



**BERJAYA**

**BERJAYA SPORTS TOTO BERHAD**

(Company No. 9109-K)

برجاي سפורتس توتو برحد

成功多多博彩有限公司

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LAPORAN TAHUNAN **2012** 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.

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## 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.



# 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:

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

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 7 games which are drawn 3 days in a week.

Internationally, BToto operates in the Philippines through its subsidiary Berjaya Philippines, Inc. (“BPI”) which is listed on the Philippine Stock Exchange. Its wholly-owned subsidiary, Philippine Gaming Management Corporation (“PGMC”) supplies and maintains a computerized on-line lottery system and software support to Philippine Charity Sweepstakes Office (“PCSO”) in Luzon Island, Philippines. PCSO’s lottery operation in Luzon, Philippines commenced in 1995 and currently offers 8 games in more than 3,620 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 the USA.

The Group has a total employee strength of 978 as at 30 April 2012.

Sports Toto’s financial growth over the past 26 years after its privatization in 1985 is highlighted below:

	30/4/12 (Million)		31/12/85 (Million)		26 Years’ Annualised Increase (%)
	RM	US\$	RM	US\$	
Revenue	3,432.3	1,130.5	76.0	21.3	169.9
Pre-tax Profit	521.6	171.8	5.0	1.4	397.4
Equity Funds	178.1	58.7	1.0	0.3	681.2
Total Assets	1,168.4	384.8	12.7	3.6	350.0

Exchange rate : US\$1.00 : RM3.036



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman

Cheah Tek Kuang

### 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

Dickson Tan Yong Loong

Mohamed Saleh Bin Gomu

Datuk Robert Yong Kuen Loke

## AUDIT COMMITTEE

### Chairman/Independent Non-Executive Director

Cheah Tek Kuang

### 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



### **CHEAH TEK KUANG**

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

He was appointed to the Board on 25 July 2012 as the Chairman. He graduated with a Bachelor of Economics (Honours) from the University of Malaya and is a Fellow of the Institute of Bankers Malaysia. He was appointed the Justice of Peace by His Royal Majesty the Sultan of Selangor in 1999. He joined the AmBank Group in 1978 and he retired as the Group Managing Director on 1 April 2012. He still remains as Non-Executive Director of AmBank (M) Berhad, AmInvestment Bank Berhad and AmIslamic Bank Berhad. Prior to joining the AmBank Group he was with Malaysian Industrial Development Authority (now known as Malaysian Investment Development Authority).

He is presently a member of the Board of Bursa Malaysia Berhad and IOI Corporation Berhad. He is also the Alternate Chairman of the Malaysian Investment Banking Association. He also holds directorships in AmLife Insurance Bhd, AmGeneral Insurance Bhd, AmFamily Takaful Bhd and Cagamas Holdings Bhd.

Cheah Tek Kuang is the Chairman of the Audit Committee, Remuneration Committee, Risk Management Committee and Nomination Committee of the Company.



### **DATO' ROBIN TAN YEONG CHING**

38 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 the Chairman and Chief Executive Officer of Berjaya Corporation Berhad and an Executive Director of Sports Toto Malaysia Sdn Bhd. He is the Executive Chairman of Berjaya Food Berhad and the Chairman of Berjaya Media Berhad, Sun Media Corporation Sdn Bhd and Informatics Education Limited, Singapore. He is also a Director of Berjaya Sampo Insurance Berhad, Berjaya Hills Berhad, Berjaya Golf Resort Berhad and KDE Recreation Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

His brother, Rayvin Tan Yeong Sheik and his cousin, Dickson Tan Yong Loong, 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**

57 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, 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**

56 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.

Currently, he is an Executive Director of Berjaya Corporation Berhad and Berjaya Media Berhad. He is the Managing Director of Sun Media Corporation Sdn Bhd and the Chief Executive Officer of Berjaya Capital Berhad and 7-Eleven Malaysia Sdn Bhd. He is also a Director of Berjaya Assets Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad, Berjaya Group Berhad, Berjaya Retail Berhad and International Lottery & Totalizator Systems, Inc. United States of America. He also holds directorships in several other private limited companies.



### **RAYVIN TAN YEONG SHEIK**

33 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.

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, Hong Kong. He also holds directorships in Sports Toto Malaysia Sdn Bhd, International Lottery & Totalizator Systems Inc, United States of America and several other private limited companies.

His brother, Dato' Robin Tan Yeong Ching and his cousin, Dickson Tan Yong Loong, are also members of the Board while his father, Tan Sri Dato' Seri Vincent Tan Chee YOUNG is a major shareholder of the Company.



### **SEOW SWEE PIN**

55 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. and several other private limited companies.

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

## PROFILE OF DIRECTORS



### **DICKSON TAN YONG LOONG**

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

He was appointed to the Board on 15 March 2011. He graduated with a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom in 2003.

He started his career with CIMB Securities Sdn Bhd as an Equities Analyst in 2004 and joined Dijaya Corporation Berhad as Business Development Manager in 2005. He is presently the Deputy Managing Director of Dijaya Corporation Berhad ("Dijaya") and he is currently overseeing group corporate strategy, planning and risk management of the Dijaya group of companies. He is also a director of several other local and international private limited companies involved in manufacturing, services, media, leisure, retail, property development and property investment.

He also holds directorships in Tropicana Golf & Country Resort Berhad, TT Resources Berhad, Berjaya Corporation Berhad, Berjaya Land Berhad and Berjaya Assets Berhad.

He is affiliated with certain non-profit organisations, including as a trustee of Dijaya Tropicana Foundation, a member of the Kuala Lumpur Business Club and a member of the Malaysian Institute of Management.

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



### **MOHAMED SALEH BIN GOMU**

62 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.



**DATUK ROBERT YONG KUEN LOKE**

60 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 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. 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 and is currently an Independent Non-Executive Director of the Company.

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.

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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 2012.

## FINANCIAL RESULTS

For the financial year under review, the Group registered a 5.1% increase in revenue to RM3.61 billion from RM3.43 billion in the previous financial year. Pre-tax profit increased by 13.9% from RM508.40 million in the previous financial year to RM579.15 million this year.

The improved performance of the Group was mainly attributed to the improved results of its principal subsidiary, Sports Toto Malaysia Sdn Bhd ("Sports Toto"). Sports Toto registered strong sales from its Jackpot games and lower prize payout during the financial year under review.

## DIVIDEND

For the financial year ended 30 April 2012, the Company had declared and paid four interim dividends of an aggregate of 27 sen single tier exempt dividend. The total dividend distribution in respect of the financial year ended 30 April 2012 was RM359.4 million representing about 89% of the attributable profit of the Group.

The dividend distribution is consistent with the Company's dividend policy of distributing at least 75% of its Group's annual net earnings to shareholders. The Company will continue to maintain its 75% dividend policy subject to factors such as availability of distributable reserves as well as the Company's cash flow requirements.



Mr Vincent Seow receiving the KPMG Shareholder Value Award 2011 from Encik Mohamed Raslan Abdul Rahman, Managing Partner of KPMG Malaysia.

## CORPORATE DEVELOPMENTS

1. On 13 October 2011, Berjaya Sports Toto Berhad ("BTOTO") emerged as the overall winner of the KPMG Shareholder Value Award 2011 for generating the highest percentage of economic profit/invested capital (EP/IC) among the country's top 100 public-listed companies. BToto was also named the top winner for the services sector category for the sixth time since the awards programme was inaugurated in 2002.
2. On 11 May 2012, Sports Toto entered into Share Sale Agreements with Magna Mahsuri Sdn Bhd ("Magna Mahsuri") for the disposal of the following 3 subsidiary companies for a total consideration of approximately RM32.39 million pursuant to an internal restructuring exercise and the disposal was completed in May 2012:
  - a. Sports Toto Apparel Sdn Bhd comprising 250,000 ordinary shares of RM1.00 each for a cash consideration of RM1.00;
  - b. Sports Toto Products Sdn Bhd comprising 300,000 ordinary shares of RM1.00 each for a cash consideration of RM1.00; and
  - c. Sports Toto Computer Sdn Bhd comprising 5,000,000 ordinary shares of RM1.00 each for a cash consideration of RM32.39 million.
3. On 5 June 2012, the Company announced the proposed transfer of its 100% equity interest in Sports Toto to a business trust to be constituted and registered in Singapore to be known as Sports Toto Malaysia Trust ("STM-Trust") by undertaking the following proposals:
  - a. proposed transfer by the Company of 112,522,500 ordinary shares of RM0.50 each representing 100% equity interest in Sports Toto, to STM-Trust for a consideration of RM6.0 billion (equivalent to SGD2.43 billion) to be satisfied via:
    - i. the issuance of 4.43 billion new units in STM-Trust ("STM-Trust Unit") to Berjaya Sports Toto (Cayman) Limited ("BSTC"), a wholly-owned subsidiary of Magna Mahsuri which in turn is a wholly-owned subsidiary of the Company, at an issue price of SGD0.50 (equivalent to RM1.24) per STM-Trust Unit; and
    - ii. the balance by way of a promissory note or bill of exchange in favour of the Company of an amount equal to about RM527.4 million (equivalent to SGD213.4 million),collectively referred to as the "Proposed Transfer"; and



- b. proposed listing of up to 4.89 billion STM-Trust Units on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Proposed Listing”). The proposed listing will involve an offer for sale of up to 540 million STM-Trust Units by BSTC (“Proposed Placement”) and an offering of up to 460 million new STM-Trust Units by STM-Trust (“Proposed Public Issue”).

On 27 July 2012, the Ministry of Finance approved the application for the change of Sports Toto’s shareholder from BToto to Sports Toto Malaysia Management Pte. Ltd., which will hold Sports Toto on trust for STM-Trust.

On 24 August 2012, the Controller of Foreign Exchange of Bank Negara Malaysia approved the application by BToto to make an investment abroad via the subscription by BSTC of 4.43 billion units in STM-Trust pursuant to the Proposed Transfer.

The Proposed Transfer and Proposed Listing are subject to other relevant authorities’ approvals.

- 4. On 16 July 2012, BToto received The Edge Billion Ringgit Club Award 2012 for Most Profitable Company reflecting Highest Return on Equity (ROE) over three years (2009-2011), under the trading and services sector.

**REVIEW OF OPERATIONS**

**Malaysia**

For the financial year under review, Sports Toto recorded a revenue of RM3.432 billion, an increase of 4.8% from the previous year’s revenue of RM3.275 billion. The higher revenue was achieved on the back of encouraging sales from its Jackpot games.

Sports Toto continued to gain market share and remained the market leader among all the Number Forecast Operators in the country in terms of total revenue for the year under review.

Pre-tax profit increased by 10.0% to RM521.6 million compared to RM474.3 million in the previous financial year due to a lower prize payout in the financial year under review.

During the financial year under review, the Supreme Toto 6/58 game recorded the highest Jackpot in Sports Toto’s history of RM57.18 million when it was struck on 18 January 2012. The record Jackpot of RM57.18 million was also the highest ever Jackpot recorded in Malaysian history.

On 19 December 2011, Sports Toto signed an agreement with International Lottery & Totalizator Systems, Inc. (“ILTS”) for the upgrading of its online lottery central system which is expected to go live in the first quarter of 2013.

In June 2012, Sports Toto introduced a prize revision to the Mega Toto 6/52 game which incorporates a new Jackpot II with a minimum payout of RM100,000 and a cascading feature for Jackpot I.

On 2 August 2012, Sports Toto successfully relocated its back-up data centre from Menara Standard Chartered, Kuala Lumpur to Cyberjaya 3 in Cyberjaya.

**The Philippines**

For the financial year under review, Berjaya Philippines Inc. (“BPI”) reported a revenue of Peso2.08 billion, an increase of 4% from the previous year’s revenue of Peso2.00 billion. BPI’s pre-tax profit increased by 5.3% to Peso1.40 billion from Peso1.33 billion in the previous financial year. This was primarily due to stronger revenue from its principal subsidiary, Philippine Gaming Management Corporation (“PGMC”) and revenue from its other subsidiary, Perdana Hotel Philippines Inc (“PHPI”).



Mr Vincent Seow, Executive Director of Berjaya Sports Toto Berhad receiving The Edge Billion Ringgit Club Award 2012 from Dato’ Seri Idris Jala, Minister in the Prime Minister’s Department.

## CHAIRMAN'S STATEMENT

PGMC's revenue increased by 3.2% to Peso1.94 billion from Peso1.88 billion in the previous financial year. The main contributors to the revenue growth were the Grandlotto 6/55 game with three draws a week and also its EZ2 Lotto game with three draws per day. The Grandlotto 6/55's high jackpot prizes during the financial year continued to increase sales and improve market awareness of the game.

As at the end of the financial year under review, there were 4,174 terminals installed in 3,626 outlets in Luzon compared to 3,232 terminals in 2,633 outlets in the previous year, representing an increase of 29.1% in terminals to support the Philippine Charity Sweepstakes Office's ("PCSO") outlets expansion.

PHPI which operates the Berjaya Makati Hotel located in Makati City, recorded a revenue of Peso140.5 million and a pre-tax profit of Peso12.9 million, an increase of 25.2% and 111.5% respectively from the previous year's revenue of Peso112.2 million and pre-tax profit of Peso6.1 million. During the financial year under review, PHPI invested in additional rooms and refurbishment of certain floors in the hotel.

Revenue from room sales and food and beverages sales are expected to improve further as PHPI continues its sales and marketing efforts and upgrading of its current facilities.

During the financial year under review, BPI increased its stake from 9.5% to 30% in Berjaya Pizza Philippines Inc. ("BPPI") which is the Philippines franchisee for Papa John's Pizza. BPPI currently operates 13 restaurant based stores in Metro Manila.

### The United States of America

ILTS' revenue increased by 105.1% to USD12.08 million from USD5.89 million in the previous financial year driven mainly by additional lottery terminal orders and the growing sales contributions from its voting segment. Resulting from this, a net income of USD1.23 million was recorded compared to a net loss of USD0.95 million in the past year.

In its lottery business segment, ILTS signed an agreement with Sports Toto to supply a new DataTrakII lottery system and equipment, including central system hardware and software together with licensing, installation, training and technical support. ILTS also delivered additional Intelimark FLX lottery terminals and associated services to PGMC for PCSO's terminal installations. Additionally, ILTS generated revenue from the sales of its spare parts and support services.

For its voting business segment, ILTS' wholly-owned subsidiary, Unisyn Voting Solutions, Inc. ("Unisyn") reported higher sales revenue made through its authorized sales representatives and its own direct sales efforts. Unisyn had entered into sales agreements with various sales representatives under which these sales representatives will conduct the marketing, sales and service efforts of the Unisyn OpenElect® suite of voting products to state, county, municipal, or other election authorities or administrators within the States of Missouri, Iowa, Kansas, Mississippi, Virginia, Indiana and Tennessee. Unisyn is one of the two companies to receive the 2005 Voluntary Voting System Guidelines certification from the Election Assistance Commission ("EAC") for its OpenElect® suite of voting products, and in this financial year, it further achieved the EAC certification for its Version 1.1, and various State certifications in Indiana, Tennessee and Missouri for its OpenElect® suite of products. Unisyn will continue to be engaged in state certifications in other states in support of its sales and marketing activities. Unisyn is also contracted to provide technical support to Los Angeles County, the largest voting jurisdiction in the U.S, and other counties as well. Unisyn's OpenElect® suite of products include OpenElect® Voting Optical Scan, OpenElect® Optical Voting Interface, OpenElect® Central Scan and the OpenElect® Central Suite.

### CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year under review, Sports Toto continued to embark on numerous CSR initiatives to give back to the society. These initiatives were carried out in collaboration with partners from various sectors such as non-profit organizations, local councils, media partners and the Berjaya Group which implemented a series of CSR activities through Berjaya Cares Foundation.



A Lotto outlet in the Philippines.



A Lotto draw in progress.



A voter casts a ballot using the Open Elect® Voting Optical Scan.

**Community**

Contributing to the underprivileged, marginalized and needy is always the main thrust of Sports Toto's CSR agenda, as they are undoubtedly the most deserving of attention and assistance.

Throughout the years, Sports Toto has conscientiously made efforts to bring cheer to the less fortunate groups during festive occasions as it believes that, everyone, regardless of social status or background, deserves a heart-warming time during festivities.

The 24th Sports Toto Chinese New Year Ang Pow Donation Campaign held in January 2012 was much anticipated by many needy senior folks. Approximately 16,000 needy old folks received ang pows and hampers from Sports Toto during the significant annual charity campaign held in 41 cities and towns nationwide.

Festive occasions are one of the best times to promote unity and harmony among fellow Malaysians and as such Sports Toto also initiated festive charity events during Hari Raya and Deepavali. During the Ramadhan month, Sports Toto made a goodwill visit and brought Raya cheer to approximately

120 child patients at the paediatric wards of Hospital Tengku Ampuan Rahimah in Klang. In collaboration with Bukit Kiara Equestrian & Country Resort, Sports Toto also held a fun-filled breaking-of-fast session for approximately 140 disadvantaged children from Rawang and Cheras. As for Deepavali celebrations, festive goodies were distributed to 1,120 needy families in Cameron Highlands, Kuala Kubu Baru, Klang, Batu Caves, Kajang and Subang. In addition, Sports Toto also brought Deepavali cheer to 110 children from Agathians Shelter and Trinity Children's Home in Petaling Jaya and Sri Sai Special Home in Klang with the children's favourite food, hilarious clowning antics, fun games and cash donation to the homes.

For the second consecutive year, Sports Toto collaborated with NTV7 in producing a 13-episode charity-themed program entitled 'Helping Hands Season 2' which provided needy families with necessary home improvements, medical provisions and other necessities to improve their living conditions. Sports Toto also initiated a public donation campaign as an avenue for the general public to come forward and extend a helping hand to these disadvantaged families.

During the financial year under review, Sports Toto also contributed to charitable organizations and welfare homes such as Sungai Buloh Leprosy Centre and 1 MCA Medical Foundation.

In the Philippines, PGMC contributed Peso20 million to Gawad Kalinga Community Development Foundation Inc to build 200 housing units which is known as "Berjaya CDO GK Village", in Cagayan de Oro, for families who were affected by Typhoon "Sendong". PHPI also donated essential items to a Philippine school for the deaf in Pasay City during the year under review.



**Bringing festive cheer to children of Trinity Children's Home in Petaling Jaya, Selangor.**



**Chinese New Year Ang Pow Donation Campaign in Kuching, Sarawak.**



**Contribution to Gawad Kalinga Community Development Foundation Inc to build 200 housing units for typhoon "Sendong" victims in Cagayan de Oro, Philippines.**

## CHAIRMAN'S STATEMENT

### Sports

Sports Toto's association with sports is inherent not just because of its name but also the objectives of its very initial existence. That aside, Sports Toto continues to conscientiously support community sports because of the good values that can be brought forth in the process such as camaraderie, teamwork and sportsmanship not forgetting the positive health element in sports which everyone needs.

In partnership with reputable sports associations, local councils and media partners, Sports Toto was proud to be involved with the community through the sponsorship of numerous sporting events such as OCM – Sports Toto Outstanding Athletes of the 26th SEA Games Awards, DBKL – Sports Toto Paralympic Carnival 2011, 7th Malaysia Independent Chinese Secondary Schools Games Championship, 24th PJ Half Marathon, Penang Bridge International Marathon 2011, 24th Seremban Half Marathon, 204KM KL- Maran Big Walk, Sin Chew Daily Basketball Championship 2011, 39th Penang Pesta International Bowling Championship, MBPJ Squash Open Championship 2011, NS Royal Sevens Rugby Tournament, 12th Malaysia Open International Wheelchair Tennis Championship, Scomi KL Open Tennis Championship 2011, Sports Toto Supreme Challenge Trophy, 1st Malaysia Open Para Athletics Championship, Sports Toto Ladies Bowling League, Kenny Rogers Chicken Run, as well as arm wrestling, basketball and hockey events driven by the National Sports Council and others.



Contribution to PJ Half Marathon 2011.



Contribution to Kuching Festival 2011.

All these were in addition to Sports Toto's substantial annual financial contributions to the National Sports Council.

### Education

In line with Sports Toto's CSR objective of promoting literacy and education among underprivileged children, Sports Toto in collaboration with Berjaya Cares Foundation made available at no charge a 6-storey shop office building located in Sentulraya Boulevard, Kuala Lumpur for the use of Harvest Centre which provides quality education for the disadvantaged community. This contribution has resulted in an annual rental saving of approximately RM150,000 for Harvest Centre.

In the Philippines, BPI offered 45 scholarships to needy Filipinos valued at Peso45 million for diploma courses in culinary arts, hospitality management, events management, retail management, tourism and travel management at Berjaya University College of Hospitality in Kuala Lumpur. The scholarship holders are expected to commence their courses in September 2012.

### Popular entertainment and culture

Popular entertainment and culture is one of the favourite forms of recreation for the community. This year, Sports Toto presented Andrew Tan Promo Tour and Power Music Extravaganza Roadshow in support of local performing artists and bringing these popular entertainments to the local communities.

In the area of cultural promotion, Sports Toto supported the Malaysian Martial Arts Festival, 20th Nanyang Wushu Festival, Kuching Festival, Padawan Fest and Gawak Dayak Festival in Sarawak and Chingay Parade in Penang.



Penang Chingay Parade 2011.

### Workplace

As part of staff welfare, Sports Toto Sports Club actively organizes a variety of recreational activities such as birthday celebrations, festive gatherings and sports competitions to create an amiable workplace for its staff.

### Group synergy

Sports Toto has been actively supporting CSR activities undertaken at the Berjaya Corporation group level by Berjaya Cares Foundation.

One sizeable and significant charity event driven at the Berjaya Corporation group level is the annual Berjaya Founder's Day event celebrated on 25 February 2012 at Berjaya Times Square. The family day themed event saw active participation from Sports Toto as the carnival games organizer coordinating more than 20 exciting games stalls offering various rides and games to approximately 20,000 Berjaya employees and their family members.

This year's celebration was made more memorable as it coincided with the Berjaya Corporation's founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun's 60th Birthday. During the event, Tan Sri Dato' Seri Vincent Tan Chee Yioun and the Berjaya group of companies contributed RM11.6 million to 61 non-profit and charitable organizations. These non-profit and charitable organizations include those that support community, education, and health causes as well as environmental awareness and animal protection.

In conjunction with this celebration, a public donation campaign was also carried out nationwide at all Sports Toto outlets and proceeds collected were channelled to Berjaya Cares Foundation for its charitable causes.

On a regular basis, Sports Toto also supported goodwill visits to charity homes as well as other CSR initiatives driven at the Group level.



Contribution to a school for the deaf at Pasay City, Philippines.



Berjaya staff and their family members enjoying themselves at the game stalls coordinated by Sports Toto during Berjaya Founder's Day 2012 carnival.



Employees of Berjaya Philippines at a completed house in "Berjaya CDO GK Village" at Cagayan de Oro, Philippines.

# CHAIRMAN'S STATEMENT



1. Needy senior citizen receiving ang pows and goody bags from Deputy Women, Family and Community Development Minister, Datuk Heng Sei Kie accompanied by Deputy Agriculture and Agro-based Industry Minister, Datuk Chua Tee Yong, Dato' Robin Tan and Mr Vincent Seow.
2. Sports Toto Deepavali donation campaign in Kuala Kubu Bharu, Selangor.
3. Contribution to OCM-Sports Toto Outstanding Athletes of the 26th SEA Games Award.
4. Contribution to Sungai Buloh Leprosy Centre, Selangor.
5. The 7<sup>th</sup> Malaysia Independent Chinese Secondary Schools (MICSS) Ball Games Championship 2011.
6. Beneficiaries of "Helping Hands" Season 2.

### Future Outlook and Prospects

Despite the challenging global economy, Malaysia's GDP growth remained resilient at 5.1% in the first half of 2012, anchored by robust domestic demand and commodity exports. Inflation measured by consumer price index has moderated to around 2.3%. While sovereign debt and fiscal problems in Europe and the United States of America and also slowing growth in China and India continue to present a downside risk to the global economies, the domestic economy is envisaged to expand between 4% and 5% sustained by government policy measures, private consumption and private investments supported by domestic-oriented industries and on-going implementation of projects under the Economic Transformation Programme.

Against this scenario, the gaming sector is expected to be resilient and Sports Toto remains optimistic of achieving revenue growth in the current financial year.

In the Philippines, PGMC anticipates that revenue growth will remain healthy in the current financial year. PGMC continues to work closely with PCSO to monitor sales and marketing of all its eight games. In addition, BPI's investment in the hotel and pizza businesses will help in generating additional revenue.

Given the cautious economic outlook, the Directors expect Sports Toto to maintain its market share in the numbers forecast operator business. In addition, with the target completion of the proposed listing of STM-Trust on SGX-ST in the third quarter of the current financial year, the Group will continue to consolidate the earnings from Sports Toto for the financial year ending 30 April 2013 subject to the dilution effect arising from the Proposed Placement and Proposed Public Issue as disclosed in the announcement to Bursa Malaysia dated 5 June 2012.



A Toto draw in progress.

### APPRECIATION

On behalf of the Board, I would like to express our sincere and heartfelt thanks and deep appreciation to Tan Sri Datuk Seri Utama Thong Yaw Hong who retired as Chairman of the Company on 30 April 2012 for his leadership, services and contributions in helping the board of the Company and grew it to be what it is today – the leading lottery company in Malaysia. Tan Sri Thong's contributions have been invaluable and the strong foundation laid during his tenure will no doubt help ensure the continued growth of the Company in the future. Tan Sri Thong has been a member of the Board of the Company for more than 10 years prior to his retirement, serving as Chairman and Director since October 2001.

I also wish to express my utmost gratitude to my fellow Board members for their leadership, guidance and active participation in the Board. I am very honoured to be appointed as the Chairman of the Company and look forward to working with the Board and the management team in the coming years.

My heartfelt appreciation goes to all our stakeholders including, our valued shareholders, customers, business associates, financiers, analysts, members of the media and the government authorities. Thank you for your unwavering support and confidence in the Company all these years. To our management, employees and agents, my sincere thanks for their dedication, hard work and commitment to excellence.

Cheah Tek Kuang  
Chairman  
30 August 2012



# 主席报告

本人谨代表董事部，欣然向各位提呈截至2012年4月30日财政年的年度报告及经审计财务报告。

## 业绩

在检讨中的财政年，本集团取得36亿1000万令吉的营收，比上一财政年的34亿3000万令吉增长了5.1%。其税前盈利则从上一财政年的5亿840万令吉，增加13.9%至今年的5亿7915万令吉。

本集团取得更卓越的业绩表现，有赖于其主要子公司多多博彩马来西亚私人有限公司(“多多博彩”)缔造更佳业绩。在检讨中的财政年，多多博彩录得来自积宝游戏的强劲销售额及较低的派彩率。

## 股息

本公司已在截至2012年4月30日的财政年四季度宣布和派发单层次免税中期股息，股息的总额为27仙。这么一来，截至2012年4月30日的财政年一共派发了3亿5940万令吉股息，相当于本集团可分派盈利的大约89%。

以上派发的股息符合本公司的股息政策，即派发至少75%年度净利给股东们。本公司将延续其75%派息政策，惟胥视有否可分派储备金，以及本公司的现金流状况等因素而定。

## 企业发展

- 在2011年10月13日，成功多多博彩有限公司(“BToto”)是我国100家顶尖上市公司当中创造出最高百分比的经济盈利/投资资本比率(EP/IC)，因而获得2011年毕马威股东价值奖的总冠军。此外，自该奖项于2002年推介以来，BToto六度赢得服务领域组冠军。
- 在2012年5月11日，多多博彩根据一项内部重组计划，与Magna Mahsuri私人有限公司达成一项股份脱售协议，以3239万令吉总标价脱售以下3家子公司予对方。这项脱售案已在2012年5月完成。
  - 多多博彩服饰私人有限公司(Sports Toto Apparel)所有25万股，每股1令吉的普通股，现金额为1令吉；
  - 多多博彩产品私人有限公司(Sports Toto Products)所有30万股，每股1令吉的普通股，现金额为1令吉；及
  - 多多博彩电脑私人有限公司(Sports Toto Computer)所有500万股，每股1令吉的普通股，现金总额为3239万令吉。

- 在2012年6月5日，本公司宣布，拟将其持有的100%多多博彩股权转让至一家将在新加坡成立和注册的商业信托—多多博彩马来西亚信托(“STM-Trust”)，并执行以下的提案：

- 本公司拟以60亿令吉(相当于24亿3000万新币)的标价，将1亿1252万2500股，每股50仙的普通股，相当于多多博彩的100%股权，转移至STM-Trust。支付方式如下：
  - 发行STM-Trust的44亿3000万新单位(“STM-Trust单位”)予成功多多博彩(开曼)有限公司(“BSTC”)，即Magna Mahsuri私人有限公司的独资子公司，后者也是本公司的独资子公司。发行价格为每STM-Trust单位0.50新币(相当于1.24令吉)。
  - 余额相当于大约5亿2740万令吉(相当于2亿1340万新币)则以期票或汇票方式支付予本公司。

以上2提案统称为“转移议案”；及

- 建议让高达48亿9000万的STM-Trust单位在新加坡证券交易所的主要交易板挂牌上市(“上市议案”)。这项上市议案将包括BSTC(“配售议案”)和STM-Trust(“公开发行议案”)分别献售高达5亿4000万及4亿6000万个新STM-Trust单位。

在2012年7月27日，财政部已批准将多多博彩的股东从BToto转移至多多博彩马来西亚管理有限公司，让后者管理该商托。

在2012年8月24日，马来西亚国家银行的外汇管理局批准，多多博彩申请一项通过BSTC，依照该转移议案，认购44亿3000万个STM-Trust单位的海外投资。

有关转移和上市议案须获得有关当局批准。

- 在2012年7月16日，BToto因在过去3年(2009至2011年)取得可观股本回酬率(ROE)，而荣获2012年《The Edge》十亿元俱乐部奖贸易及服务组当中之最赚钱公司殊荣。



顾客在多多博彩销售站投注心水号码。



多多博彩开彩配备。



营业检讨

马来西亚

在检讨中的财政年，多多博彩取得34亿3200万令吉的营收，比上一年的32亿7500万令吉营收增长了4.8%，这归功于其积宝游戏取得令人鼓舞的销售额。

在检讨中的财政年，多多博彩持续扩大其市占率，并且以总营收领先国内其他测字业者。

与上一财政年的4亿7430万令吉相比，其税前盈利在检讨中的财政年增长了10%至5亿2160万令吉，原因是本年度的派彩率较低。

在检讨中的财政年，当好运多多六合彩(6/58)积宝奖金于2012年1月18日被击中时，它已累积至5718万令吉，创下多多博彩有史以来的最高记录。这笔积宝奖金也是大马测字业有史以来的最高奖金。

在2011年12月19日，多多博彩与国际博彩与赛马测彩系统有限公司(International Lottery & Totalizator Systems, Inc.)(“ILTS”)签署了一项协议，为提升其线上彩票中央系统，并预料会在2013年首季正式操作。

多多博彩也在2012年6月调整其无敌多多六合彩(6/52)的奖金结构，即包含新推出，以10万令吉为最低奖金的积宝二奖，以及具备积压效应的积宝首奖。

在2012年8月2日，多多博彩顺利地将其后备数据中心，从位于吉隆坡的渣打大厦迁移至赛城第3区。



菲律宾的Lotto销售站。

菲律宾

在检讨中的财政年，菲律宾成功股份有限公司(Berjaya Philippines Inc.)(“BPI”)录得20亿8000万比索的营收，比前一年的20亿比索增加了4%。BPI的税前盈利则从上一财政年的13亿3000万比索增长5.3%至14亿比索，这有赖于其主要子公司菲律宾博彩管理公司(Philippine Gaming Management Corporation)(“PGMC”)取得更高营收，以及其另一家子公司Perdana Hotel Philippines Inc(“PHPI”)所贡献的额外营收。

PGMC的营收从上一财政年的18亿8000万比索增长3.2%至19亿4000万比索。营收成长主要来自每周开奖3次的Grandlotto 6/55六合彩游戏，以及每天开奖3次的EZZ Lotto游戏。Grandlotto 6/55六合彩在本财政年的高积宝奖金持续带动销售额增长，并提高该游戏的市场知名度。

截至检讨中的财政年年底，吕宋岛的3626间销售站已安装了4174台终端机，比上一年在2633间销售站共有3232台终端机增加了29.1%，以支援菲律宾慈善大彩办事处(Philippine Charity Sweepstakes Office)(“PCSO”)的销售站扩展计划。

在马卡迪市经营成功马卡迪酒店的PHPI录得1亿4050万比索的营收和1290万比索的税前盈利，分别比上一年的1亿1220万比索营收和610万比索税前盈利增长了25.2%和111.5%。在检讨中的财政年，PHPI在有关酒店斥资，增设客房和翻新部分楼层。

来自客房和餐饮业务的销售额预料将进一步改善，这是因为PHPI将持续进行营销活动，并致力提升其设备。

在检讨中的财政年，BPI增持其在菲律宾成功比萨公司(Berjaya Pizza Philippines Inc.)(“BPPI”)的9.5%股权至30%。BPPI是Papa John’s Pizza在菲律宾的特许经营公司，目前在马尼拉大都会经营13家Papa John’s Pizza餐厅。

美国

ILTS的营收从上一财政年的589万美元激增105.1%至1208万美元，主要是因为额外的彩票终端机订单，以及其投票业务销售额增长，这使得该公司录得123万美元的净收入。相比之下，该公司在上一年录得95万美元的净亏损。

在彩票业务方面，ILTS与多多博彩签署了一项协议，为后者供应一套新的DataTrakII彩票系统和配备，包括中央系统硬件及软件连同执照、安装、培训和技术支援。配合进行PCSO的终端机安装工作，ILTS也提供了额外的Intelimark FLX彩票终端机及相关服务给PGMC。此外，ILTS通过售卖零件和支援服务来赚取营收。



一名选民正使用搭载OpenElect®光学投票介面(OVI)及备有15寸大屏幕的投票机器。

## 主席报告

在投票业务方面，ILTS的独资子公司Unisyn投票解决方案公司(Unisyn Voting Solutions, Inc.)(“Unisyn”)通过其授权营业代表和积极的直销活动取得更高的销售额。Unisyn已经与各营业代表签署了销售协议，后者将向密苏里州、爱荷华州、堪萨斯州、密西西比州、维基尼亚州、印第安纳州和田纳西州的州、郡、市议会或其他选举当局或管理机构推销Unisyn OpenElect®配套产品。Unisyn通过其OpenElect 配套产品，而获得美国选举援助委员会(“EAC”)颁发2005年自愿投票系统指南证书的两家公司之一。其1.1版本在本财政年进一步取得EAC的认证。OpenElect®配套产品也在印第安纳州、田纳西州和密苏里州取得认证。Unisyn将继续在其他州争取认证以支援其行销活动。Unisyn也签约为洛杉矶县，即美国最大的选区，以及其他郡提供技术支援。Unisyn的OpenElect配套产品包括OpenElect®投票光学扫描(“OVO”)、OpenElect光学投票介面(“OVI”)、OpenElect 中央扫描(“OVCS”)及OpenElect®中央配套(“OCS”)。

### 企业社会责任

在检讨中的财政年，多多博彩继续推行多各种企业社会责任活动以回馈社会。这些活动是与来自各领域的伙伴，如非盈利组织、地方议会及媒体伙伴携手推行，本公司也支持集团通过成功关怀基金会推行一系列的企业社会责任活动。

### 社群

捐助被边缘化和亟需人士向来是多多博彩之企业社会责任议程的重要一环，因为他们无疑是最需要关注和援助的一群。

多年以来，多多博彩在佳节期间都为弱势群体带来欢乐，这是因为本公司相信，不论社会阶层或背景，每一个人都应当享有佳节期间的温馨时刻。

2012年1月份举行的“第24届多多博彩华人新年慈善施赠贫老”运动，是许多贫老们引颈长盼的年度活动。这重点年度慈善活动在全国41个城镇进行，大约有1万6000名贫老在此运动中获得由多多博彩派发的红包及礼包。

佳节庆典是促进我国各族同胞之间的团结与和睦其中一个最佳时机。因此，多多博彩也在开斋节和屠妖节期间举办佳节慈善活动。在斋戒月期间，多多博彩拜访巴生敦姑安布拉希玛中央

医院的儿童病房，散播关爱与佳节欢乐给大约120名病童。多多博彩也与武吉加拉马术俱乐部及乡村度假村携手合作，为来自万挠和蕉赖的大约140名弱势儿童献上一场别开生面的开斋飨宴。至于屠妖节，多多博彩分别在金马仑高原、瓜拉新古毛、巴生、峇都噶、加影和梳邦赠送佳节礼包给1120个亟需家庭。此外，多多博彩也把屠妖节的欢乐气氛及喜悦带给八打灵再也Agathians Shelter和Trinity Children's Home以及巴生Sri Sai Special Home的110位儿童，并献上他们爱吃的佳肴、令人捧腹大笑的小丑表演，及为他们安排多样好玩的游戏。本公司也拨出善款捐助该3家儿童院。

多多博彩连续两年与NTV7合作，制作长达13集、以慈善为主题的电视节目—《檐下温情》第二季，为13户贫苦家庭伸出援手，协助他们重建家园并提供医药援助及一些生活上的必需品以改善他们的生活状况。此外，多多博彩也发起了一项募款活动，让热心的公众人士通过捐款来协助这些弱势家庭。

在检讨中的财政年，多多博彩也捐助多家慈善机构和福利中心，例如双溪毛糯麻风病院和一个马华医药基金会。

在菲律宾，PGMC捐出了2000万比索给Gawad Kalinga社区发展基金会，让它在卡加延德奥罗兴建“成功CDO GK爱心之村”，提供200个栖身之所给受到台风“天鹰”影响的家庭。PHPI也在检讨中的财政年捐赠必需品给位于帕谢市的聋人学校。

### 体育

多多博彩多年来与体坛关系密切，不仅是公司名称使然，更是源于本公司最初创立的宗旨。另一方面，多多博彩持续致力支持社区体育活动，因为这些活动能够宣扬良好价值观，如友谊、团队和体育精神，同时不忘鼓励人们多运动以保持健康。

多多博彩也欣然与多家著名体育协会、地方议会和媒体伙伴携手合作，赞助多类社区体育活动，其中包括大马奥理会—多多博彩第26届东运会杰出选手奖、2011年吉隆坡市政局—多多博彩残奥体育嘉年华、第7届全国华文独中球类锦标赛、第24届八打灵再也半程马拉松赛、2011年槟城大桥国际马拉松、第24届芙蓉半程马拉松赛、204公里吉隆坡—马兰马拉松竞赛2011、2011年《星洲日报》篮球锦标赛、第39届槟城同乐会国际



为Trinity Children's Home的儿童带来屠妖节喜悦。



拜访巴生敦姑安布拉希玛中央医院儿童病房。

保龄球锦标赛、2011年八打灵再也市议会壁球公开赛、森美兰州皇家7人制橄榄球锦标赛、第12届大马国际轮椅网球公开赛、2011年斯可米吉隆坡网球公开赛、多多博彩好运赛马挑战杯、第1届大马残障运动员田径公开锦标赛、多多博彩女子保龄球联赛、肯尼罗杰斯欢乐竞跑2011，以及由国家体育理事会及其他体育机构举办的胳膊角力比赛、篮球赛和钩球赛。

除了以上所赞助的活动之外，多多博彩每年还捐助巨额款项给国家体育理事会。

## 教育

配合本公司旨在提升弱势儿童的教育水平，多多博彩与成功关怀基金会合作，免费提供1座位于吉隆坡大冚都Boulevard商业中心的6层店屋办公楼给Harvest学习中心，好让它继续提供良好的教育机会给更多弱势社群。这项赞助每年为Harvest学习中心省下了大约15万令吉的租金。

在菲律宾，BPI提供了45份总值4500万比索的奖学金给亟需菲籍学生，让他们在吉隆坡的成功礼待大学学院进修烹饪艺术、酒店管理、活动管理、零售管理和旅游管理文凭课程。该批奖学金得主预料将于2012年9月开始上课。

## 文娱

文娱是备受大众热爱的消遣之一。今年，多多博彩荣誉呈献了陈势安巡回签唱会和好歌动感音乐会，以支持本地艺人，同时为当地居民呈献热门的娱乐节目。

在文化传承方面，多多博彩赞助了马来西亚武术节大汇演、第20届南洋武术节、砂拉越的古晋节、巴达旺节和丰收节，以及槟城的青艺大旗鼓游行。

## 职场

为了照顾员工的福利，多多博彩的体育俱乐部积极举办多类休闲活动，例如生日庆祝会、佳节聚会和体育竞赛等，以便提供员工一个融洽的工作环境。

## 集团协作

多多博彩向来积极支持成功集团通过成功关怀基金会推行的企业社会责任活动。

成功集团的其中一项大规模及深具意义的慈善活动是在2012年2月25日假成功时代广场举行一年度成功创办人日庆祝活动。这项以家庭日为主题的活动获得了多多博彩踊跃参与。多多博彩协助设立了超过20个嘉年华会游戏摊位，为大约2万名成功集团旗下员工及其家属提供多类有趣又好玩的游戏。

由于今年的庆典正配合成功集团创办人丹斯里拿督斯里陈志远的60岁生日，因此庆祝活动更加令人难忘。在庆祝会上，丹斯里拿督斯里陈志远与成功集团共捐出1160万令吉给61家非盈利和慈善机构，当中包括一些支援社区、教育、健康事业，以及致力提升环保意识和爱护动物团体。

配合此庆祝活动，多多博彩展开了一项全国性公众募款运动，在国内所有多多博彩销售站设置募捐箱。所筹获的义款悉数拨给成功关怀基金会以推行多项慈善活动。

多多博彩也不时支持集团所推动的慈善机构亲善探访及其他企业社会责任活动。



多多博彩在全国多个城镇举办好歌感动音乐会。



赞助森美兰皇家7人制橄榄球锦标赛。



配合成功集团创办人日庆典，多多博彩员工们协调的游戏摊位。

# 主席报告



1



2



3



4



5



6

1. 2011年多多博彩好运赛马挑战杯。
2. 赞助2011年《星洲日报》篮球锦标赛。
3. 2012年“第24届多多博彩华人新年慈善施赠贫老”运动。
4. 2011年吉隆坡市政局-多多博彩残奥体育嘉年华。
5. 第39届槟城同乐会国际保龄球锦标赛。
6. 捐助第1届大马残障运动员田径公开锦标赛。



# GROUP FINANCIAL SUMMARY

Description	2012 US\$'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	1,188,325	3,607,754	3,433,216	3,392,810
Profit Before Tax	190,761	579,150	508,402	548,188
Profit For The Year	136,379	414,047	357,441	388,478
Non-controlling Interests	(3,363)	(10,209)	(7,680)	(4,974)
Profit Attributable To Owners of the Parent	133,016	403,838	349,761	383,504
Share Capital	44,500	135,103	135,103	135,103
Share Premium	–	–	–	–
8% Irredeemable Convertible Unsecured Loan Stocks 2002/2012 (“ICULS”) - Equity Component	–	–	–	–
Reserves	151,312	459,382	376,606	371,715
Equity Funds	195,812	594,485	511,709	506,818
Treasury Shares	(39,623)	(120,295)	(57,341)	(57,341)
Premium Over ICULS Bought Back	–	–	–	–
Net Equity Funds	156,189	474,190	454,368	449,477
Non-controlling Interests	10,342	31,399	23,723	15,074
Total Equity	166,531	505,589	478,091	464,551
Other Long Term Liabilities	856	2,597	2,423	2,513
Borrowings	–	–	–	305,000
Medium Term Notes	181,159	550,000	550,000	–
Deferred Liabilities/Income	–	–	–	37,202
Deferred Tax Liabilities	1,453	4,412	3,065	2,129
ICULS - Liability Component	–	–	–	–
Current Liabilities	119,947	364,159	412,729	420,189
<b>Total Equity And Liabilities</b>	<b>469,946</b>	<b>1,426,757</b>	<b>1,446,308</b>	<b>1,231,584</b>
Property, Plant & Equipment	43,194	131,139	135,900	96,701
Intangible Assets	212,074	643,857	642,757	643,986
Investments	45,044	136,755	113,759	100,921
Deferred Tax Assets	3,761	11,417	8,820	9,674
Long Term Receivable	–	–	–	–
Current Assets	165,873	503,589	545,072	380,302
<b>Total Assets</b>	<b>469,946</b>	<b>1,426,757</b>	<b>1,446,308</b>	<b>1,231,584</b>
Net Assets Per Share (Cents/Sen)	11.81	35.84	33.97	33.61
Net Earnings Per Share (Cents/Sen)	9.96	30.25	26.15	29.02
Gross Dividend Rate Per Share (Cents/Sen)	9	27	21	57.5 *
Net Dividend Amount (US\$'000/RM'000)	118,381	359,406	280,875	728,954 #

## Note :

Where additional shares are issued or bought back, the earnings per share are calculated on a weighted average number of shares with voting rights in issue.

Exchange rate : US\$1.00 : RM3.036

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

# The dividend amount included share dividend based on treasury shares book cost of RM383.314 million.

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

## GROUP FINANCIAL SUMMARY

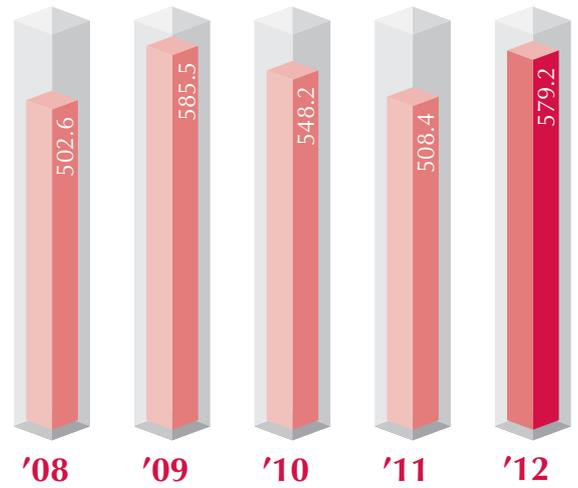
2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
3,695,686	3,277,797	3,035,288	2,938,322	2,670,206	2,477,296	2,205,646
585,544	502,627	545,332	571,914	487,497	437,989	393,583
422,016	358,749	382,526	467,314	329,463	297,232	261,842
(8,462)	(10,086)	(6,839)	(2,789)	(1,307)	(159,193)	(4,340)
413,554	348,663	375,687	464,525	328,156	138,039	257,502
135,103	135,103	135,103	675,515	1,212,105	1,037,588	801,315
207,431	207,431	207,431	336,904	296,411	261,607	192,817
–	–	–	–	52,296	133,134	240,702
546,512	394,241	356,990	463,891	443,458	366,719	579,248
889,046	736,775	699,524	1,476,310	2,004,270	1,799,048	1,814,082
(406,099)	(406,099)	(281,239)	(238,427)	(373,568)	(215,258)	(206,089)
–	–	–	–	(57,355)	(57,355)	(35,348)
482,947	330,676	418,285	1,237,883	1,573,347	1,526,435	1,572,645
15,959	23,244	10,179	10,306	7,429	8,485	(155,116)
498,906	353,920	428,464	1,248,189	1,580,776	1,534,920	1,417,529
1,308	1,004	774	895	2,223	1,858	1,816
124,247	262,686	360,000	472,500	–	–	–
–	–	–	–	–	–	–
37,147	34,992	46,639	33,784	32,364	31,528	31,117
1,710	2,473	3,400	2,378	17,059	11,889	7,488
–	–	–	–	18,394	116,865	248,966
451,156	369,113	373,958	325,332	229,399	423,173	349,292
<b>1,114,474</b>	<b>1,024,188</b>	<b>1,213,235</b>	<b>2,083,078</b>	<b>1,880,215</b>	<b>2,120,233</b>	<b>2,056,208</b>
101,067	97,653	92,132	72,224	72,777	79,453	115,086
618,358	618,425	617,810	607,995	609,422	619,768	612,801
86,534	86,779	81,427	67,542	71,882	85,250	14,719
5,214	858	1,468	969	407	243	159
–	–	–	–	3,393	3,504	–
303,301	220,473	420,398	1,334,348	1,122,334	1,332,015	1,313,443
<b>1,114,474</b>	<b>1,024,188</b>	<b>1,213,235</b>	<b>2,083,078</b>	<b>1,880,215</b>	<b>2,120,233</b>	<b>2,056,208</b>
38.45	26.33	32.66	95.6	134.2	139.3	173.8
32.93	27.60	29.05	37.9	32.6	16.3	39.9
29	35	45	51	45	28	208 <sup>^</sup>
316,669	325,974	421,079	467,360	343,365	193,342	958,623

# GROUP FINANCIAL HIGHLIGHTS

Revenue (RM'Million)



Profit Before Tax (RM'Million)



Net Equity Funds (RM'Million)



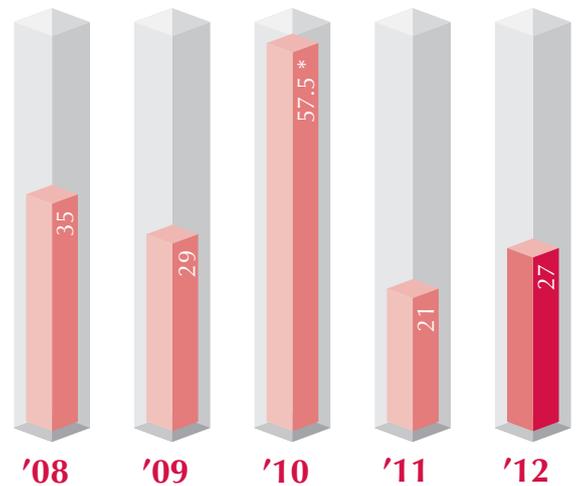
Total Assets (RM'Million)



Net Earnings Per Share (Sen)



Gross Dividend Rate (Sen)

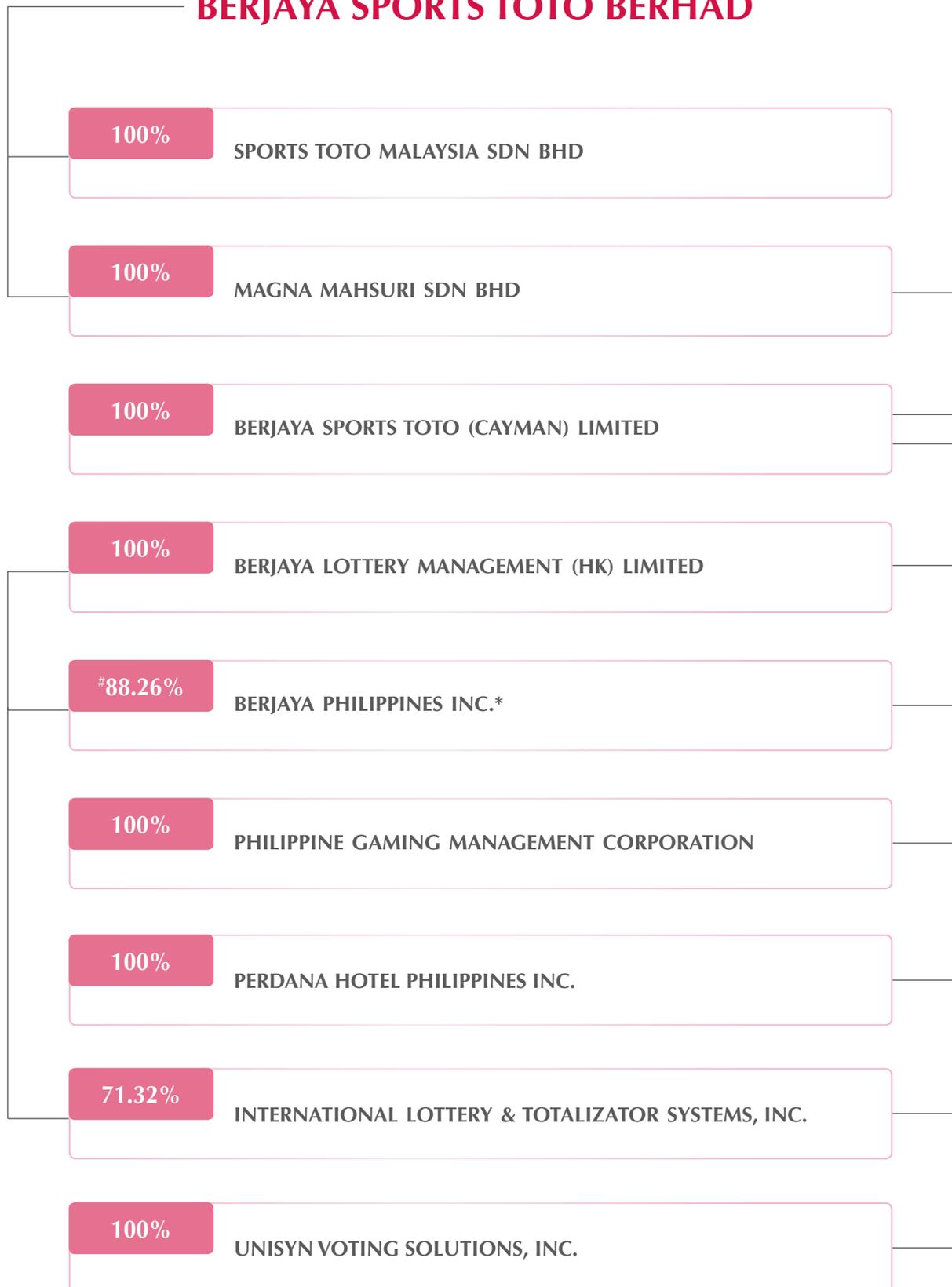


\* This includes a share dividend of 30.5sen per share

# CORPORATE STRUCTURE

of main subsidiary companies as at 30 August 2012

## BERJAYA SPORTS TOTO BERHAD



\* Listed company

# Combined Interest

# 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 2012.

## 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 2012, the Board met four (4) 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 Datuk Seri Utama Thong Yaw Hong <sup># 1</sup>	4/4
Dato’ Robin Tan Yeong Ching	4/4
Chan Kien Sing	4/4
Freddie Pang Hock Cheng	4/4
Rayvin Tan Yeong Sheik	4/4
Seow Swee Pin	4/4
Dickson Tan Yong Loong	3/4
Mohamed Saleh Bin Gomu <sup>#</sup>	4/4
Datuk Robert Yong Kuen Loke <sup>#</sup>	3/4
Cheah Tek Kuang <sup># 2</sup>	-

<sup>1</sup> Tan Sri Datuk Seri Utama Thong Yaw Hong has retired and resigned as a Director and Chairman of the Company on 30 April 2012.

<sup>2</sup> Cheah Tek Kuang has been appointed as an Independent Non-Executive Director and Chairman of the Company on 25 July 2012.

<sup>#</sup> Denotes Independent Non-Executive Directors

In the intervals between Board meetings, any matters 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 Page 3 to Page 7 of the Annual Report.

The Board is satisfied with its current composition which comprises 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.

Mr Cheah Tek Kuang 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 unrestricted and timely access to information concerning the Company and the Group's business and affairs necessary for the discharge of their responsibilities. The Board papers and reports which include 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 comprise the following members:-

Cheah Tek Kuang	- Chairman/Senior Independent Director
Mohamed Saleh Bin Gomu	- Independent/Non-Executive
Datuk Robert Yong Kuen Loke	- Independent/Non-Executive

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 had 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.

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

## STATEMENT ON CORPORATE GOVERNANCE

Director	Title of Programmes/ Seminars/ Courses/ Forum
Tan Sri Datuk Seri Utama Thong Yaw Hong	<ul style="list-style-type: none"> <li>- Launch of PIDM 2010 Annual Report and Annual Dialogue</li> <li>- FIDE Board Specialised Programme: The Nomination/Remuneration Committee</li> <li>- Briefing on The New Competition Act, Directors' Duties and Corporate Governance</li> <li>- FIDE Technical Programme: Corporate Finance for Directors</li> <li>- The First Asian Central Banks' Watchers Conference on "Asian Perspective on World Finance Promoting Financial &amp; Monetary Stability at a Time of Transition"</li> <li>- Islamic Finance: Conceptual &amp; Analytical Issues from the Perspective of Conventional Economics</li> <li>- Training on Impact of Basel III</li> <li>- Briefing on BNM 2011 Annual Report/Financial Stability &amp; Payment Systems Report</li> </ul>
Dato' Robin Tan Yeong Ching	<ul style="list-style-type: none"> <li>- Forbes CEO Conference</li> <li>- Advocacy Sessions on Disclosure for CEOs and CFOs</li> </ul>
Freddie Pang Hock Cheng	<ul style="list-style-type: none"> <li>- Sustainability: Taking Corporate Governance A Step Further</li> <li>- Challenges Faced by Accountants as Independent Directors</li> <li>- Business Sustainability - Making a Difference in Performance</li> <li>- New Malaysian Financial Reporting Standards</li> </ul>
Chan Kien Sing	<ul style="list-style-type: none"> <li>- MIA-AFA Conference 2011</li> <li>- Advocacy Sessions on Disclosure for CEOs and CFOs</li> <li>- New Malaysian Financial Reporting Standards</li> </ul>
Seow Swee Pin	<ul style="list-style-type: none"> <li>- Domestic Focus and Liquidity Driven seminar</li> <li>- Asian Casino &amp; Gaming Congress, Singapore</li> <li>- Professionalism in Directorship Programme</li> </ul>
Mohamed Saleh Bin Gomu	<p>Mohamed Saleh Bin Gomu kept himself abreast with the latest developments on the various economic and business issues both locally &amp; globally through his networking and the reading of various magazines and newspapers.</p>
Dickson Tan Yong Loong	<p>Dickson Tan Yong Loong has attended the Global Gaming Expo held on 7 June 2011 in Macau and another one held on 4 October 2011 in Las Vegas, USA.</p> <p>Further as a member of the Malaysian Institute of Management (MIM) and the Kuala Lumpur Business Club (KLBC), Dickson Tan Yong Loong has updated himself with the latest financial, management and economic issues.</p>
Datuk Robert Yong Kuen Loke	<ul style="list-style-type: none"> <li>- MICPA Seminar - Malaysian Economic Transformation Programme</li> <li>- Seminar on Role of Independent Directors &amp; Corporate Governance</li> <li>- Changes to Financial Reporting Standards</li> </ul>
Rayvin Tan Yeong Sheik	<p>Rayvin Tan Yeong Sheik was briefed by management on the business operations of the Group during the financial year ended 30 April 2012 and he also kept himself abreast with the latest developments on the various economic and business issues in the country and around the world through his extensive networking and the relevant reading material.</p>

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:-

Cheah Tek Kuang	- Chairman/Independent Non-Executive
Dato’ Robin Tan Yeong Ching	- Non-Independent/Executive
Mohamed Saleh Bin Gomu	- Independent/Non-Executive

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.

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 2012 are as follows:-

	Executive	Non-Executive	Total
	←————— RM’000 —————→		
Fees	21	135	156
Benefits-in-kind	110	16	126
Salaries and other emoluments	5,952	831	6,783
Bonus	1,245	11	1,256
	7,328	993	8,321

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
RM200,001 – RM250,000	-	1
RM700,001 – RM750,000	-	1
RM950,001 – RM1,000,000	1	-
RM1,000,001 – RM1,050,000	1	-
RM1,200,001 – RM1,250,000	1	-
RM1,300,001 – RM1,350,000	1	-
RM2,800,001 – RM2,850,000	1	-
	5	3

## STATEMENT ON CORPORATE GOVERNANCE

### C) RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of maintaining effective communication with its shareholders and endeavour to keep its shareholders and investors informed of its progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases 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](http://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 website of Bursa Malaysia Securities Berhad at [www.bursamalaysia.com](http://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 main forum for dialogue with shareholders is during the AGM. At each AGM, the Board presents the progress and performance of the business and encourages shareholders to participate in a question and answer session and to vote on all resolutions.

### D) ACCOUNTABILITY AND AUDIT

#### i) Financial Reporting

The Board endeavour to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects to shareholders, 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 has overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets, 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 32 and Page 33 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 2012.

## 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 2012, 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 Mr. Cheah Tek Kuang (Chairman – appointed on 25 July 2012), Mohamed Saleh bin Gomu, Datuk Robert Yong Kuen Loke and Seow Swee Pin. Tan Sri Datuk Seri Utama Thong Yaw Hong, the previous chairman, retired on 30 April 2012.

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 34 to 36 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. 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.

# AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Sports Toto Berhad (“BToto”) is pleased to present the report of the Audit Committee for the financial year ended 30 April 2012.

## AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprises the following:-

### **Cheah Tek Kuang**<sup>2</sup>

Chairman/Independent/ Non-Executive Director

### **Mohamed Saleh Bin Gomu**

Independent/ Non-Executive Director

### **Datuk Robert Yong Kuen Loke**

Independent/ Non-Executive Director

The Audit Committee held five (5) meetings during the financial year ended 30 April 2012. The details of attendance of the Audit Committee members are as follows:-

<b>Name</b>	<b>Attendance</b>
Tan Sri Datuk Seri Utama Thong Yaw Hong <sup>1</sup>	5/5
Mohamed Saleh Bin Gomu	5/5
Datuk Robert Yong Kuen Loke	4/5

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. The Audit Committee also met with the external auditors without the presence of executive Board members and the Management.

Notes:

<sup>1</sup> Tan Sri Datuk Seri Utama Thong Yaw Hong has resigned as the Chairman of the Audit Committee on 30 April 2012.

<sup>2</sup> Cheah Tek Kuang has been appointed as a member and the Chairman of the Audit Committee on 25 July 2012.

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 April 2012, 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 principal operating 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 shareholders’ circulars in relation to the recurrent related party transactions;
6. Reported to the Board on its activities and significant findings and results.

### 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 principal operating subsidiary of the Group which is involved in the gaming operations.

During the financial year ended 30 April 2012, the Internal Audit Department 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 2012 was RM626,510.

### 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.

#### 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.

## AUDIT COMMITTEE REPORT

### 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.



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# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2012

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 2012.

## 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 and provision of software support;
- manufacture and distribution of computerised lottery and voting systems;
- property investment and development;
- operation of health and fitness centre;
- operation of hotel; and
- 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	414,047	370,733
Attributable to:		
Owners of the parent	403,838	370,733
Non-controlling interests	10,209	-
	414,047	370,733

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.

## DIVIDENDS

The amount of dividends paid by the Company since 30 April 2011 were as follows:

	RM'000
<u>In respect of the financial year ended 30 April 2011 as reported in the Directors' Report of that year:</u>	
Third interim single tier exempt dividend of 6 sen per share on 1,337,500,000 ordinary shares with voting rights, paid on 10 May 2011	80,250 #
Fourth interim single tier exempt dividend of 3 sen per share on 1,337,500,000 ordinary shares with voting rights, paid on 20 July 2011	40,125
	<u>120,375</u>

**DIVIDENDS (CONT'D.)**

	<b>RM'000</b>
<hr/>	
<u>In respect of the financial year ended 30 April 2012:</u>	
First interim single tier exempt dividend of 8 sen per share on 1,337,500,000 ordinary shares with voting rights, paid on 18 October 2011	107,000
Second interim single tier exempt dividend of 8 sen per share on 1,334,000,000 ordinary shares with voting rights, paid on 18 January 2012	106,720
Third interim single tier exempt dividend of 6 sen per share on 1,325,600,000 ordinary shares with voting rights, paid on 27 April 2012	79,536
	293,256
The Directors declared and approved on 18 June 2012: A fourth interim single tier exempt dividend of 5 sen per share on 1,323,000,000 ordinary shares with voting rights, paid on 8 August 2012 in respect of financial year ended 30 April 2012	66,150 *

# This dividend was accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ended 30 April 2011.

\* 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 2013.

The Directors do not recommend the payment of a 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:

Dato' Robin Tan Yeong Ching	
Seow Swee Pin	
Chan Kien Sing	
Freddie Pang Hock Cheng	
Rayvin Tan Yeong Sheik	
Datuk Robert Yong Kuen Loke	
Mohamed Saleh Bin Gomu	
Dickson Tan Yong Loong	
Cheah Tek Kuang	(Appointed on 25 July 2012)
Tan Sri Datuk Seri Utama Thong Yaw Hong	(Retired on 30 April 2012)

**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 28 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 38 to the financial statements.

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2012

### 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 1.5.11	Acquired	Disposed	At 30.4.12
Dato' Robin Tan Yeong Ching	828,000	-	-	828,000
Rayvin Tan Yeong Sheik	214,000	-	-	214,000
Chan Kien Sing	3,428	-	-	3,428
Freddie Pang Hock Cheng	390,000	-	-	390,000
	162,066 ^	-	-	162,066 ^
Seow Swee Pin	43,500	16,500	-	60,000
	7,500 ^	-	-	7,500 ^
Datuk Robert Yong Kuen Loke	1,956,857	-	-	1,956,857

#### Penultimate Holding Company

##### Berjaya Land Berhad ("BLB")

	Number of ordinary shares of RM0.50 each			
	At 1.5.11	Acquired	Disposed	At 30.4.12
Dato' Robin Tan Yeong Ching	600,000	-	-	600,000
	-	56,600,000 *	-	56,600,000 *
Freddie Pang Hock Cheng	160,000	-	-	160,000
	4,000 ^	-	-	4,000 ^
Datuk Robert Yong Kuen Loke	360,808	-	-	360,808

#### Ultimate Holding Company

##### Berjaya Corporation Berhad ("BCorp")

	Number of ordinary shares of RM1.00 each			
	At 1.5.11	Acquired	Disposed	At 30.4.12
Dato' Robin Tan Yeong Ching	722,847	-	-	722,847
	-	597,141,995 *	-	597,141,995 *
	5,000 ^	-	-	5,000 ^
Rayvin Tan Yeong Sheik	316,000	-	-	316,000
Chan Kien Sing	47,688	-	-	47,688
Freddie Pang Hock Cheng	217,388	-	-	217,388
	143,300 ^	-	-	143,300 ^
Datuk Robert Yong Kuen Loke	1,020,548	-	-	1,020,548

	Number of RM0.50 nominal value of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015			
	At 1.5.11	Acquired	Converted	At 30.4.12
Dato' Robin Tan Yeong Ching	300,000 *	12,101,200 *	-	12,401,200 *
Rayvin Tan Yeong Sheik	385,000	-	-	385,000
Datuk Robert Yong Kuen Loke	741	-	-	741

**DIRECTORS' INTERESTS (CONT'D.)**

**Ultimate Holding Company  
Berjaya Corporation Berhad ("BCorp") (Cont'd.)**

	Number of RM1.00 nominal value of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022			
	At 1.5.11	Acquired	Converted	At 30.4.12
Dato' Robin Tan Yeong Ching	-	2,620,500	-	2,620,500
	-	87,029,000 *	-	87,029,000 *
	-	1,000 ^	-	1,000 ^
Rayvin Tan Yeong Sheik	-	155,183,249	-	155,183,249
Chan Kien Sing	-	10,000	-	10,000
Freddie Pang Hock Cheng	-	40,000	-	40,000
	-	25,200 ^	-	25,200 ^
Datuk Robert Yong Kuen Loke	-	170,108	-	170,108

	Number of Warrants			
	At 1.5.11	Acquired	Converted	At 30.4.12
Dato' Robin Tan Yeong Ching	-	2,620,500	-	2,620,500
	-	87,029,000 *	-	87,029,000 *
	-	1,000 ^	-	1,000 ^
Rayvin Tan Yeong Sheik	-	153,358,249	-	153,358,249
Chan Kien Sing	-	10,000	-	10,000
Freddie Pang Hock Cheng	-	40,000	-	40,000
	-	25,200 ^	-	25,200 ^
Datuk Robert Yong Kuen Loke	-	170,108	-	170,108

**Related Companies  
Cosway Corporation Limited**

	Number of ordinary shares of HKD0.20 each			
	At 1.5.11	Acquired	Disposed	At 30.4.12
Dato' Robin Tan Yeong Ching	1,300,000 ^	-	-	1,300,000 ^
Rayvin Tan Yeong Sheik	221,706,972	-	(221,706,972)	-

	Number of ordinary shares of HKD0.20 each under the Share Option Scheme			
	At 1.5.11	Granted	Cancelled	At 30.4.12
Rayvin Tan Yeong Sheik	500,000	-	(500,000)	-

	In principal amount of 1.0% - 3.5% Irredeemable Convertible Unsecured Loan Securities 2009/2019			
	HKD At 1.5.11	HKD Acquired	HKD Converted	HKD At 30.4.12
Rayvin Tan Yeong Sheik	45,450,000	-	(45,450,000)	-

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2012

### DIRECTORS' INTERESTS (CONT'D.)

#### Berjaya Food Berhad ("BFood")

	Number of ordinary shares of RM0.50 each			
	At 1.5.11	Acquired	Disposed	At 30.4.12
Dato' Robin Tan Yeong Ching	100,000	400,000	-	500,000

	Number of ordinary shares of RM0.50 each under the Employees' Share Option Scheme			
	At 1.5.11	Granted	Exercised	At 30.4.12
Dato' Robin Tan Yeong Ching	1,000,000	-	(400,000)	600,000

\* Denotes indirect interests.

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

Other than as disclosed above, 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

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

	Number of shares		Carrying amounts	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
Balance as at 1 May	13,530	13,530	57,341	57,341
Acquisition of additional treasury shares during the year	14,500	-	62,954	-
Total treasury shares as at 30 April (Note 20)	28,030	13,530	120,295	57,341

As at 30 April 2012, the issued and paid up share capital of the Company with voting rights was 1,323,000,000 (2011 : 1,337,500,000) ordinary shares of RM0.10 each.

### OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, income statements and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) 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
- (ii) 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:

- (i) 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
- (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

**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 36 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 EVENT DURING THE FINANCIAL YEAR**

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

**SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR**

The significant events after the financial year are as disclosed in Note 44 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 15 August 2012

**DATO' ROBIN TAN YEONG CHING**

**SEOW SWEE PIN**

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, DATO' ROBIN TAN YEONG CHING and SEOW SWEE PIN, 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 47 to 113 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 2012 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 45 on page 114 to the financial statements have been prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 August 2012.

**DATO' ROBIN TAN YEONG CHING**

**SEOW SWEE PIN**

# 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 47 to 114 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 15 August 2012 }

**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

## **Report on the financial statements**

We have audited the financial statements of Berjaya Sports Toto Berhad, which comprise the statements of financial position as at 30 April 2012 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows 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 47 to 113.

## **Directors' responsibility for the financial statements**

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **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 about 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 Company's preparation of the financial statements that give a true and fair view 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 Company'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 2012 and of the 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, being financial statements that have been included in the consolidated financial statements.
- (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 accounts 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 Act.

## **INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD (CONT'D.)

### **Other reporting responsibilities**

The supplementary information set out in Note 45 on page 114 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### **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

### **YAP SENG CHONG**

No. 2190/12/13 (J)

Chartered Accountant

Kuala Lumpur, Malaysia

15 August 2012

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	<b>131,139</b>	135,900	<b>4,449</b>	4,777
Investment in subsidiary companies	4	-	-	<b>1,198,847</b>	1,192,847
Investment in associated companies	5	<b>6,379</b>	2,238	<b>2,038</b>	2,116
Long term investments	6	<b>38,140</b>	30,745	<b>113</b>	113
Investment properties	7	<b>92,236</b>	80,776	-	-
Deferred tax assets	8	<b>11,417</b>	8,820	-	-
Intangible assets	9	<b>643,857</b>	642,757	-	-
		<b>923,168</b>	901,236	<b>1,205,447</b>	1,199,853
<b>Current assets</b>					
Inventories	10	<b>14,082</b>	5,919	-	-
Receivables	11	<b>74,984</b>	87,712	<b>70,438</b>	123,577
Tax recoverable		<b>136</b>	61	-	-
Amounts due from subsidiary companies	12	-	-	<b>137,699</b>	156,227
Short term investments	13	<b>759</b>	1,483	-	-
Deposits with financial institutions	14	<b>363,957</b>	395,915	<b>18,721</b>	20,153
Cash and bank balances		<b>44,890</b>	53,982	<b>353</b>	1,212
		<b>498,808</b>	545,072	<b>227,211</b>	301,169
Asset classified as held for sale	6	<b>4,781</b>	-	-	-
		<b>503,589</b>	545,072	<b>227,211</b>	301,169
<b>TOTAL ASSETS</b>		<b>1,426,757</b>	1,446,308	<b>1,432,658</b>	1,501,022

## STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2012 (CONT'D.)

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	15	135,103	135,103	135,103	135,103
Capital reserve	16	21,327	21,327	-	-
Exchange reserve	17	8,248	(1,582)	-	-
Available-for-sale ("AFS") reserve	18	17,504	15,015	-	-
Retained earnings	19	412,303	341,846	632,071	594,719
Equity funds		594,485	511,709	767,174	729,822
Treasury shares	20	(120,295)	(57,341)	(120,295)	(57,341)
Net equity funds		474,190	454,368	646,879	672,481
Non-controlling interests		31,399	23,723	-	-
<b>Total equity</b>		<b>505,589</b>	<b>478,091</b>	<b>646,879</b>	<b>672,481</b>
<b>Non-current liabilities</b>					
Retirement benefit obligations	21	1,903	1,556	-	-
Medium term notes	22	550,000	550,000	-	-
Other long term liability	23	694	867	-	-
Deferred tax liabilities	8	4,412	3,065	348	326
		557,009	555,488	348	326
<b>Current liabilities</b>					
Provisions	24	513	92	-	-
Payables	25	337,425	389,162	5,609	81,945
Amounts due to subsidiary companies	26	-	-	779,822	746,270
Tax payable		26,221	23,475	-	-
		364,159	412,729	785,431	828,215
<b>TOTAL LIABILITIES</b>		<b>921,168</b>	<b>968,217</b>	<b>785,779</b>	<b>828,541</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,426,757</b>	<b>1,446,308</b>	<b>1,432,658</b>	<b>1,501,022</b>

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

# INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	27	<b>3,607,754</b>	3,433,216	<b>409,337</b>	511,452
Cost of sales		<b>(2,684,289)</b>	(2,589,595)	-	-
<b>GROSS PROFIT</b>		<b>923,465</b>	843,621	<b>409,337</b>	511,452
Selling and distribution expenses		<b>(137,401)</b>	(126,374)	-	-
General and administrative expenses		<b>(207,856)</b>	(182,997)	<b>(12,692)</b>	(11,214)
<b>PROFIT BEFORE OTHER INCOME AND EXPENSES</b>	28	<b>578,208</b>	534,250	<b>396,645</b>	500,238
Investment related income	29	<b>5,096</b>	2,196	-	-
Investment related expenses	30	<b>(427)</b>	(4,153)	<b>(78)</b>	(1,431)
Other income	31	<b>25,201</b>	13,263	<b>10,513</b>	10,155
		<b>608,078</b>	545,556	<b>407,080</b>	508,962
Finance costs	32	<b>(30,367)</b>	(35,821)	<b>(36,325)</b>	(45,864)
Share of results of associated companies		<b>1,439</b>	(1,333)	-	-
<b>PROFIT BEFORE TAX</b>		<b>579,150</b>	508,402	<b>370,755</b>	463,098
Income tax expense	33	<b>(165,103)</b>	(150,961)	<b>(22)</b>	-
<b>PROFIT FOR THE YEAR</b>		<b>414,047</b>	357,441	<b>370,733</b>	463,098
<b>ATTRIBUTABLE TO:</b>					
Owners of the parent		<b>403,838</b>	349,761	<b>370,733</b>	463,098
Non-controlling interests		<b>10,209</b>	7,680	-	-
		<b>414,047</b>	357,441	<b>370,733</b>	463,098
<b>Earnings per share attributable to owners of the parent</b>	34				
- Basic (sen)		<b>30.25</b>	26.15		
- Diluted (sen)		<b>30.25</b>	26.15		
<b>NET DIVIDENDS PER SHARE (SEN)</b>	35				
- First interim dividend				<b>8.00</b>	8.00
- Second interim dividend				<b>8.00</b>	4.00
- Third interim dividend				<b>6.00</b>	6.00
- Fourth interim dividend				<b>5.00</b>	3.00

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

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
PROFIT AFTER TAXATION	<b>414,047</b>	357,441	<b>370,733</b>	463,098
OTHER COMPREHENSIVE INCOME				
Gain on changes in fair value of available-for-sale investments	<b>3,618</b>	8,261	-	-
Effects of foreign exchange differences	<b>10,320</b>	(6,934)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<b>427,985</b>	358,768	<b>370,733</b>	463,098
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	<b>416,157</b>	350,119	<b>370,733</b>	463,098
Non-controlling interests	<b>11,828</b>	8,649	-	-
	<b>427,985</b>	358,768	<b>370,733</b>	463,098

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

## Attributable to Owners of the Parent

	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Exchange reserve RM'000	AFS reserve RM'000	Distributable Retained earnings RM'000	Total to owners of parent company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>GROUP</b>									
As at 1 May 2010	135,103	(57,341)	21,327	6,111	6,964	339,835	451,999	15,074	467,073
<b>Total comprehensive income for the year</b>	-	-	-	(7,693)	8,051	349,761	350,119	8,649	358,768
<b>Transaction with owners</b>									
Dividends (Note 35)	-	-	-	-	-	(347,750)	(347,750)	-	(347,750)
As at 30 April 2011	135,103	(57,341)	21,327	(1,582)	15,015	341,846	454,368	23,723	478,091
As at 1 May 2011	135,103	(57,341)	21,327	(1,582)	15,015	341,846	454,368	23,723	478,091
<b>Total comprehensive income for the year</b>	-	-	-	9,830	2,489	403,838	416,157	11,828	427,985
<b>Transactions with owners</b>									
Adjustment due to foreign subsidiary company's share buyback	-	-	-	-	-	-	-	(3,406)	(3,406)
Dividends (Note 35)	-	-	-	-	-	(333,381)	(333,381)	-	(333,381)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(746)	(746)
Purchase of treasury shares (Note 20)	-	(62,954)	-	-	-	-	(62,954)	-	(62,954)
Total transactions with owners	-	(62,954)	-	-	-	(333,381)	(396,335)	(4,152)	(400,487)
As at 30 April 2012	135,103	(120,295)	21,327	8,248	17,504	412,303	474,190	31,399	505,589

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Share capital RM'000	Treasury shares RM'000	<u>Distributable</u> Retained earnings RM'000	Total equity RM'000
<b>COMPANY</b>				
As at 1 May 2010	135,103	(57,341)	479,371	557,133
<b>Total comprehensive income for the year</b>	-	-	463,098	463,098
<b>Transaction with owners</b>				
Dividends (Note 35)	-	-	(347,750)	(347,750)
As at 30 April 2011	135,103	(57,341)	594,719	672,481
<b>As at 1 May 2011</b>				
As at 1 May 2011	<b>135,103</b>	<b>(57,341)</b>	<b>594,719</b>	<b>672,481</b>
<b>Total comprehensive income for the year</b>	-	-	<b>370,733</b>	<b>370,733</b>
<b>Transactions with owners</b>				
Dividends (Note 35)	-	-	<b>(333,381)</b>	<b>(333,381)</b>
Purchase of treasury shares (Note 20)	-	<b>(62,954)</b>	-	<b>(62,954)</b>
Total transactions with owners	-	<b>(62,954)</b>	<b>(333,381)</b>	<b>(396,335)</b>
As at 30 April 2012	<b>135,103</b>	<b>(120,295)</b>	<b>632,071</b>	<b>646,879</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	3,921,992	3,677,264
Payments to prize winners, suppliers and for other operating expenses	(2,651,023)	(2,544,377)
Payments for pool betting duties, gaming tax and other government contributions	(623,995)	(586,841)
Payment of taxes	(163,562)	(159,958)
Refund of taxes	15	6,002
Other receipts	86	187
Net cash generated from operating activities	<b>483,513</b>	392,277
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1,232	559
Proceeds from disposal of an investment property	-	889
Proceeds from disposal of short term investments	2,242	7,050
Acquisition of property, plant and equipment (Note A)	(20,113)	(16,004)
Acquisition of investment in associated company	(1,868)	-
Acquisition of an investment property	(6,392)	(4,362)
Acquisition of treasury shares by a foreign subsidiary company	(3,406)	-
Acquisition of long term investments	(9,564)	(785)
Acquisition of short term investments	(1,518)	(2,967)
Dividend received	28	13
Interest received	13,153	8,165
Other receipts/(payments) arising from investments	3,058	(1,924)
Net cash used in investing activities	<b>(23,148)</b>	(9,366)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(450,000)
Issuance of medium term notes	-	550,000
Repayment of hire purchase liabilities	(251)	(218)
Interest paid on borrowings	(30,298)	(21,666)
Dividends paid to shareholders of the Company	(411,586)	(267,356)
Dividends paid to non-controlling interests	(746)	-
Treasury shares acquired (Note B)	(60,981)	-
Net cash used in financing activities	<b>(503,862)</b>	(189,240)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(43,497)</b>	193,671
<b>CASH AND CASH EQUIVALENTS AS AT 1 MAY</b>	<b>449,897</b>	257,462
Effects of exchange rate changes	2,447	(1,236)
<b>CASH AND CASH EQUIVALENTS AS AT 30 APRIL (Note C)</b>	<b>408,847</b>	449,897
<b>Note A Acquisition of property, plant and equipment</b>		
Hire purchase	129	-
Cash	20,113	16,004
Reclassified from prepayments	-	45,843
	<b>20,242</b>	61,847
<b>Note B Treasury shares acquired</b>		
Cash	60,981	-
Other payables	1,973	-
	<b>62,954</b>	-
<b>Note C Cash and cash equivalents comprise the following:</b>		
Deposits with financial institutions (Note 14)	363,957	395,915
Cash and bank balances	44,890	53,982
	<b>408,847</b>	449,897

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

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment for operating expenses	(11,863)	(9,829)
Refund of taxes	-	5,964
Dividends received	462,186	270,054
Net cash generated from operating activities	<b>450,323</b>	266,189
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(619)	(340)
Interest received	567	596
Net (repayment to) / advances from subsidiary companies	(2,473)	377,927
Repayment of advances from subsidiary companies	32,598	8,581
Advances given to subsidiary companies	(10,120)	(522)
Net cash generated from investing activities	<b>19,953</b>	386,242
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(411,586)	(267,356)
Interest paid	-	(3,510)
Treasury shares acquired	(60,981)	-
Repayment of borrowings	-	(380,000)
Net cash used in financing activities	<b>(472,567)</b>	(650,866)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,291)</b>	1,565
<b>CASH AND CASH EQUIVALENTS AS AT 1 MAY</b>	<b>21,365</b>	19,800
<b>CASH AND CASH EQUIVALENTS AS AT 30 APRIL (Note A)</b>	<b>19,074</b>	21,365
<b>Note A</b>	<b>Cash and cash equivalents comprise the following:</b>	
Deposits with financial institutions (Note 14)	18,721	20,153
Cash and bank balances	353	1,212
	<b>19,074</b>	21,365

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

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 1 CORPORATE INFORMATION

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 and provision of software support;
- manufacture and distribution of computerised lottery and voting systems;
- property investment and development;
- operation of health and fitness centre;
- operation of hotel; and
- 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 15 August 2012.

## 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.

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, which are prepared up to end of the same financial year.

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 entity 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.

Subsidiary companies are consolidated using the acquisition method of accounting. Subsidiary companies are consolidated from the date of acquisition being the date on which the Group obtain control, and continue to be consolidated until the date that such control ceases.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

Under the acquisition 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. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities assumed at the date of acquisition. For business combinations, 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 assumed, and equity instruments issued. Any costs directly attributable to the acquisition are recognised immediately in profit or loss.

When control in a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in the profit or loss. Similarly, when control over a subsidiary company is lost, any interest retained is measured at fair value and the corresponding gain or loss recognised in the profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree, and the fair value of any of the Group's previously held equity interest in the acquiree (hereinafter referred to as cost of business combination), over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

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 balances, transactions, income and expenses are eliminated in full.

Equity instruments and equity components of hybrid financial instruments issued by subsidiary companies but held by the Group will be eliminated on consolidation. Any difference between the cost of investment in and the value of the equity instruments or the equity components of hybrid financial instruments will be recognised immediately in equity upon elimination.

When there is share buyback by a subsidiary company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the subsidiary company. Any differences between the consideration of the share buyback over the Group's revised interest in the net fair value of the identifiable assets acquired and liabilities assumed is recognised directly in equity and attributable to owners of the parent.

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

#### (b) Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiary companies not attributable, direct or indirectly, to the Group which consist of the amount of those non-controlling interests at the date of original combination; and the non-controlling interests' share of changes in the equity since the date of the combination.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Profit or loss and each component of other comprehensive income are attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (b) Transactions with non-controlling interests (cont'd.)

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent.

#### (c) 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 carried in the consolidated statement of financial position 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 profit or loss from the date that significant influence effectively commences until the date that significant influence effectively ceases, as appropriate.

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.

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 acquired and liabilities incurred 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 profit or loss 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.

#### (d) 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 acquired and liabilities assumed. 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (d) Intangible assets (cont'd.)

##### (ii) Research and development costs

Research costs are recognised in the profit or loss 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.

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 reporting date.

##### (iii) 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 reporting date.

#### (e) 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 profit or loss during the financial period in which they are incurred.

Except for freehold land, subsequent to recognition, property, plant and equipment 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:

Leasehold land and buildings	Amortised over the lease period
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% - 20%
Gym equipment	20%
Hotel and kitchen equipment and utensils	20%

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of Significant Accounting Policies (Cont'd.)****(e) Property, plant and equipment and depreciation (cont'd.)**

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.

**(f) 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 profit or loss in the year in which they arise.

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 profit or loss 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 other comprehensive income. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of the investment property, any surplus previously recorded in other comprehensive income is transferred to retained earnings.

**(g) 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 reporting 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 reporting 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (g) Impairment of non-financial assets (cont'd.)

An impairment loss is recognised in profit or loss in the period except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

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 profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

#### (h) 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.

#### (i) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

The Group and the Company categorise the financial instruments as follows:

##### (i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (i) Financial assets (cont'd.)

##### (ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in fair value through profit or loss, loan and receivables and held-to-maturity investments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

#### (j) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

##### (i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (j) Impairment of financial assets (cont'd.)

##### (i) Trade and other receivables and other financial assets carried at amortised cost (cont'd.)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost had the impairment not been recognised at the reversal date. The amount of reversal is recognised in profit or loss.

##### (ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the Group and Company's share of net assets of the issuer or the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

##### (iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

#### (k) Cash and cash equivalents

For the purposes of the statements of cash flow, 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, if any.

#### (l) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Group and the Company categorise the financial instruments as follows:

##### (i) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables, loans and borrowings including medium term notes.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of Significant Accounting Policies (Cont'd.)****(l) Financial liabilities (cont'd.)****(i) Other financial liabilities (cont'd.)**

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**(m) 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. 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 profit or loss on the sale, reissuance or cancellation of treasury shares. When treasury shares are reissued by resale, the credit difference arising shall be taken to the share premium account. Conversely, the debit difference shall be set off against the share premium account or any suitable reserves.

**(n) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are amortised and recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

**(o) Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (p) Leases

##### (i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the period in which they incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. 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.

##### (ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.2(u)(iv).

#### (q) Income tax

##### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of Significant Accounting Policies (Cont'd.)****(q) Income tax (cont'd.)****(ii) Deferred tax (cont'd.)**

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(r) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If there is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(s) 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 and of the Company. 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (s) Employee benefits (cont'd.)

##### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company 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 profit or loss 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 its respective country's statutory pension schemes.

##### (iii) Retirement benefit obligations

Pension benefits are provided to employees of the Group's foreign subsidiaries through a 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.

The liability recognised in the consolidated statement of financial position for defined benefit plans is the present value of the defined benefit obligation ("DBO") at the reporting 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 in the profit or loss 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 profit or loss 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 profit or loss, 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.

#### (t) 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.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of Significant Accounting Policies (Cont'd.)****(t) Foreign currencies (cont'd.)****(ii) Foreign currency transactions (cont'd.)**

At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting 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 profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss of the Company's separate financial statements 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 profit or loss 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.

**(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 as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and statement of comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 May 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

Goodwill and fair value adjustment which arose on the acquisition of foreign subsidiaries before 1 May 2006 are deemed to be assets and liabilities of the parent company and are recorded in functional currency of the parent company at the rates prevailing at the date of acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (t) Foreign currencies (cont'd.)

##### (iii) Foreign operations (cont'd.)

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

	2012 RM	2011 RM
1 United States Dollar ("USD")	3.0360	2.9725
1 Hong Kong Dollar ("HKD")	0.3913	0.3826
1 Philippine Peso ("Php")	0.0719	0.0777

#### (u) 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, associated companies and other investments are recognised when the right to receive the dividend payment is established.

##### (iii) Interest income

Interest income is recognised on an accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

##### (iv) Rental income

Rental income, including those from investment properties, is recognised, 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.

##### (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 and trade discounts.

##### (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) Fitness centre operations

###### 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.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of Significant Accounting Policies (Cont'd.)****(u) Revenue and other income recognition (cont'd.)****(ix) Hotel operations**Revenue from room services

Revenue from room services are recognised when the services are rendered.

Sale of food, beverages and others

Revenue from sale of food, beverages and others are recognised upon delivery to and receipt of goods by the customers.

**(x) Other income**

Other than the above, all other income are recognised on the accrual basis.

**(v) Segmental reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

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.

**(w) Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

**(x) Non-current assets (or disposal groups) held for sale and discontinued operation**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (x) Non-current assets (or disposal groups) held for sale and discontinued operation (cont'd.)

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less cost to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resale.

### 2.3 Changes in Accounting Policies and Effects Arising From Application of New and Revised FRSs

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 May 2011, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 May 2011.

#### Effective for financial periods beginning on or after 1 July 2010

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 3	: Business Combinations (Revised)
Amendments to FRS 5	: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	: Consolidated and Separate Financial Statements (Amended)
Amendments to FRS 138	: Intangible Assets
Amendments to IC Interpretation 9	: Reassessment of Embedded Derivatives
IC Interpretation 12	: Service Concession Arrangements
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	: Limited Exemption from Comparative FRS 7 Disclosures First-time Adopters
Amendments to FRS 1	: Additional Exemptions for First-time Adopters
Amendments to FRS 2	: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	: Improvements to FRSs (2010)
Amendments to FRS 7	: Improving Disclosures about Financial Instruments
Amendments to FRSs	: Improvements to FRSs (2010)
Amendments to FRS 7	: Improvements to FRSs (2010)
Amendments to FRS 101	: Improvements to FRSs (2010)
Amendments to FRS 121	: Improvements to FRSs (2010)
Amendments to FRS 128	: Improvements to FRSs (2010)
Amendments to FRS 131	: Improvements to FRSs (2010)
Amendments to FRS 132	: Improvements to FRSs (2010)
Amendments to FRS 134	: Improvements to FRSs (2010)
Amendments to FRS 139	: Improvements to FRSs (2010)
IC Interpretation 4	: Determining whether an Arrangement contains a Lease
IC Interpretation 18	: Transfers of Assets from Customers
Technical Release 3	: Guidance on Disclosures of Transitions to IFRSs
Technical Release i-4	: Shariah Compliant Sale Contracts

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.3 Changes in Accounting Policies and Effects Arising From Application of New and Revised FRSs (Cont'd.)

#### Effective for financial periods beginning on or after 1 January 2011 (cont'd.)

Unless otherwise described below, the new FRSs, Amendments to FRSs, Interpretations and Technical Releases 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, Amendments to FRSs, Interpretations and Technical Releases.

#### Revised FRS 3: Business Combinations and Amendments to FRS 127: Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

#### Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three-level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between level of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 39. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 40.

### 2.4 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 April 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Malaysian Financial Reporting Standards (Cont'd.)

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 April 2012 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 April 2013.

### 2.5 Significant Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### (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.

##### (i) 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.

##### (ii) Leases - As lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards ownership of these properties which are leased out on operating leases.

##### (iii) Impairment of available-for-sale investments

The Group reviews its equity instruments classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost, and will impair quoted and unquoted equity instruments with "significant" decline in fair value greater than 20% or "prolonged" period, being greater than 12 months.

##### (iv) Financial guarantee contracts

The Company determines the fair value of the guarantees at initial recognition based on the likelihood of the guaranteed party defaulting within the guaranteed period and estimates the loss exposure after considering the value of physical assets pledged for the loan/borrowings obtained from external financiers.

The Company has assessed the existing financial guarantee contracts and determined that the guarantees are more likely not to be called upon by the financiers. Financial impact of such guarantees is not material.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Significant Accounting Estimates and Judgements (Cont'd.)

#### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 2012 was RM643,857,000 (2011 : RM642,710,000). Further details are disclosed in Note 9.

##### (ii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 11.

##### (iii) 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.

##### (iv) 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 2012

### 3 PROPERTY, PLANT AND EQUIPMENT

#### Group

	Net book value as at 1 May 2011 RM'000	Additions RM'000	Disposals RM'000	Impairment RM'000	Reclassi- fications RM'000	Translation exchange differences RM'000	Depreciation RM'000	Net book value as at 30 April 2012 RM'000
<b>As at 30 April 2012</b>								
Building - hotel	44,926	1,437	-	-	-	1,932	(950)	47,345
Land and buildings	5,690	-	-	-	-	-	(112)	5,578
Plant and machinery	390	149	-	-	12	8	(107)	452
Computer equipment	38,571	6,135	(41)	-	87	966	(14,218)	31,500
Office equipment	4,232	638	(13)	-	(27)	32	(1,093)	3,769
Furniture and fittings	3,671	356	-	(1)	-	1	(718)	3,309
Motor vehicles	25,628	8,337	(1,377)	-	8	33	(6,597)	26,032
Renovations	11,528	2,793	-	(4)	69	38	(2,480)	11,944
Gym equipment	760	105	-	-	-	-	(208)	657
Capital work-in-progress	149	-	-	(3)	(149)	3	-	-
Hotel and kitchen equipment and utensils	355	292	-	-	-	15	(109)	553
	<b>135,900</b>	<b>20,242</b>	<b>(1,431)</b>	<b>(8)</b>	<b>-</b>	<b>3,028</b>	<b>(26,592)</b>	<b>131,139</b>

	Net book value as at 1 May 2010 RM'000	Additions RM'000	Disposals RM'000	Impairment RM'000	Reclassi- fications RM'000	Translation exchange differences RM'000	Depreciation RM'000	Net book value as at 30 April 2011 RM'000
<b>As at 30 April 2011</b>								
Building - hotel	-	45,843	-	-	-	18	(935)	44,926
Land and buildings	5,241	557	-	-	-	-	(108)	5,690
Plant and machinery	498	-	-	-	-	(33)	(75)	390
Computer equipment	45,766	5,157	(96)	-	(89)	(259)	(11,908)	38,571
Office equipment	3,681	1,680	(40)	(32)	-	(18)	(1,039)	4,232
Furniture and fittings	4,144	215	-	(1)	-	(1)	(686)	3,671
Motor vehicles	23,843	6,604	(259)	-	-	(22)	(4,538)	25,628
Renovations	12,577	1,364	(44)	(17)	-	(13)	(2,339)	11,528
Gym equipment	948	5	-	-	-	-	(193)	760
Capital work-in-progress	3	57	-	-	89	-	-	149
Hotel and kitchen equipment and utensils	-	365	-	-	-	-	(10)	355
	<b>96,701</b>	<b>61,847</b>	<b>(439)</b>	<b>(50)</b>	<b>-</b>	<b>(328)</b>	<b>(21,831)</b>	<b>135,900</b>

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

Group	Cost	Accumulated depreciation	Net book value
	RM'000	RM'000	RM'000
<b>As at 30 April 2012</b>			
Building - hotel	49,260	(1,915)	47,345
Land and buildings	6,462	(884)	5,578
Plant and machinery	2,198	(1,746)	452
Computer equipment	151,311	(119,811)	31,500
Office equipment	12,494	(8,725)	3,769
Furniture and fittings	7,652	(4,343)	3,309
Motor vehicles	54,632	(28,600)	26,032
Renovations	23,828	(11,884)	11,944
Gym equipment	1,074	(417)	657
Capital work-in-progress	-	-	-
Hotel and kitchen equipment and utensils	673	(120)	553
	<b>309,584</b>	<b>(178,445)</b>	<b>131,139</b>
<b>As at 30 April 2011</b>			
Building - hotel	45,843	(917)	44,926
Land and buildings	6,462	(772)	5,690
Plant and machinery	2,004	(1,614)	390
Computer equipment	142,454	(103,883)	38,571
Office equipment	11,550	(7,318)	4,232
Furniture and fittings	7,307	(3,636)	3,671
Motor vehicles	51,143	(25,515)	25,628
Renovations	20,929	(9,401)	11,528
Gym equipment	969	(209)	760
Capital work-in-progress	149	-	149
Hotel and kitchen equipment and utensils	365	(10)	355
	<b>289,175</b>	<b>(153,275)</b>	<b>135,900</b>

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

	Group	
	2012 RM'000	2011 RM'000
Computer equipment	54	84
Office equipment	102	103
Gym equipment	624	675
	<b>780</b>	<b>862</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

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

Company	Net book value as at 1 May 2011 RM'000	Additions RM'000	Depreciation RM'000	Net book value as at 30 April 2012 RM'000
<b>As at 30 April 2012</b>				
Computer equipment	37	48	(22)	63
Office equipment	123	22	(27)	118
Furniture and fittings	2,726	193	(539)	2,380
Motor vehicles	141	174	(13)	302
Renovations	1,750	182	(346)	1,586
	<b>4,777</b>	<b>619</b>	<b>(947)</b>	<b>4,449</b>
	Net book value as at 1 May 2010 RM'000	Additions RM'000	Depreciation RM'000	Net book value as at 30 April 2011 RM'000
<b>As at 30 April 2011</b>				
Computer equipment	155	-	(118)	37
Office equipment	146	2	(25)	123
Furniture and fittings	3,148	98	(520)	2,726
Motor vehicles	37	112	(8)	141
Renovations	1,943	128	(321)	1,750
	<b>5,429</b>	<b>340</b>	<b>(992)</b>	<b>4,777</b>
		Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
<b>As at 30 April 2012</b>				
Computer equipment		784	(721)	63
Office equipment		265	(147)	118
Furniture and fittings		5,439	(3,059)	2,380
Motor vehicles		461	(159)	302
Renovations		3,487	(1,901)	1,586
		<b>10,436</b>	<b>(5,987)</b>	<b>4,449</b>
<b>As at 30 April 2011</b>				
Computer equipment		736	(699)	37
Office equipment		243	(120)	123
Furniture and fittings		5,246	(2,520)	2,726
Motor vehicles		287	(146)	141
Renovations		3,305	(1,555)	1,750
		<b>9,817</b>	<b>(5,040)</b>	<b>4,777</b>

## 4 INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2012 RM'000	2011 RM'000
Unquoted shares, at cost	1,198,847	1,192,847

Details of the subsidiary companies are as follows:

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
			2012 %	2011 %
<b>Subsidiary companies of Berjaya Sports Toto Berhad</b>				
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	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	Malaysia	Property investment and investment holding	100	100
Berjaya-ILTS Limited #	Hong Kong	Dormant	100	100
<b>Subsidiary company of FEAB Land Sdn Bhd</b>				
FEAB Realty Sdn Bhd	Malaysia	Dormant	100	100
<b>Subsidiary companies of Sports Toto Malaysia Sdn Bhd</b>				
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
<b>Subsidiary company of Magna Mahsuri Sdn Bhd</b>				
Berjaya Sports Toto (Cayman) Limited ("BSTC")	Cayman Islands	Investment holding	100	100
<b>Subsidiary company of Berjaya Sports Toto (Cayman) Limited</b>				
Berjaya Lottery Management (HK) Limited ("BLM") #	Hong Kong	Investment holding	100	100

## NOTES TO THE FINANCIAL STATEMENTS

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### 4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
			2012 %	2011 %
<b>Subsidiary companies of Berjaya Lottery Management (HK) Limited</b>				
Berjaya Philippines Inc. ("BPI") *	Philippines	Investment holding	<sup>^</sup> <b>73.91</b>	72.33
International Lottery & Totalizator Systems, Inc. *	United States of America	Manufacturer and distributor of computerised lottery and voting systems	<b>71.32</b>	71.32
<b>Subsidiary companies of Berjaya Philippines Inc.</b>				
Philippine Gaming Management Corporation *	Philippines	Leasing of on-line lottery equipment and provision of software support	<b>100</b>	100
Perdana Hotel Philippines Inc. *	Philippines	Operation of a hotel in the Philippines	<b>100</b>	100
<b>Subsidiary companies of International Lottery &amp; Totalizator Systems, Inc.</b>				
ILTS.Com, Inc. *	United States of America	Dormant	<b>100</b>	100
Unisyn Voting Solutions, Inc. *	United States of America	Develops, manufactures and provision of licenses and supports for voting systems	<b>100</b>	100
International Totalizator Systems, Inc. *	United States of America	Dormant	<b>100</b>	100

\* Audited by firms of auditors other than Ernst & Young

# Audited by other member firm of Ernst & Young Global

<sup>^</sup> The total equity interests held by BSTC group in BPI is 88.26% (2011 : 88.26%) and it is held by the following companies respectively:

	2012	2011
i) BLM	<b>73.91%</b>	72.33%
ii) BSTC	<b>14.35%</b>	15.93%
	<b>88.26%</b>	88.26%

During the financial year, the Company subscribed 6,000,000 new ordinary shares of RM1.00 each issued by FEAB Properties Sdn Bhd for a consideration of RM6,000,000 satisfied via capitalisation of intercompany advances.

The medium term notes issued by a wholly-owned subsidiary company are secured by a third party first equitable charge over the unquoted shares of the said subsidiary company as disclosed in Note 22.

## 5 INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unquoted shares, at cost	13,301	10,614	3,557	3,557
Less: Share of post-acquisition losses	(3,581)	(5,020)	-	-
	9,720	5,594	3,557	3,557
Exchange differences	15	-	-	-
	9,735	5,594	3,557	3,557
Less: Accumulated impairment losses	(3,356)	(3,356)	(1,519)	(1,441)
	6,379	2,238	2,038	2,116

Details of the associated companies are as follows:

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
			2012 %	2011 %
<b>Associated companies of Berjaya Sports Toto Berhad</b>				
Berjaya Racing Management Sdn Bhd	Malaysia	Dormant	20	20
Berjaya Lottery Vietnam Limited	Malaysia	Investment holding	20	20
<b>Associated company of Berjaya Sports Toto (Cayman) Limited</b>				
Suncoast Limited ("Suncoast") *	British Virgin Islands	Dormant	48	48
<b>Associated company of FEAB Properties Sdn Bhd</b>				
Cashsystems Asia Technology Sdn Bhd ("Cashsystems") *	Malaysia	Dormant	30	30
<b>Associated companies of Berjaya Philippines Inc.</b>				
Perdana Land Philippines Inc. *	Philippines	Acquire, develop or lease real estate	40	40
Berjaya Pizza Philippines Inc. *	Philippines	Development and operation of "Papa John's Pizza" chain of restaurants in the Philippines	30	-

\* 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 2012

### 5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D.)

During the financial year, the Group increased its equity interest in Berjaya Pizza Philippines Inc. from 9.5% to 30.0% and it became an associate company of the Group as disclosed in Note 43.

The summarised financial information of the associates are as follows:

	Group	
	2012 RM'000	2011 RM'000
<b>Assets and liabilities</b>		
Total non-current assets	27,446	6,189
Total current assets	17,572	12,915
Total current liabilities	22,584	8,536
<b>Results</b>		
Loss for the year	1,137	5,442

### 6 LONG TERM INVESTMENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Non-current</b>				
<b>Available-for-sale financial assets</b>				
<b>Carrying amount:</b>				
<u>Equity instruments</u>				
- Quoted shares in Malaysia	18,568	15,787	-	-
- Quoted shares outside Malaysia	14,099	4,738	-	-
- Quoted warrants in Malaysia	1,137	1,925	-	-
- Quoted loan stocks in Malaysia	1,004	1,984	-	-
- Unquoted shares	-	785	-	-
- Unquoted loan stocks	-	2,265	-	-
- Malaysian Government Securities	3,141	3,070	-	-
	37,949	30,554	-	-
Club memberships	191	191	113	113
	38,140	30,745	113	113
<b>Market value:</b>				
- Quoted shares in Malaysia	18,650	15,787	-	-
- Quoted shares outside Malaysia	14,099	4,738	-	-
- Quoted warrants in Malaysia	1,531	1,925	-	-
- Quoted loan stocks in Malaysia	1,004	1,984	-	-
- Malaysian Government Securities	3,141	3,070	-	-

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% (2011 : 4.24%) per annum.

During the financial year, unquoted shares amounting to RM785,000 was reclassified to investment in associated companies upon completion of the increase in equity interests in Berjaya Pizza Philippines Inc. from 9.5% to 30.0% as disclosed in Notes 5 and 43.

**6 LONG TERM INVESTMENTS (CONT'D.)**

During the financial year, the Group recognised an impairment loss of RM427,000 (2011 : Nil) on unquoted loan stocks that were subsequently converted into unquoted shares and classified as asset held for sale at the reporting date.

Subsequent to the financial year end, a subsidiary company entered into a Share Sale and Purchase Agreement to dispose of its unquoted shares outside Malaysia (Note 44). The unquoted shares with carrying amount of RM4.781 million has been presented as asset held for sale at the reporting date.

**7 INVESTMENT PROPERTIES**

	Group	
	2012 RM'000	2011 RM'000
At 1 May	80,776	74,231
Additions	6,392	4,362
Fair value adjustments (Note 29)	5,068	2,183
At 30 April	<b>92,236</b>	80,776

	Group	
	2012 RM'000	2011 RM'000
The carrying amount of investment properties held under lease terms are as follows:		
Leasehold land	2,625	2,580
Buildings	2,360	2,280
	<b>4,985</b>	4,860

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 leasehold land and buildings of certain subsidiary companies have been submitted to the relevant authority for processing.

**8 DEFERRED TAX (ASSETS) / LIABILITIES**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1 May	(5,755)	(7,545)	326	326
Recognised in the income statement (Note 33)	(1,223)	1,764	22	-
Exchange differences	(27)	26	-	-
At 30 April	<b>(7,005)</b>	(5,755)	<b>348</b>	326
Presented after appropriate offsetting as follows:				
Deferred tax assets	(11,417)	(8,820)	-	-
Deferred tax liabilities	4,412	3,065	348	326
	<b>(7,005)</b>	(5,755)	<b>348</b>	326

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 8 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
<b>2012</b>				
Retirement cost obligation	(468)	(83)	(20)	(571)
Payables	(19,853)	(468)	-	(20,321)
Receivables	(59)	61	(2)	-
Tax losses and unabsorbed capital allowances	(1,949)	142	(10)	(1,817)
	<b>(22,329)</b>	<b>(348)</b>	<b>(32)</b>	<b>(22,709)</b>
Less: set-off against deferred tax liabilities				11,292
				<b>(11,417)</b>

#### 2011

Retirement cost obligation	(410)	(74)	16	(468)
Payables	(22,222)	2,369	-	(19,853)
Receivables	(66)	5	2	(59)
Tax losses and unabsorbed capital allowances	(2,548)	587	12	(1,949)
	<b>(25,246)</b>	<b>2,887</b>	<b>30</b>	<b>(22,329)</b>
Less: set-off against deferred tax liabilities				13,509
				<b>(8,820)</b>

#### Deferred Tax Liabilities of the Group:

#### 2012

Accelerated capital allowances	11,310	(2,435)	-	8,875
Investment properties	5,144	1,490	-	6,634
Others	120	70	5	195
	<b>16,574</b>	<b>(875)</b>	<b>5</b>	<b>15,704</b>
Less: set-off against deferred tax assets				(11,292)
				<b>4,412</b>

#### 2011

Accelerated capital allowances	12,946	(1,636)	-	11,310
Investment properties	4,629	515	-	5,144
Others	126	(2)	(4)	120
	<b>17,701</b>	<b>(1,123)</b>	<b>(4)</b>	<b>16,574</b>
Less: set-off against deferred tax assets				(13,509)
				<b>3,065</b>

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

Deferred Tax Assets of the Company:

	At 1 May RM'000	Recognised in the income statement RM'000	At 30 April RM'000
<b>2012</b>			
Other payables	(11)	(3)	(14)
Unabsorbed capital allowances	(128)	-	(128)
	<b>(139)</b>	<b>(3)</b>	<b>(142)</b>
Less: set-off against deferred tax liability			<b>142</b>
			<b>-</b>

**2011**

Other payables	(12)	1	(11)
Unabsorbed capital allowances	(128)	-	(128)
	<b>(140)</b>	<b>1</b>	<b>(139)</b>
Less: set-off against deferred tax liability			<b>139</b>
			<b>-</b>

Deferred Tax Liability of the Company:

**2012**

Accelerated capital allowances	<b>465</b>	<b>25</b>	<b>490</b>
Less: set-off against deferred tax assets			<b>(142)</b>
			<b>348</b>

**2011**

Accelerated capital allowances	<b>466</b>	<b>(1)</b>	<b>465</b>
Less: set-off against deferred tax assets			<b>(139)</b>
			<b>326</b>

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unutilised tax losses				
- Malaysian income tax	<b>15,330</b>	13,742	<b>6,775</b>	4,409
- foreign tax	<b>7,824</b>	8,274	-	-
Unabsorbed capital allowances	<b>1,124</b>	1,140	-	-
	<b>24,278</b>	23,156	<b>6,775</b>	4,409

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 8 DEFERRED TAX (ASSETS) / LIABILITIES (CONT'D.)

Deferred tax assets have not been recognised in respect of the unutilised tax losses and unabsorbed capital allowance as it is not probable that future taxable profits from a business source as defined by the Malaysian tax legislature will be available against which the unutilised tax losses and unabsorbed capital allowance can be utilised.

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. Certain foreign unutilised tax losses carry forward can be utilised before its expiry up to year 2033.

### 9 INTANGIBLE ASSETS

	Group	
	2012	2011
	RM'000	RM'000
<b>At carrying amount:</b>		
<b>Goodwill on consolidation</b>		
At 1 May	642,710	643,910
Translation exchange differences	1,147	(1,200)
At 30 April	<u>643,857</u>	<u>642,710</u>
<b>Patent rights</b>		
At 1 May	47	76
Additions	-	21
Amortisation	-	(9)
Translation exchange differences	2	(4)
Impairment loss	(49)	(37)
At 30 April	<u>-</u>	<u>47</u>
<b>Total</b>	<u><b>643,857</b></u>	<u><b>642,757</b></u>

#### 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	
	2012	2011
	RM'000	RM'000
Toto betting operations and leasing of lottery equipment	634,961	634,012
Others	8,896	8,698
	<u><b>643,857</b></u>	<u><b>642,710</b></u>

9 INTANGIBLE ASSETS (CONT'D.)

**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 a 5-year 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 8.6% to 13.0% (2011 : 7.0% to 13.0%).

**Sensitivity to changes in assumptions**

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

10 INVENTORIES

	Group	
	2012 RM'000	2011 RM'000
<b>At cost:</b>		
Gaming equipment components and parts	2,333	1,610
Ticket inventories	3,147	2,805
Stores and consumables	529	208
	<b>6,009</b>	4,623
<b>At net realisable value:</b>		
Raw materials	5,389	1,296
Work-in-progress	191	-
Finished goods and inventories for resale	2,493	-
	<b>14,082</b>	5,919

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM18,347,000 (2011 : RM14,490,000).

11 RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables	37,241	54,020	-	-
Other receivables	8,660	18,584	-	9
Dividend receivable	-	-	69,764	122,931
Refundable deposits	610	626	55	55
Amount due from associated companies	9,711	2,172	-	-
	<b>56,222</b>	75,402	<b>69,819</b>	122,995
Less : Allowance for doubtful debts				
- trade receivables	(223)	(223)	-	-
- other receivables	(231)	(216)	-	-
	<b>55,768</b>	74,963	<b>69,819</b>	122,995
Non-refundable deposits	2,066	1,760	582	582
Prepayments	17,150	10,989	37	-
	<b>74,984</b>	87,712	<b>70,438</b>	123,577

## NOTES TO THE FINANCIAL STATEMENTS

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### 11 RECEIVABLES (CONT'D.)

#### (a) Trade receivables

The Group's trade receivables are non-interest bearing and normal credit term ranges from 1 to 60 days (2011 : 1 to 45 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2012	2011
	RM'000	RM'000
Neither past due nor impaired	36,138	53,381
Past due but not impaired	880	416
Due and impaired	223	223
	<b>37,241</b>	<b>54,020</b>

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	RM'000	RM'000
	Individually impaired	Total
<b>2012</b>		
Trade receivables - nominal amounts	223	223
Less: Allowance for impairment	(223)	(223)
	-	-
<b>2011</b>		
Trade receivables - nominal amounts	223	223
Less: Allowance for impairment	(223)	(223)
	-	-

#### Movement in allowance accounts

	Group	
	2012	2011
	RM'000	RM'000
At 1 May	223	236
- Exchange differences	-	(13)
At 30 April	<b>223</b>	<b>223</b>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**11 RECEIVABLES (CONT'D.)****(b) Other receivables**Other receivables that are impaired

Included in the allowance for doubtful debts of other receivables are provision for individually impaired receivables which have been fully provided for as at the end of the reporting date.

Amounts due from associated companies of a foreign subsidiary are unsecured, repayable on demand and interest bearing except for the amount of RM2,527,000 (2011 : RM2,172,000) which are non-interest bearing.

**12 AMOUNTS DUE FROM SUBSIDIARY COMPANIES**

	Company	
	2012	2011
	RM'000	RM'000
Amounts due from subsidiary companies	137,759	156,273
Less: Allowance for doubtful debts	(60)	(46)
	<b>137,699</b>	<b>156,227</b>

Amounts due from subsidiary companies are unsecured, interest bearing and repayable on demand except for the amount of RM152,000 (2011 : RM84,000) which is non-interest bearing.

**13 SHORT TERM INVESTMENTS**

	Group	
	2012	2011
	RM'000	RM'000
At carrying amount:		
Unquoted securities outside Malaysia	759	1,483

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

**14 DEPOSITS WITH FINANCIAL INSTITUTIONS**

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
These comprise term deposits with:				
Licensed banks	290,399	240,976	18,721	20,153
Other financial institutions	73,558	154,939	-	-
	<b>363,957</b>	<b>395,915</b>	<b>18,721</b>	<b>20,153</b>

Included in the Group's deposits with financial institutions is an amount of RM158,000 (2011 : RM154,000) which is pledged to bank for facilities granted to a subsidiary company.

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 14 DEPOSITS WITH FINANCIAL INSTITUTIONS (CONT'D.)

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

	Group		Company	
	2012	2011	2012	2011
Licensed banks	3.20%	3.01%	2.74%	2.72%
Other financial institutions	2.96%	2.77%	-	-

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

	Group		Company	
	2012	2011	2012	2011
Licensed banks	17 days	15 days	6 days	7 days
Other financial institutions	5 days	6 days	-	-

### 15 SHARE CAPITAL

	Group and Company			
	Number of ordinary shares of RM0.10 each		Amount	
	2012	2011	2012	2011
	Units '000	Units '000	RM'000	RM'000
<b>Authorised:</b>				
At 1 May / 30 April	20,000,000	20,000,000	2,000,000	2,000,000
<b>Issued and fully paid:</b>				
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	
	2012	2011
	Units '000	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 20)	(28,030)	(13,530)
	<b>1,323,000</b>	<b>1,337,500</b>

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.

### 16 CAPITAL RESERVE

The capital reserve of RM21,327,000 (2011 : RM21,327,000) represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.

**17 EXCHANGE RESERVE**

	Group	
	2012 RM'000	2011 RM'000
At 1 May	(1,582)	6,111
Currency translation differences	9,830	(7,693)
At 30 April	<u>8,248</u>	<u>(1,582)</u>

**18 AVAILABLE-FOR-SALE ("AFS") RESERVE**

	Group	
	2012 RM'000	2011 RM'000
At 1 May	15,015	6,964
Gain on fair value changes through comprehensive income	2,489	8,051
At 30 April	<u>17,504</u>	<u>15,015</u>

The AFS reserve represents the cumulative fair value changes, of available-for-sale financial assets until they are disposed or impaired.

**19 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 had substantially utilised the Section 108 balance and thereafter elected to pay single tier exempt dividend. The Company has tax exempt account balance of approximately RM13,486,000 (2011 : RM13,486,000) as at 30 April 2012.

**20 TREASURY SHARES**

	Group and Company			
	Number of shares		Amount	
	2012 Units '000	2011 Units '000	2012 RM'000	2011 RM'000
At 1 May	13,530	13,530	57,341	57,341
Shares bought back during the year	14,500	-	62,954	-
At 30 April	<u>28,030</u>	13,530	<u>120,295</u>	57,341

The renewal of the Company's plan and mandate relating to the share buy back was approved by the shareholders of the Company on 20 October 2011 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.

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 21 RETIREMENT BENEFIT OBLIGATIONS

	Group	
	2012	2011
	RM'000	RM'000
At 1 May	1,556	1,402
Additional provision during the year (Note 28(b))	277	210
Exchange differences	70	(56)
At 30 April	<b>1,903</b>	<b>1,556</b>

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 statement of financial position are determined as follows:

	Group	
	2012	2011
	RM'000	RM'000
Present value of the obligation	3,023	1,589
Fair value of plan assets	(384)	(392)
Deficit of plan assets	2,639	1,197
Unrecognised actuarial (loss) / gain	(736)	359
Retirement benefit obligation	<b>1,903</b>	<b>1,556</b>

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

	Group	
	2012	2011
	RM'000	RM'000
At beginning of year	1,589	1,391
Current service cost and interest cost	316	254
Actuarial loss	1,064	-
Benefit paid by the plan	(34)	-
Exchange differences	88	(56)
At end of year	<b>3,023</b>	<b>1,589</b>

The movements in fair value of plan assets are presented below:

	Group	
	2012	2011
	RM'000	RM'000
At beginning of year	392	380
Expected return on plan assets	24	26
Benefit paid by the plan	(34)	-
Actuarial loss	(16)	-
Exchange differences	18	(14)
At end of year	<b>384</b>	<b>392</b>

**21 RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)**

The plan assets consist of the following:

	Group	
	2012 RM'000	2011 RM'000
Fixed income assets	365	375
Cash in bank	16	4
Equity securities	-	10
Others	3	3
	<b>384</b>	<b>392</b>

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

	Group	
	2012 RM'000	2011 RM'000
Current service costs	155	120
Interest costs	161	134
Net actuarial loss recognised during the year	(15)	(18)
Expected return on plan asset	(24)	(26)
Retirement benefits	<b>277</b>	<b>210</b>

Presented below is the historical information related to the present value of the retirement benefit obligation, fair value of plan assets and deficit in the plan.

	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
Present value of the obligation	3,023	1,589	1,391	1,858	1,616
Fair value of the plan assets	(384)	(392)	(380)	(394)	(454)
Deficit in the plan	<b>2,639</b>	<b>1,197</b>	<b>1,011</b>	<b>1,464</b>	<b>1,162</b>

For the determination of retirement benefit obligation, the following actuarial assumptions were used:

	2012	2011
Discount rate	6.4%	9.8%
Expected rate of return on plan assets	6.0%	7.0%
Salaries increase rate	8.0%	8.0%
Expected average remaining working lives of employees (years)	14	14

**22 MEDIUM TERM NOTES**

	Maturity	Group	
		2012 RM'000	2011 RM'000
Secured:			
5.0% p.a. fixed rate medium term notes	June 2013	150,000	150,000
5.5% p.a. fixed rate medium term notes	June 2015	200,000	200,000
4.8% p.a. fixed rate medium term notes	October 2016	50,000	50,000
6.0% p.a. fixed rate medium term notes	June 2017	150,000	150,000
		<b>550,000</b>	<b>550,000</b>

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 22 MEDIUM TERM NOTES (CONT'D.)

The maturities of the medium term notes as at 30 April 2012 are as follows:

	Group	
	2012	2011
	RM'000	RM'000
More than two years but not later than five years	400,000	350,000
More than five years	150,000	200,000
	<b>550,000</b>	<b>550,000</b>

The medium term notes programme was taken up by a wholly-owned subsidiary up to RM800.0 million in nominal value. As at 30 April 2012, total medium term notes amounting to RM550.0 million (2011 : RM550.0 million) in nominal value were issued.

The medium term notes are secured by:

- (i) A third party first equitable charge over the entire issued and paid-up capital of a subsidiary company who is the issuer as disclosed in Note 4; and
- (ii) corporate guarantee provided by the Company as disclosed in Note 36.

### 23 OTHER LONG TERM LIABILITY

	Group	
	2012	2011
	RM'000	RM'000
Hire purchase payables (Note a)	694	867

Notes:

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

	Group	
	2012	2011
	RM'000	RM'000
Gross amount repayables:		
Within one year after reporting date	368	336
More than one year but not later than two years	368	336
More than two years but not later than five years	391	645
	<b>1,127</b>	<b>1,317</b>
Less: Unexpired interests	<b>(139)</b>	<b>(206)</b>
	<b>988</b>	<b>1,111</b>

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

	Group	
	2012	2011
	RM'000	RM'000
Within one year after statement of financial position date	294	244
More than one year but not later than two years	323	271
More than two years but not later than five years	371	596
	<b>988</b>	<b>1,111</b>
Less: amount payable within 12 months (Note 25)	<b>(294)</b>	<b>(244)</b>
Amount payable after 12 months	<b>694</b>	<b>867</b>

24 PROVISIONS

	Group	
	2012 RM'000	2011 RM'000
<b>Sales warranty</b>		
At 1 May	92	134
Additional provision during the year	487	119
Utilised during the year	(64)	(143)
Exchange differences	(2)	(18)
At 30 April	<b>513</b>	<b>92</b>

A foreign subsidiary gave 3 to 12 months (2011 : 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 reporting date based on past experience on the level of repairs and returns.

25 PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables	47,863	42,360	-	-
Pool betting duty payables	26,719	25,055	-	-
Other payables	13,149	13,204	2,211	35
Accruals	207,669	190,425	661	968
Agency deposits	37,461	36,821	-	-
Hire purchase payable within 12 months (Note 23(a))	294	244	-	-
	<b>333,155</b>	<b>308,109</b>	<b>2,872</b>	<b>1,003</b>
Dividend payables	2,737	80,942	2,737	80,942
Deferred income (Note a)	1,533	111	-	-
	<b>337,425</b>	<b>389,162</b>	<b>5,609</b>	<b>81,945</b>

(a) Included in deferred income is RM1,256,000 which represents amounts received from customers by a foreign subsidiary company. The Group will recognise the income upon its fulfilment of the prescribed criteria for income recognition.

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.

Included in payables of the Group are agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

The normal trade credit terms granted to the Group ranges from 1 to 180 days (2011 : 1 to 180 days).

26 AMOUNTS DUE TO SUBSIDIARY COMPANIES

	Company	
	2012 RM'000	2011 RM'000
Amounts due to subsidiary companies	<b>779,822</b>	746,270

Amounts due to subsidiary companies are unsecured, repayable on demand and interest bearing except for the amount of RM2,291,000 (2011 : RM2,296,000) which is non-interest bearing.

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### 27 REVENUE

Revenue of the Company represents management fees charged to subsidiary companies and gross dividends receivable from subsidiary companies.

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

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Dividend income	20	219	409,019	511,134
Management fee income	-	-	318	318
Toto betting and leasing of lottery equipment income	3,570,466	3,407,612	-	-
Sale of lottery and voting systems and spare parts	19,000	10,081	-	-
Invoiced value of goods and services from hotel operations	10,000	7,865	-	-
Rental income and service charges from investment properties	5,725	5,070	-	-
Income from health and fitness centre operation	2,543	2,124	-	-
Sale of property inventory	-	245	-	-
	<b>3,607,754</b>	<b>3,433,216</b>	<b>409,337</b>	<b>511,452</b>

### 28 PROFIT BEFORE OTHER INCOME AND EXPENSES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Profit before other income and expenses is stated after charging:</b>				
Auditors' remuneration				
- statutory audit:				
auditors of the Company				
- current year	206	196	60	56
- underprovision in previous year	8	11	4	3
other auditors				
- current year	299	315	-	-
- underprovision in previous year	12	98	-	-
- other services				
- auditors of the Company	107	208	31	106
- other auditors	258	197	-	-
Depreciation of property, plant and equipment	26,592	21,831	947	992
Directors' remuneration:				
- fees	294	292	135	135
- salaries and other emoluments	8,722	7,707	814	479
- defined contribution plans	2,705	2,474	17	17
- performance incentive	9,831	8,887	-	-
- bonus	2,237	2,178	11	11
Operating lease:				
- minimum lease payments of premises	8,547	8,704	2,731	2,278
- minimum lease payments of equipment	1,296	994	15	15
Contribution to National Sports Council	57,951	52,701	-	-
Allowance for doubtful debts				
- receivables	15	-	-	-
- amount due from subsidiary companies	-	-	14	46

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Profit before other income and expenses is stated after charging (cont'd):</b>				
Loss on foreign exchange	961	780	-	-
Amortisation of intangible assets	-	9	-	-
Impairment of intangible assets	49	37	-	-
Provision for sales warranty	487	119	-	-
Inventories written down	1,022	1,061	-	-
Direct operating expenses of investment properties:				
- revenue generating during the year	2,418	2,353	-	-
- non-revenue generating during the year	244	228	-	-
Loss on disposal of property, plant and equipment	199	-	-	-
Impairment of property, plant and equipment:				
- included in general and administrative expenses	8	50	-	-
<b>Profit before other income and expenses is stated after crediting:</b>				
Reversal of inventories written down	-	26	-	-
Gain on disposal of property, plant and equipment	-	120	-	-
Rental income and service charges				
- included in revenue	5,725	5,070	-	-
- included in other income	2,298	2,260	-	-
Gain on foreign exchange	1,362	485	-	-
Employee information (Note b):				
Employee benefit expenses (excluding directors)	79,266	75,659	2,384	2,222

The estimated monetary value of benefits-in-kind received by the Directors were RM148,000 (2011 : RM187,000) for the Group and RM16,000 (2011 : RM14,000) for the Company.

(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
<b>2012</b>					
Executive	21	110	5,952	1,245	7,328
Non-executive	135	16	831	11	993
	156	126	6,783	1,256	8,321
<b>2011</b>					
Executive	12	124	5,406	1,164	6,706
Non-executive	135	14	3,423	11	3,583
	147	138	8,829	1,175	10,289

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

(b) Employee benefit expenses

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages, salaries and other allowances	59,668	57,474	1,700	1,597
Social security costs and employee insurance	5,126	5,002	120	111
Bonuses	8,113	7,272	302	283
Pension costs				
- defined contribution plans	5,828	5,415	251	235
- defined benefit plans (Note 21)	277	210	-	-
Provision for short term compensated absences	254	286	11	(4)
	<b>79,266</b>	<b>75,659</b>	<b>2,384</b>	<b>2,222</b>

### 29 INVESTMENT RELATED INCOME

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Dividend income from investments	28	13	-	-
Fair value adjustments of investment properties (Note 7)	5,068	2,183	-	-
	<b>5,096</b>	<b>2,196</b>	<b>-</b>	<b>-</b>

### 30 INVESTMENT RELATED EXPENSES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Impairment in value of investment in associated companies	-	-	78	1,431
Impairment in value of quoted investments	-	1,677	-	-
Impairment in value of unquoted investments	427	2,265	-	-
Loss on disposal of investment property	-	211	-	-
	<b>427</b>	<b>4,153</b>	<b>78</b>	<b>1,431</b>

### 31 OTHER INCOME

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Other income comprise:				
Interest income on:				
- deposits with financial institutions	13,124	8,067	567	596
- advances to subsidiary companies	-	-	9,946	9,556
- short term investments	29	98	-	-
Others:				
- operating lease income	2,298	2,260	-	-
- miscellaneous	9,750	2,838	-	3
	<b>25,201</b>	<b>13,263</b>	<b>10,513</b>	<b>10,155</b>

**32 FINANCE COSTS**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest on:				
- advances from a subsidiary company	-	-	36,063	37,142
- term loans	-	4,053	-	3,510
- medium term notes	29,982	24,226	-	-
- hire purchase	95	118	-	-
Other finance charges	290	7,424	262	5,212
	<b>30,367</b>	<b>35,821</b>	<b>36,325</b>	<b>45,864</b>

**33 INCOME TAX EXPENSE**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current year tax expense:				
Malaysian income tax	143,200	127,887	-	-
Foreign tax	22,584	20,798	-	-
	<b>165,784</b>	<b>148,685</b>	<b>-</b>	<b>-</b>
(Over)/under provision in prior years:				
Malaysian income tax	(63)	512	-	-
Foreign tax	(196)	-	-	-
	<b>(259)</b>	<b>512</b>	<b>-</b>	<b>-</b>
	<b>165,525</b>	<b>149,197</b>	<b>-</b>	<b>-</b>
Withholding tax	801	-	-	-
Deferred tax (Note 8):				
Relating to origination and reversal of temporary differences	90	1,747	22	(1)
(Over)/under provision in prior years	(1,313)	17	-	1
	<b>(1,223)</b>	<b>1,764</b>	<b>22</b>	<b>-</b>
	<b>165,103</b>	<b>150,961</b>	<b>22</b>	<b>-</b>

Domestic current income tax is calculated at the statutory tax rate of 25% (2011 : 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

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### 33 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 is as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax	579,150	508,402	370,755	463,098
Tax at Malaysian statutory tax rate of 25% (2011 : 25%)	144,788	127,101	92,689	115,775
Different tax rates in the foreign subsidiary companies	(3,943)	(1,431)	-	-
Expenses not deductible for tax purposes	27,159	26,159	11,087	13,519
Income not subject to tax	(2,523)	(1,907)	(104,346)	(129,789)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	393	510	592	494
(Over)/under provision of tax expense in prior years	(259)	512	-	-
(Over)/under provision of deferred tax in prior years	(1,313)	17	-	1
Withholding tax	801	-	-	-
Tax expense for the year	165,103	150,961	22	-

Tax savings during the financial year arising from:

	Company	
	2012 RM'000	2011 RM'000
Utilisation of current year losses	197	171

### 34 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit for the year attributable to owners 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	
	2012 RM'000	2011 RM'000
Profit attributable to owners of the Company	403,838	349,761
Weighted average number of shares with voting rights outstanding ('000)	1,334,972	1,337,500
Basic earnings per share (sen)	30.25	26.15

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

## 35 DIVIDENDS PER SHARE

	Company			
	2012		2011	
	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
<b>Recognised during the year:</b>				
Interim dividends				
<u>In respect of prior year</u>				
- 2nd interim - 8 sen single tier exempt per share approved in respect of financial year ended 30 April 2010 #	-	-	8.00	107,000
- 4th interim - 3 sen single tier exempt per share approved in respect of financial year ended 30 April 2011	3.00	40,125	-	-
<u>In respect of current year</u>				
- 1st interim - 8 sen single tier exempt per share (2011 : 8 sen single tier exempt per share)	8.00	107,000	8.00	107,000
- 2nd interim - 8 sen single tier exempt per share (2011 : 4 sen single tier exempt per share)	8.00	106,720	4.00	53,500
- 3rd interim - 6 sen single tier exempt per share (2011 : 6 sen single tier exempt per share)	6.00	79,536	6.00	80,250
		<b>333,381</b>		<b>347,750</b>

# This dividend was accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ended 30 April 2011.

On 18 June 2012, the Company declared and approved a fourth interim single tier exempt dividend of 5 sen per share on 1,323,000,000 ordinary shares with voting rights in respect of financial year ended 30 April 2012 amounting to RM66.15 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 2013.

## 36 FINANCIAL GUARANTEE

	Company	
	2012 RM'000	2011 RM'000
<u>Financial guarantee - secured</u>		
Corporate guarantee of RM550.0 million given by the Company to holders of medium term notes issued by a wholly-owned subsidiary company	*	*

\* As at the reporting date, no value is placed on the corporate guarantee provided by the Company to secure the medium term notes issued by its wholly-owned subsidiary company where such facility is fully collateralised by a third party first equitable charge over the entire issued and paid up share capital of the subsidiary company. The directors are of the opinion that the financial guarantee is not likely to be called upon and regard the value of the credit enhancement provided by the corporate guarantee as minimal.

## NOTES TO THE FINANCIAL STATEMENTS

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### 37 CAPITAL AND LEASE COMMITMENTS

#### (a) Other commitments

	Group	
	2012	2011
	RM'000	RM'000
Capital expenditures:		
- Approved and contracted for	10,261	6,064
- Approved but not contracted for	6,790	2,143
	17,051	8,207

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Future minimum rental payable:				
Not later than one year	6,379	8,029	2,319	3,435
Later than one year but not later than five years	3,118	5,956	32	2,270
Later than 5 years	571	2,554	-	-
	10,068	16,539	2,351	5,705

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

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

	Group	
	2012	2011
	RM'000	RM'000
Future minimum rental receivable:		
Not later than one year	3,687	2,699
Later than one year but not later than five years	2,516	4,230
	6,203	6,929

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

The minimum lease payments recognised in profit or loss during the financial year are disclosed in Note 28.

A foreign subsidiary company had entered into a lease for provision of on-line lottery equipment for a period of eight years. Revenue from the leasing of lottery equipment is recognised based on certain percentage of the gross receipts from the lottery ticket sales of the lottery operator subject to an annual minimum fee as prescribed in the lease agreement. The lease income is recognised as revenue during the financial year as disclosed in Note 27.

The approved and contracted capital expenditures included the following:

- (a) balance of the purchase consideration for investment properties amounting to RM80,000 (2011 : RM80,000) payable to a related company, Berjaya Hills Berhad; and
- (b) balance of the purchase consideration of a hotel of approximately RM2,500,000 (2011 : RM3,800,000) by a foreign subsidiary and payable upon compliance with various terms and conditions.

## 38 SIGNIFICANT RELATED PARTY DISCLOSURES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest income from				
- Berjaya Sports Toto (Cayman) Limited - (a)	-	-	8,362	8,019
- Magna Mahsuri Sdn Bhd - (a)	-	-	377	752
- FEAB Properties Sdn Bhd - (a)	-	-	1,131	731
Interest expense to				
- Sports Toto Malaysia Sdn Bhd - (a)	-	-	(36,063)	(37,142)
Purchases of consumables from				
- Graphic Press Group Sdn Bhd - (c)	(11,938)	(11,485)	-	-
Advances from / (given to)				
- Sports Toto Malaysia Sdn Bhd - (a)	-	-	-	377,915
- FEAB Properties Sdn Bhd - (a)	-	-	(9,968)	-
- Berjaya Sports Toto (Cayman) Limited - (a)	-	-	-	(477)
Repayment of advances from / (to)				
- Sports Toto Fitness Sdn Bhd - (a)	-	-	-	1,686
- Sports Toto Malaysia Sdn Bhd - (a)	-	-	(2,468)	-
- Magna Mahsuri Sdn Bhd - (a)	-	-	2,500	6,844
- Berjaya Sports Toto (Cayman) Limited - (a)	-	-	30,098	-
Management fees for services rendered by				
- Berjaya Corporation Berhad - (b)	(720)	(720)	(720)	(720)
Shared management costs with related companies - (c)	(3,990)	(3,808)	-	-
Security guard services charges by				
- Berjaya Guard Services Sdn Bhd - (c)	(3,477)	(2,895)	-	-
Rental charges by				
- Nada Embun Sdn Bhd - (c)	(1,688)	(1,599)	(284)	(270)
- Ambilan Imej Sdn Bhd - (c)	(1,927)	(1,824)	(1,927)	(1,824)
Purchase of motor vehicles, component parts and related services from				
- Dunia Prestasi Auto Sdn Bhd - (e)	(5,762)	(6,269)	(175)	(112)
Rental charges from				
- U Mobile Sdn Bhd - (d)	1,151	1,096	-	-
- Berjaya Higher Education Sdn Bhd - (c)	2,204	2,204	-	-
Share registration services rendered by				
- Berjaya Registration Services Sdn Bhd - (c)	(630)	(491)	(630)	(491)
Research development, implementation and maintenance services as well as purchase of hardware, software and network equipments from				
- Qinetics Solutions Sdn Bhd - (f)	(1,441)	(1,355)	(205)	(100)
Aircraft leasing charges by				
- Berjaya Air Sdn Bhd - (c)	(1,230)	(960)	-	-
- Berjaya Jet Charter Sdn Bhd - (c)	(1,772)	(3,843)	-	-
Supply of computerised lottery systems and related services				
- Natural Avenue Sdn Bhd - (g)	417	3,023	-	-
Advertising and publishing services charged by				
- Sun Media Corporation Sdn Bhd - (h)	(1,036)	(1,007)	(13)	(16)

## NOTES TO THE FINANCIAL STATEMENTS

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### 38 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") and Rayvin Tan Yeong Sheik ("RTYS") have interests. A substantial shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") and his brother, Tan Sri Dato' Tan Chee Sing ("TSDT") also have interests. TSVT is the father of DRTYC and RTYS while TSDT is the father of the Director, Dickson Tan Yong Loong;
- (e) company in which the ultimate holding company, BCorp has interest;
- (f) subsidiary company of MOL.com Sdn Bhd ("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 DRTYC and RTYS have interests in BAssets. A substantial shareholder of the Company, namely TSVT and his brother TSDT also have interests in BAssets;
- (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 DRTYC and RTYS have interests in BMedia. A substantial shareholder of the Company, TSVT and his brother TSDT also have interests in BMedia.

The outstanding balances with subsidiary companies have been disclosed under Notes 12 and 26.

Certain professional fee amounting to RM8,900,000 (2011 : RM11,063,000) 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 (including benefits-in-kind) of the key management personnel, who are the Directors of the Group are as follows:

	Group	
	2012 RM'000	2011 RM'000
Short-term benefits	21,232	19,251
Post-employment benefits	2,705	2,474
	<b>23,937</b>	<b>21,725</b>

### 39 FAIR VALUES OF FINANCIAL INSTRUMENTS

- (a) Fair values of financial instruments by classes that are not carried at fair value and those carrying amounts are not reasonable approximation of fair value

	Group			
	2012 RM'000		2011 RM'000	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
- Unquoted shares (Note 6)	-	-	785	*
- Unquoted loan stocks (Note 6)	-	-	2,265	*
- Unquoted securities short term investments (Note 13)	759	*	1,483	*

\* Fair value information has not been disclosed as the fair value cannot be measured reliably as these financial instruments are not quoted on any market and do not have any comparable industry peers that are listed.

**39 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)**

**(b) Determination of Fair Value**

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are the classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Trade and other receivables (current)	11
Trade and other payables (current)	25
Amount due from / (to) subsidiary companies (current)	12 and 26
Medium term notes (non-current)	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to short term in nature except for medium term notes.

The fair values of medium term notes are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending at the reporting date and the carrying amounts of the medium term notes are reasonable approximation of fair values due to the insignificant impact of discounting.

- (ii) Quoted equity instruments and quoted government bonds

Fair value is determined directly by reference to their published market bid price at the reporting date.

- (iii) Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed was to default.

**(c) Valuation of Financial Instruments**

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1

Quoted market prices in an active market.

Level 2

Valuation inputs (other than Level 1 input) that are based on observable market data.

Level 3

Valuation inputs that are not based on observable market data.

The following table shows an analysis of financial instruments, measured at fair value by the level in the fair value hierarchy:

	<b>Level 1 RM'000</b>
<hr/>	
<b>At 30 April 2012</b>	
<b>Group</b>	
<b>Financial assets</b>	
Quoted shares	32,667
Quoted warrants	1,137
Quoted loan stocks	1,004
Malaysian Government Securities	3,141
	<hr/>
	<b>37,949</b>

The comparative figures are not presented for financial year ended 30 April 2011 by virtue of the exemption given in the Paragraph 44AA of FRS 7, upon initial application of this amendment to FRS 7 which is effective for annual period beginning on or after 1 January 2011.

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### 39 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

#### (d) Classification of Financial Instruments

The following table analyses the financial assets and financial liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Note	Available- for-sale financial assets RM'000	Loan and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>GROUP</b>					
<b>2012</b>					
<b>Assets</b>					
Long term investments	6	37,949	-	-	37,949
Trade and other receivables	11	-	55,768	-	55,768
Short term investments	13	759	-	-	759
Deposits with financial institutions	14	-	363,957	-	363,957
Cash and bank balances		-	44,890	-	44,890
Total financial assets		38,708	464,615	-	503,323
Total non-financial assets					923,434
Total assets					1,426,757
<b>Liabilities</b>					
Trade and other payables, representing total financial liabilities	25	-	-	333,155	333,155
Other long term liability	23	-	-	694	694
Medium term notes	22	-	-	550,000	550,000
Total financial liabilities		-	-	883,849	883,849
Total non-financial liabilities					37,319
Total liabilities					921,168
<b>2011</b>					
<b>Assets</b>					
Long term investments	6	30,554	-	-	30,554
Trade and other receivables	11	-	74,963	-	74,963
Short term investments	13	1,483	-	-	1,483
Deposits with financial institutions	14	-	395,915	-	395,915
Cash and bank balances		-	53,982	-	53,982
Total financial assets		32,037	524,860	-	556,897
Total non-financial assets					889,411
Total assets					1,446,308
<b>Liabilities</b>					
Trade and other payables, representing total financial liabilities	25	-	-	308,109	308,109
Other long term liability	23	-	-	867	867
Medium term notes	22	-	-	550,000	550,000
Total financial liabilities		-	-	858,976	858,976
Total non-financial liabilities					109,241
Total liabilities					968,217

## 39 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

## (d) Classification of Financial Instruments (Cont'd.)

	Note	Loan and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>COMPANY</b>				
<b>2012</b>				
<b>Assets</b>				
Trade and other receivables	11	69,819	-	69,819
Amount due from subsidiary companies	12	137,699	-	137,699
Deposits with financial institutions	14	18,721	-	18,721
Cash and bank balances		353	-	353
Total financial assets		226,592	-	226,592
Total non-financial assets				1,206,066
Total assets				1,432,658
<b>Liabilities</b>				
Trade and other payables, representing total financial liabilities	25	-	2,872	2,872
Amount due to subsidiary companies	26	-	779,822	779,822
Total financial liabilities		-	782,694	782,694
Total non-financial liabilities				3,085
Total liabilities				785,779
<b>2011</b>				
<b>Assets</b>				
Trade and other receivables	11	122,995	-	122,995
Amount due from subsidiary companies	12	156,227	-	156,227
Deposits with financial institutions	14	20,153	-	20,153
Cash and bank balances		1,212	-	1,212
Total financial assets		300,587	-	300,587
Total non-financial assets				1,200,435
Total assets				1,501,022
<b>Liabilities</b>				
Trade and other payables, representing total financial liabilities	25	-	1,003	1,003
Amount due to subsidiary companies	26	-	746,270	746,270
Total financial liabilities		-	747,273	747,273
Total non-financial liabilities				81,268
Total liabilities				828,541

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and other price risk).

The Group operates within clearly defined guidelines for the establishment of effective risk management across the Group and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and objectives, policies and processes for the management of these risks.

### (a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

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

#### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position.
- a nominal amount of RM550,000,000 relating to a corporate guarantee provided by the Company in relation to the medium term notes issued by a subsidiary.

Other than disclosed in the above, the Group and the Company do 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.

Information regarding trade and other receivables that are neither past due nor impaired and receivables that are impaired as well as ageing analysis of trade receivables are disclosed in Note 11.

### (b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

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.

## 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

## (b) Liquidity Risk (Cont'd.)

Analysis of undiscounted financial instruments by remaining contractual maturities

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>2012</b>				
<b>Financial liabilities:</b>				
<b>Group</b>				
Trade and other payables	333,229	-	-	333,229
Medium term notes	29,900	475,650	154,500	660,050
Other long term liability	-	759	-	759
	<b>363,129</b>	<b>476,409</b>	<b>154,500</b>	<b>994,038</b>
<b>Company</b>				
Trade and other payables (excluding financial guarantees)	2,872	-	-	2,872
Amount due to subsidiary companies	779,822	-	-	779,822
	<b>782,694</b>	<b>-</b>	<b>-</b>	<b>782,694</b>
<b>2011 (Restated)</b>				
<b>Financial liabilities:</b>				
<b>Group</b>				
Trade and other payables	308,201	-	-	308,201
Medium term notes	29,900	445,350	214,700	689,950
Other long term liability	-	981	-	981
	<b>338,101</b>	<b>446,331</b>	<b>214,700</b>	<b>999,132</b>
<b>Company</b>				
Trade and other payables (excluding financial guarantees)	1,003	-	-	1,003
Amount due to subsidiary companies	746,270	-	-	746,270
	<b>747,273</b>	<b>-</b>	<b>-</b>	<b>747,273</b>

## (c) Market Risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

## (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

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.

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Market Risk (Cont'd.)

##### (i) Interest Rate Risk (cont'd.)

The Group manages its interest rate exposure by maintaining fixed rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

##### Sensitivity analysis for interest rate risk

In view of the above, changes in market interest rates will have insignificant impact to the Group.

##### (ii) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 intra group sales and purchases which are eliminated at group level.

##### Sensitivity analysis for currency risk

The Group's exposure to sensitivity of currency risk is insignificant as the transactional currencies are mostly in the functional currencies of the respective operating entities.

##### (iii) Equity Price Risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on Bursa Malaysia Securities Berhad whereas the quoted equity instruments outside Malaysia are listed on the Philippine Stock Exchange. These instruments are classified as available-for-sale financial assets.

The Group manages its equity price risk arising from investment in quoted equity instruments by diversifying and managing its portfolio in accordance with limits set by the Group.

##### Sensitivity analysis for equity price risk

The Group's exposure to sensitivity of equity price risk is insignificant.

**41 CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 April 2012 and 30 April 2011.

The Group monitors capital using a gearing ratio, which is debt divided by net equity funds. The Group and the Company include within debt, the medium term notes. Net equity funds represents net equity attributable to the owners of the parent. The gearing ratios as at 30 April 2012 and 30 April 2011 were as follows:

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Medium term notes	22	550,000	550,000	-	-
Debt		550,000	550,000	-	-
Net equity funds attributable to the owners of the parent		474,190	454,368	646,879	672,481
<b>Gearing ratio</b>		<b>1.16</b>	1.21	-	-

The gearing ratio is not governed by the FRS and its definition and calculation may vary from one Group / Company to another.

# NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

## 42 SEGMENT INFORMATION

### (a) Business Segments :

30 April 2012	Toto betting and leasing of lottery equipment RM'000	Others * RM'000	Inter- segment RM'000	Consolidated RM'000
<b>Revenue</b>				
External sales	3,570,466	37,288	-	3,607,754
Inter-segment sales	-	18,143	(18,143)	-
				<u>3,607,754</u>
<b>Results</b>				
Segment results	594,960	5,076	(9,176)	590,860
Unallocated corporate expenses				(12,652)
Profit before other income and expenses				578,208
Investment related income				5,096
Investment related expenses				(427)
Other income				25,201
Finance costs				(30,367)
Share of results of associated companies				1,439
Profit before tax				579,150
Income tax expense				(165,103)
Profit for the year				414,047
Non-controlling interests				(10,209)
Profit attributable to equity holders of the Company				<u>403,838</u>
<b>Assets</b>				
Segment assets	1,973,493	201,829	(790,692)	1,384,630
Investment in equity method of associated companies				6,379
Unallocated corporate assets				35,748
Consolidated total assets				<u>1,426,757</u>
<b>Liabilities</b>				
Segment liabilities	393,064	156,712	(214,856)	334,920
Unallocated corporate liabilities				586,248
Consolidated total liabilities				<u>921,168</u>
<b>Other information</b>				
Capital expenditures	15,428	6,485	(2,290)	19,623
- Unallocated corporate expenses				619
				20,242
Depreciation and amortisation	28,740	3,366	(6,461)	25,645
- Unallocated corporate expenses				947
				26,592
Impairment losses	5	479	-	484
<b>Other non-cash expenses</b>	<b>1,239</b>	<b>1,605</b>	<b>-</b>	<b>2,844</b>

## 42 SEGMENT INFORMATION (CONT'D.)

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

30 April 2011	Toto betting and leasing of lottery equipment RM'000	Others * RM'000	Inter- segment RM'000	Consolidated RM'000
<b>Revenue</b>				
External sales	3,407,612	25,604	-	3,433,216
Inter-segment sales	-	8,473	(8,473)	-
				<u>3,433,216</u>
<b>Results</b>				
Segment results	549,963	(2,175)	(3,329)	544,459
Unallocated corporate expenses				(10,209)
Profit before other income and expenses				534,250
Investment related income				2,196
Investment related expenses				(4,153)
Other income				13,263
Finance costs				(35,821)
Share of results of associated companies				(1,333)
Profit before tax				508,402
Income tax expense				(150,961)
Profit for the year				357,441
Non-controlling interests				(7,680)
Profit attributable to equity holders of the Company				<u>349,761</u>
<b>Assets</b>				
Segment assets	1,974,174	182,654	(748,427)	1,408,401
Investment in equity method of associated companies				2,238
Unallocated corporate assets				35,669
Consolidated total assets				<u>1,446,308</u>
<b>Liabilities</b>				
Segment liabilities	424,792	166,946	(282,006)	309,732
Unallocated corporate liabilities				658,485
Consolidated total liabilities				<u>968,217</u>
<b>Other information</b>				
Capital expenditures	17,777	47,461	(3,731)	61,507
- Unallocated corporate expenses				340
				61,847
Depreciation and amortisation	17,996	2,852	-	20,848
- Unallocated corporate expenses				992
				21,840
Impairment losses	50	3,979	-	4,029
<b>Other non-cash expenses</b>	489	1,419	-	1,908

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 42 SEGMENT INFORMATION (CONT'D.)

#### (b) Geographical Segments :

##### Total Revenue From External Customers

	Group	
	2012	2011
	RM'000	RM'000
Malaysia	3,434,355	3,285,471
Others	173,399	147,745
	<b>3,607,754</b>	<b>3,433,216</b>

##### Segment Assets

	Group	
	2012	2011
	RM'000	RM'000
Malaysia	1,017,871	1,104,456
Others	370,987	303,954
Unallocated corporate assets	37,899	37,898
	<b>1,426,757</b>	<b>1,446,308</b>

##### Capital Expenditures

	Group	
	2012	2011
	RM'000	RM'000
Malaysia	7,372	9,690
Others	12,251	51,817
Unallocated corporate expenses	619	340
	<b>20,242</b>	<b>61,847</b>

Segment information is presented in respect of the Group's business segments.

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 expenses mainly include unrealised loss on foreign exchange, 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 only.

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

### 43 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary company acquired an additional 24.6 million ordinary shares of Philippines Peso ("Php") 1.00 each representing 20.5% equity interest in Berjaya Pizza Philippines Inc. ("BPPI") at a consideration of Php26.0 million or approximately RM1.8 million. Upon completion of the acquisition, BPI's equity interest in BPPI increased from 9.5% to 30.0% and hence, BPPI became an associate company of BPI.

**44 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR**

- (i) On 11 May 2012, a wholly-owned subsidiary company, Sports Toto Malaysia Sdn Bhd (“STM”) entered into Share Sale Agreements with another wholly-owned subsidiary company, Magna Mahsuri Sdn Bhd (“Magna Mahsuri”) for the disposal of the following 3 subsidiary companies of STM, namely Sports Toto Apparel Sdn Bhd, Sports Toto Products Sdn Bhd, Sports Toto Computer Sdn Bhd (“The Disposal”) for a total cash consideration of approximately RM32.39 million:
- (a) Sports Toto Apparel Sdn Bhd comprising 250,000 ordinary shares of RM1.00 each for a cash consideration of RM1.00;
  - (b) Sports Toto Products Sdn Bhd comprising 300,000 ordinary shares of RM1.00 each for a cash consideration of RM1.00; and
  - (c) Sports Toto Computer Sdn Bhd comprising 5,000,000 ordinary shares of RM1.00 each for a cash consideration of RM32,390,000.00.

The Disposal was completed in May 2012.

- (ii) On 5 June 2012, Maybank Investment Bank Berhad announced on behalf of the Company the proposed transfer of its 100% equity interest in its wholly-owned subsidiary company, Sports Toto Malaysia Sdn Bhd (“STM”) to a business trust to be constituted and registered in Singapore to be known as Sports Toto Malaysia Trust (“STM-Trust”) by undertaking the following proposals:
- (a) proposed transfer by the Company of 112,522,500 ordinary shares of RM0.50 each representing 100% equity interest in STM, to STM-Trust for a consideration of RM6.0 billion (equivalent to SGD2.43 billion) to be satisfied via:
    - (i) the issuance of 4.43 billion new units in STM-Trust (“STM-Trust Units”) to Berjaya Sports Toto (Cayman) Limited (“BSTC”), a wholly-owned subsidiary of Magna Mahsuri Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, at an issue price of SGD0.50 (equivalent to RM1.24) per STM-Trust Unit; and
    - (ii) the balance by way of a promissory note or bill of exchange in favour of the Company of an amount equal to about RM527.4 million (equivalent to SGD213.4 million),

collectively referred to as the “Proposed Transfer”; and

- (b) proposed listing of up to 4.89 billion STM-Trust Units on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Proposed Listing”).

The Proposed Listing will involve an offer for sale of up to 540 million STM-Trust Units by BSTC and an offering of up to 460 million new STM-Trust Units by STM-Trust.

On 2 August 2012, the Company announced that the Ministry of Finance has granted its approval via its letter dated 27 July 2012 for the change of STM’s shareholder from the Company to Sports Toto Malaysia Management Pte Ltd, which will hold STM on trust for STM-Trust. The Proposed Transfer and the Proposed Listing are pending approvals from the relevant authorities.

- (iii) On 25 June 2012, FEAB Properties Sdn Bhd (“FProp”), a wholly-owned subsidiary company of the Group, entered into a Share Sale and Purchase Agreement (“Agreement”) with Morpho Cards (Singapore) Pte Ltd for the disposal of its entire equity interest of 17.19% comprising 25,848 ordinary shares in Cassis International Pte Ltd (“Cassis”). The Agreement was entered collectively with all existing shareholders of Cassis for the disposal of a total of 150,370 ordinary shares in Cassis for a total cash consideration of approximately USD29.7 million (equivalent to approximately RM94.6 million) subject to certain post-closing adjustments plus a contingent consideration of up to USD8 million (equivalent to approximately RM25.5 million) subject to certain conditions being met. The disposal was completed on 12 July 2012. FProp’s portion of the cash consideration for the said disposal is up to USD5.4 million (equivalent to approximately RM17.2 million) inclusive of the contingent consideration of approximately USD1.1 million (equivalent to approximately RM3.5 million).

## NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2012

### 45 SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 30 April 2012, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group RM'000	Company RM'000
<b>As at 30 April 2012</b>		
Total retained earnings		
- Realised	597,047	632,419
- Unrealised	32,100	(348)
	<b>629,147</b>	<b>632,071</b>
Less: Consolidation adjustments	(216,844)	-
Total retained earnings as per financial statements	<b>412,303</b>	<b>632,071</b>
<b>As at 30 April 2011</b>		
Total retained earnings		
- Realised	531,729	595,045
- Unrealised	28,700	(326)
	560,429	594,719
Less: Consolidation adjustments	(218,583)	-
Total retained earnings as per financial statements	341,846	594,719

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

# LIST OF PROPERTIES

FOR THE YEAR ENDED 30 APRIL 2012

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	72 yrs	4,826 sq. ft.	3 units of 2-storey shophouse - vacant	1,500	N/A
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	12 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	9 yrs	106,027 sq. ft.	One floor of office space of an integrated commercial development for rental	65,256	N/A
Lot SL-012 & 013 Sri Pelangi Shoplot Ground Floor, Block C Jalan Genting Klang, Setapak 53300 Kuala Lumpur	Freehold	22.12.1992	18 yrs	3,187 sq. ft.	2 units of ground floor shoplot - 2 units for rental	1,450	N/A
Lots 335 & 336 Mukim Kuala Kuantan Astana Golf Resort, KM 7, Bandar Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur	Leasehold 99 years expiring on 10 Sept 2092	02.02.1993	-	16,414 sq. ft.	2 bungalow lots - vacant	275	N/A
A171 Sri Dagangan Business Centre Jalan Tun Ismail 25000 Kuantan, Pahang Darul Makmur	Freehold	04.11.1992	18 yrs	4,149 sq. ft.	1 unit of 3-storey shop/office - 1 floor for rental/ service centre and 2 floors for rental	900	N/A
A173 Sri Dagangan Business Centre Jalan Tun Ismail 25000 Kuantan, Pahang Darul Makmur	Freehold	04.11.1992	18 yrs	4,290 sq. ft.	1 unit of 3-storey shop/office - 2 floors for rental and 1 floor vacant	N/A	279
Lot 367, Section 11, Kuching Town Land District, Jalan Kulas, 93400 Kuching Sarawak	Freehold	02.04.1992	19 yrs	4,676 sq. ft.	1 unit of 4-storey shophouse - 1 floor for rental and 3 floors vacant	1,200	N/A
Lot 19, Bornion Commercial Centre 88100 Luyang Kota Kinabalu Sabah	Leasehold 999 years expiring on 15 May 2915	28.12.1994	19 yrs	3,750 sq. ft.	1 unit of 3-storey shoplot - 3 floors for sales office/ field support and general office	N/A	421

## LIST OF PROPERTIES

FOR THE YEAR ENDED 30 APRIL 2012

Location	Tenure	Date of Acquisition	Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Book Value RM'000
24, Jalan SS2/66, 47300 Petaling Jaya Selangor Darul Ehsan	Freehold	14.01.1995	40 yrs	5,040 sq. ft.	1 unit of 3-storey shophouse for rental	2,900	N/A
No. 14, Sri Desa Entrepreneur's Park Jalan Kuchai Lama 58200 Kuala Lumpur	Freehold	19.12.1995	14 yrs	6,760 sq. ft.	1 unit of 5-storey shopoffice for rental	1,890	N/A
Kim's Park Business Centre No. 1, Jalan Penjaja 3/A Batu Pahat Johor Darul Takzim	Freehold	11.04.1998	13 yrs	6,943 sq. ft.	1 unit of 3-storey shopoffice - 1 floor for sales office and 2 floors vacant	N/A	679
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	2,350	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	13 yrs	949 sq. ft.	1 unit of apartment - vacant	235	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	13 yrs	1,465 sq. ft.	1 unit of apartment - vacant	325	N/A
12, Jalan 4/91A, Shamelin Perkasa, 56100 Kuala Lumpur	Leasehold 99 years expiring on 11 Sept 2082	18.06.2007	17 yrs	11,950 sq. ft.	1 unit of 3-storey semi detached factory lot - logistic, field support and central sales office	N/A	3,661
Unit No. 5.5, 5th Floor, Apartment Block, Plaza Berjaya, No. 12, Jalan Imbi, 55100 Kuala Lumpur	Freehold	03.08.2009	26 yrs	1,079 sq. ft.	1 unit of apartment - for rental	325	N/A
Suite No. 7F, 7th Floor, Office Block, Plaza Berjaya, No. 12, Jalan Imbi, 55100 Kuala Lumpur	Freehold	03.08.2009	26 yrs	738 sq. ft.	Office space for rental	330	N/A
No. 44, Jalan Kapar 41400 Klang, Selangor	Leasehold 99 years expiring on 9 Dec 2058	10.06.2010	28 yrs	3,650 sq. ft.	1 unit of double storey shophouse - 1 floor sales office and 1 floor for rental	N/A	538
No. 25, Jalan 11/48A, Sentul Raya Boulevard, Off Jalan Sentul, Sentul, 51000 Kuala Lumpur	Freehold	16.08.2010	16 yrs	10,080 sq. ft.	1 unit of 6-storey shopoffice for rental	5,000	N/A

**LIST OF PROPERTIES**  
FOR THE YEAR ENDED 30 APRIL 2012

Location	Tenure	Date of Acquisition	Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Book Value RM'000
F130, 1st Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur	Freehold (Strata title)	24.08.2011	35 yrs	645.83 sq. ft.	1 unit of retail shoplot for rental	6,500	N/A
7835 Makati Avenue corner Eduque Street Makati City, Philippines 1209	Freehold	4.12.2009	11 yrs	586 sq. m.	Hotel - 212 guest rooms	N/A	47,345

N/A denotes Not Applicable

## MATERIAL CONTRACTS

Other than as disclosed in Notes 28, 37, 38 and 44 of the financial statements for the financial year ended 30 April 2012, neither Berjaya Sports Toto Berhad nor any 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 2012 amounted to RM107,000 (2011 : RM208,000).

# RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

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

Related parties	Nature of transactions	Name of companies	Amount transacted during the financial year (RM'000)
<b>Berjaya Corporation Berhad and / or its unlisted subsidiary companies</b>			
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	8
Berjaya Registration Services Sdn Bhd	Receipt of share registration services	Berjaya Sports Toto Berhad	630
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)
Ambilan Imej Sdn Bhd	Rental for renting of office at part of Level 12, Berjaya Times Square	Berjaya Sports Toto Berhad	1,927
Inter-Pacific Trading Sdn Bhd	Purchase of stationery products	Berjaya Sports Toto Berhad Sports Toto Malaysia Sdn Bhd Sports Toto Fitness Sdn Bhd	75
Berjaya Hills Berhad	Rental income for renting of Meranti Park Apartments at Bukit Tinggi Resort, Bukit Tinggi, Pahang.	FEAB Properties Sdn Bhd	(10)
Graphic Press Group Sdn Bhd	Procurement of Toto betting slips printing services	Sports Toto Malaysia Sdn Bhd	11,938
Prime Credit Leasing Sdn Bhd	Receipts of leasing and hire purchase facilities	Sports Toto Fitness Sdn Bhd	136
<b>Berjaya Land Berhad and / or its unlisted subsidiary companies</b>			
Berjaya Guard Services Sdn Bhd	Receipt of security guard services	Sports Toto Malaysia Sdn Bhd	3,477
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	(108)
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	1,688
Berjaya Hospitality Services Sdn Bhd	Rental for renting of function rooms at Berjaya Times Square Hotel	Sports Toto Malaysia Sdn Bhd	9
Berjaya Air Sdn Bhd	Dry lease charges for aircraft leasing facilities	Sports Toto Malaysia Sdn Bhd	1,230
Berjaya Jet Charter Sdn Bhd	Charter fees for aircraft leasing facilities	Sports Toto Malaysia Sdn Bhd	1,772

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Related parties	Nature of transactions	Name of companies	Amount transacted during the financial year (RM'000)
<b>Berjaya Asset Berhad and / or its unlisted subsidiary companies</b>			
Natural Avenue Sdn Bhd	Supply of computerised lottery systems and related services	International Lottery & Totalizator Systems, Inc.	417
Berjaya Times Square Sdn Bhd	Parking charges	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad Sports Toto Computer Sdn Bhd	406
	Rental for renting of office at Lots 09-88, 09-89 & 09-90, 9th Floor, Berjaya Times Square	Sports Toto Computer Sdn Bhd	59
<b>Berjaya Media Berhad and / or its unlisted subsidiary companies</b>			
Sun Media Corporation Sdn Bhd	Procurement of promotion, advertising and publishing services	Berjaya Sports Toto Berhad Group	1,036
<b>Cosway Corporation Limited and / or its unlisted subsidiary companies</b>			
Stephen Properties Sdn Bhd	Rental for renting of storage areas	Berjaya Sports Toto Berhad	4
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products and toiletries	Sports Toto Fitness Sdn Bhd	19
<b>Other related parties</b>			
Qinetics Solutions Sdn Bhd	Purchase of hardware, software and network equipment	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad Sports Toto Fitness Sdn Bhd	363
	Receipt of software development and implementation services	Sports Toto Malaysia Sdn Bhd	952
	Procurement of intranet, website development and maintenance services	Sports Toto Malaysia Sdn Bhd Berjaya Sports Toto Berhad	126
Dunia Prestasi Auto Sdn Bhd	Purchase of motor vehicles, component parts and other related products and services	Berjaya Sports Toto Berhad Group	5,762
U Mobile Sdn Bhd	Rental income from renting office at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	(1,151)
Roda Indah Sdn Bhd	Purchase of motor vehicles, component parts and other related products and services	Sports Toto Malaysia Sdn Bhd	22
Biofield Sdn Bhd	Rental of shoptlot at Level 6, Berjaya Times Square	Sports Toto Fitness Sdn Bhd	442

# STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 17 AUGUST 2012

## THE COMPANY

	Number of ordinary shares of RM0.10 each			
	Direct Interest	%	Deemed Interest	%
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	60,000	0.00	7,500*	0.00
Datuk Robert Yong Kuen Loke	1,956,857	0.15	-	-

## HOLDING COMPANY

### BERJAYA LAND BERHAD

	Number of ordinary shares of RM0.50 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	600,000	0.01	56,600,000	1.14
Freddie Pang Hock Cheng	160,000	0.00	4,000*	0.00
Datuk Robert Yong Kuen Loke	360,808	0.01	-	-

## ULTIMATE HOLDING COMPANY

### BERJAYA CORPORATION BERHAD

	Number of ordinary shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	722,847	0.02	599,416,995 5,000*	14.19
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	-	-
Datuk Robert Yong Kuen Loke	1,020,548	0.02	-	-

	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	-	-	12,401,200	1.89
Rayvin Tan Yeong Sheik	385,000	0.06	-	-
Datuk Robert Yong Kuen Loke	741	0.00	-	-

## STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 17 AUGUST 2012

### ULTIMATE HOLDING COMPANY (CONT'D)

#### BERJAYA CORPORATION BERHAD (Cont'd)

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	2,620,500	0.38	87,029,000 1,000*	12.51 0.00
Chan Kien Sing	10,000	0.00	-	-
Freddie Pang Hock Cheng	40,000	0.01	25,200*	0.00
Rayvin Tan Yeong Sheik	118,473,349	17.03	-	-
Datuk Robert Yong Kuen Loke	170,108	0.02	-	-

	Number of Warrants			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	2,620,500	0.37	87,029,000 1,000*	12.43 0.00
Chan Kien Sing	10,000	0.00	-	-
Freddie Pang Hock Cheng	40,000	0.01	25,200*	0.00
Rayvin Tan Yeong Sheik	115,858,249	16.55	-	-
Datuk Robert Yong Kuen Loke	170,108	0.02	-	-

### RELATED COMPANY

#### BERJAYA FOOD BERHAD

	Number of ordinary shares of RM0.50 each			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	965,300	0.37	-	-

	Number of ordinary shares of RM0.50 each under the Employees' Share Option Scheme			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	600,000	0.23	-	-

	Number of Warrants			
	Direct Interest	%	Deemed Interest	%
Dato' Robin Tan Yeong Ching	465,300	0.40	-	-

\* 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 17 August 2012.

# STATISTICS ON SHAREHOLDINGS

AS AT 17 AUGUST 2012

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	2,207	5.40	88,092	0.01
100 – 1,000	6,044	14.79	4,473,049	0.34
1,001 – 10,000	26,797	65.57	87,347,197	6.61
10,001 – 100,000	5,246	12.84	129,239,976	9.79
100,001 – 66,034,999	572	1.40	961,077,236	72.77
66,035,000* and above	2	0.00	138,474,450	10.48
<b>Total</b>	<b>40,868</b>	<b>100.00</b>	<b>1,320,700,000</b>	<b>100.00</b>

### 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

	NAME OF SHAREHOLDERS	NO. OF SHARES	(%)
1	<b>Amsec Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account - Ambank (M) Berhad For Gateway Benefit Sdn Bhd</i>	70,474,450	5.34
2	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BLB CBANK-GP 4)</i>	68,000,000	5.15
3	<b>Malaysia Nominees (Tempatan) Sendirian Berhad</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (01-00808-014)</i>	50,000,000	3.79
4	<b>Citigroup Nominees (Tempatan) Sdn Bhd</b> <i>Exempt An For American International Assurance Berhad</i>	49,638,414	3.76
5	<b>Cartaban Nominees (Asing) Sdn Bhd</b> <i>Exempt An For Bank Sarasin And CIE AG, Singapore Branch (BSCSG) (AC Client FRGN)</i>	35,293,000	2.67
6	<b>Maybank Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (014011124705)</i>	34,685,700	2.63
7	<b>Cartaban Nominees (Asing) Sdn Bhd</b> <i>Exempt An For State Street Bank &amp; Trust Company (West CLT OD67)</i>	30,320,801	2.30
8	<b>RHB Capital Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Berjaya Land Bhd (681124)</i>	29,300,000	2.22
9	<b>Scotia Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For B.L. Capital Sdn Bhd</i>	28,800,000	2.18
10	<b>Citigroup Nominees (Tempatan) Sdn Bhd</b> <i>Exempt An For Eastspring Investments Berhad</i>	24,578,885	1.86
11	<b>Berjaya Land Berhad</b>	24,200,596	1.83
12	<b>Maybank Securities Nominees (Tempatan) Sdn Bhd</b> <i>Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)</i>	22,217,321	1.68
13	<b>Malaysia Nominees (Tempatan) Sendirian Berhad</b> <i>Pledged Securities Account For Berjaya Land Berhad (01-00808-013)</i>	22,000,000	1.66
14	<b>Malaysia Nominees (Tempatan) Sendirian Berhad</b> <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	20,770,578	1.57
15	<b>Amsec Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account - Ambank (M) Berhad For Berjaya Corporation Berhad</i>	18,458,100	1.40
16	<b>ECML Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Berjaya Corporation Berhad (001)</i>	17,752,100	1.34
17	<b>RHB Capital Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Berjaya Land Berhad (GBSB681143)</i>	15,514,285	1.17

## STATISTICS ON SHAREHOLDINGS

AS AT 17 AUGUST 2012

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

	NAME OF SHAREHOLDERS	NO. OF SHARES	(%)
18	<b>HSBC Nominees (Asing) Sdn Bhd</b> <i>BBH And Co Boston For Vanguard Emerging Market Stock Index Fund</i>	14,674,296	1.11
19	<b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Berjaya Land Berhad (CB-Group4)</i>	13,000,000	0.98
20	<b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (8081042)</i>	11,627,900	0.88
21	<b>Gateway Benefit Sdn Bhd</b>	11,556,575	0.88
22	<b>Cartaban Nominees (Tempatan) Sdn Bhd</b> <i>Raiffeisen Bank International For Berjaya Land Berhad</i>	11,200,000	0.85
23	<b>RHB Capital Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BLAND 681123)</i>	10,000,000	0.76
24	<b>EB Nominees (Tempatan) Sendirian Berhad</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BBB4-GBSB)</i>	10,000,000	0.76
25	<b>Scotia Nominees (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (I-CAP)</i>	8,700,000	0.66
26	<b>ABB Nominee (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BLCAP RC2)</i>	8,650,000	0.65
27	<b>ABB Nominee (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Berjaya Land Berhad (ICSB RC2)</i>	8,640,000	0.65
28	<b>ABB Nominee (Tempatan) Sdn Bhd</b> <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (GBSB RC1/RC2)</i>	8,258,571	0.63
29	<b>EB Nominees (Tempatan) Sendirian Berhad</b> <i>Pledged Securities Account For Berjaya Land Bhd (BBB)</i>	7,982,142	0.60
30	<b>Cartaban Nominees (Asing) Sdn Bhd</b> <i>Government Of Singapore Investment Corporation Pte Ltd For Government Of Singapore (C)</i>	7,755,650	0.59
		694,049,364	52.55

### LIST OF SUBSTANTIAL SHAREHOLDERS

Names of Substantial Shareholder	----- No. of Shares ----->			
	Direct	%	Indirect	%
Gateway Benefit Sdn Bhd	304,017,721	23.02	-	-
Berjaya Land Berhad	184,889,000	14.00	348,718,148(a)	26.40
Teras Mewah Sdn Bhd	-	-	533,607,148(b)	40.40
Juara Sejati Sdn Bhd	-	-	539,957,148(c)	40.88
Bizurai Bijak (M) Sdn Bhd	65,159,100	4.93	6,350,000(d)	0.48
Berjaya Group Berhad	-	-	605,116,248(e)	45.82
Berjaya Corporation Berhad	37,710,200	2.86	605,116,248(f)	45.82
Tan Sri Dato' Seri Vincent Tan Chee Yioun	8,940,505	0.68	648,899,796(g)	49.13

#### 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 interest in Inter-Pacific Securities Sdn Bhd.
- Deemed interested by virtue of its interest in Inter-Pacific Securities 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 interests in Berjaya Corporation Berhad, B & B Enterprise Sdn Bhd and his deemed interest in Premier Merchandise 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, 17 October 2012 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 2012 and the Directors' and Auditors' Reports thereon. **RESOLUTION 1**
2. To approve the payment of Directors' fees amounting to RM135,000 for the year ended 30 April 2012. **RESOLUTION 2**
3. To re-elect the following Directors retiring pursuant to Article 98(A) of the Company's Articles of Association:-
  - a) Freddie Pang Hock Cheng **RESOLUTION 3**
  - b) Mohamed Saleh Bin Gomu **RESOLUTION 4**
4. To re-elect the Director, Cheah Tek Kuang, who retires pursuant to Article 98(E) of the Company's Articles of Association. **RESOLUTION 5**
5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 6**
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 7**
    - (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 25 September 2012 ("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 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 8

#### **(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 30,330,072 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;
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

## NOTICE OF ANNUAL GENERAL MEETING

- (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.”

### RESOLUTION 9

By Order of the Board

**SU SWEE HONG**  
Secretary

Kuala Lumpur  
25 September 2012

### 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.
5. Depositors whose names appear in the Record of Depositors as at 10 October 2012 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend and vote on their behalf.

#### (B) SPECIAL BUSINESS

- (i) Resolution 7 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.

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 20 October 2011 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.

- (ii) Resolution 8 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 8 are set out in Part A of the Circular/Statement to Shareholders dated 25 September 2012 attached to the Annual Report.
- (iii) Resolution 9 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 9 are set out in Part B of the Circular/Statement to Shareholders dated 25 September 2012 attached to the Annual Report.

# BERJAYA SPORTS TOTO BERHAD

(Company No. 9109-K)

## FORM OF PROXY

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, 17 October 2012 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 Freddie Pang Hock Cheng as Director		
RESOLUTION 4 – To re-elect Mohamed Saleh Bin Gomu as Director		
RESOLUTION 5 – To re-elect Cheah Tek Kuang as Director		
RESOLUTION 6 – To re-appoint Auditors		
RESOLUTION 7 – To approve authority to issue and allot shares		
RESOLUTION 8 – To renew and to seek shareholders' mandate for Recurrent Related Party Transactions		
RESOLUTION 9 – To approve the renewal of authority to purchase its own shares by the Company		

No. of Shares Held

\_\_\_\_\_  
Signature of Shareholder(s)

Signed this \_\_\_\_\_, day of \_\_\_\_\_, 2012

### 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 any adjournment thereof.
5. Depositors whose names appear in the Record of Depositors as at 10 October 2012 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend and vote on their behalf.

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