, if any, to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election once every three years.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director who is over seventy (70) years of age must retire at the AGM of the Company and may offer himself for re-appointment to hold office until the next AGM.

B. DIRECTORS’ REMUNERATION

i. Remuneration Committee

The Remuneration Committee currently comprises the following members:-

Tan Sri Dato’ Thong Yaw Hong	– <i>Chairman/Independent Non-Executive</i>
Dato’ Robin Tan Yeong Ching	– <i>Non-Independent/Executive</i>
Mohamed Saleh Bin Gomu	– <i>Independent/Non-Executive</i>

The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on all elements of the remuneration package of the Executive Directors. The determination of remuneration packages of non-executive Directors, including the non-executive Chairman, is a matter for the Board as a whole with the Directors concerned abstaining from deliberation and voting on decision in respect of his individual remuneration.

The fees payable to the Directors will be recommended by the Board for approval by shareholders at the AGM.

Statement on Corporate Governance

ii. Details of the Directors' Remuneration

The aggregate Directors' remuneration paid or payable to the Directors in office at the end of the financial year by the Company and the Group categorised into appropriate components for the financial year ended 30 April 2010 are as follows:-

	Executive	Non-Executive	Total
	← RM'000 →		
Fees	11	109	120
Benefits-in-kind	113	14	127
Salaries and other emoluments	5,079	3,286	8,365
Bonus	1,041	10	1,051
	6,244	3,419	9,663

The number of Directors of the Company in office at the end of the financial year and whose total remuneration from the Group falling within the respective band are as follows:-

	Number of Directors	
	Executive	Non-Executive
RM1 – RM50,000	–	1
RM150,001 – RM200,000	–	1
RM350,001 – RM400,000	–	1
RM700,001 – RM750,000	1	–
RM950,001 – RM1,000,000	2	–
RM1,400,001 – RM1,450,000	1	–
RM2,000,001 – RM2,500,000	1	–
RM2,500,001 – RM3,000,000	–	1
	5	4

C. RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of regular and timely dissemination of information to shareholders and investors of the Company via annual report and financial statements, circulars to shareholders, quarterly financial reports and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operations.

The Group maintains a website at www.berjaya.com where shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the Bursa Securities' website at www.bursamalaysia.com.

The Chief Executive Officer, Executive Directors and senior Management have periodical dialogues and briefings with existing and prospective investors and the analysts to enhance understanding of the Group's objectives and provide insight on the latest developments in the Group.

The AGM also provides an opportunity for the shareholders to seek and clarify any issues relevant to the Company. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

Statement on Corporate Governance

D. ACCOUNTABILITY AND AUDIT

i. Financial Reporting

The Directors aim to provide a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual report and quarterly financial statements.

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

ii. Statement of Directors' Responsibility in respect of the Financial Statements

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:-

- a. select suitable accounting policies and then apply them consistently;
- b. state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- c. make judgements and estimates that are reasonable and prudent; and
- d. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which will enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

iii. Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A statement on Internal Control of the Group is set out on Page 37 and Page 38 of the Annual Report.

iv. Relationship with the auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Group's auditors, both internal and external. From time to time, the auditors highlight to the Audit Committee and the Board on matters that require the Board's attention.

In addition, the external auditors were invited to attend the Company's AGM in order to address clarifications sought pertaining to the Audited Financial Statements by shareholders.

E. COMPLIANCE WITH THE CODE

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code during the financial year ended 30 April 2010.

Statement on Internal Control

The Board of Directors of Berjaya Sports Toto Berhad (“BTOTO” or “the Group”) recognises that it is responsible for the Group’s system of internal control and for reviewing its adequacy and integrity. Notwithstanding that, in view of the limitations that are inherent in any system of internal control, the Group’s system can only provide reasonable but not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Board’s primary objective and direction in managing the Group’s principal business risks are to enhance the Group’s ability to achieve its business objectives. In order to achieve these objectives, the Board has identified, evaluated and managed the significant risks being faced by the Group by monitoring the Group’s performance and profitability at its Board meetings. The management of the Group as a whole is assigned to the Executive Directors.

A Risk Management Committee (“RMC”) has been established by the Company with the intention to further enhance the Group’s system of internal control and be in line with the Malaysian Code of Corporate Governance. The RMC together with the audit committee are entrusted to ensure more effective and efficient identification, evaluation, management and reporting of the Group’s risks. During the financial year ended 30 April 2010, the RMC held 4 meetings to review the reports tabled by the Risk Management Working Committee (“RMWC”) consisting of all heads of departments of the principal subsidiary company. The RMC had evaluated and monitored the progress of any risk factors and internal control matters relating to the operations raised by the RMWC. The current members of the RMC are Tan Sri Dato’ Thong Yaw Hong (Chairman), Mohamed Saleh bin Gomu, Datuk Robert Yong Kuen Loke and Seow Swee Pin.

The RMC terms of reference include, inter alia:

- To determine the overall risk management processes;
- To establish effectiveness of risk management process;
- To ensure that the strategic context of the risk management strategy is complete;
- To ensure that risk management processes are integrated into all core business processes;
- To establish risk reporting mechanism;
- To establish business benefits;
- To ensure that the short and long term risk management strategy, framework and methodology are implemented and consistently applied by all business units;
- To ensure alignment and coordination of assurance activity across the organization; and
- To act as steering committee for the group wide risk management programme.

The Board has assigned the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group’s system of internal control. The Audit Committee receives assurance reports from the internal auditors on findings from their visits to the operating units, as well as from the external auditors on areas for improvement identified during the course of their statutory audit. The Board reviews the minutes of the Audit Committee’s meetings. The Report of the Audit Committee is set out on pages 28 to 30 of the Annual Report.

The various scheduled management meetings and the review of financial and operations reports coupled with the ‘close to operations’ policy being practised by the Executive Directors and management provide the platform for timely identification of the Group’s risks and systems to manage those risks. The Executive Directors update the Board on any significant matters which require the latter’s attention.

Statement on Internal Control

The management of the Group's individual operating units is assigned to local management who are accountable for the conduct and performance of their businesses within the agreed business strategy. At Sports Toto Malaysia Sdn Bhd, the Group's principal subsidiary company, operations are divided into regions and areas due to dispersed locations of agents' outlets. Regional and area offices are staffed by experienced personnel to ensure that the operations of the outlets are well controlled and in line with the operating procedures. Similarly, the overseas operations, namely Berjaya Philippines Inc. (formerly known as *Prime Gaming Philippines, Inc.*) group and International Lottery & Totalizator Systems, Inc. group are being managed by experienced personnel in their respective country offices. Regular reporting on performance of their businesses are provided to the Executive Directors of BTOTO who are assigned to manage the respective overseas operations. In addition, the Executive Directors in charge also made field visits to these overseas operations as well as to conduct periodic performance review meetings with the management personnel, thus ensuring the business plans and targets are met.

BTOTO's system of internal control comprise the following key features:

- Clear organisation structure with defined reporting lines;
- Capable workforce with clear job descriptions, and continuous training efforts;
- Monitoring mechanisms in the form of financial and operations reports, and scheduled management meetings;
- Formal employee appraisal system which enables appraisal of employees and rewarding employees based on performance;
- Formal operating and draw procedures which set out the expected standards for its operations;
- Surprise checks on agents to ensure compliance with the Group's policies and procedures;
- Physical security and systems access controls;
- Independent assurance on the system of internal control from regular internal audit visits;
- Business continuity planning; and
- Succession planning to ensure that key positions in the Group are always being held by capable employees who are well aware of the Group's risks, and operating policies and procedures.

The Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board, in striving for continuous improvement will put in place appropriate actions plans, when necessary, to further enhance the Group's system of internal control.



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Directors' Report

For the year ended 30 April 2010

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies.

The principal activities of the Group are:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- leasing of on-line lottery equipment;
- manufacture and distribution of computerised lottery and voting systems;
- property investment and development;
- operation of health and fitness centre;
- investment holding.

Details of the subsidiaries are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of the above principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	388,478	691,235
Attributable to:		
Equity holders of the Company	383,504	691,235
Minority interests	4,974	–
	388,478	691,235

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

In the opinion of the Directors, the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature of the Company other than as disclosed in Notes 30 and 42(b) to the financial statements.

Directors' Report

For the year ended 30 April 2010 (Cont'd.)

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2009 were as follows:

RM'000

In respect of the financial year ended 30 April 2009 as reported
in the Directors' Report of that year:

Fourth interim tax exempt dividend of 11 sen per share
on 1,256,000,000 ordinary shares with voting rights, paid on 27 July 2009

138,160

In respect of the financial year ended 30 April 2010:

First interim dividend of 19 sen per share comprising 9 sen
tax exempt dividend, and 10 sen single tier exempt dividend on
1,256,000,000 ordinary shares with voting rights, paid on 27 July 2009

238,640

376,800

A share dividend via distribution of 89,698,140 treasury shares
on the basis of one treasury share for every fourteen
existing ordinary shares held, distributed on 27 July 2009

383,314

The Directors declared and approved on 18 June 2010:

A second interim single tier exempt dividend of 8 sen per share
on 1,337,500,000 ordinary shares with voting rights, paid on
16 July 2010 in respect of financial year ended 30 April 2010

107,000*

* The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2011.

The Directors do not recommend any payment of final dividend in respect of the current financial year.

DIRECTORS

The Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Thong Yaw Hong
Dato' Robin Tan Yeong Ching
Seow Swee Pin
Chan Kien Sing
Freddie Pang Hock Cheng
Rayvin Tan Yeong Sheik
Tan Sri Dato' Tan Chee Sing
Datuk Robert Yong Kuen Loke
Mohamed Saleh Bin Gomu
Tan Sri Dato' Jaffar Bin Abdul (Demised on 1 September 2009)

Directors' Report

For the year ended 30 April 2010 (Cont'd.)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as disclosed in Note 39 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and debentures in the Company and its related corporations during the financial year were as follows:

The Company Berjaya Sports Toto Berhad

	Number of ordinary shares of RM0.10 each			
	At 1.5.09	Acquired	Disposed	At 30.4.10
Tan Sri Dato' Thong Yaw Hong	538,000	39,500	–	577,500
	200,000 *	17,500	–	217,500 *
	305,000 ^	22,856	–	327,856 ^
Dato' Robin Tan Yeong Ching	772,000	56,000	–	828,000
Rayvin Tan Yeong Sheik	150,500	14,500	–	165,000
Chan Kien Sing	3,200	228	–	3,428
Freddie Pang Hock Cheng	362,800	27,200	–	390,000
	150,062 ^	12,004	–	162,066 ^
Seow Swee Pin	40,000	3,500	–	43,500
	7,000 ^	500	–	7,500 ^
Datuk Robert Yong Kuen Loke	1,826,200	130,657	–	1,956,857
Tan Sri Dato' Tan Chee Sing	6,551,994	642,897	–	7,194,891
	671,700 ^	48,300	–	720,000 ^

Penultimate Holding Company Berjaya Land Berhad ("BLB")

	Number of ordinary shares of RM1.00 each			
	At 1.5.09	Acquired	Disposed	At 30.4.10
Tan Sri Dato' Thong Yaw Hong	43,750	–	–	43,750
	285,000 *	–	–	285,000 *
	96,250 ^	–	–	96,250 ^
Dato' Robin Tan Yeong Ching	150,000	–	–	150,000
Freddie Pang Hock Cheng	40,000	–	–	40,000
	1,000 ^	–	–	1,000 ^
Datuk Robert Yong Kuen Loke	90,000	–	–	90,000
Tan Sri Dato' Tan Chee Sing	725,521	–	–	725,521
	2,000,000 *	–	–	2,000,000 *

Directors' Report

For the year ended 30 April 2010 (Cont'd.)

DIRECTORS' INTERESTS (CONT'D.)

Ultimate Holding Company Berjaya Corporation Berhad ("BCorp")

	Number of ordinary shares of RM1.00 each			
	At 1.5.09	Acquired	Disposed	At 30.4.10
Tan Sri Dato' Thong Yaw Hong	156,794	–	–	156,794
	299,405 *	–	–	299,405 *
	25,000 ^	–	–	25,000 ^
Dato' Robin Tan Yeong Ching	722,847	–	–	722,847
	5,000 ^	–	–	5,000 ^
Rayvin Tan Yeong Sheik	2,000	314,000	–	316,000
Chan Kien Sing	20,000	27,688	–	47,688
Freddie Pang Hock Cheng	217,388	–	–	217,388
	143,300 ^	–	–	143,300 ^
Datuk Robert Yong Kuen Loke	1,774,548	–	754,000	1,020,548
Tan Sri Dato' Tan Chee Sing	50,889,800	6,862,891	–	57,752,691
	–	17,750,000	–	17,750,000 *
	678,350 ^	674,218	–	1,352,568 ^

	Number of RM0.50 nominal value of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015			
	At 1.5.09	Acquired	Converted	At 30.4.10
Rayvin Tan Yeong Sheik	6,666	272,000	278,666	–
Chan Kien Sing	55,376	–	55,376	–
Datuk Robert Yong Kuen Loke	741	–	–	741
Tan Sri Dato' Tan Chee Sing	13,445,784	–	13,445,784	–
	–	2,115,000	–	2,115,000 *
	1,348,437 ^	–	1,348,437	– ^

Related Company

Cosway Corporation Limited ("CCL") ##
(formerly known as Berjaya Holdings (HK) Limited)

	Number of ordinary shares of HKD0.20 each			
	At 8.12.09	Acquired	Disposed	At 30.4.10
Rayvin Tan Yeong Sheik	12,186,972	–	–	12,186,972

	In principal amount of 1.0%-3.5% Irredeemable Convertible Unsecured Loan Securities 2009/2019			
	At 8.12.09 HKD	Acquired HKD	Disposed HKD	At 30.4.10 HKD
Rayvin Tan Yeong Sheik	87,450,000	–	–	87,450,000

* Denotes indirect interests.

^ Denotes indirect interests held pursuant to Section 134(12)(c) of the Companies Act, 1965.

On 8 December 2009, CCL became a subsidiary of BCorp. Thus, the Company is deemed related to CCL.

Directors' Report

For the year ended 30 April 2010 (Cont'd.)

DIRECTORS' INTERESTS (CONT'D.)

Other than as disclosed above, according to the register of directors' shareholdings, none of the other Directors in office at the end of the financial year had any interest in shares and debentures in the Company or its related corporations during the financial year.

SHARE CAPITAL AND TREASURY SHARES

On 15 June 2009, the Company declared and approved a share dividend in respect of financial year ended 30 April 2010 via distribution of 89,698,140 treasury shares on basis of one treasury share for every fourteen existing ordinary shares held. The share dividend was distributed on 27 July 2009.

Subsequent to the share dividend distributed from treasury shares, the Company bought back 8,198,140 ordinary shares of RM0.10 each valued at RM34,556,000 at an average price of RM4.22 per share from the open market.

The number and carrying amounts of treasury shares as at 30 April were as follows:

	Number of shares		Carrying amounts	
	2010 '000	2009 '000	2010 RM'000	2009 RM'000
Balance as at 1 May	95,030	95,030	406,099	406,099
Distribution of share dividend	(89,698)	–	(383,314)	–
Increase in additional treasury shares during the year	8,198	–	34,556	–
Total treasury shares as at 30 April (Note 21)	13,530	95,030	57,341	406,099

As at 30 April 2010, the issued and paid up share capital of the Company with voting rights was 1,337,500,000 ordinary shares of RM0.10 each (2009 : 1,256,000,000 ordinary shares of RM0.10 each).

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- it necessary to write off any bad debts or the amount of the provision for doubtful debts in these financial statements of the Group and of the Company inadequate to any substantial extent; and
 - the values attributed to current assets in the financial statements of the Group and of the Company misleading.

Directors' Report

For the year ended 30 April 2010 (Cont'd.)

OTHER STATUTORY INFORMATION (CONT'D.)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 37 to the financial statements.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

The significant event after the financial year is as disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 July 2010

TAN SRI DATO' THONG YAW HONG

DATO' ROBIN TAN YEONG CHING

Statement By Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, TAN SRI DATO' THONG YAW HONG and DATO' ROBIN TAN YEONG CHING, being two of the Directors of BERJAYA SPORTS TOTO BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 49 to 111 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 July 2010

TAN SRI DATO' THONG YAW HONG

DATO' ROBIN TAN YEONG CHING

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, SEOW SWEE PIN, being the Director primarily responsible for the financial management of BERJAYA SPORTS TOTO BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 49 to 111 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
 SEOW SWEE PIN at Kuala Lumpur)
 in the Federal Territory on 28 July 2010)

SEOW SWEE PIN

Before me,

TEE WENG YEAN (W441)
Commissioner for Oaths
 Kuala Lumpur, Malaysia

Independent Auditors' Report

To the members of Berjaya Sports Toto Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Berjaya Sports Toto Berhad, which comprise the balance sheets as at 30 April 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 111.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.

Independent Auditors' Report

To the members of Berjaya Sports Toto Berhad (Incorporated in Malaysia) (Cont'd.)

Report on other legal and regulatory requirements (cont'd.)

- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG

AF : 0039

Chartered Accountants

Kuala Lumpur, Malaysia

28 July 2010

YAP SENG CHONG

No. 2190/12/11 (J)

Chartered Accountant

Balance Sheets

As at 30 April 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	93,996	98,362	5,429	6,377
Investment in subsidiary companies	4	–	–	1,192,847	723,516
Investment in associated companies	5	3,571	164	3,547	164
Long term investments	6	23,119	13,204	113	113
Investment properties	7	74,231	73,166	–	–
Prepaid land lease payments	8	2,667	2,705	–	–
Deferred tax assets	9	9,674	5,214	–	–
Intangible assets	10	643,986	618,358	–	–
		851,244	811,173	1,201,936	730,170
Current assets					
Inventories	11	8,476	7,471	–	–
Receivables	12	101,737	50,483	87,433	724
Tax recoverable		5,999	8,443	5,964	14,737
Amounts due from subsidiary companies	13	–	–	154,759	112,832
Short term investments	14	5,566	6,429	–	–
Deposits with financial institutions	15	214,339	197,694	18,926	28,540
Cash and bank balances		43,123	32,781	874	2,812
		379,240	303,301	267,956	159,645
Asset classified as held for sale	7	1,100	–	–	–
		380,340	303,301	267,956	159,645
TOTAL ASSETS		1,231,584	1,114,474	1,469,892	889,815

Balance Sheets

As at 30 April 2010 (Cont'd.)

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	16	135,103	135,103	135,103	135,103
Share premium	17	–	207,431	–	207,431
Capital reserve	18	21,327	21,327	–	–
Exchange reserve	19	6,111	11,729	–	–
Retained earnings	20	344,277	513,456	479,371	340,819
Equity funds		506,818	889,046	614,474	683,353
Treasury shares	21	(57,341)	(406,099)	(57,341)	(406,099)
Net equity funds		449,477	482,947	557,133	277,254
Minority interests		15,074	15,959	–	–
Total equity		464,551	498,906	557,133	277,254
Non-current liabilities					
Retirement benefit obligations	22	1,402	1,308	–	–
Borrowings	23	305,000	124,247	305,000	–
Other long term liabilities	24	38,313	37,147	–	–
Deferred tax liabilities	9	2,129	1,710	326	354
		346,844	164,412	305,326	354
Current liabilities					
Provisions	25	134	75	–	–
Payables	26	240,828	276,483	1,204	57,156
Amounts due to subsidiary companies	27	–	–	531,229	555,051
Borrowings	23	145,000	138,439	75,000	–
Tax payable		34,227	36,159	–	–
		420,189	451,156	607,433	612,207
TOTAL LIABILITIES		767,033	615,568	912,759	612,561
TOTAL EQUITY AND LIABILITIES		1,231,584	1,114,474	1,469,892	889,815

The accompanying notes form an integral part of these financial statements.

Income Statements

For the financial year ended 30 April 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	28	3,392,810	3,695,686	272,060	422,278
Cost of sales		(2,522,002)	(2,800,446)	–	–
GROSS PROFIT		870,808	895,240	272,060	422,278
Selling and distribution expenses		(133,728)	(121,161)	–	–
General and administrative expenses		(175,587)	(179,049)	(13,168)	(9,358)
PROFIT BEFORE OTHER INCOME AND EXPENSES	29	561,493	595,030	258,892	412,920
Investment related income	30	4,952	1,961	469,331	14,013
Investment related expenses	31	(40)	(3,606)	(7)	(304)
Other income	32	7,183	8,271	1,783	4,123
		573,588	601,656	729,999	430,752
Finance costs	33	(25,388)	(16,111)	(38,632)	(30,517)
Share of results of associated companies		(12)	(1)	–	–
PROFIT BEFORE TAX		548,188	585,544	691,367	400,235
Income tax expense	34	(159,710)	(163,528)	(132)	(31,485)
PROFIT FOR THE YEAR		388,478	422,016	691,235	368,750
ATTRIBUTABLE TO:					
Equity holders of the Company		383,504	413,554	691,235	368,750
Minority interests		4,974	8,462	–	–
		388,478	422,016	691,235	368,750
Earnings per share attributable to equity holders of the Company	35				
– Basic (sen)		29.02	32.93		
– Diluted (sen)		29.02	32.93		
NET DIVIDENDS PER SHARE (SEN)	36				
– First interim dividend				19.00	4.50
– Second interim dividend				8.00	5.25
– Third interim dividend				–	4.46
– Fourth interim dividend				–	11.00
– Share dividend				30.50	–

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 30 April 2010

Attributable to Equity Holders of the Parent

	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Capital reserve RM'000	Exchange reserve RM'000	Distributable	Total to holders of parent company RM'000	Minority interests RM'000	Total equity RM'000
						Retained earnings RM'000			
GROUP									
As at 1 May 2008	135,103	(406,099)	207,431	–	10,853	383,388	330,676	23,244	353,920
Effects of foreign exchange differences	–	–	–	–	876	–	876	(2,506)	(1,630)
Net income and expenses recognised directly in equity	–	–	–	–	876	–	876	(2,506)	(1,630)
Profit for the year	–	–	–	–	–	413,554	413,554	8,462	422,016
Total net income and expenses recognised for the year	–	–	–	–	876	413,554	414,430	5,956	420,386
Adjustment due to foreign subsidiary company's share buyback	–	–	–	–	–	–	–	(13,241)	(13,241)
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	–	–	–	21,327	–	(21,327)	–	–	–
Dividends (Note 36)	–	–	–	–	–	(262,159)	(262,159)	–	(262,159)
As at 30 April 2009	135,103	(406,099)	207,431	21,327	11,729	513,456	482,947	15,959	498,906

Statements of Changes in Equity

For the financial year ended 30 April 2010 (Cont'd.)

	Attributable to Equity Holders of the Parent								
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Capital reserve RM'000	Exchange reserve RM'000	Distributable	Total to holders of parent company RM'000	Minority interests RM'000	Total equity RM'000
						Retained earnings RM'000			
GROUP (CONT'D.)									
As at 1 May 2009	135,103	(406,099)	207,431	21,327	11,729	513,456	482,947	15,959	498,906
Effects of foreign exchange differences	–	–	–	–	(5,618)	–	(5,618)	1,363	(4,255)
Net income and expenses recognised directly in equity	–	–	–	–	(5,618)	–	(5,618)	1,363	(4,255)
Profit for the year	–	–	–	–	–	383,504	383,504	4,974	388,478
Total net income and expenses recognised for the year	–	–	–	–	(5,618)	383,504	377,886	6,337	384,223
Adjustment due to parent's increased equity interest in a foreign subsidiary company	–	–	–	–	–	–	–	(7,222)	(7,222)
Distribution of treasury shares as share dividend (Notes 17 and 36) ^	–	383,314	(207,431)	–	–	(175,883)	–	–	–
Dividends (Note 36)	–	–	–	–	–	(376,800)	(376,800)	–	(376,800)
Purchase of treasury shares (Note 21)	–	(34,556)	–	–	–	–	(34,556)	–	(34,556)
As at 30 April 2010	135,103	(57,341)	–	21,327	6,111	344,277	449,477	15,074	464,551

^ Pursuant to Section 67A (3D) of Companies Act, 1965, the cost of share buyback shall be applied in the reduction of either the share premium account or the distributable reserve or both.

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 30 April 2010 (Cont'd.)

	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Distributable Retained earnings RM'000	Total equity RM'000
COMPANY					
As at 1 May 2008	135,103	(406,099)	207,431	234,228	170,663
Profit for the year representing total income and expense for the year	–	–	–	368,750	368,750
Dividends (Note 36)	–	–	–	(262,159)	(262,159)
As at 30 April 2009	135,103	(406,099)	207,431	340,819	277,254
As at 1 May 2009	135,103	(406,099)	207,431	340,819	277,254
Distribution of treasury shares as share dividend (Notes 17 and 36) ^	–	383,314	(207,431)	(175,883)	–
Profit for the year representing total income and expense for the year	–	–	–	691,235	691,235
Dividends (Note 36)	–	–	–	(376,800)	(376,800)
Purchase of treasury shares (Note 21)	–	(34,556)	–	–	(34,556)
As at 30 April 2010	135,103	(57,341)	–	479,371	557,133

^ Pursuant to Section 67A (3D) of Companies Act, 1965, the cost of share buyback shall be applied in the reduction of either the share premium account or the distributable reserve or both.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the financial year ended 30 April 2010

	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,681,033	4,014,726
Payments to prize winners, suppliers and for other operating expenses	(2,537,368)	(2,801,923)
Payments for pool betting duties, gaming tax and other government contributions	(531,400)	(573,974)
Payment of taxes	(171,905)	(158,177)
Refund of taxes	8,645	8,189
Other receipts	156	160
Net cash generated from operating activities	449,161	489,001
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	616	756
Proceeds from disposal of short term investments	6,429	1,794
Proceeds from disposal of long term investments	–	3,000
Acquisition of property, plant and equipment (Note B)	(15,327)	(22,547)
Acquisition of investment properties	(440)	–
Acquisition of additional equity interest in a subsidiary company	(33,959)	–
Acquisition of investments in associated companies	(3,419)	–
Acquisition of long term investments	(6,850)	(3,781)
Acquisition of short term investments	(5,566)	(6,429)
Acquisition of treasury shares by a subsidiary company	–	(13,142)
Dividend received	4	–
Interest received	4,622	4,592
Other (payments)/receipts arising from investments	(53,785)	3,551
Net cash used in investing activities	(107,675)	(32,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distribution	–	(255)
Repayment of borrowings	(192,686)	(97,314)
Drawdown of borrowings	380,000	–
Repayment of hire purchase liabilities	(17)	–
Interest paid on bank borrowings	(31,395)	(16,495)
Dividends paid	(432,947)	(240,636)
Treasury shares acquired	(34,556)	–
Net cash used in financing activities	(311,601)	(354,700)
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,885	102,095
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	230,475	126,173
Effects of exchange rate changes	(2,898)	2,207
CASH AND CASH EQUIVALENTS CARRIED FORWARD (Note A)	257,462	230,475

Consolidated Cash Flow Statement

For the financial year ended 30 April 2010 (Cont'd.)

	2010 RM'000	2009 RM'000
Note A Cash and cash equivalents comprise the following:		
Deposits with financial institutions	214,339	197,694
Cash and bank balances	43,123	32,781
	257,462	230,475
Note B Acquisition of property, plant and equipment		
Hire purchase	1,346	–
Deferred payment	481	–
Cash	15,327	22,547
Reclassified from prepayments	–	1,255
	17,154	23,802

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement

For the financial year ended 30 April 2010

	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment for operating expenses	(11,893)	(8,608)
Tax refund	8,613	8,181
Dividends received	10,127	384,124
Other receipts	11	–
Net cash generated from operating activities	6,858	383,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(51)	(65)
Acquisition of investment in an associated company	(3,390)	–
Interest received	376	373
Advances from/(repayment to) subsidiary companies	133,017	(189,129)
Repayment of advances from subsidiary companies	1,149	58,834
Advances given to subsidiary companies	(41,662)	(4,711)
Net cash generated from/(used in) investing activities	89,439	(134,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distribution	–	(255)
Dividends paid	(432,947)	(240,636)
Interest paid	(20,346)	–
Treasury shares acquired	(34,556)	–
Drawdown of borrowings	380,000	–
Net cash used in financing activities	(107,849)	(240,891)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(11,552)	8,108
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	31,352	23,244
CASH AND CASH EQUIVALENTS CARRIED FORWARD (Note A)	19,800	31,352
Note A Cash and cash equivalents comprise the following:		
Deposits with financial institutions	18,926	28,540
Cash and bank balances	874	2,812
	19,800	31,352

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements

30 April 2010

1 CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services to the subsidiary companies.

The principal activities of the Group are:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- leasing of on-line lottery equipment;
- manufacture and distribution of computerised lottery and voting systems;
- property investment and development;
- operation of health and fitness centre;
- investment holding.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi 55100 Kuala Lumpur.

The penultimate holding and ultimate holding companies of the Company are Berjaya Land Berhad and Berjaya Corporation Berhad ("BCorp") respectively, both of which are incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

Related companies in the financial statements refer to member companies of the BCorp group of companies other than subsidiary companies of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 July 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory as described in Note 2.3.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except otherwise indicated.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

Subsidiary companies are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

Subsidiary companies are consolidated using the purchase method of accounting. Under the purchase method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition and continue to be consolidated until the date such control ceases. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. At the Group level, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup transactions, balances and unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

Minority interests represents the portion of the results for the year and net assets in subsidiaries not held by the Group. Minority interests is measured at the minorities' share of fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses.

(b) Associated companies

Associated companies are entities in which the Group has significant influence and where the Group participates in its financial and operating policies through Board representation. Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the companies concerned made up to the Group's financial year-end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Under the equity method of accounting, the Group's investment in associated companies is initially recognised in the consolidated balance sheet at cost adjusted for the Group's share of post-acquisition changes in the share of the net assets of the associated companies, less impairment losses. The Group's share of results of associated companies during the financial year is included in the consolidated financial statements. The Group's share of results of associated companies acquired or disposed of during the year, is included in the consolidated income statement from the date that significant influence effectively commences until the date that significant influence effectively ceases, as appropriate.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(b) Associated companies (cont'd.)

Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associated company's income statements in the period in which the investment is acquired.

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company including any long-term interest that, in substance, form part of the Group's net investment in the associated company, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the associated companies.

In the Company's separate financial statements, investment in associated companies are stated at cost less impairment losses.

(c) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets

The cost of intangible assets acquired in a business combination is at their fair values as at the date of acquisition. The intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed yearly at each balance sheet date.

Research and development costs

Research costs are recognised in the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(c) Intangible assets (cont'd.)

(ii) Other intangible assets (cont'd.)

Research and development costs (cont'd.)

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each balance sheet date.

(d) Property, plant and equipment and depreciation

Property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land that has an unlimited useful life is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Plant and machinery	20% – 33%
Computer equipment	12.5% – 33%
Office equipment	10% – 67%
Furniture and fittings	10% – 33%
Motor vehicles	20% – 33%
Renovations	10% – 33%
Gym equipment	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(e) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties.

Gains or losses arising from changes in the fair values of investment properties are recognised in the income statement in the year in which they arise.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(e) Investment properties (cont'd.)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statement in the year in which they arise.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in income statement. Upon disposal of the investment property, any surplus previously recorded in equity is transferred to retained earnings.

(f) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than investment properties, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in income statement.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(g) Inventories

Inventories comprise raw materials, work-in-progress and finished goods that are stated at the lower of cost and net realisable value. Cost, in the case of work-in-progress and finished goods, comprises raw materials, direct labour and an attributable proportion of production overheads. Cost is determined on the first-in first-out basis, the weighted average cost method, or by specific identification. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Ticket inventories and gaming equipment components and parts are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

Property inventories are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

(h) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Investments

Non-current investments

Non-current investments comprise quoted and unquoted securities, Malaysian Government Securities ("MGS"), bonds and club memberships but exclude investments in subsidiaries, associates, jointly controlled entities and investment properties, are stated at cost less impairment loss.

Short term investments

Short term investments are stated at lower of cost and net realisable value.

(iii) Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(h) Financial instruments (cont'd.)

(v) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared and approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in income statement on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(i) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2 (e)); and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(i) Finance leases – the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(i) Leases (cont'd.)

(i) Finance leases – the Group as lessee (cont'd.)

Lease payments are apportioned between finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2 (d).

(ii) Operating leases – the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment allocated to the land represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iii) Operating leases – the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(o)(iv)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(j) Borrowing costs

All borrowing costs are recognised in income statement in the period in which they are incurred.

(k) Income tax

Tax expense for the year comprises current and deferred tax. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and adjustment to tax payable in respect of the previous year.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is not recognised if the temporary difference arises from goodwill which is not deductible for tax purposes or from the initial recognition of assets or liabilities in a transaction which is not a business combination and at the time of transaction affects neither accounting nor taxable profit.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(k) Income tax (cont'd.)

Deferred tax is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case it is included in the resulting goodwill or the excess of the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

(m) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(iii) Retirement benefit obligations

Pension benefits are provided to employees of the Group's foreign subsidiaries through a partially funded defined benefit plan.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Group even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long term benefit fund, as well as qualifying insurance policies.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(m) Employee benefits (cont'd.)

(iii) Retirement benefit obligations (cont'd.)

The liability recognised in the consolidated balance sheet for defined benefit plans is the present value of the defined benefit obligation ("DBO") at the consolidated balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The DBO is regularly calculated by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses are not recognised as an expense unless the total unrecognised gain or loss exceeds 10% of the greater of the obligation and related plan assets. The amount exceeding this 10% corridor is charged to or credited to income statement over the employees' expected average remaining working lives. Actuarial gains or losses within the 10% corridor are disclosed separately. Past service costs are recognised immediately in the income statements, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(n) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statements except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are recognised in equity. However, the exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in the Company's income statement or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statements except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are recognised directly in equity.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(n) Foreign currencies (cont'd.)

(iii) Foreign operations

The results and financial position of the foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM at the rates ruling at the balance sheet date for assets and liabilities. Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transaction. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the closing rate at the balance sheet date. Exchange differences on translation of the net assets of foreign subsidiary companies are dealt with through an exchange reserve.

The principal exchange rates used for each respective unit of foreign currencies ruling at the balance sheet date are as follows:

	2010 RM	2009 RM
1 United States Dollar ("USD")	3.1895	3.5655
1 Hong Kong Dollar ("HKD")	0.4108	0.4601
1 Philippine Peso ("Php")	0.0715	0.0735

(o) Revenue and other income recognition

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Toto betting

Revenue from toto betting is recognised based on ticket sales, net of gaming tax relating to draw days within the financial year.

(ii) Dividend income

Dividend income from subsidiary and associated companies are recognised when the right to receive the dividend payment is established.

Dividend income from other investments is recognised on receipt basis.

(iii) Interest income

Interest income is recognised on an accrual basis unless recoverability is in doubt.

(iv) Rental income

Rental income is recognised based on the accrual basis unless collection is in doubt, in which case it is recognised on receipt basis.

(v) Management fee income

Management fee income is recognised on an accrual basis.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(o) Revenue and other income recognition (cont'd.)

(vi) Lease of lottery equipment

Revenue from the lease of lottery equipment is recognised based on certain percentage of gross receipts from lottery ticket sales, excluding the foreign value-added tax.

(vii) Lottery and voting products sales, services and licencing income

Revenue from lottery and voting products sales, services and licencing income are recognised on the basis of shipment of products, performance of services and percentage-of-completion method for long term contracts. The percentage-of-completion is estimated by comparing the cost incurred to date against the estimated cost to completion. Revenue relating to the sale of certain assets, when the ultimate total collection is not reasonably assured, are being recorded under the cost recovery method.

(viii) Property inventories

Revenue from sale of completed properties is recognised when the significant risks and rewards of ownership of the completed properties have been passed to the buyer.

(ix) Fitness centre operation

Membership fees

Membership fees are recognised on an accrual basis over the membership period. Membership fees received in advance are only recognised when they are due.

Revenue from services

Revenue from services arises from the provision of professional training to members. Revenue from services rendered is recognised when services are performed.

(p) Segmental reporting

The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities.

Revenue presented under geographical segments are based on location of customer where sale is transacted.

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a segment based on location of assets for that presented under geographical segments. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new FRSs, Issues Committee Interpretations ("Interpretations"), Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 July 2009

FRS 8 : Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4 : Insurance Contracts
FRS 7 : Financial Instruments: Disclosures
FRS 101 : Presentation of Financial Statements (revised)
FRS 123 : Borrowing costs
FRS 139 : Financial Instruments: Recognition and Measurement
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 : Share-based Payment – Vesting Conditions & Cancellations
Amendments to FRS 132 : Financial Instruments: Presentation
Amendments to FRS 139 : Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments FRSs 2009 : Improvements to FRS issued in 2009
IC Interpretation 9 : Reassessment of Embedded Derivatives
IC Interpretation 10 : Interim Financial Reporting and Impairment
IC Interpretation 11 : FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12 : Service Concession Arrangements
IC Interpretation 13 : Customer Loyalty Programmes
IC Interpretation 14 : FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i-3 : Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132 : Classifications of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

FRS 3 : Business Combinations (revised)
FRS 127 : Consolidated and Separate Financial Statements (amended)
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards (Revised in 2010)
Amendments to FRS 2 : Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138 : Intangible Assets
Amendments to
IC Interpretation 9 : Reassessment of Embedded Derivatives
IC Interpretation 15 : Agreements for Construction of Real Estate
IC Interpretation 16 : Hedges of Net Investments in a Foreign Operation
IC Interpretation 17 : Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1 : Amendments relating to limited exemption from Comparatives FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7 : Improving Disclosures about Financial Instruments

Notes To The Financial Statements

30 April 2010 (Cont'd.)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards and Interpretations Issued but Not Yet Effective (Cont'd.)

The new FRSs, Interpretations, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of all the above FRSs, Interpretations, Amendments to FRSs and Interpretations.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

2.4 Significant Accounting Estimates and Judgements

(a) Critical judgements made in applying accounting policies

The following are the judgements made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for own use. Since these properties cannot be sold separately and the portion held for own use is insignificant, the Group has classified the whole of the properties as investment properties.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 April 2010 was RM643,910,000 (2009 : RM618,291,000). Further details are disclosed in Note 10.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Useful life of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimate due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

3 PROPERTY, PLANT AND EQUIPMENT

Group

	Net book value as at 1 May 2009 RM'000	Additions RM'000	Disposals RM'000	Write-off RM'000	Reclassi- fications RM'000	Translation exchange differences RM'000	Depreciation RM'000	Net book value as at 30 April 2010 RM'000
As at 30 April 2010								
Buildings – shoplots	2,598	–	–	–	–	–	(62)	2,536
Plant and machinery	11	16	–	–	482	(1)	(10)	498
Computer equipment	52,487	6,415	(12)	(3,191)	–	926	(10,859)	45,766
Office equipment	3,489	1,104	(57)	(7)	–	(14)	(834)	3,681
Furniture and fittings	4,715	107	–	(5)	–	–	(673)	4,144
Motor vehicles	22,532	5,852	(577)	–	–	(17)	(3,947)	23,843
Renovations	11,988	2,696	–	–	–	(22)	(2,085)	12,577
Gym equipment	–	964	–	–	–	–	(16)	948
Capital work-in-progress	542	–	–	–	(482)	(57)	–	3
	98,362	17,154	(646)	(3,203)	–	815	(18,486)	93,996

	Net book value as at 1 May 2008 RM'000	Additions RM'000	Disposals RM'000	Write-off RM'000	Reclassi- fications RM'000	Translation exchange differences RM'000	Depreciation RM'000	Net book value as at 30 April 2009 RM'000
As at 30 April 2009								
Buildings – shoplots	2,660	–	–	–	–	–	(62)	2,598
Plant and machinery	69	–	–	–	–	8	(66)	11
Computer equipment	56,766	8,426	(15)	(2)	171	(2,544)	(10,315)	52,487
Office equipment	2,768	1,535	(1)	(6)	–	(5)	(802)	3,489
Furniture and fittings	4,588	759	–	(3)	–	(1)	(628)	4,715
Motor vehicles	21,341	5,526	(529)	–	–	1	(3,807)	22,532
Renovations	6,561	7,014	–	–	–	21	(1,608)	11,988
Capital work-in-progress	157	542	–	–	(171)	14	–	542
	94,910	23,802	(545)	(11)	–	(2,506)	(17,288)	98,362

In the last financial year, the Group acquired property, plant and equipment of RM23,802,000 of which payment of RM1,255,000 was reclassified from prepayments.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
As at 30 April 2010			
Buildings – shoplots	3,106	(570)	2,536
Plant and machinery	2,163	(1,665)	498
Computer equipment	139,384	(93,618)	45,766
Office equipment	9,949	(6,268)	3,681
Furniture and fittings	7,124	(2,980)	4,144
Motor vehicles	46,283	(22,440)	23,843
Renovations	20,171	(7,594)	12,577
Gym equipment	964	(16)	948
Capital work-in-progress	3	–	3
	229,147	(135,151)	93,996
As at 30 April 2009			
Buildings – shoplots	3,106	(508)	2,598
Plant and machinery	3,184	(3,173)	11
Computer equipment	137,762	(85,275)	52,487
Office equipment	9,593	(6,104)	3,489
Furniture and fittings	7,149	(2,434)	4,715
Motor vehicles	43,446	(20,914)	22,532
Renovations	17,335	(5,347)	11,988
Capital work-in-progress	542	–	542
	222,117	(123,755)	98,362

Net book value of property, plant and equipment of the Group held under hire purchase arrangements are as follows:

	Group	
	2010 RM'000	2009 RM'000
Computer equipment	231	–
Office equipment	74	–
Gym equipment	938	–
	1,243	–

Notes To The Financial Statements

30 April 2010 (Cont'd.)

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company

	Net book value as at 1 May 2009 RM'000	Additions RM'000	Write-off RM'000	Depreciation RM'000	Net book value as at 30 April 2010 RM'000
As at 30 April 2010					
Computer equipment	273	6	–	(124)	155
Office equipment	163	8	–	(25)	146
Furniture and fittings	3,644	22	(4)	(514)	3,148
Motor vehicles	52	–	–	(15)	37
Renovations	2,245	15	–	(317)	1,943
	6,377	51	(4)	(995)	5,429

	Net book value as at 1 May 2008 RM'000	Additions RM'000	Depreciation RM'000	Net book value as at 30 April 2009 RM'000
As at 30 April 2009				
Computer equipment	388	21	(136)	273
Office equipment	180	7	(24)	163
Furniture and fittings	4,130	26	(512)	3,644
Motor vehicles	78	–	(26)	52
Renovations	2,550	11	(316)	2,245
	7,326	65	(1,014)	6,377

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
As at 30 April 2010			
Computer equipment	736	(581)	155
Office equipment	241	(95)	146
Furniture and fittings	5,148	(2,000)	3,148
Motor vehicles	175	(138)	37
Renovations	3,177	(1,234)	1,943
	9,477	(4,048)	5,429

As at 30 April 2009			
Computer equipment	733	(460)	273
Office equipment	261	(98)	163
Furniture and fittings	5,134	(1,490)	3,644
Motor vehicles	175	(123)	52
Renovations	3,162	(917)	2,245
	9,465	(3,088)	6,377

Notes To The Financial Statements

30 April 2010 (Cont'd.)

4 INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost	1,192,847	723,516

Details of the subsidiary companies are as follows:

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
			2010 %	2009 %
Subsidiary companies of Berjaya Sports Toto Berhad				
FEAB Properties Sdn Bhd	Malaysia	Property investment and development and investment holding	100	100
FEAB Land Sdn Bhd	Malaysia	Property development and property investment	100	100
FEAB Equities Sdn Bhd	Malaysia	Dormant	100	100
Sports Toto Fitness Sdn Bhd (formerly known as Berjaya Wellesley Hotel Sdn Bhd)	Malaysia	Operations of health and fitness centre	100	100
STM Resort Sdn Bhd	Malaysia	Property investment	100	100
Sports Toto Malaysia Sdn Bhd	Malaysia	Toto betting operations	100	100
Magna Mahsuri Sdn Bhd ("Magna Mahsuri") @	Malaysia	Property investment and investment holding	100	100
Berjaya Sports Toto (Cayman) Limited @	Cayman Islands	Investment holding	–	100
Berjaya-ILTS Limited #	Hong Kong	Dormant	100	100
Subsidiary company of FEAB Land Sdn Bhd				
FEAB Realty Sdn Bhd	Malaysia	Dormant	100	100
Subsidiary companies of Sports Toto Malaysia Sdn Bhd				
Sports Toto Products Sdn Bhd	Malaysia	Dormant	100	100
Sports Toto Apparel Sdn Bhd	Malaysia	Dormant	100	100
Sports Toto Computer Sdn Bhd	Malaysia	Computer consultancy services	100	100
Subsidiary company of Magna Mahsuri Sdn Bhd				
Berjaya Sports Toto (Cayman) Limited ("BSTC") @	Cayman Islands	Investment holding	100	–
Subsidiary company of Berjaya Sports Toto (Cayman) Limited				
Berjaya Lottery Management (HK) Limited ("BLM") #	Hong Kong	Investment holding	100	100

Notes To The Financial Statements

30 April 2010 (Cont'd.)

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest 2010 %	2009 %
Subsidiary companies of Berjaya Lottery Management (HK) Limited				
Berjaya Philippines Inc. <i>(formerly known as Prime Gaming Philippines, Inc.)</i> ("BPI") *	Philippines	Investment holding	^ 72.33	72.33
International Lottery & Totalizator Systems, Inc. *	United States of America	Manufacturer and distributor of computerised lottery and voting systems	71.32	71.32
Subsidiary companies of Berjaya Philippines Inc. (formerly known as Prime Gaming Philippines, Inc.)				
Philippine Gaming Management Corporation *	Philippines	Leasing of on-line lottery equipment	100	100
Perdana Hotel Philippines Inc. *	Philippines	Dormant	100	–
Subsidiary companies of International Lottery & Totalizator Systems, Inc.				
ILTS.Com, Inc. *	United States of America	Dormant	100	100
Unisyn Voting Solutions, Inc. *	United States of America	Dormant	100	100
International Totalizator Systems, Inc. *	United States of America	Dormant	100	100

* Audited by firms of auditors other than Ernst & Young

Audited by other member firm of Ernst & Young Global

^ The total equity interests held by BSTC group in BPI is 88.26% (2009 : 81.45%) and it is held by the following companies respectively:

	2010	2009
i) BLM	72.33%	72.33%
ii) BSTC	15.93%	9.12%
	88.26%	81.45%

BSTC increased its equity interest in BPI from 9.12% to 15.93% during the financial year by acquiring an additional 6.81% equity interest for a total cash consideration of Php455.95 million (equivalent to RM33.959 million) as disclosed in Note 42(a).

Notes To The Financial Statements

30 April 2010 (Cont'd.)

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

@ During the financial year, the Company disposed of BSTC (with carrying value of RM50.67 million) to Magna Mahsuri for a consideration of RM520.0 million. The settlement of the consideration was satisfied via issuance of new ordinary shares by Magna Mahsuri as disclosed in Note 42(b).

As at 30 April 2010, certain shares are pledged for credit facility granted to the Company as disclosed in Note 23.

5 INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares, at cost	10,847	7,428	3,557	167
Less: Share of post-acquisition losses	(3,920)	(3,908)	–	–
	6,927	3,520	3,557	167
Less: Accumulated impairment losses	(3,356)	(3,356)	(10)	(3)
	3,571	164	3,547	164

Details of the associated companies are as follows:

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
			2010 %	2009 %
Associated companies of Berjaya Sports Toto Berhad				
Berjaya Racing Management Sdn Bhd	Malaysia	Dormant	20	20
Berjaya Lottery Vietnam Limited	Malaysia	Investment holding	20	–
Associated company of Berjaya Sports Toto (Cayman) Limited				
Suncoast Limited ("Suncoast") *	British Virgin Islands	Dormant	48	48
Associated company of FEAB Properties Sdn Bhd				
Cashsystems Asia Technology Sdn Bhd ("Cashsystems") *	Malaysia	Dormant under receivership	30	30
Associated company of Berjaya Philippines Inc. (formerly known as Prime Gaming Philippines, Inc.)				
Perdana Land Philippines Inc. *	Philippines	Dormant	40	–

* Audited by firms of auditors other than Ernst & Young

The financial statements of the above associated companies are coterminous with those of the Group except for Suncoast and Cashsystems which have financial year end of 31 December.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D.)

The summarised financial information of the associates are as follows:

	Group	
	2010 RM'000	2009 RM'000
Assets and liabilities		
Total current assets	23,390	823
Total current liabilities	7,381	1
Results		
Loss for the year	1,013	2

6 LONG TERM INVESTMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost:				
Quoted shares in Malaysia	17,271	17,271	–	–
Quoted shares outside Malaysia	2,921	–	–	–
Quoted warrants in Malaysia	731	731	–	–
Quoted loan stocks in Malaysia	661	661	–	–
Unquoted shares	433	433	–	–
Unquoted loan stocks	6,211	2,282	–	–
Club memberships	1,044	1,044	416	416
	29,272	22,422	416	416
Less: Accumulated impairment losses				
– quoted shares in Malaysia	(6,240)	(9,113)	–	–
– quoted warrants in Malaysia	–	(162)	–	–
– unquoted shares	(433)	(433)	–	–
– unquoted loan stocks	(1,681)	(1,681)	–	–
– club memberships	(853)	(853)	(303)	(303)
	20,065	10,180	113	113
At cost less amortisation:				
Malaysian Government Securities	3,180	3,180	–	–
Less: Cumulative amortisation	(126)	(8)	–	–
	3,054	3,172	–	–
Impairment losses	–	(148)	–	–
	3,054	3,024	–	–
	23,119	13,204	113	113

Notes To The Financial Statements

30 April 2010 (Cont'd.)

6 LONG TERM INVESTMENTS (CONT'D.)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At market value:				
Quoted shares in Malaysia	11,031	8,158	–	–
Quoted shares outside Malaysia	3,170	–	–	–
Quoted warrants in Malaysia	831	569	–	–
Quoted loan stocks in Malaysia	2,835	992	–	–
Malaysian Government Securities	3,054	3,024	–	–

The investment in Malaysian Government Securities is deposited with the Malaysian Government in accordance with the Pool Betting Act, 1967 in connection with the issue of the pool betting licence and yields interest at 4.24% (2009 : 4.24%) per annum.

7 INVESTMENT PROPERTIES

	Group	
	2010 RM'000	2009 RM'000
At 1 May	73,166	71,205
Additions	440	–
Fair value adjustments (Note 30)	1,725	1,961
Transfer to non-current assets classified as held for sale	(1,100)	–
At 30 April	74,231	73,166
The carrying amount of investment properties held under lease terms are as follows:		
Leasehold land	2,850	3,880
Buildings	2,320	2,320
	5,170	6,200

The fair value of the investment properties was valued by the Directors based on comparable available market data.

The application for the strata titles of the premises of the subsidiary companies have been submitted to the relevant authority for processing.

During the financial year, a subsidiary company entered into an agreement to dispose an investment property. The investment property with a carrying amount of RM1,100,000 has been presented as asset held for sale at the balance sheet date.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

8 PREPAID LAND LEASE PAYMENTS

	Group	
	2010 RM'000	2009 RM'000
At 1 May	2,743	2,781
Amortisation for the year	(38)	(38)
At 30 April	2,705	2,743
Analysed as:		
Current – within one year (Note 12)	38	38
Non-current – over the remaining period of lease	2,667	2,705
	2,705	2,743

9 DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 May	(3,504)	1,615	354	388
Recognised in the income statement (Note 34)	(4,062)	(5,134)	(28)	(34)
Exchange differences	21	15	–	–
At 30 April	(7,545)	(3,504)	326	354
Presented after appropriate offsetting as follows:				
Deferred tax assets	(9,674)	(5,214)	–	–
Deferred tax liabilities	2,129	1,710	326	354
	(7,545)	(3,504)	326	354

Notes To The Financial Statements

30 April 2010 (Cont'd.)

9 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets of the Group:

	At 1 May RM'000	Recognised in the income statement RM'000	Exchange differences RM'000	At 30 April RM'000
2010				
Retirement cost obligation	(392)	(28)	10	(410)
Payables	(19,474)	(2,749)	1	(22,222)
Receivables	(40)	(27)	1	(66)
Tax losses and unabsorbed capital allowances	(2,560)	–	12	(2,548)
	(22,466)	(2,804)	24	(25,246)
Less: set-off against deferred tax liabilities				15,572
				(9,674)
2009				
Retirement cost obligation	(351)	(48)	7	(392)
Payables	(13,705)	(5,768)	(1)	(19,474)
Receivables	(49)	7	2	(40)
Tax losses and unabsorbed capital allowances	(2,364)	(203)	7	(2,560)
	(16,469)	(6,012)	15	(22,466)
Less: set-off against deferred tax liabilities				17,252
				(5,214)

Notes To The Financial Statements

30 April 2010 (Cont'd.)

9 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred Tax Liabilities of the Group:

	At 1 May RM'000	Recognised in the income statement RM'000	Exchange differences RM'000	At 30 April RM'000
2010				
Accelerated capital allowances	14,708	(1,762)	–	12,946
Investment properties	4,254	375	–	4,629
Others	–	129	(3)	126
	18,962	(1,258)	(3)	17,701
Less: set-off against deferred tax assets				(15,572)
				2,129
2009				
Accelerated capital allowances	14,261	447	–	14,708
Investment properties	3,823	431	–	4,254
	18,084	878	–	18,962
Less: set-off against deferred tax assets				(17,252)
				1,710

Deferred Tax Assets of the Company:

	At 1 May RM'000	Recognised in the income statement RM'000	At 30 April RM'000
2010			
Other payables	(11)	(1)	(12)
Unabsorbed capital allowances	(128)	–	(128)
	(139)	(1)	(140)
Less: set-off against deferred tax liability			140
			–

Notes To The Financial Statements

30 April 2010 (Cont'd.)

9 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred Tax Assets of the Company (Cont'd.):

	At 1 May RM'000	Recognised in the income statement RM'000	At 30 April RM'000
2009			
Other payables	(10)	(1)	(11)
Unabsorbed capital allowances	(128)	–	(128)
	(138)	(1)	(139)
Less: set-off against deferred tax liability			139
			–

Deferred Tax Liability of the Company:

	At 1 May RM'000	Recognised in the income statement RM'000	At 30 April RM'000
2010			
Accelerated capital allowances	493	(27)	466
Less: set-off against deferred tax assets			(140)
			326
2009			
Accelerated capital allowances	526	(33)	493
Less: set-off against deferred tax assets			(139)
			354

Notes To The Financial Statements

30 April 2010 (Cont'd.)

9 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unutilised tax losses				
– Malaysian income tax	9,089	9,202	–	–
– foreign tax	19,680	42,855	–	–
Unabsorbed capital allowances	159	159	–	–
	28,928	52,216	–	–

Subject to agreement by the Inland Revenue Board, Malaysian unutilised tax losses and unabsorbed capital allowances are available indefinitely for offset against future business profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under Section 44(5A) and Paragraph 75A, Schedule 3 of the Income Tax Act, 1967 (the Act). However, the Minister of Finance has exercised his powers under Section 44(5D) and Paragraph 75C, Schedule 3 of the Act to exempt all companies except dormant companies from the provisions of Section 44(5A) and Paragraph 75A, Schedule 3 of the Act respectively. The foreign unutilised tax losses are applicable to a foreign subsidiary company which are pre-determined by the tax legislations of that country and can be utilised up to year 2030.

10 INTANGIBLE ASSETS

	Group	
	2010 RM'000	2009 RM'000
At carrying amount:		
Goodwill on consolidation		
At 1 May	618,291	618,352
Arising from change in equity interest of a subsidiary company	26,737	–
Translation exchange differences	(1,118)	(61)
At 30 April	643,910	618,291
Patent rights		
At 1 May	67	73
Additions	29	–
Amortisation	(14)	(14)
Translation exchange differences	(6)	8
At 30 April	76	67
Total	643,986	618,358

Notes To The Financial Statements

30 April 2010 (Cont'd.)

10 INTANGIBLE ASSETS (CONT'D.)

Impairment test for goodwill

Allocation of intangible assets

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	Group	
	2010 RM'000	2009 RM'000
Toto betting operations and leasing of lottery equipment	634,590	607,852
Others	9,320	10,439
	643,910	618,291

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets covering 5 years period.

The key assumptions used for value-in-use calculations are:

(i) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Discount rates

The significant post-tax discount rates, applied to post-tax cash flows, used for the respective identified CGUs are in the range of 9% to 13% (2009 : 8% to 12%).

Sensitivity to changes in assumptions

The management believes that no reasonably possible change in any of the above key assumptions which would cause the carrying values of the goodwill to materially exceed their recoverable amounts.

11 INVENTORIES

	Group	
	2010 RM'000	2009 RM'000
At cost:		
Gaming equipment components and parts	1,061	1,248
Ticket inventories	3,886	3,002
	4,947	4,250
At net realisable value:		
Raw materials	3,311	3,016
Work-in-progress	13	–
Completed property	205	205
	8,476	7,471

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM17,257,000 (2009 : RM15,637,000).

In the previous financial year, the Group wrote down inventories of RM7,000.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

12 RECEIVABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	14,899	25,497	–	–
Other receivables	10,594	8,497	–	–
Dividend receivable	–	–	81,579	–
Prepayments	67,548	13,917	5,248	36
Deposits	2,601	2,909	606	688
Amount due from an associated company	6,450	–	–	–
Current portion prepaid land lease payments (Note 8)	38	38	–	–
	102,130	50,858	87,433	724
Less: Allowance for doubtful debts				
– trade receivables	(236)	(236)	–	–
– other receivables	(157)	(139)	–	–
	101,737	50,483	87,433	724

The Group's normal trade credit term ranges from 1 to 45 days (2009 : 1 to 45 days).

Included in prepayments is the payment made in relation to the acquisition of a hotel by a foreign subsidiary as disclosed in Note 42(d).

Amount due from an associated company of a foreign subsidiary is unsecured, non-interest bearing and has no fixed term of repayment.

The Group and Company have no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

13 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	Company	
	2010 RM'000	2009 RM'000
Amounts due from subsidiary companies	154,759	112,832

Amounts due from subsidiary companies are unsecured, interest bearing and have no fixed terms of repayment except for the amount of RM84,000 (2009 : RM17,000) which are non-interest bearing.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

14 SHORT TERM INVESTMENTS

	Group	
	2010 RM'000	2009 RM'000
At carrying amount:		
Unquoted securities outside Malaysia	5,566	6,429

The short term investments invested by a foreign subsidiary company comprise investments in certificates of deposits with maturities exceeding three months.

15 DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
These comprise term deposits with:				
Licensed banks	119,262	150,320	18,926	28,540
Other financial institutions	95,077	47,374	–	–
	214,339	197,694	18,926	28,540

Included in the Group's deposits with financial institutions is an amount of RM150,000 (2009 : RM146,000) which is pledged to bank for facilities granted to a subsidiary company.

The weighted average effective interest rates of deposits at the balance sheet date were as follows:

	Group		Company	
	2010	2009	2010	2009
Licensed banks	2.06%	2.24%	2.03%	1.92%
Other financial institutions	2.32%	2.11%	–	–

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2010	2009	2010	2009
Licensed banks	15 days	15 days	3 days	6 days
Other financial institutions	13 days	10 days	–	–

Notes To The Financial Statements

30 April 2010 (Cont'd.)

16 SHARE CAPITAL

	Group and Company			
	Number of ordinary shares of RM0.10 each		Amount	
	2010 Units '000	2009 Units '000	2010 RM'000	2009 RM'000
Authorised:				
At 1 May/30 April	20,000,000	20,000,000	2,000,000	2,000,000
Issued and fully paid:				
At 1 May/30 April	1,351,030	1,351,030	135,103	135,103

The number of issued and fully paid shares with voting rights as at 30 April are as follows:

	Number of ordinary shares	
	2010 Units '000	2009 Units '000
Total number of issued and paid up ordinary shares	1,351,030	1,351,030
Less: Ordinary shares held as treasury shares (Note 21)	(13,530)	(95,030)
	1,337,500	1,256,000

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares (other than treasury shares) rank equally with regard to the Company's residual assets.

17 SHARE PREMIUM

	Group and Company	
	2010 RM'000	2009 RM'000
At 1 May	207,431	207,431
Set off against treasury shares distribution as share dividend	(207,431)	–
At 30 April	–	207,431

The entire share premium was utilised for the purpose of distributing the treasury shares to the shareholders as disclosed in Note 21.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

18 CAPITAL RESERVE

	Group	
	2010 RM'000	2009 RM'000
At 1 May	21,327	–
Transfer from distributable earnings arising from a subsidiary company's bonus issue of shares	–	21,327
At 30 April	21,327	21,327

19 EXCHANGE RESERVE

	Group	
	2010 RM'000	2009 RM'000
At 1 May	11,729	10,853
Currency translation differences	(5,618)	876
At 30 April	6,111	11,729

20 RETAINED EARNINGS

In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to frank dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under single tier system. The change in tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

During the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. The Company has substantially utilised the Section 108 balance in the last financial year and thereafter has elected to pay single tier exempt and tax exempt dividend. During the financial year, the Company has also substantially utilised the tax exempt account to pay tax exempt dividend and consequently the balance of the tax exempt account was reduced to approximately RM14,182,000 (2009 : RM264,685,000) as at 30 April 2010.

21 TREASURY SHARES

	Group and Company			
	Number of shares		Amount	
	2010 Units '000	2009 Units '000	2010 RM'000	2009 RM'000
At 1 May	95,030	95,030	406,099	406,099
Distributed as share dividend	(89,698)	–	(383,314)	–
Shares bought back during the year	8,198	–	34,556	–
At 30 April	13,530	95,030	57,341	406,099

Notes To The Financial Statements

30 April 2010 (Cont'd.)

21 TREASURY SHARES (CONT'D.)

The renewal of the Company's plan and mandate relating to the share buy back was approved by the shareholders of the Company on 21 October 2009 granting the Directors of the Company the authority to buy back its own shares up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

On 15 June 2009, the Company declared and approved a share dividend distribution in respect of financial year ended 30 April 2010 via distribution of 89,698,140 treasury shares on basis of one treasury share for every fourteen existing ordinary shares held. The share dividend was distributed on 27 July 2009.

Subsequent to the share dividend distribution, the Company bought back 8,198,140 shares from the open market at an average price of RM4.22 each amounting to RM34,556,000. The cumulative shares bought back were held as treasury shares.

22 RETIREMENT BENEFIT OBLIGATIONS

	Group	
	2010 RM'000	2009 RM'000
At 1 May	1,308	1,004
Additional provision during the year (Note 29(b))	277	327
Contributions paid	(143)	–
Exchange differences	(40)	(23)
At 30 April	1,402	1,308

A foreign subsidiary company maintains a tax qualified, partially funded, non-contributory retirement plan that is being administered by a trustee covering all regular full-time employees. Actuarial valuations are made regularly to update the retirement benefit costs and the amount of contributions.

The amounts of retirement benefit obligation recognised in the consolidated balance sheet are determined as follows:

	Group	
	2010 RM'000	2009 RM'000
Present value of the obligation	1,391	1,858
Fair value of plan assets	(380)	(394)
Unrecognised actuarial gains/(losses)	1,011	1,464
Retirement benefit obligation	391	(156)
	1,402	1,308

Notes To The Financial Statements

30 April 2010 (Cont'd.)

22 RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

The movements in present value of the retirement benefit obligation recognised in the books are as follows:

	Group	
	2010 RM'000	2009 RM'000
At beginning of year	1,858	1,616
Current service cost and interest cost	305	276
Actuarial loss recognised during the year	(521)	–
Benefit paid by the plan	(196)	–
Exchange differences	(55)	(34)
At end of year	1,391	1,858

The amounts of retirement benefits recognised in the consolidated income statement are as follows:

	Group	
	2010 RM'000	2009 RM'000
Current service costs	103	163
Interest costs	201	113
Net actuarial loss recognised during the year	–	83
Expected return on plan asset	(27)	(32)
Retirement benefits	277	327

As part of the actuarial assumptions used by an independent actuary for the determination of the retirement benefit obligation, a discount rate of 10.9% (2009 : 7%) is used.

23 BORROWINGS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short term loans:				
Secured – floating rate	75,000	–	75,000	–
Unsecured – fixed rate	70,000	138,439	–	–
	145,000	138,439	75,000	–
Long term loans:				
Secured – floating rate	305,000	–	305,000	–
Unsecured – fixed rate	–	124,247	–	–
	305,000	124,247	305,000	–
Total loans	450,000	262,686	380,000	–

Notes To The Financial Statements

30 April 2010 (Cont'd.)

23 BORROWINGS (CONT'D.)

Details of borrowings outstanding are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amounts repayable:				
Within one year	145,000	138,439	75,000	–
More than one year but not later than two years	75,000	124,247	75,000	–
More than two years but not later than five years	230,000	–	230,000	–
	450,000	262,686	380,000	–

The weighted average effective interest rates at balance sheet date for the loans were as follows:

	Group		Company	
	2010	2009	2010	2009
Borrowings	4.81%	4.83%	4.81%	–

The Company provided a corporate guarantee to the financial institutions for the unsecured term loans granted to a subsidiary company as disclosed in Note 37.

The unsecured term loan and the secured term loan were fully settled subsequent to the balance sheet date. Thus, the corporate guarantee as well as shares pledged to the financial institutions are in the process of being discharged.

24 OTHER LONG TERM LIABILITIES

	Group	
	2010 RM'000	2009 RM'000
Secured:		
Hire purchase payables (Note a)	1,111	–
Unsecured:		
Agency deposits (Note b)	37,202	37,147
	38,313	37,147

Notes To The Financial Statements

30 April 2010 (Cont'd.)

24 OTHER LONG TERM LIABILITIES (CONT'D.)

Notes:

(a) Future minimum lease payments for hire purchase payables are summarised as follows:

	Group	
	2010 RM'000	2009 RM'000
Gross amount repayables:		
Within one year after balance sheet date	336	–
More than one year but not later than two years	336	–
More than two years but not later than five years	982	–
	1,654	–
Less: Unexpired interests	(325)	–
	1,329	–

The present value of hire purchase payables are summarised as follows:

	Group	
	2010 RM'000	2009 RM'000
Within one year after balance sheet date	218	–
More than one year but not later than two years	245	–
More than two years but not later than five years	866	–
	1,329	–
Less: amount payable within 12 months (Note 26)	(218)	–
Amount payable after 12 months	1,111	–

(b) Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

25 PROVISIONS

	Group	
	2010 RM'000	2009 RM'000
Sales warranty		
At 1 May	75	1,340
Additional/(reversal) provision during the year	126	(1,372)
Utilised during the year	(41)	(71)
Exchange differences	(26)	178
At 30 April	134	75

A foreign subsidiary gives 3 to 12 months (2009 : 3 to 12 months) warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision for warranties is recognised for all products under warranty at the balance sheet date based on past experience on the level of repairs and returns.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

26 PAYABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables	35,936	34,472	–	–
Pool betting duty payables	17,196	17,546	–	–
Other payables	5,801	8,420	61	335
Dividend payables	548	56,695	548	56,695
Accruals	181,129	159,350	595	126
Hire purchase payable within 12 months	218	–	–	–
	240,828	276,483	1,204	57,156

Included in accruals of the Group are accrued contribution to the National Sports Council and provision for gaming tax payable to the Ministry of Finance.

The normal trade credit terms granted to the Group ranges from 1 to 180 days (2009 : 1 to 180 days).

27 AMOUNTS DUE TO SUBSIDIARY COMPANIES

	Company	
	2010 RM'000	2009 RM'000
Amounts due to subsidiary companies	531,229	555,051

Amounts due to subsidiary companies are unsecured, interest bearing and have no fixed terms of repayment except for the amount of RM2,323,000 (2009 : RM2,526,000) which is non-interest bearing.

28 REVENUE

Revenue of the Company represents management fees charged to subsidiary companies and gross dividends receivable from subsidiary companies, associated companies and long term investments.

Revenue of the Group comprises gross stake collections from the sale of toto betting tickets less gaming tax, lease rental income from lease of on-line gaming equipment, invoiced and shipped value of goods sold less returns and trade discounts, invoiced value of services rendered, rental income as well as health and fitness centre operation income. Intra-group transactions are excluded.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

28 REVENUE (CONT'D.)

Revenue of the Group and the Company analysed into significant categories are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Dividend income	–	681	271,742	421,960
Management fee income	–	–	318	318
Toto betting and leasing of lottery equipment income	3,374,145	3,680,123	–	–
Sale of lottery and voting systems and spare parts	13,042	10,609	–	–
Rental income and service charges from investment properties	5,058	4,273	–	–
Income from health and fitness centre operation	565	–	–	–
	3,392,810	3,695,686	272,060	422,278

29 PROFIT BEFORE OTHER INCOME AND EXPENSES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before other income and expenses is stated after charging:				
Auditors' remuneration				
– statutory audit:				
auditors of the Company				
– current year	181	177	53	53
– underprovision in previous year	–	8	–	3
other auditors				
– current year	279	266	–	–
– overprovision in previous year	–	(3)	–	–
– other services				
– auditors of the Company	61	65	36	30
– other auditors	285	303	–	–
Depreciation of property, plant and equipment	18,486	17,288	995	1,014
Directors' remuneration:				
– fees	340	266	109	135
– salaries and other emoluments	9,090	5,254	415	208
– defined contribution plans	2,694	2,329	16	24
– performance incentive	10,005	10,554	–	–
– bonus	1,318	1,168	10	–
Management fees payable to ultimate holding company	720	720	720	720
Operating lease:				
– minimum lease payments of premises	7,899	7,118	2,200	2,190
– minimum lease payments of equipment	996	996	15	15

Notes To The Financial Statements

30 April 2010 (Cont'd.)

29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONT'D.)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before other income and expenses is stated after charging (cont'd.):				
Contribution to National Sports Council	58,915	61,967	–	–
Allowance for doubtful debts	18	710	–	–
Research costs	4,451	7,911	–	–
Loss on foreign exchange:				
– realised	233	–	194	–
– unrealised	1,334	–	–	–
Amortisation of				
prepaid land lease payments	38	38	–	–
Amortisation of intangible assets	14	14	–	–
Amortisation of premium on				
Malaysian Government Securities	118	41	–	–
Inventories written down	–	7	–	–
Direct operating expenses				
of investment properties:				
– revenue generating during the year	2,330	1,624	–	–
– non-revenue generating during the year	262	400	–	–
Loss on disposal of				
property, plant and equipment	30	–	–	–
Property, plant and equipment written off:				
– included in general and				
administrative expenses	3,203	11	4	–
Profit before other income and expenses is stated after crediting:				
Management fees receivable				
from subsidiary companies	–	–	318	318
Bad debts recovered	3	–	–	–
Gain on disposal of				
property, plant and equipment	–	211	–	–
Rental income and service charges				
– included in revenue	5,058	4,273	–	–
– included in other income	2,181	2,792	–	–
Gain on foreign exchange:				
– realised	4	257	–	–
– unrealised	2	315	–	–
Employee information (Note b):				
Employee benefit expenses				
(excluding directors)	68,621	65,946	2,105	1,980

The estimated monetary value of benefits-in-kind received by the Directors were RM170,000 (2009 : RM98,000) for the Group and RM14,000 (2009 : RM14,000) for the Company.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONT'D.)

(a) Directors' remuneration

The aggregate Directors' remuneration for Directors of the Company that are in office during the financial year received from the Group and the Company are as follows:

	Fees RM'000	Benefits- in-kind RM'000	Salaries and other emoluments RM'000	Bonus RM'000	Total RM'000
2010					
Executive	11	113	5,079	1,041	6,244
Non-executive	109	14	3,286	10	3,419
	120	127	8,365	1,051	9,663
2009					
Executive	11	53	4,539	960	5,563
Non-executive	135	14	588	28	765
	146	67	5,127	988	6,328

(b) Employee benefit expenses

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages, salaries and other allowances	50,988	48,532	1,507	1,428
Social security costs and employee insurance	4,620	4,673	109	130
Bonuses	7,507	7,521	262	213
Pension costs				
– defined contribution plans	5,013	4,700	223	205
– defined benefit plans (Note 22)	277	327	–	–
Provision for short term compensated absences	216	193	4	4
	68,621	65,946	2,105	1,980

Notes To The Financial Statements

30 April 2010 (Cont'd.)

30 INVESTMENT RELATED INCOME

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Dividend income from investments	4	–	–	–
Fair value adjustments of investment properties (Note 7)	1,725	1,961	–	–
Reversal of impairment loss on quoted investments	3,223	–	–	–
Gain on disposal of a subsidiary company (Note 42(b))	–	–	469,331	–
Reversal of impairment loss on investment in a subsidiary company	–	–	–	14,013
	4,952	1,961	469,331	14,013

31 INVESTMENT RELATED EXPENSES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Impairment in value of investment in associated companies	–	–	7	1
Impairment in value of quoted investments	40	2,753	–	–
Impairment in value of unquoted and other investments	–	853	–	303
	40	3,606	7	304

32 OTHER INCOME

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Other income comprise:				
Interest income on:				
– deposits	4,561	4,299	376	373
– advances to subsidiary companies	–	–	1,396	3,750
– short term investments	61	293	–	–
Others:				
– operating lease income	2,181	2,792	–	–
– miscellaneous	380	887	11	–
	7,183	8,271	1,783	4,123

Notes To The Financial Statements

30 April 2010 (Cont'd.)

33 FINANCE COSTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest on:				
– advances from a subsidiary company	–	–	22,368	30,314
– borrowings	24,248	15,908	15,135	–
– hire purchase	11	–	–	–
Other finance charges	1,129	203	1,129	203
	25,388	16,111	38,632	30,517

34 INCOME TAX EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current income tax:				
Malaysian income tax	146,383	149,019	–	31,712
Foreign tax	17,494	19,339	–	–
	163,877	168,358	–	31,712
(Over)/under provision in prior years:				
Malaysian income tax	(71)	304	160	(193)
Foreign tax	(34)	–	–	–
	(105)	304	160	(193)
	163,772	168,662	160	31,519
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	(4,060)	(4,708)	(26)	(28)
Relating to changes in tax rates	–	(28)	–	–
Over provision in prior years	(2)	(398)	(2)	(6)
	(4,062)	(5,134)	(28)	(34)
	159,710	163,528	132	31,485

Domestic current income tax is calculated at the statutory tax rate of 25% (2009 : 25%) of the estimated assessable profit for the year. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

34 INCOME TAX EXPENSE (CONT'D.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax	548,188	585,544	691,367	400,235
Tax at Malaysian statutory tax rate of 25% (2009 : 25%)	137,047	146,386	172,842	100,059
Different tax rates in the foreign subsidiary companies	2,481	1,183	–	–
Deferred tax recognised at different tax rates	–	119	–	–
Expenses not deductible for tax purposes	20,634	15,328	12,577	2,943
Income not subject to tax	(1,149)	(458)	(185,445)	(71,318)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	804	1,064	–	–
(Over)/under provision of tax expense in prior years	(105)	304	160	(193)
Overprovision of deferred tax in prior years	(2)	(398)	(2)	(6)
Tax expense for the year	159,710	163,528	132	31,485

Tax savings during the financial year arising from:

	Group and Company	
	2010 RM'000	2009 RM'000
Utilisation of current year losses	80	532

35 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares with voting rights in issue during the financial year excluding treasury shares held by the Company as follows:

	Group	
	2010 RM'000	2009 RM'000
Profit attributable to equity holders of the Company	383,504	413,554
Weighted average number of shares with voting rights outstanding ('000)	1,321,318	1,256,000
Basic earnings per share (sen)	29.02	32.93

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

Notes To The Financial Statements

30 April 2010 (Cont'd.)

36 DIVIDENDS PER SHARE

	Company			
	2010		2009	
	Dividends per share net of tax sen	Amount of dividend net of tax RM'000	Dividends per share net of tax sen	Amount of dividend net of tax RM'000
Recognised during the year:				
Interim dividends				
<u>In respect of prior year</u>				
– 4th interim – 11 sen tax exempt per share approved in respect of financial year ended 30 April 2009 (2009 : 9 sen per share less tax of 26% approved in respect of financial year ended 30 April 2008)	11.00	138,160	6.66	83,650
<u>In respect of current year</u>				
– 1st interim – 9 sen tax exempt per share and 10 sen single tier exempt per share (2009 : 6 sen per share less tax of 25%)	19.00	238,640	4.50	56,520
– 2nd interim – 8 sen single tier exempt per share [#] (2009 : 7 sen per share less tax of 25%)	–	–	5.25	65,940
– 3rd interim – Nil (2009 : 2.15 sen per share less tax of 25% and 2.85 sen single tier exempt per share)	–	–	4.46	56,049
		<u>376,800</u>		<u>262,159</u>

The Company had on 27 July 2009 distributed share dividend in respect of financial year ended 30 April 2010, via distribution of 89.7 million treasury shares on the basis of one treasury share for every fourteen existing ordinary shares held. Based on the treasury shares book costs as stated in Note 21 of RM383.314 million, the share dividend is equivalent to approximately 30.5 sen per share based on the ordinary shares in issue with voting rights as at 27 July 2009 of 1,256,000,000.

[#] On 18 June 2010, the Company declared and approved a second interim single tier exempt dividend of 8 sen per share on 1,337,500,000 ordinary shares with voting rights in respect of financial year ended 30 April 2010 amounting to RM107.0 million.

The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2011.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

37 CONTINGENT LIABILITY

	Company	
	2010 RM'000	2009 RM'000
<u>Contingent liability – unsecured</u>		
Corporate guarantee given by the Company to financial institutions for a syndicated credit facilities granted to a subsidiary company	70,000	262,686

Subsequent to the balance sheet date, the Company provided a corporate guarantee for the Medium Term Notes (“MTN”) Programme undertaken by its wholly-owned subsidiary company, Sports Toto Malaysia Sdn Bhd as disclosed in Note 43.

38 CAPITAL AND LEASE COMMITMENTS

(a) Other commitments

	Group	
	2010 RM'000	2009 RM'000
Capital expenditures:		
– Approved and contracted for	1,477	1,843
– Approved but not contracted for	2,198	1,842
	3,675	3,685

(b) Non-cancellable operating lease commitments – Group and Company as lessees

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Future minimum rental payable:				
Not later than one year	5,708	6,783	2,200	3,229
Later than one year but not later than five years	3,511	4,351	30	2,153
Later than 5 years	630	520	–	–
	9,849	11,654	2,230	5,382

The Group and the Company entered into operating leases which represent rental payable for the use of premises.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

38 CAPITAL AND LEASE COMMITMENTS (CONT'D.)

(c) Non-cancellable operating lease commitments – Group as lessor

	Group	
	2010 RM'000	2009 RM'000
Future minimum rental receivable:		
Not later than one year	3,122	3,267
Later than one year but not later than five years	457	2,020
	3,579	5,287

The Group entered into commercial property leases on its investment properties portfolio consisting of premises and office space.

The minimum lease payments recognised in income statements during the financial year are disclosed in Note 29.

The approved and contracted capital expenditures included the following:

- balance of the purchase consideration for investment properties amounting to RM80,000 (2009 : RM80,000) payable to a related company, Berjaya Hills Berhad; and
- balance of the purchase consideration of a hotel (as disclosed in Note 42(d)) of approximately RM3,300,000 by a foreign subsidiary and payable upon completion of the hotel acquisition and compliance with various terms and conditions.

39 SIGNIFICANT RELATED PARTY DISCLOSURES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest income from				
– Berjaya Sports Toto (Cayman) Limited – (a)	–	–	696	642
– Magna Mahsuri Sdn Bhd – (a)	–	–	404	2,630
Interest expense to				
– Sports Toto Malaysia Sdn Bhd – (a)	–	–	(22,368)	(30,314)
Purchases of consumables from				
– Graphic Press Group Sdn Bhd – (c)	(11,076)	(13,950)	–	–
Advances from/(given to)				
– Sports Toto Malaysia Sdn Bhd – (a)	–	–	133,220	–
– Berjaya Sports Toto (Cayman) Limited – (a)	–	–	(34,105)	–
– FEAB Land Sdn Bhd – (a)	–	–	–	2,966
– FEAB Properties Sdn Bhd – (a)	–	–	(4,828)	–
– Sports Toto Fitness Sdn Bhd – (a) (formerly known as Berjaya Wellesley Hotel Sdn Bhd)	–	–	(2,691)	(2)

Notes To The Financial Statements

30 April 2010 (Cont'd.)

39 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Repayment of advances from/(to)				
– Sports Toto Malaysia Sdn Bhd – (a)	–	–	–	(192,095)
– FEAB Properties Sdn Bhd – (a)	–	–	–	9,627
– Berjaya Sports Toto (Cayman) Limited – (a)	–	–	–	54,085
– Magna Mahsuri Sdn Bhd – (a)	–	–	1,149	52,704
Management fees for services rendered by				
– Berjaya Corporation Berhad – (b)	(720)	(720)	(720)	(720)
Shared management costs with related companies – (c)	(3,516)	(3,038)	–	–
Security guard services charges by				
– Berjaya Guard Services Sdn Bhd – (c)	(2,670)	(2,442)	–	–
Rental and service charges by				
– Nada Embun Sdn Bhd – (c)	(1,536)	(1,858)	(244)	(286)
– Ambilan Imej Sdn Bhd – (c)	(1,773)	(2,158)	(1,773)	(2,158)
Purchase of motor vehicles, component parts and related services from				
– Dunia Prestasi Auto Sdn Bhd – (e) <i>(formerly known as Quasar Carriage Sdn Bhd)</i>	(4,414)	(4,049)	(3)	–
Service charges and sinking fund for office block maintenance charged by				
– Berjaya TS Management Sdn Bhd – (g)	–	(763)	–	–
Rental and service charges from				
– U Mobile Sdn Bhd – (d)	1,096	1,334	–	–
– Berjaya Higher Education Sdn Bhd – (c)	2,204	2,072	–	–
Share registration services rendered by				
– Berjaya Registration Services Sdn Bhd – (c)	(554)	(398)	(554)	(398)
Research development, implementation and maintenance services as well as purchase of hardware, software and network equipments from				
– Qinetics Solutions Berhad – (f)	(1,057)	(1,167)	(1)	(24)
Aircraft leasing charges by				
– Berjaya Air Sdn Bhd – (c)	(960)	–	–	–
Advertising and publishing services charged by				
– Sun Media Corporation Sdn Bhd – (h)	(1,184)	(39)	(31)	(39)
Supply of computerised lottery systems and related services				
– Natural Avenue Sdn Bhd – (g)	6,223	217	–	–

Notes To The Financial Statements

30 April 2010 (Cont'd.)

39 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

The nature of the related party relationships are as follows:

- (a) subsidiary companies;
- (b) ultimate holding company, BCorp;
- (c) related companies of BCorp Group other than subsidiary or associated companies of the Company;
- (d) a company in which directors of the Company, namely Dato' Robin Tan Yeong Ching ("DRTYC"), Rayvin Tan Yeong Sheik ("RTYS") and Tan Sri Dato' Tan Chee Sing ("TSDT") have interest. A substantial shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") also has an interest. TSVT is a brother of TSDT and the father of DRTYC and RTYS;
- (e) company in which the ultimate holding company, BCorp has interest;
- (f) subsidiary company of MOL.com Berhad ("MOL"). The related companies of BCorp Group and directors of the Company, namely DRTYC and RTYS as well as a substantial shareholder of the Company, namely TSVT have interest in MOL;
- (g) subsidiary companies of Berjaya Assets Berhad ("BAssets"). The Company's subsidiary, related companies of BCorp Group as well as the directors of the Company, namely TSDT, DRTYC and RTYS have interest in BAssets. A substantial shareholder of the Company, namely TSVT also has an interest in BAssets; and
- (h) subsidiary company of Berjaya Media Berhad ("BMedia"). The Company's subsidiary and related companies of BCorp Group as well as the directors of the Company namely TSDT, DRTYC and RTYS have interest in BMedia. A substantial shareholder of the Company, TSVT also has an interest in BMedia.

The outstanding balances with subsidiary companies have been disclosed under Notes 13 and 27, and the corporate exercise in relation to internal reorganisation with subsidiary companies during the financial year is disclosed in Note 42(b).

Certain professional fee amounting to RM13,999,000 (2009 : RM7,036,000) was incurred by a foreign subsidiary company for management and consultancy services contracted with a corporate entity, of which the Chief Executive Officer of the foreign subsidiary company has an interest.

The compensation of the key management personnel, who are the Directors of the Group are as follows:

	Group	
	2010 RM'000	2009 RM'000
Short-term benefits	20,923	17,340
Post-employment benefits	2,694	2,329
	23,617	19,669

40 FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The financial risk management policies of the Company and its subsidiaries ("the Group") seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its currency, interest rate, market, credit and liquidity risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(b) Currency Risk

The Group predominantly operates in Malaysia even though it has some overseas subsidiary companies. The Group has limited exposure to foreign exchange risk as the transactional currencies are mostly in the functional currencies of the respective operating entities other than exposure on the advances to a subsidiary company that was treated as net investment in a foreign operation. The Group has minimal currency transaction exposures. Such exposure mainly arises from sales and purchases between inter-companies within the Group.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

40 FINANCIAL INSTRUMENTS (CONT'D.)

(c) Interest Rate Risk

The Group's primary interest rate risk related to interest bearing assets and interest bearing borrowings.

The interest bearing assets are made up of deposits with licensed financial institutions. The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank by placing them as short term deposits and actively reviewing its portfolio of deposits.

(d) Market Risk

The Group has minimal exposure to market risk as its investment is mainly on government guaranteed securities and its investments on quoted shares and domestic properties are not substantial. However, the risk of loss in value of the Group's quoted investments and properties is minimised via proper assessment before making investments and continuous monitoring of the performance of the investments.

(e) Credit Risk

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Credit risk or risk of counterparts defaulting, is controlled by the application of credit approval limits and monitoring procedures.

(f) Liquidity Risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met.

The Group maintains sufficient levels of cash and the availability of funding so as to ensure that its working capital requirements are met.

(g) Fair Value

The carrying values of the financial assets and financial liabilities reflected in the balance sheet approximate to their respective fair values except for the following:

	Group	
	Carrying amount RM'000	Fair value RM'000
Financial Assets:		
At 30 April 2010:		
Quoted loan stocks in Malaysia	661	2,835
Quoted shares outside Malaysia	2,921	3,170
	3,582	6,005
At 30 April 2009:		
Quoted loan stocks in Malaysia	661	992

Notes To The Financial Statements

30 April 2010 (Cont'd.)

40 FINANCIAL INSTRUMENTS (CONT'D.)

(g) Fair Value (Cont'd.)

	Group	
	Carrying amount RM'000	Fair value RM'000
Financial liability:		
At 30 April 2010:		
Term loan – Fixed rates	70,000	46,453
At 30 April 2009:		
Term loan – Fixed rates	262,686	198,833

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

i) Cash and bank balances, receivables, payables, short term investments, fixed rates borrowings and amount due from/to subsidiary companies

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

The fair values of borrowings on the term loan are estimated by discounting the expected future cash flows using current interest rates for liabilities with similar risk profiles.

It is not practical to estimate the fair values of amount due from/to subsidiary companies, principally due to lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts of all these outstanding balances recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

ii) Investment in unquoted securities

It is not practical to estimate the fair values of the Group's investment in unquoted securities because of the non-availability of a market price and the inability to estimate the fair value without incurring excessive costs.

iii) Investment in quoted securities

The fair values for quoted securities are obtained using market values as disclosed in Note 6.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

41 SEGMENT INFORMATION

(a) Business Segments:

	Toto betting and leasing of lottery equipment RM'000	Others* RM'000	Inter- segment RM'000	Consolidated RM'000
30 April 2010				
Revenue				
External sales	3,374,145	18,665	–	3,392,810
Inter-segment sales	–	12,017	(12,017)	–
				3,392,810
Results				
Segment results	581,708	(1,691)	(5,368)	574,649
Unallocated corporate expenses				(13,156)
				561,493
Profit before other income and expenses				561,493
Investment related income				4,952
Investment related expenses				(40)
Other income				7,183
Finance costs				(25,388)
Share of results of associated companies				(12)
				548,188
Profit before tax				548,188
Income tax expense				(159,710)
				388,478
Profit for the year				388,478
Minority interests				(4,974)
				383,504
Profit attributable to equity holders of the Company				383,504
Assets				
Segment assets	1,594,638	135,360	(548,843)	1,181,155
Investment in equity method of associated companies	24	3,547	–	3,571
Unallocated corporate assets				46,858
				1,231,584
Consolidated total assets				1,231,584
Liabilities				
Segment liabilities	354,987	165,132	(241,392)	278,727
Unallocated corporate liabilities				488,306
				767,033
Consolidated total liabilities				767,033
Other information				
Capital expenditures	14,408	4,797	(1,633)	17,572
– Unallocated corporate expenses				51
				17,623
Depreciation and amortisation	16,440	1,221	–	17,661
– Unallocated corporate expenses				995
				18,656
Impairment losses	–	40	–	40
				4,634
Other non-cash expenses	4,250	384	–	4,634
– Unallocated corporate expenses				4
				4,638

Notes To The Financial Statements

30 April 2010 (Cont'd.)

41 SEGMENT INFORMATION (CONT'D.)

(a) Business Segments (Cont'd.):

	Toto betting and leasing of lottery equipment RM'000	Others* RM'000	Inter- segment RM'000	Consolidated RM'000
30 April 2009				
Revenue				
External sales	3,680,123	15,563	–	3,695,686
Inter-segment sales	–	12,060	(12,060)	–
				3,695,686
Results				
Segment results	612,913	(620)	(7,905)	604,388
Unallocated corporate expenses				(9,358)
				595,030
Profit before other income and expenses				595,030
Investment related income				1,961
Investment related expenses				(3,606)
Other income				8,271
Finance costs				(16,111)
Share of results of associated companies				(1)
				585,544
Profit before tax				585,544
Income tax expense				(163,528)
				422,016
Profit for the year				422,016
Minority Interests				(8,462)
				413,554
Profit attributable to equity holders of the Company				413,554
Assets				
Segment assets	1,488,844	162,991	(589,635)	1,062,200
Investment in equity method of associated companies	–	164	–	164
Unallocated corporate assets				52,110
				1,114,474
Consolidated total assets				1,114,474
Liabilities				
Segment liabilities	251,720	120,635	(115,244)	257,111
Unallocated corporate liabilities				358,457
				615,568
Consolidated total liabilities				615,568
Other information				
Capital expenditures	22,815	6,739	(5,817)	23,737
– Unallocated corporate expenses				65
				23,802
Depreciation and amortisation	15,164	1,203	–	16,367
– Unallocated corporate expenses				1,014
				17,381
Impairment losses	–	3,303	–	3,303
– Unallocated corporate expenses				303
				3,606
Other non-cash expenses	70	658	–	728

Notes To The Financial Statements

30 April 2010 (Cont'd.)

41 SEGMENT INFORMATION (CONT'D.)

(b) Geographical Segments:

Total Revenue From External Customers

	Group	
	2010 RM'000	2009 RM'000
Malaysia	3,277,701	3,575,923
Others	115,109	119,763
	<u>3,392,810</u>	<u>3,695,686</u>

Segment Assets

	Group	
	2010 RM'000	2009 RM'000
Malaysia	944,724	895,360
Others	236,455	166,840
Unallocated corporate assets	50,405	52,274
	<u>1,231,584</u>	<u>1,114,474</u>

Capital Expenditures

	Group	
	2010 RM'000	2009 RM'000
Malaysia	11,982	21,542
Others	5,590	2,195
Unallocated corporate expenses	51	65
	<u>17,623</u>	<u>23,802</u>

Unallocated corporate items refer to items relating to investing or financing activities and items that cannot be reasonably allocated to individual segments.

Other non-cash items mainly include unrealised loss on foreign exchange, write-off of property, plant and equipment, inventories written down, provision for sales warranty and allowance for doubtful debts.

Inter-segment transactions/items are eliminated on consolidation.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

* Other business segments include property investment and development and investment holding, manufacture and distribution of computerised lottery and voting systems as well as operation of health and fitness centre, none of which are of a sufficient size to be reported separately.

Notes To The Financial Statements

30 April 2010 (Cont'd.)

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 4 May 2009, the Company announced that its wholly-owned subsidiary company, BSTC had entered into a Share Sale Agreement with Ferrystar Limited for the proposed acquisition of 60.655 million ordinary shares of Php1.00 each representing approximately 6.81% equity interest in Prime Gaming Philippines, Inc. (which had on 18 June 2010 changed its corporate name to Berjaya Philippines Inc. ("BPI")), for a total cash consideration of Php455.95 million (equivalent to RM33.959 million). The acquisition was completed in May 2009 and consequently, the total equity interests held by the Group increased from 81.45% to 88.26%.
- (b) On 15 June 2009, the Company entered into a Share Sale Agreement with its wholly-owned subsidiary, Magna Mahsuri Sdn Bhd ("Magna Mahsuri") for the disposal of 19,500,000 shares of USD1.00 each representing 100% of the issued and paid-up share capital of BSTC, another wholly-owned subsidiary of the Company for a total consideration of RM520.0 million. The total consideration of RM520.0 million for the sales of shares was satisfied by Magna Mahsuri via the issuance of 260.0 million new ordinary shares of RM1.00 each valued at RM2.00 per share. Upon completion of the disposal of BSTC, an exceptional gain on disposal of approximately RM469.33 million was recognised at the Company level. However, the disposal was an intra group transaction and did not have any effect at the group level as the gain on disposal was eliminated under the consolidation principles.
- (c) On 17 December 2009, the Company acquired a total of 2,000 ordinary shares of USD1.00 each representing 20% equity interest in Berjaya Lottery Vietnam Limited ("BLVL") from BCorp, the ultimate holding company of the Company, for a total cash consideration of USD2,000 or approximately RM6,900. Subsequently on 30 April 2010, BLVL issued additional 4.990 million ordinary shares of USD1.00 each, and the Company subscribed for its 20% share at a consideration of USD998,000 or approximately RM3,383,000.
- (d) On 28 December 2009, the Company announced that BPI, an indirect subsidiary of the Company has incorporated a wholly-owned subsidiary, Perdana Hotel Philippines Inc. in the Philippines to acquire an interest in the operation of a hotel in Makati, Philippines.

On 19 April 2010, BPI announced the acquisition of a 212-room hotel in Makati, Philippines by its wholly-owned subsidiary, Perdana Hotel Philippines Inc. as the purchaser of the hotel and BPI's associated company, Perdana Land Philippines Inc. as the purchaser for the hotel land as well as an adjacent land and building. BPI had subscribed to shares (representing 40% equity interest) of Perdana Land Philippines Inc. as part of its strategy to acquire an interest in the operation of the hotel. The total consideration for the acquisition of the hotel and land and the adjacent land and building amounted to Php804.0 million (equivalent to RM57.5 million). As at 30 April 2010, a sum of Php757.5 million (equivalent to RM54.2 million) was paid to the vendors.

43 SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

On 23 June 2010, the Company announced that its wholly-owned subsidiary company, Sports Toto Malaysia Sdn Bhd ("STM") proposed to undertake a MTN Programme of up to RM800.0 million in nominal value and has received the approval of the Securities Commission. STM has appointed Maybank Investment Bank Berhad as the Principal Adviser, Lead Arranger and Joint Lead Managers together with AmInvestment Bank Berhad.

The MTN Programme is akin to a revolving credit facility where-in the tenure for the MTNs shall be above one year and up to ten years as STM may select in consultation with the Joint Lead Managers.

The drawdown of the MTNs of RM500.0 million was completed on 30 June 2010 and the proceeds was principally utilised to refinance the Group's bank borrowings and for working capital. The tenure of issue are RM150.0 million for 3 years, RM200.0 million for 5 years and RM150.0 million for 7 years.

List of Properties

For the year ended 30 April 2010

Location	Tenure	Date of Acquisition	Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Book Value RM'000
Lot 174 TS 18 North East District Penang (74, 76 & 78 Rope Walk, Penang)	Freehold	30.08.1990	70 yrs	4,826 sq. ft.	3 units of 2-storey shophouse – vacant	900	N/A
Location at Estimate 100 meter off-shore of Berjaya Langkawi Resort situated in accordance with GPS at 6 21.634 N and 99 39.639 E	Leasehold	11.11.1999	10 yrs	5,429 sq. ft.	Restaurant premise for rental	1,800	N/A
Berjaya Times Square 11th Floor No. 1, Jalan Imbi 55100 Kuala Lumpur	Freehold (Strata title)	06.01.1998	7 yrs	106,027 sq. ft.	One floor of office space of an integrated commercial development for rental	59,956	N/A
Lot SL-012 & 013 Sri Pelangi Shoplot Ground Floor, Block C Jalan Genting Klang Setapak 53300 Kuala Lumpur	Freehold	12.12.1992	16 yrs	3,187 sq. ft.	2 units of ground floor shoplot – 2 units for rental	1,330	N/A
Lots 335 & 336 Mukim Kuala Kuantan Astana Golf Resort KM 7 Bandar Indera Mahkota 25300 Kuantan Pahang Darul Makmur	Leasehold 99 years expiring on 10 Sept 2092	18.12.1992	–	16,414 sq. ft.	2 bungalow lots – vacant	230	N/A
A171, Sri Dagangan Business Centre Jalan Tun Ismail 25100 Kuantan Pahang Darul Makmur	Freehold	26.09.1992	16 yrs	1,430 sq. ft.	1 unit of 3-storey shop/office – 1 floor for sales office, 1 floor for rental and 1 floor vacant	N/A	297
A173, Sri Dagangan Business Centre Jalan Tun Ismail 25100 Kuantan Pahang Darul Makmur	Freehold	26.09.1992	16 yrs	1,430 sq. ft.	1 unit of 3-storey shop/office – 2 floors for rental and 1 floor vacant	850	N/A
Lot 367, Section 11 Kuching Town Land District Jalan Kulas 93400 Kuching Sarawak	Freehold	28.03.1994	17 yrs	1,214 sq. ft.	1 unit of 4-storey shophouse – 3 floors for rental and 1 floor vacant	1,200	N/A

List of Properties

For the year ended 30 April 2010 (Cont'd.)

Location	Tenure	Date of Acquisition	Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Book Value RM'000
Lot 19, Bornion Commercial Centre 88100 Luyang Kota Kinabalu Sabah	Leasehold 999 years expiring on 15 May 2915	24.12.1994	17 yrs	3,750 sq. ft.	1 unit of 3-storey shoplot – 2 floors for sales office and 1 floor vacant	N/A	447
24, Jalan SS2/66 47300 Petaling Jaya Selangor Darul Ehsan	Freehold	30.12.1994	38 yrs	1,680 sq. ft.	1 unit of 3-storey shophouse for rental	2,600	N/A
No. 14, Sri Desa Entrepreneur's Park Jalan Kuchai Lama 58200 Kuala Lumpur	Freehold	23.11.1995	12 yrs	6,760 sq. ft.	1 unit of 5-storey shopoffice – 5 floors for rental	1,660	N/A
Kim's Park Business Centre No. 1, Jalan Penjaja 3/A Batu Pahat Johor Darul Takzim	Freehold	15.06.1998	11 yrs	2,575 sq. ft.	1 unit of 3-storey shopoffice – 1 floor for sales office and 2 floors vacant	N/A	715
H.S. (D) 10222 P.T. No. 10961 Bentong Pahang Darul Makmur	Leasehold 99 years expiring on 4 May 2094	23.12.1999	–	119,845 sq. ft.	Vacant land	2,620	N/A
Lot 11, Jalan Oniks 2 7/11 B, Seksyen 7 Shah Alam Selangor Darul Ehsan	Leasehold 99 years expiring on 28 May 2103	28.05.2004	–	19,752 sq. ft.	Vacant land	1,100	N/A
No. A5-1 Meranti Park Apartments Jalan BTR 1/5 Bukit Tinggi Resort 28750 Bentong Pahang Darul Makmur	Leasehold 99 years expiring on 4 May 2094	08.09.2005	11 yrs	949 sq. ft.	1 unit of apartment – vacant	210	N/A
No. PHA-3 Meranti Park Apartments Jalan BTR 1/5 Bukit Tinggi Resort 28750 Bentong Pahang Darul Makmur	Leasehold 99 years expiring on 4 May 2094	08.09.2005	11 yrs	1,465 sq. ft.	1 unit of apartment – vacant	310	N/A
12, Jalan 4/91A Shamelin Perkasa 56100 Kuala Lumpur	Leasehold 99 years expiring on 11 Sept 2082	18.06.2007	15 yrs	1,043 sq. ft.	1 unit of 3-storey semi detached factory lot – logistic, field support and central sales office	N/A	3,782

List of Properties

For the year ended 30 April 2010 (Cont'd.)

Location	Tenure	Date of Acquisition	Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Book Value RM'000
No. 15 Jalan Gemilang 8/1 Bandar Banang Jaya 83000 Batu Pahat Johor Darul Takzim	Freehold	In year 1997	13 yrs	3,507 sq. ft	1 unit of 1½-storey terrace workshop – vacant	N/A	205
Unit No. 5.5, 5th Floor Apartment Block Plaza Berjaya No. 12, Jalan Imbi 55100 Kuala Lumpur	Freehold	03.08.2009	24 yrs	1,079 sq. ft	1 unit of apartment – vacant	270	N/A
Suite No. 7F, 7th Floor Office Block Plaza Berjaya No. 12, Jalan Imbi 55100 Kuala Lumpur	Freehold	03.08.2009	24 yrs	738 sq. ft	Office space for rental	295	N/A

N/A denotes Not Applicable

REVALUATION POLICY

The Group does not adopt a policy of regular revaluation of its properties except for investment properties which are stated at fair value.

Material Contracts

Other than as disclosed in Notes 29, 38, 39 and 42 of the financial statements for the financial year ended 30 April 2010, neither Berjaya Sports Toto Berhad nor any of its subsidiaries has entered into any material contracts involving Directors and major shareholders.

Additional Information

The amount of non-audit fees incurred for services rendered to the Group by the Company's auditors, or a firm affiliated to the auditors' firm, for the financial year ended 30 April 2010 amounted to RM61,000 (2009 : RM65,000).

Recurrent Related Party Transactions of Revenue Nature

The aggregate value of transactions conducted pursuant to shareholders' mandate were as follows:

Related parties	Nature of transaction	Name of companies	Amount transacted during the financial year (RM'000)
Berjaya Corporation Berhad and its unlisted subsidiary companies			
Berjaya Corporation Berhad	Management fees payable for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services	Berjaya Sports Toto Berhad	720
Berjaya Education Sdn Bhd	Receipt of education and staff training services	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad	19
Berjaya Registration Services Sdn Bhd	Receipt of share registration services	Berjaya Sports Toto Berhad	554
Berjaya Higher Education Sdn Bhd	Rental income for renting of partially furnished floor space at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	(2,204)
Stephen Properties Sdn Bhd	Rental for renting of storage areas	Berjaya Sports Toto Berhad FEAB Properties Sdn Bhd	4
Ambilan Imej Sdn Bhd	Rental for renting of office at part of Level 12, Berjaya Times Square	Berjaya Sports Toto Berhad	1,773
Inter-Pacific Trading Sdn Bhd	Purchase of stationery products	Berjaya Sports Toto Berhad Sports Toto Malaysia Sdn Bhd	92
Graphic Press Group Sdn Bhd	Procurement of Toto betting slips printing services	Sports Toto Malaysia Sdn Bhd	11,076
Berjaya Land Berhad and its unlisted subsidiary companies			
Berjaya Guard Services Sdn Bhd	Receipt of security guard services	Sports Toto Malaysia Sdn Bhd	2,670
Berjaya Langkawi Beach Resort Sdn Bhd	Rental of villa at Berjaya Langkawi Resort	Berjaya Sports Toto Berhad	180
	Rental income for renting restaurant premise	FEAB Properties Sdn Bhd	(102)
Nada Embun Sdn Bhd	Rental for renting of office premises at part of Level 13, Berjaya Times Square	Berjaya Sports Toto Berhad Sports Toto Malaysia Sdn Bhd	1,527
Berjaya Land Development Sdn Bhd	Rental for renting of office premises	FEAB Properties Sdn Bhd FEAB Land Sdn Bhd	5
Berjaya Hospitality Services Sdn Bhd	Rental for renting of function rooms at Berjaya Times Square Hotel	Sports Toto Malaysia Sdn Bhd	58

Recurrent Related Party Transactions of Revenue Nature

Related parties	Nature of transaction	Name of companies	Amount transacted during the financial year (RM'000)
Berjaya Assets Berhad and its unlisted subsidiary companies			
Natural Avenue Sdn Bhd	Supply of computerised lottery systems and related services	International Lottery & Totalizator Systems, Inc.	201
Berjaya Times Square Sdn Bhd	Parking charges	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad	354
	Rental and service charges for renting of showroom cum office	Sports Toto Computer Sdn Bhd	56
Berjaya Air Sdn Bhd	Dry lease charges for aircraft leasing facilities	Sports Toto Malaysia Sdn Bhd	960
Berjaya Media Berhad and its unlisted subsidiary company			
Sun Media Corporation Sdn Bhd	Procurement of promotion, advertising and publishing services	Berjaya Sports Toto Berhad Sports Toto Malaysia Sdn Bhd	1,184
Other related parties			
Qinetics Solutions Sdn Bhd	Purchase of hardware, software and network equipment	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad	78
	Receipt of software development and implementation services	Sports Toto Malaysia Sdn Bhd	952
	Procurement of e-newsletter, website development and maintenance services	Sports Toto Malaysia Sdn Bhd	17
Dunia Prestasi Auto Sdn Bhd (formerly known as Quasar Carriage Sdn Bhd)	Purchase of motor vehicles, component parts and other related products and services	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad	4,414
U Mobile Sdn Bhd	Rental income from renting office at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	(1,096)
Roda Indah Sdn Bhd	Purchase of motor vehicles, component parts and other related products and services	Sports Toto Malaysia Sdn Bhd	191

Statement of Directors' Shareholdings

as at 24 August 2010

THE COMPANY

	Number of ordinary shares of RM0.10 each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Thong Yaw Hong	577,500	0.04	217,500 327,856*	0.02 0.02
Dato' Robin Tan Yeong Ching	828,000	0.06	–	–
Chan Kien Sing	3,428	0.00	–	–
Freddie Pang Hock Cheng	390,000	0.03	162,066*	0.01
Rayvin Tan Yeong Sheik	214,000	0.02	–	–
Seow Swee Pin	43,500	0.00	7,500*	0.00
Tan Sri Dato' Tan Chee Sing	7,194,891	0.54	720,000*	0.05
Mohamed Saleh Bin Gomu	–	–	–	–
Datuk Robert Yong Kuen Loke	1,956,857	0.15	–	–

HOLDING COMPANY

BERJAYA LAND BERHAD

	Number of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Thong Yaw Hong	43,750	0.00	285,000 96,250*	0.02 0.01
Dato' Robin Tan Yeong Ching	150,000	0.01	–	–
Freddie Pang Hock Cheng	40,000	0.00	1,000*	0.00
Tan Sri Dato' Tan Chee Sing	725,521	0.06	2,000,000*	0.16
Datuk Robert Yong Kuen Loke	90,000	0.01	–	–

ULTIMATE HOLDING COMPANY

BERJAYA CORPORATION BERHAD

	Number of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Thong Yaw Hong	156,794	0.00	299,405 205,000*	0.01 0.00
Dato' Robin Tan Yeong Ching	722,847	0.02	5,000*	0.00
Chan Kien Sing	47,688	0.00	–	–
Freddie Pang Hock Cheng	217,388	0.01	143,300*	0.00
Rayvin Tan Yeong Sheik	316,000	0.01	–	–
Tan Sri Dato' Tan Chee Sing	57,752,691	1.38	17,750,000 1,352,568*	0.42 0.03
Datuk Robert Yong Kuen Loke	1,020,548	0.02	–	–

Statement of Directors' Shareholdings

as at 24 August 2010 (Cont'd.)

ULTIMATE HOLDING COMPANY (CONT'D.)

BERJAYA CORPORATION BERHAD

	Number of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal value each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	–	–	300,000	0.04
Rayvin Tan Yeong Sheik	385,000	0.05	–	–
Tan Sri Dato' Tan Chee Sing	–	–	2,615,000 500,000*	0.37 0.07
Datuk Robert Yong Kuen Loke	741	0.00	–	–

RELATED COMPANY

COSWAY CORPORATION LIMITED

(formerly known as Berjaya Holdings (HK) Limited)

	Number of ordinary shares of HKD0.20 each			
	Direct Interest	%	Deemed Interest	%
Rayvin Tan Yeong Sheik	12,186,972	0.62	–	–

In principal amount of 1.0%-3.5% Irredeemable Convertible Unsecured Loan Securities 2009/2019

	Direct Interest	%	Deemed Interest	%
	HKD		HKD	
Rayvin Tan Yeong Sheik	87,450,000	4.11	–	–

Number of Options Over ordinary shares of HKD0.20 each

	Direct Interest	%	Deemed Interest	%
Rayvin Tan Yeong Sheik	500,000	0.03	–	–

* Indirect interests held pursuant to Section 134(12)(c) of the Companies Act, 1965.

Save as disclosed, none of the Directors of the Company had any interests in the shares and debentures of the Company or its related corporations as at 24 August 2010.

Statistics on Shareholdings

as at 24 August 2010

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage	No. of Shares	Percentage
less than 100	1,450	2.86	51,798	0.00
100 – 1,000	7,251	14.27	5,763,910	0.43
1,001 – 10,000	34,643	68.19	115,109,393	8.61
10,001 – 100,000	6,880	13.54	169,245,925	12.65
100,001 – 66,874,999	578	1.14	805,026,877	60.19
66,875,000* & above	1	0.00	242,302,097	18.12
Total	50,803	100.00	1,337,500,000	100.00

Note:

There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.

* Denotes 5% of the total number of shares with voting rights in issue.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS as at 24 August 2010

	Name Of Shareholders	No. Of Shares	(%)
1	HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt An For HSBC (Malaysia) Trustee Berhad (BLAND-EB)</i>	242,302,097	18.12
2	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For Bank Sarasin-Rabo (Asia) Limited (AC Client Frgn)</i>	41,076,500	3.07
3	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account-Ambank (M) Berhad For Berjaya Corporation Berhad</i>	34,678,100	2.59
4	ECML Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Corporation Berhad (001)</i>	34,500,000	2.58
5	Scotia Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad</i>	30,950,000	2.31
6	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For American International Assurance Berhad</i>	25,439,528	1.90
7	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (West CLTOD67)</i>	23,923,487	1.79
8	CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (50002 JTRK)</i>	23,104,115	1.73
9	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	20,770,578	1.55
10	Scotia Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For B.L Capital Sdn Bhd</i>	20,300,000	1.52
11	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (GBSB6811243)</i>	20,214,285	1.51
12	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Exempt An For UOB Kay Hian Pte Ltd (AVC Clients)</i>	17,717,321	1.32
13	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (681124)</i>	16,600,000	1.24
14	Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund 9P13 For Thornburg Investment Income Builder Fund</i>	14,600,000	1.09
15	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BBB4-GBSB)</i>	14,400,000	1.08
16	CIMB Group Nominees (Tempatan) Sdn Bhd <i>Berjaya Land Berhad For B L Capital Sdn Bhd (50002 JTRK)</i>	13,967,541	1.04
17	HSBC Nominees (Asing) Sdn Bhd <i>BBH And Co Boston For PCA Asia Oceania High Dividend Equity Mother Fund (MTBI)</i>	13,355,292	1.00
18	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For Prudential Fund Management Berhad</i>	12,543,485	0.94

Statistics on Shareholdings

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D.)

	Name Of Shareholders	No. Of Shares	(%)
19	ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (Corp Banking)</i>	12,428,571	0.93
20	Scotia Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (I – CAP)</i>	11,700,000	0.87
21	BBL Nominees (Tempatan) Sdn Bhd <i>Gateway Benefit Sdn Bhd</i>	11,514,285	0.86
22	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB For Gateway Benefit Sdn Bhd (Banking 80)</i>	10,635,714	0.80
23	HSBC Nominees (Asing) Sdn Bhd <i>BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund</i>	10,414,796	0.78
24	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB Bank Berhad (ETP)</i>	10,006,356	0.75
25	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB For Berjaya Land Berhad (Banking 80)</i>	9,348,721	0.70
26	ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (RC3)</i>	8,000,000	0.60
27	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Berjaya Land Bhd (BBB)</i>	7,982,142	0.60
28	CIMB Group Nominees (Tempatan) Sdn Bhd <i>Noble Circle (M) Sdn Bhd For Berjaya Land Berhad (49357 KLMN)</i>	7,285,714	0.54
29	ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (RC)</i>	6,777,000	0.51
30	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (NORGES BK NLEND)</i>	6,400,200	0.48
		732,935,828	54.80

LIST OF SUBSTANTIAL SHAREHOLDERS as at 24 August 2010

Names of Substantial Shareholder	No. of Shares			
	Direct	%	Indirect	%
Gateway Benefit Sdn Bhd	311,521,421	23.29	–	–
Berjaya Land Berhad	219,774,096	16.43	362,043,849(a)	27.07
Teras Mewah Sdn Bhd	–	–	581,817,945(b)	43.50
Juara Sejati Sdn Bhd	–	–	591,210,086(c)	44.20
Berjaya Group Berhad	–	–	599,821,086(d)	44.85
Berjaya Corporation Berhad	69,178,100	5.17	599,821,086(e)	44.85
Tan Sri Dato' Seri Vincent Tan Chee Yioun	13,954,408	1.04	675,924,534(f)	50.54

Notes:

- Deemed interested by virtue of its 100% interests in Gateway Benefit Sdn Bhd, Immediate Capital Sdn Bhd and B.L. Capital Sdn Bhd.
- Deemed interested by virtue of its interest in Berjaya Land Berhad.
- Deemed interested by virtue of its interest in Berjaya Land Berhad and its deemed interests in Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd and Inter-Pacific Capital Sdn Bhd.
- Deemed interested by virtue of its 100% interests in Bizurai Bijak (M) Sdn Bhd, Teras Mewah Sdn Bhd and Juara Sejati Sdn Bhd.
- Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.
- Deemed interested by virtue of his interest in Berjaya Corporation Berhad, B & B Enterprise Sdn Bhd and his deemed interest in Premier Merchandise Sdn Bhd and Desiran Unggul Sdn Bhd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Berjaya Sports Toto Berhad will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 20 October 2010 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the year ended 30 April 2010 and the Directors' and Auditors' Reports thereon. **RESOLUTION 1**
2. To approve the payment of Directors' fees amounting to RM108,750 for the year ended 30 April 2010. **RESOLUTION 2**
3. To re-elect the following Directors retiring pursuant to Article 98(A) of the Company's Articles of Association:-
 - a. Chan Kien Sing **RESOLUTION 3**
 - b. Rayvin Tan Yeong Sheik **RESOLUTION 4**
 - c. Datuk Robert Yong Kuen Loke **RESOLUTION 5**
4. To re-appoint Tan Sri Dato' Thong Yaw Hong as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. **RESOLUTION 6**
5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 7**
6. As special business:-
 - a. To consider and, if thought fit, pass the following Ordinary Resolutions:-
 - i. **Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965**

"That, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

RESOLUTION 8
 - ii. **Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"That, subject to the provisions of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 28 September 2010 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not

Notice of Annual General Meeting

more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM at which the ordinary resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- ii. the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Companies Act, 1965); or
- iii. revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is the earlier;

And Further That authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.”

RESOLUTION 9

iii. Proposed Renewal of Authority to Purchase Its Own Shares by the Company

“THAT, subject always to the Companies Act, 1965, (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association and Bursa Malaysia Securities Berhad (“Exchange”) Main Market Listing Requirements and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of RM0.10 each in the Company (“BToto Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total issued and paid-up share capital of the Company inclusive of the 13,530,072 BToto Shares already purchased and retained as treasury shares;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profit or share premium reserve of the Company or both;

Notice of Annual General Meeting

3. the authority shall commence immediately upon passing of this resolution until:-
 - a. the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - b. the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
 - c. revoked or varied by ordinary resolution passed by the shareholders in general meeting;whichever occurs first;
- AND THAT upon completion of the purchase(s) of the BToto Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BToto Shares so purchased by the Company in the following manner:-
- a. cancel all the BToto Shares so purchased; or
 - b. retain all the BToto Shares as treasury shares for future re-sale or for distribution as dividend to the shareholders of the Company; or
 - c. retain part thereof as treasury shares and subsequently cancelling the balance; or
 - d. any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”
- b. To consider and, if thought fit, to pass the following Special Resolution:-

Proposed Amendment to the Company's Articles of Association

“THAT the Articles of Association of the Company be and is hereby amended by the deletion of the existing Article 105 in its entirety and substituting it with the following new Article 105:-

New Article 105

- a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the shareholder or the person entitled thereto. Every such cheque or warrant shall be payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

RESOLUTION 10

Notice of Annual General Meeting

- b. Any dividend, interest or other moneys payable in cash in respect of shares deposited with the Depository will be paid by direct transfer or any other electronic means to the bank account of the shareholder as provided to the Depository from time to time. Every such payment shall be effected in accordance with the provisions of the Act, the Central Depositories Act and the Rules of the Depository, the Listing Requirements and/or any other legislative or regulatory provisions. Every such payment shall be a good discharge to the Company and be effected at the risk of the person entitled to the money represented thereby."

RESOLUTION 11

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
28 September 2010

NOTES:

A. APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the meeting is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account.
3. The instrument appointing a proxy, shall be in writing under the hand of the appointor or his attorney duly authorised in writing, and in the case of a corporation, it must be executed either under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 21 October 2009 and which will lapse at the conclusion of the Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

B. SPECIAL BUSINESS

- i. Resolution 8 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares not exceeding 10% of the existing issued and paid-up share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

- ii. Resolution 9 is in relation to the approval on the Shareholders' Mandate on Recurrent Related Party Transactions and if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The explanatory notes on Resolution 9 are set out in Part A of the Circular/Statement to Shareholders dated 28 September 2010 attached to the Annual Report.
- iii. Resolution 10 if passed will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company. The explanatory notes on Resolution 10 are set out in Part B of the Circular/Statement to Shareholders dated 28 September 2010 attached to the Annual Report.
- iv. Resolution 11 is proposed for the purpose of updating the Company's Articles of Association to include the payment of dividend, interest or other money payable in cash in respect of shares of the Company by way of direct transfer or any other electronic means pursuant to the recent implementation of electronic dividend payment or eDividend by Bursa Malaysia Securities Berhad.

Form of Proxy

BERJAYA SPORTS TOTO BERHAD

(Company No. 9109-K)

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos. or Company No.)

of _____
(Address)

being a member/members of BERJAYA SPORTS TOTO BERHAD hereby appoint:

_____ I.C. No. _____
(Name in full) (New and Old I.C. Nos.)

of _____
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 20 October 2010 at 10.00 a.m. or any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
RESOLUTION 1 – To receive and adopt the Audited Financial Statements		
RESOLUTION 2 – To approve payment of Directors' Fees		
RESOLUTION 3 – To re-elect Chan Kien Sing as Director		
RESOLUTION 4 – To re-elect Rayvin Tan Yeong Sheik as Director		
RESOLUTION 5 – To re-elect Datuk Robert Yong Kuen Loke as Director		
RESOLUTION 6 – To re-appoint Tan Sri Dato' Thong Yaw Hong as Director		
RESOLUTION 7 – To re-appoint Auditors		
RESOLUTION 8 – To approve authority to issue and allot shares		
RESOLUTION 9 – To renew and to seek shareholders' mandate for Recurrent Related Party Transactions		
RESOLUTION 10 – To approve the renewal of authority to purchase its own shares by the Company		
RESOLUTION 11 – To approve the proposed amendment to the Company's Articles of Association		

No. of Shares Held

Signature of Shareholder(s)

Signed this _____ day of _____, 2010

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account.
3. The instrument appointing a proxy, shall be in writing under the hand of the appointor or his attorney duly authorised in writing, and in the case of a corporation, it must be executed either under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
BERJAYA SPORTS TOTO BERHAD
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1, JALAN IMBI
55100 KUALA LUMPUR

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1st fold here

GROUP ADDRESSES

Sports Toto Malaysia Sdn Bhd

Lot 13-01, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2148 9888
Email: webmaster@sportstoto.com.my

Berjaya Lottery Management (HK) Limited

Level 28, Three Pacific Place
1 Queen's Road East, Hong Kong
Tel: 852-2980 1620
Fax: 852-2956 2192

International Lottery & Totalizator Systems, Inc

2310 Cousteau Court
Vista (San Diego)
California 92081-8346
USA
Tel: 1 (760) 598 1655
Fax: 1 (760) 598 0219
Email: mktg@ilts.com
www.ilts.com

Berjaya Philippines Inc.

(formerly known as Prime Gaming Philippines, Inc.)
9th Floor, Rufino Pacific Tower
6784 Ayala Ave., cor V.A. Rufino Street, Makati City
Metro Manila, Philippines
Tel: 632-811 0668
Fax: 632-811 2293

The Company Secretary
Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2149 1999
Fax: 03-2143 1685
www.berjaya.com

