

# DELIVERING SUSTAINABLE RETURNS

**ANNUAL REPORT 2024** 

# INSIDETH





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Go online to our website at: www.berjaya.com/sports-toto/

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# **OVERVIEW OF SPORTS TOTO BERHAD**

# VISION

To be an organisation which nurtures and carries on profitable and sustainable businesses in line with the Group's diverse business development and value creation aspirations and interests of all its stakeholders.

To also be an organisation which maximises the value of human capital through empowerment, growth and a commitment to excellence.

# **MISSION**

We strive to generate profitable returns for our shareholders from investments in core business activities:

- By providing direction, financial resources and management support for each operating unit;
- Through dynamic and innovative management, teamwork and a commitment to excellence; and
- By providing a cross-functional environment and development and upskilling opportunities for our employees to develop their full potential for both personal and professional advancements.



# The corporate logo of Berjaya consists of the word

"BERJAYA" written in blue. It also includes a symbol made up of four outward facing "B"s in green, with blue lining around the circumference and a blue dot in the centre.

The term "BERJAYA" signifies "success" in Bahasa Malaysia, reflecting the achievements and essence of Berjaya Corporation and its enterprises. The four "B"s in the symbol represent the strong foundations and constant synergy within the Berjaya Corporation group of companies. Each "B" faces a different direction, symbolising the varied strengths of the companies that make up the Berjaya Corporation group.





# **OVERVIEW OF SPORTS TOTO BERHAD**



# WHO WE ARE

Sports Toto Berhad ("SPToto") 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 STM Lottery Sdn Bhd ("STM Lottery") 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 of the Company and the balance in cash of RM209.03 million. On 17 May 1993, the Company was renamed Berjaya Sports Toto Berhad; and subsequently it changed to its present name on 1 April 2022.

The core businesses of the Group are:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967; and
- motor retailing, repair & maintenance and provision of aftersales services.

The history of STM Lottery 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. STM Lottery was privatised 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. STM Lottery offers 8 games which are drawn 3 days a week.

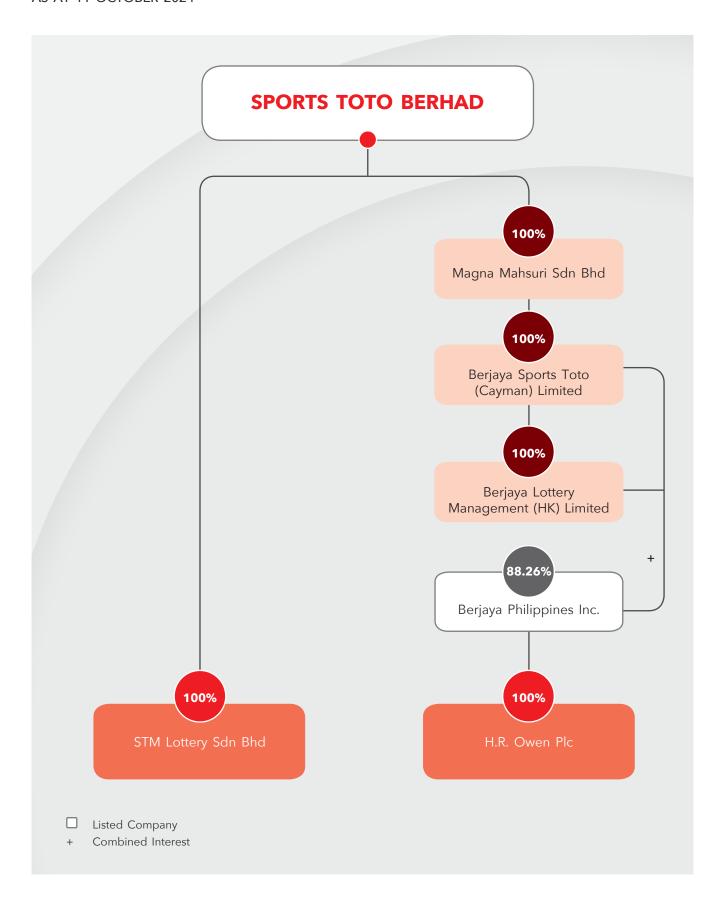
H.R. Owen Plc, SPToto's subsidiary in the United Kingdom, operates a number of luxury vehicle dealerships in the prestige and iconic car market for both sales and aftersales.

In support of SPToto's core gaming business, International Lottery & Totalizator Systems, Inc., a niche subsidiary of SPToto in the United States of America focuses on developing, manufacturing, and distribution of computerised wagering system and provision of software licences.



# **CORPORATE STRUCTURE**

OF MAIN SUBSIDIARY COMPANIES AS AT 11 OCTOBER 2024





# **CORPORATE INFORMATION**

# **BOARD OF DIRECTORS**

Chairman/Non-Independent Executive Director

Dato' Sri Robin Tan Yeong Ching

Non-Independent Chief Executive Officer Nerine Tan Sheik Ping Non-Independent Executive Director

**Derek Chin Chee Seng** 

Non-Independent
Non-Executive Director
Dato' Oon Weng Boon

Independent
Non-Executive Directors

Datuk Seri Wong Chun Wai

**Poh Ying Loo** 

Premshangar A/L Venugopal

### **AUDIT COMMITTEE**

Poh Ying Loo *(Chairman)*Datuk Seri Wong Chun Wai
Dato' Oon Weng Boon

### **NOMINATION COMMITTEE**

Poh Ying Loo *(Chairman)*Datuk Seri Wong Chun Wai
Dato' Oon Weng Boon

### **REMUNERATION COMMITTEE**

Premshangar A/L Venugopal (Chairman) Poh Ying Loo

Datuk Seri Wong Chun Wai Dato' Oon Weng Boon

# **SUSTAINABILITY COMMITTEE**

Premshangar A/L Venugopal (Chairman) Poh Ying Loo Datuk Seri Wong Chun Wai Dato' Oon Weng Boon

# **RISK MANAGEMENT COMMITTEE**

Premshangar A/L Venugopal (Chairman) Poh Ying Loo

Datuk Seri Wong Chun Wai Dato' Oon Weng Boon

# **COMPANY SECRETARIES**

Tham Lai Heng Michelle

(SSM PC No. 202008001622) (MAICSA No. 7013702)

Wong Siew Guek

(SSM PC No. 202008001490) (MAICSA No. 7042922)

### SHARE REGISTRAR

# **Berjaya Registration Services Sdn Bhd**

[Registration No. 199401008064 (293743-X)]

09-27 Level 9

Berjaya Times Square

No. 1 Jalan Imbi 55100 Kuala Lumpur

Tel : 03-2145 0533 Fax : 03-2145 9702

Email: shareg@berjayareg.com.my

# **AUDITORS**

### **Ernst & Young PLT**

202006000003 (LLP0022760-LCA) & AF 0039

Chartered Accountants Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur Tel : 03-7495 8000 Fax : 03-2095 5332

### **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 Email : cosec@berjaya.com.my

# **PRINCIPAL BANKERS**

CIMB Bank Berhad Malayan Banking Berhad

### STOCK EXCHANGE LISTING

# Main Market of Bursa Malaysia Securities Berhad

Stock Sector: Consumer Products &

Services

Stock Name : SPTOTO Stock Code : 1562

# PLACE OF INCORPORATION AND DOMICILE

Malaysia

# **WEBSITE ADDRESS**

www.berjaya.com/sports-toto/



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

Chairman/Non-Independent **Executive Director** 



Age:

50 years old

Nationality:

Malaysian

Gender:

Male

Date appointed to Board:

1 June 2021

He was appointed to the Board on 1 June 2021 as an Executive Chairman. He was previously an Executive Director of the Company in 1998 and the Chief Executive Officer of the Company from 2006 to 2018.

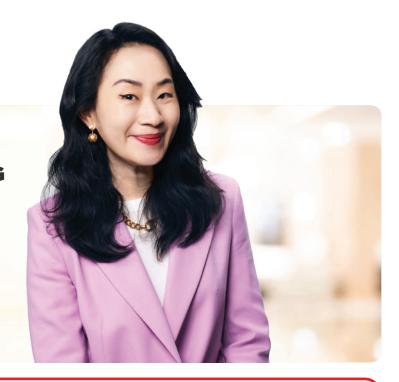
He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Non-Independent Non-Executive Deputy Chairman of Berjaya Land Berhad and a Director of Atlan Holdings Bhd. He is also an Executive Director of STM Lottery Sdn Bhd, Berjaya Hartanah Berhad, Bukit Kiara Resort Berhad and Staffield Country Resort Berhad and a Director of KDE Recreation Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation Group of companies.

His sister, Ms. Nerine Tan Sheik Ping is the Chief Executive Officer of the Company.



# NERINE TAN SHEIK PING Non-Independent Chief Executive Officer



Age:

48 years old

Nationality: Malaysian

Gender: Female

Date appointed to Board:

1 January 2016

Ms. Nerine Tan Sheik Ping is the Chief Executive Officer of the Company. She graduated with a Bachelor of Science degree in Management from the London School of Economics, United Kingdom.

She brings more than 25 years of experience in sales strategies, marketing and business development over several different operations. She started her sales and marketing career supporting sales and marketing Cosway products. She then went on to support the sales and marketing functions and the development of spa management for different resorts within Berjaya Hotels & Resorts. She was later appointed as Vice President in the marketing division of Berjaya Hotels & Resorts.

Her career in STM Lottery Sdn Bhd ("STM Lottery") began in February 2007 where she understudied the sales operations and marketing of lottery products under the management team. She subsequently spearheaded the sales and marketing strategies for STM Lottery and was promoted to Executive Director in 2010. She was subsequently appointed as the Chief Executive Officer of the Company in June 2018. Currently, she is the Joint Group Chief Executive Officer of Berjaya Corporation Berhad and the Chief Executive Officer of Berjaya Times Square Sdn Bhd.

She also holds directorships in several other private limited companies in the Berjaya Corporation Group of companies.

Her brother, Dato' Sri Robin Tan Yeong Ching is the Executive Chairman of the Company.

# **DEREK CHIN CHEE SENG**

Non-Independent **Executive Director** 



Age:

66 years old

Nationality: Malaysian

Gender:

Male

Date appointed to Board:

1 June 2021

He was appointed to the Board on 1 June 2021 as an Executive Director. He is a lawyer by training and holds a BA (Hons) Business Law degree from the City of London Polytechnic (now known as London Guildhall University) in 1981 and went on to study at The Council of Legal Education to sit the Examination for Call to the Bar in 1982. He was admitted into the Honourable Society of Lincoln's Inn and received his professional qualification as a Barrister in July 1982. Upon his return to Malaysia he chambered at the law firm of Allen & Gledhill, Kuala Lumpur and thereafter, he was admitted and enrolled as an Advocate & Solicitor of the High Court in Malaya on 15 October 1983.

He practised as an advocate and solicitor for six years at Allen & Gledhill until his departure in August 1989 to join the Berjaya Group as the Head of its Group Legal Department.

He has more than 40 years of practice and working experience in the legal field, specialising in the area of corporate and commercial law. During his tenure with the Berjaya Corporation Group of Companies, he has been extensively engaged in many corporate exercises and transactions, both in Malaysia and overseas.

He was an Executive Director of Berjaya Corporation Berhad until his resignation in June 2021. Currently, he is an Executive Director of Berjaya Group Berhad and a Director of Berjaya Hartanah Berhad, Prime Credit Leasing Berhad and he also holds directorships in several other private limited companies in the Berjaya Corporation Group of Companies in Malaysia and overseas.





# Age:

55 years old

Nationality: Malaysian

Gender: Male

Date appointed to Board: 27 February 2014

He was appointed to the Board on 27 February 2014 as an Independent Non-Executive Director. Subsequently on 17 June 2021, he was redesignated as Non-Independent Non-Executive Director of the Company. He graduated with a Bachelor of Science (Honours) degree in Physics from University of Science Malaysia.

He founded Island LandCap Properties Group ("ILPG") in 2001 with a vision to build innovative, premium and sustainable developments in the region that serve to elevate lifestyles and enrich communities while enhancing the environment. Today, he has gained wide recognition as one of the leading lifestyle developers of premier and novel properties. Spearhead by his visionary leadership and unwavering dedication, he has grown ILPG into a diversified company with business in property development & construction, hospitality industry through the branding of Grand Orient Hotel, retail assets investment and MICE tourism (Meetings, Incentives, Conferences, and Exhibitions).

He is also a Director for Penang Chinese Chamber of Commerce ("PCCC") and Advisor to PCCC, Young Entrepreneur Section (2021-2024). At the national level, he has been appointed as the Deputy Chairman of the Associated Chinese Chamber of Commerce Malaysia Construction, Property and Infrastructure Committee ("ACCCIM") (2021-2024) and Advisor to the Young Entrepreneur Committee (2021-2024).

Dato' Oon Weng Boon is a member of the Audit Committee, Nomination Committee, Remuneration Committee, the Risk Management Committee and the Sustainability Committee of the Company.



# Age:

63 years old

# Nationality:

Malaysian

### Gender:

Male

# Date appointed to Board:

1 June 2021

He was appointed to the Board on 1 June 2021 as an Independent Non-Executive Director. He holds a Bachelor of Arts degree from National University of Malaysia ("UKM"), majoring in political science and history in 1984. He was awarded an honorary doctorate in leadership from LimKokWing

He was an Executive Director of Star Media Group Berhad ("Star") since March 2010 and was the Group Managing Director and Chief Executive Officer ("GMD" & "CEO") of Star since November 2013. Subsequently, he was appointed as Advisor of Star on editorial and corporate relation matters since

He served as an advisor to the Malaysian Anti-Corruption Commission in its Consultation and Prevention of Corruption Panel in 2009. In 2012, he became the first Malaysian to be elected into the board of the Paris-based World Editors Forum. He was also Chairman of the Bangkok-based Asia News Network, an alliance of twenty-one (21) media groups in Asian cities.

He was appointed as the Chairman of the Malaysian National News Agency ("BERNAMA") on 1 September 2023. He was a member of supervisory council of BERNAMA and had served as member of the Governance Council of the National Innovation Agency in the Prime Ministers Department. He was awarded the Lifetime Achievement Award for Leadership in Media Industry by the World Chinese Economic Forum in Chongqing, China in 2014.

He was appointed as Industry Leader/Fellow at UKM and as an adjunct professor at Northern University of Malaysia ("UUM") in 2015. He was also appointed as an adjunct professor at the Social Sciences and Humanities Faculty of UKM in April 2021.

Datuk Seri Wong Chun Wai is a member of Audit Committee, Nomination Committee, Remuneration Committee, the Risk Management Committee and the Sustainability Committee of the Company.





Age:

62 years old

**Nationality:** Malaysian

**Gender:** Male

Date appointed to Board:
17 June 2021

He was appointed to the Board on 17 June 2021 as an Independent Non-Executive Director. He obtained a Global Master of Business Administration in Digital Business ("Global MBA in Digital Business") from Zigurat Innovation & Technology Business School, Barcelona, Spain in 2021. He was also awarded with a University Extension Diploma in Global MBA in Digital Business from the Institute of Continuing Education of the University of Barcelona, Spain in 2022. He is a Fellow Chartered Management Accountant ("FCMA") since 1993 and a Chartered Global Management Accountant ("CGMA") since 2012, both under the Chartered Institute of Management Accountants ("CIMA"), a member of the MIA since 1994, a Qualified Risk Director and a member of the Institute of Enterprise Risk Practitioners since 2018. He is a Fellow member of the Institute of Corporate Directors Malaysia since 2020. In March 2023, he also obtained a certificate from the Frankfurt School of Finance and Management to become a Certified Expert in Environmental, Social and Governance ("ESG") and Impact Investment. In May 2024, he obtained his professional Sustainability and Climate Risk Certificate ("SCR Certificate") from GARP ("Global Association of Risk Professionals"), the world's leading professional association for risk managers.

He began his career with Ong Boon Bah & Co as Trainee Audit Assistant and subsequently as Audit Assistant/Semi Senior from March 1986 to February 1988. In February 1988, he joined Dreamland Holdings Berhad (presently known as FACB Industries Incorporated Berhad) as an Accounts Supervisor/Executive. In December 1988, he left Dreamland Holdings Berhad and joined CPC/AJI (M) Sdn Bhd as Assistant Accountant and served as the Senior Accountant until June 1996.

From July 1996 to June 2020, he was with AEON CO. (M) Bhd ("AEON"). During his tenure with AEON, he held various positions with AEON in relation to finance and managerial functions including Finance Manager, Financial Controller, General Manager Finance, Senior General Manager in charge of Business Support and Senior General Manager in charge of Corporate Finance and Investor Relations. In May 2011, he was appointed as an Executive Director of AEON. As a senior management of AEON in charge of the corporate finance, investor relations and corporate management division, he had oversight on the Company's overall businesses, strategies, operations, financial and business developments. He retired from AEON in June 2020.

He has more than 35 years of working experience across a diverse set of industries from auditing, manufacturing and trading, before joining the retail industry.

He retired from the Board of UEM Sunrise Berhad on 6 June 2024 and presently sit on the board of MST Golf Group Berhad since October 2022, a company listed on the Main Market of Bursa Securities, as an Independent Non-Executive Director.

Mr. Poh Ying Loo is the Chairman of the Audit Committee and Nomination Committee. He is also a member of the Remuneration Committee, the Risk Management Committee and the Sustainability Committee of the Company.



# Age:

54 years old

# Nationality:

Malaysian

# Gender:

Male

# Date appointed to Board:

1 July 2021

He was appointed to the Board on 1 July 2021 as an Independent Non-Executive Director. He is a member of the Malaysian Bar Council, the Malaysian Institute of Arbitrators and the Institute of Corporate Directors Malaysia. Having graduated from University of London in 1993, he was admitted as an advocate and solicitor of the High Court of Malaya in 1995. He brings over twenty eight (28) years of experience as a litigator and is importantly seen as a vibrant and dynamic strategist who works to promote the best interest of his clients. He is often sought after for his expertise and deep knowledge in the Corporate and Civil litigation in vast areas of the

He has been a partner of the firm Lewis & Co since 1998. He is highly motivated and a creative professional in the legal and commercial environment with notable success for new concept generation and conceptualisation. He encapsulates dedication, enthusiasm, drive and positive attitude required to be a valuable addition to the success of the Company.

Mr. Premshangar A/L Venugopal is the Chairman of the Remuneration Committee, the Risk Management Committee and the Sustainability Committee of the Company.

Save as disclosed, none of the Directors have:-

- 1. any family relationship with any directors and/or major shareholders of the Company;
- 2. any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries;
- 3. any conviction for offences within the past 5 years other than traffic offences; and
- 4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



# PROFILE OF KEY SENIOR MANAGEMENT

# TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

Managing Director/Chief Executive Officer of STM Lottery Sdn Bhd ("STM Lottery")

Date of appointment: 5 December 1988







Male

72 years old

Malaysian

He is a businessman and entrepreneur with more than four decades of entrepreneurial experience and has diverse interests in property development and investment, gaming, lottery management, stockbroking, motor distribution, retailing, trading, hospitality, internet related businesses, environmental and utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies, namely, Berjaya Corporation group of companies, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad, Berjaya Media Berhad, Berjaya Retail Sdn Bhd, Intan Utilities Sdn Bhd, U Mobile Sdn Bhd and MOL Ventures Pte Ltd.

Currently, Tan Sri Dato' Seri Vincent Tan Chee Yioun is the Advisor of Berjaya Corporation Berhad and the Chairman of Berjaya Hills Resort Berhad and U Mobile Sdn Bhd. He is also the Managing Director/CEO of STM Lottery. He also holds directorships in several other private limited companies and also in Berjaya Corporation Group of companies.

His children, Dato' Sri Robin Tan Yeong Ching and Ms. Nerine Tan Sheik Ping are also members of the Board.



# PROFILE OF KEY SENIOR MANAGEMENT

# **CHOO VEH KEN**

Chief Executive Officer of H.R. Owen Plc ("H.R. Owen") Date of appointment: 15 February 2017







Male

51 years old

Malaysian

He holds a Bachelor of Commerce Degree with majors in Accounting and Economics from Deakin University, Australia. He is a member of the Malaysian Institute of Accountants and a member of CPA Australia. He has nearly 30 years of experience in financial management, accounting and administration.

As H.R. Owen's Chief Executive Officer ("CEO") since February 2017, he oversees operations of 18 luxury automotive dealerships and 18 automotive aftersales sites across the United Kingdom ("UK"), as well as services businesses such as H.R. Owen Insurance. He is also a Director and CEO of Cardiff City Football Club in the United Kingdom since 2014 and a Director and Managing Director of Kortrijk Football Club in Belgium since 2015.

In the past 12 months, H.R. Owen's Lamborghini Manchester showroom was named Global Dealer of the Year by Lamborghini, Rolls-Royce Motor Cars London was named Whispers Dealer of the Year and Bugatti London is one of just a few Bugatti Partners of Excellence worldwide. World-class customer service is at the core of the H.R. Owen offering.

The company is the official and exclusive dealer in the UK for a number of innovative newcomer brands, including Rimac Automobili, Hennessey and Czinger. In 2023, the company completed the development of its stunning new site in Hatfield, which houses sales and aftersales operations for Bentley, Ferrari, Lamborghini and Maserati and aftersales for Bugatti. It also opened an all-new state-of-the-art aftersales site for the Rolls-Royce brand.



# PROFILE OF KEY SENIOR MANAGEMENT

# **CHEONG TUCK KONG**

Chief Financial Officer of Sports Toto Berhad ("SPToto") and General Manager (Finance) of STM Lottery Date of appointment: 6 October 2022







Male

50 years old

Malaysian

He is an experienced financial professional with 28 years of working experience in multi-national and local corporations across multi-disciplinary functions in financial management, accounting, investor relations, and performance management. With fundamentals in management consulting, auditing, and corporate finance, he has spearheaded finance transformation in major industries comprising fast moving consumer goods, industrial products, and manufacturing.

He qualified as an accountant from CPA Australia and is a member of the Malaysian Institute of Accountants. He graduated with a degree in Accounting and Finance from University of Southern Queensland in Australia in 1996 and completed the International Institute for Management Development ("IMD") Global Leadership Development Program in Lausanne, Switzerland in 2013.

He joined STM Lottery as the General Manager of Finance responsible for financial accounting, treasury, strategic finance, and planning and analysis function to support the gaming operations. To further augment SPToto with its stakeholders, he is leading the investor relations function for the Group.

He also holds directorships in several other private limited companies in the Berjaya Corporation Group of companies.

Save as disclosed, none of the Key senior management have:

- 1. any directorship in public companies and listed issuers;
- 2. any family relationship with any Directors and/or major shareholders of the Company;
- 3. any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries;
- 4. any conviction for offences within the past 5 years other than traffic offences; and
- 5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



This past year has been marked by significant developments and a series of noteworthy events for Sports Toto Berhad ("SPToto"), particularly within the realm of Number Forecast Operators ("NFOs"). Despite the dynamic and sometimes challenging environment in which we operate, our unwavering commitment remains to navigate through any obstacles with resilience and determination.

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DATO' SRI ROBIN TAN YEONG CHING

**Executive Chairman** 



# CHAIRMAN'S STATEMENT

Our foremost objective continues to be the fulfilment of our promise to you by achieving our sustainable goals and maintaining the highest standards of performance and integrity.

We remain steadfast in our mission and are confident in our ability to overcome any challenges that may arise, ensuring that we continue to deliver on our promises and uphold our commitment to sustainability and excellence.

# **Financial Results**

For the financial year under review, the Group registered a revenue of RM6.4 billion, driven by higher revenue contribution from STM Lottery Sdn Bhd ("STM Lottery") and H.R. Owen Plc ("H.R. Owen").

Additionally, the Group's pre-tax profit has increased by 1.0% from RM339.3 million to RM342.8 million in the current financial year under review, primarily attributable to improved performance from STM Lottery, although it was partially offset by lower results reported by H.R. Owen.

In the current financial year under review, STM Lottery continues to attract customers with the most games offerings, creating 18 new millionaires with a total of RM283.8 million jackpot prizes ranging from RM3.0 million to RM64.0 million from its four jackpot games – Toto 4D Jackpot, Star Toto 6/50, Power Toto 6/55, and Supreme Toto 6/58.

The higher revenue and pre-tax growth reported by STM Lottery was due to higher sales per draw generated by higher accumulated jackpot prizes. The rise in pre-tax profit was consistent with its revenue growth, supported by lower prize payout this year.

In contrast, H.R. Owen registered a lower revenue in the current financial year under review attributed to lower sales volumes of car from both the new and used car sectors due to the phasing out of certain current car models along with challenging economic conditions in the United Kingdom ("UK").



Nevertheless, favourable foreign exchange effect resulted in an increase in revenue when converted to Ringgit Malaysia. The decrease in pre-tax profit reported by H.R. Owen was primarily due to higher operating costs in line with inflationary pressures in the UK, higher depreciation from the fully operational Hatfield Centre and the impact of UK interest rate hike in the current financial year under review.

# Economic, Environmental, Social, and Governance ("EESG") Achievements and Goals

SPToto is pleased to report our continued alignment with the FTSE4Good Index Series, as assessed by Bursa Malaysia. This prestigious index recognises companies that meet high standards of environmental, social, and governance ("ESG") performance. Our inclusion in the FTSE4Good Index underscores our commitment to ethical business practices and sustainable development. By adhering to the rigorous criteria set forth by FTSE4Good, we demonstrate our dedication to transparency, responsible management, and

# CHAIRMAN'S STATEMENT

positive societal impact. This achievement not only validates our ongoing ESG efforts but also strengthens our resolve to drive sustainable growth and contribute meaningfully to our community and stakeholders.

The Group has made significant strides in enhancing our EESG performance. In the most recent FTSE Russell ESG rating assessment, the Group achieved a score of 4.0 for financial year 2023, up from 3.4 in financial year 2022.

We are also pleased to highlight our continued commitment to transparency and sustainability through our adherence to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. This year, we assessed our climate-related risks and began identifying opportunities as part of our strategic planning and reporting processes. By aligning with TCFD guidelines, we are not only enhancing our resilience to climate-related impacts but also reinforcing our dedication to responsible governance and sustainable business practices.

Our progress reflects our ongoing efforts to proactively and transparently address climate change, ensuring that we are well-positioned to navigate the evolving environmental landscape while creating long-term value for our stakeholders.

# **Future Prospects**

As of second quarter of 2024, the Malaysian economy is growing at 5.9% as compared to 4.2% in the first quarter. The growth is supported by strong domestic demand and improvement in external demand. However, challenges are expected due to the subdued growth of the global economy.

Legal NFO outlets in Kedah and Perlis closed since 2023 had allowed illegal operators to proliferate in these underserved areas. We are hopeful the legal due process will prevail and allow STM Lottery to re-establish its presence in these states.

In the UK, H.R. Owen remains optimistic about its medium- to long-term prospects, capitalising on strong relationships with renowned luxury car marques and strategic property acquisitions made since 2018. The company aims to navigate the challenging economic landscape posed by elevated inflation and higher interest rates to deliver steadfast and vibrant growth ahead.

In the United States of America, International Lottery & Totalizator Systems, Inc. will continue its research and development for new gaming products to create high quality, secure hardware and software using state-of-the-art technology. This initiative aims to expand its market share and maintain competitiveness in the gaming business.

The Group will endeavour to develop sustainable business models within legislative guidelines to meet its economic, environmental, and sustainable goals. Amidst headwinds in the global economy, SPToto is cautiously optimistic that its business outlook will remain positive and stable for the financial year ending 30 June 2025.



STM Lottery poster of the RM64.6 million Supreme Toto 6/58 Lotto winner.



# **CHAIRMAN'S STATEMENT**

# **Appreciation**

On behalf of the Board, I would like to express our heartfelt appreciation to our customers, shareholders, business associates, financiers, analysts, members of the media, government authorities, and all other stakeholders for their support throughout this challenging year.

I also want to express my sincerest gratitude to the management team, employees, and agents for their undeterred commitment and innovative ways to overcoming the challenges we faced, driving us toward greater sustainable achievement results.

Additionally, I also wish to personally thank my fellow Board members for your insightful contributions and continuous support. With the steadfast commitment from all stakeholders, I am confident that the Group will harness its potentials in providing exceptional value to our shareholders. I look forward to collaborating with all of you to delivering sustainable returns for the Group in the financial year 2025 and beyond.

# DATO' SRI ROBIN TAN YEONG CHING

Executive Chairman



# 主席报告

# ▲ 致所有股东:

在过去的1年里、多多博彩有限公司(以下简称"SPToto")经历了许多重要的企业发展和一系列值得关注的事项、特别是在测字领域(以下简称"NFO")。 虽然经商环境瞬息万变且不时充满挑战、惟本公司始终坚定不移、致力于以 韧性和决心克服一切困难。

> **拿督斯里陈永钦** (执行主席/非独立执行董事)

本公司的首要目标依然是履行对你们的承诺、即努力实现永续发展目标、并保持最高的绩效和诚信标准。

本公司亦坚定不移地履行使命、并有信心能够克服可能出现的任何挑战、以确保能持续兑现承诺、同时间也一如既往地秉持欲推动永续发展和维持卓越表现的承诺。

# 业绩

在检讨中的财政年、本集团在来自STM Lottery私人有限公司(以下简称"STM Lottery")和 H.R. Owen公司(以下简称"H.R. Owen")更高营收贡献的推动下、录得总值64亿令吉的营业额。

同时、在检讨中的财政年、本集团的税前盈利也从上一财政年的3亿3930万令吉、增长1.0%增至3亿4280万令吉。这主要归功于STM Lottery取得较佳的业绩表现、惟H.R. Owen的业绩有所下滑、抵消了部分增幅。

在检讨中的财政年、STM Lottery持续通过其丰富多样的博彩游戏吸引客户们进行投注、并且在其4项积宝游戏中、即多多万字积宝、星运多多六合彩 (6/50),至尊多多六合彩 (6/55) 和好运多多六合彩 (6/58) 派发了总值从300万到6400万令吉不等的积宝奖金、从而缔造了18位新晋百万和千万富翁、让后者开心共享总值2亿8380万令吉的积宝巨奖。

由于更高的累计积宝奖金促使STM Lottery在每个开彩日取得更高的销售额、因此该公司成功录得更高的营收与税前盈利。 在今年较低派彩率的支撑下、该公司的税前盈利与营收亦获得同步增长。

相比之下、H.R. Owen在检讨中的财政年录得较低营收、主要是因为某些车款逐步停产、以及英国经济状况严峻、导致新车和二手车的销量减少。

尽管如此、有利的外汇效应促使该公司所录得的营业额在兑换为令吉后有所增加。H.R. Owen 录得的税前盈利有所下降、主要是基于英国的通货膨胀压力导致营运成本上升,哈特菲尔德中心的折旧成本增加、以及本财政年内英国利率上升的影响。



# 经济、环境、社会与治理(以下简称"EESG") 的成就及目标

SPToto在此欢欣汇报、本集团持续追平由大马交易所评估的富时社会责任 (FTSE4Good) 系列指数。此享负盛名的系列指数旨在表彰那些在环境,社会与治理 (以下简称"ESG") 方面的表现达到高标准的公司。随着本集团被纳入富时社会责任系列指数、此举体现了本集团对秉持恪守商业道德和永续发展的承诺。通过遵循富时社会责任系列指数所设定的严格标准、本集团展现了对透明度,负责任管理和创造社会正面影响力的坚持。此项成就不仅证明了本集团在ESG方面的努力、也增强了本集团推动永续增长,为社群和利益相关者作出积极贡献的决心。

集团在提升 EESG 绩效方面取得了显著进展。在最近的富时罗素 ESG评估中、本集团在 2023 财政年获得了4.0的评分、较 2022 财政年的3.4有了显著提升。

本集团亦欢欣披露、在通过遵循气候相关财务信息披露工作组(以下简称"TCFD")的建议下、本集团会持续致力履行对透明度和永续发展的承诺。今年、本集团评估了气候相关风险、并将开始在策略性规划和报告过程中探索潜在契机。通过遵守TCFD指南、本集团不仅增强了应对气候变化的韧性、也进一步巩固了对负责任治理和可持续性经商手法的承诺。



# 主席报告



这些进展体现了本集团积极,透明地应对气候变化的努力、以确 保本集团能够在瞬息万变的环境中顺利前行、同时为利益相关者 创造长期价值。

# 未来展望与前景

相较于首季的4.2%经济增长、我国经济在2024年次季增长了 5.9%。强劲的内需以及外需的改善推动了次季的经济增长。然 而、全球经济增长乏力、预计会为我国带来一些挑战。

自2023年以来、吉打和玻璃市州内的合法NFO销售站被迫关 闭、导致非法博彩业者渗透这些服务不足的地区、并进行非法赌 博活动。本集团冀望能通过正当的法律程序扭转局势、并让STM Lottery能尽快在上述州属恢复营业。

在英国、随着 H.R. Owen 与多家知名豪华汽车品牌制造商建立了 深厚的合作关系、以及自2018年以来陆续进行策略性的产业收购 活动、该公司因而对其中长期的发展前景深具信心。该公司将会 持续应对高通胀和高利率带来的经济挑战、以在未来实现稳健且 充满活力的增长。

在美国、国际博彩与赛马测彩系统有限公司 (International Lottery & Totalizator Systems, Inc.) 将继续研发新游戏产 品、利用先进技术打造高质量且安全的软硬件。此举旨在扩大其 市占率、并保持其在博彩业的竞争优势。

本集团将努力在法律框架内开发永续经商模式、以实现其经济, 环境和永续发展的目标。在全球经济面临挑战的情况下、SPToto 对截至2025年6月30日的财政年抱持谨慎乐观的态度、并预计在 该财政年中取得正面且稳健的业务前景。

# 感谢

本人谨代表董事部、向所有客户、股东、生意伙伴、融资机构、分 析员, 媒体朋友, 政府监管单位以及其他利益相关者致以万分谢 意、感谢各位在这1年中给予本集团无数的鼓励。

本人也在此向管理层,全体员工和多多代理商致以最诚挚的谢 意、感谢他们在过去1年里兢兢业业地坚守工作岗位、并以创新手 法克服所面对的种种挑战、进一步推动本集团在永续发展方面取 得更大的成就。

本人也在此特别向持续提供宝贵意见与支持的董事部诸位成员、 致以衷心的感谢。在所有利益相关者的共同努力下、本人相信本集 团将能够发掘潜力、为股东们提供卓越的价值。本人期待与大家 携手合作、在2025财政年及未来为本集团在永续发展方面持续 取得成果。

# 拿督斯里陈永钦 执行主席





# **GROUP FINANCIAL SUMMARY**

	2024 USD'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	1,347,261	6,356,108	6,099,660	5,229,328	4,829,148	4,635,664
Profit Before Tax	72,655	342,773	339,269	273,264	282,909	226,816
Profit For The Financial Year	46,746	220,538	231,318	170,215	187,397	133,705
Non-Controlling Interests	(543)	(2,561)	(5,992)	(9,330)	(6,163)	(1,008)
Profit Attributable to Owners of The Parent	46,203	217,977	225,326	160,885	181,234	132,697
Share Capital	28,637	135,103	135,103	135,103	135,103	135,103
Reserves	216,905	1,023,315	952,870	783,489	694,850	634,896
Equity Funds	245,542	1,158,418	1,087,973	918,592	829,953	769,999
Treasury Shares	(544)	(2,568)	(15,864)	(23,626)	(18,631)	(32,165)
Net Equity Funds	244,998	1,155,850	1,072,109	894,966	811,322	737,834
Non-Controlling Interests	14,924	70,409	70,925	61,926	63,783	51,458
Total Equity	259,922	1,226,259	1,143,034	956,892	875,105	789,292
Other Non-Current Liabilities	62,151	293,215	280,192	279,054	313,646	265,331
Borrowings	305,788	1,442,648	1,519,130	1,237,746	1,057,419	1,207,553
Other Current Liabilities	211,603	998,302	993,791	787,117	625,267	646,791
Total Equity And Liabilities	839,464	3,960,424	3,936,147	3,260,809	2,871,437	2,908,967
Property, Plant & Equipment						
and Right-of-use Assets	176,966	834,891	846,079	695,437	629,040	518,577
Intangible Assets	154,778	730,209	729,284	696,603	706,742	691,292
Investments and Other Non-Current Assets	98,659	465,455	438,484	344,803	355,953	374,311
Current Assets	409,061	1,929,869	1,922,300	1,523,966	1,179,702	1,324,787
Total Assets	839,464	3,960,424	3,936,147	3,260,809	2,871,437	2,908,967
Net Assets Per Share (Cents/Sen)	18.16	85.66	80.00	66.82	60.46	55.17
Net Earnings Per Share (Cents/Sen)	3.46	16.30	16.75	11.99	13.51	9.77
Dividend Rate Per Share (Cents/Sen)	2.12	10.00*	9.00	8.70**	8.00	10.40***
Net Dividend Amount (USD'000/RM'000)	28,403	133,999^	120,628	116,378^^	107,456	139,524^^^

# Notes:

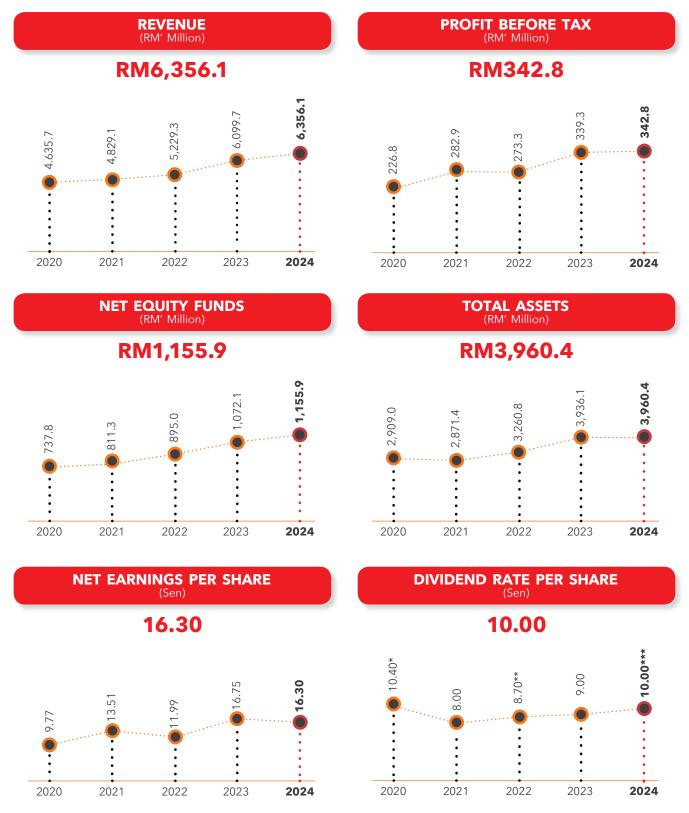
Where additional shares are issued, the earnings per share is calculated based on a weighted average number of shares in issue with voting rights.

Exchange rate as at 30 June 2024: US\$1.00: RM4.7178

- \* This figure included a share dividend of 3.0 sen per share.
- \*\* This figure included a share dividend of 1.7 sen per share.
- \*\*\* This figure included a share dividend of 2.4 sen per share.
- $^{\wedge}$  The dividend amount included share dividend based on treasury shares book cost of RM39.5 million.
- $\,\,^{\wedge\wedge}\,\,$  The dividend amount included share dividend based on treasury shares book cost of RM22.6 million.
- $\,\,{}^{\wedge\wedge}$  The dividend amount included share dividend based on treasury shares book cost of RM31.8 million.



# **GROUP FINANCIAL HIGHLIGHTS**



- \* This figure included a share dividend of 2.4 sen per share.
- \*\* This figure included a share dividend of 1.7 sen per share.
- \*\*\* This figure included a share dividend of 3.0 sen per share.



# Dear Shareholders,

I am delighted to present you the Management Analysis, which provides a detailed overview of Sports Toto Berhad ("SPToto")'s business performance and activities for the financial year that concluded on 30 June 2024.

# NERINE TAN SHEIK PING Chief Executive Officer

Over the course of this past year, SPToto has demonstrated remarkable resilience and tenacity in the face of various challenges and uncertainties. Despite encountering numerous and diverse obstacles, we have remained steadfast in our commitment to excellence and operational integrity. Our unwavering dedication to overcoming these challenges has been a testament to our strength and resolve.

Looking ahead, we are optimistic about our continued growth and development. We are confident in our potential to surpass current limits, thanks to our unwavering commitment to meeting our deliverables and achieving our strategic goals. With persistent efforts and focus, we will continue to achieve new milestones and drive sustained growth.

# **Overview**

SPToto has two main operating segments, namely STM Lottery Sdn Bhd ("STM Lottery") and H.R. Owen Plc ("H.R. Owen"). The core businesses of the Group are operations of Toto betting comprising Digit and Lotto games and luxury motor retailing in the United Kingdom ("UK").

# **Gaming**

STM Lottery, the principal operating subsidiary of SPToto, is the leading Number Forecast Operator ("NFO") in Malaysia. It has approximately \*680 outlets nationwide offering eight different games. Lottery draws are conducted three days a week on every Wednesday, Saturday, and Sunday. The Digit games are Toto 4D, Toto 4D Jackpot, Toto 4D Zodiac, Toto 5D, Toto 6D while the Lotto games are Star Toto 6/50, Power Toto 6/55, and Supreme Toto 6/58.

For the financial year ended 30 June 2024, STM Lottery recorded a revenue of RM2.95 billion with 167 draws conducted, an increase of 4.3% as compared to revenue of RM2.83 billion in the previous financial year with 175 draws

conducted. Despite conducting fewer number of draws in the current financial year, the revenue growth was attributed to higher sales per draw driven by the higher accumulated jackpot prizes. We are committed to re-establishing our presence in the state of Kedah, considering the High Court's ruling overturning the State's ban on business licence renewal. As for Perlis, STM Lottery is addressing the state's legal due process with the same commitment.

Despite headwinds, STM Lottery continued to strive forward by improving the average sales per draw by 9.3% over the previous financial year. We are confident in continued sales growth with focused marketing activities, responsible gaming advocacy and supported by higher accumulated jackpots across all our jackpot games.

All the jackpot games have rewarded customers with significant jackpot prizes. The Toto 4D Jackpot Digit games rewarded the most winners with our top five winners winning between RM12.0 million to RM30.0 million. The Supreme Toto 6/58 Jackpot Lotto games produced two winners with prizes of RM33.5 million and RM64.6 million.

# Note:

\* 24 outlets in Kedah and Perlis are temporarily closed until further notice.



Profit before tax for the financial year under review was RM384.5 million as compared to RM296.6 million in the previous financial year, an increase of 29.6%. This was primarily a result of the higher revenue achieved in line with higher accumulated jackpot prizes and lower prize payout in the financial year under review.

STM Lottery is cautiously optimistic on Malaysia's economic growth but remains vigilant on the macroeconomic uncertainties that may present headwinds to the global economic recovery. The management will spearhead economic, environmental, sustainability and governance ("EESG") practices to harness intrinsic opportunities and leverage on innovation to drive business growth. The World Lottery Association ("WLA") awarded STM Lottery with the Certificate of Accreditation in level 3 of the WLA Responsible Gaming Framework in December 2023. STM Lottery is confident on its fundamentals to maintain its market share in the NFO business and accelerate profitability for the stakeholders in the upcoming financial year 2025.

STM Lottery's gaming system is developed in collaboration with International Lottery & Totalizator Systems, Inc. ("ILTS"), a subsidiary company of the Group in the United States of America. ILTS offers a complete range of lottery products and services such as gaming system software, point of sales wagering terminals, self-check terminals, data communications, and project management.

For over 40 years, ILTS has delivered computerised wagering systems with more than 70,000 terminals, quality support and project management to more than 25 customers across 20 countries. ILTS continues to explore new and emerging technologies to develop innovative gaming systems for new and existing markets.

# **Luxury Motor Retailing**

In the UK, H.R. Owen, a subsidiary of Berjaya Philippines Inc., is a luxury motor retailer for prestige and specialist cars and aftersales service.

In the past 12 months, H.R. Owen has cemented its reputation for world-leading customer service, with Rolls-Royce Motor Cars London named Whispers Dealer of the Year and Lamborghini Manchester winning the Lamborghini Global Dealer of the Year, as well as Best Sales Dealer for the EMEA Region. H.R. Owen's flagship multi-marque state-of-the-art Hatfield Centre is home to five luxury automotive brands and the centre of the brand's launches and events.

H.R. Owen currently owns 18 showrooms and 18 service centres for Rolls-Royce, Ferrari, Bugatti, Lamborghini, Lotus, Maserati, Aston Martin, Bentley, Rimac Automobili, Hennessey, Czinger, Radford, and BAC.





For the financial year ended 30 June 2024, H.R. Owen recorded revenue of £556.6 million with a total of 1,162 new prestige cars and 1,691 preowned cars sold, as compared to revenue of £567.1 million with 1,195 new prestige cars and 1,811 pre-owned cars sold in the previous financial year. The 1.9% decrease in revenue was mainly attributed to lower sales units in both new and used vehicles.

H.R. Owen registered a profit before tax of £2.3 million in the financial year under review as compared to profit before tax of £7.6 million in the previous financial year ended 30 June 2023. The decrease was also due to higher operating costs arising from continuing inflationary pressures, additional depreciation from our new flagship Hatfield Centre and effects of prolonged higher interest rates in the current financial year.

Amidst challenges in the financial year, H.R. Owen optimises the highest standard in luxury motor retailing, and this is reaffirmed by winning 2 prestigious accolades for Rolls-Royce and Lamborghini.



**REVENUE** 

**RM6.4** 

as at 30 June 2024 as compared to

RM6.1 billion

as at 30 June 2023 An increase of 4.2%



2 MAIN OPERATING SEGMENTS IN MALAYSIA AND THE UK

consisting of

**Gaming** and **Luxury Motor Retailing** 







# SPToto as a Group

# **Liquidity and Financial Resources**

The Group maintained higher amount of cash and cash equivalents of RM742.7 million as at 30 June 2024 as compared to RM632.7 million as at 30 June 2023. Nevertheless, it reported a lower current ratio of 1.17 times in the current financial year (2023: 1.24 times) stemming from higher current liabilities arising from reclassification of certain Medium Term Notes to short term borrowings, reflecting their impending maturity.

SPToto's total indebtedness as at 30 June 2024 was lower at RM1.44 billion (2023: RM1.52 billion) arising from lower vehicle stocking loans which was in line with the lower inventories level as at 30 June 2024. The repayment of borrowings made during the financial year under review has also reduced the Group total indebtedness. The Group's gearing ratio was lower in the current financial year under review at 1.18 times as compared to 1.33 times in 2023.



CASH AND CASH EQUIVALENTS OF

RM742.7

# million

as at 30 June 2024 as compared to

RM632.7 million

as at 30 June 2023

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# SUSTAINABILITY STATEMENT















Welcome to the Sports Toto Berhad ("SPToto") Sustainability Statement for 2024.

SPToto operates across various sectors, integrating sustainability practices into every aspect of operations. Addressing economic, environmental, social, and governance ("EESG") factors in decision-making processes delivers a comprehensive sustainability approach to all business endeavours.

Introduced in 2017, this annual sustainability statement has served as our guiding narrative. We consistently refine our disclosure and communication processes, recognising the importance of this statement as a crucial tool to engage with stakeholders and foster collaboration. As part of the Berjaya Group, we are committed to aligning our sustainability efforts with the Group's initiatives and broader goals, including those outlined by the United Nations Sustainable Development Goals.

# Reporting Scope and Boundary

**Reporting Cycle** 

**Reporting Period** 

Reporting
Guidelines and
Principles

Reliability of Information Disclosed

Feedback

SPToto has maintained its focus on the operations of its principal subsidiary in Malaysia, STM Lottery Sdn Bhd ("STM Lottery"), over which the Group exercises significant operational control. Additionally, we report on our overseas business operations in the United Kingdom and the Philippines. Other geographical areas are excluded from this report, as their operations have minimal impact.

Annually

1 July 2023 to 30 June 2024 ("FY2024")

### **Principle Guideline:**

• Referring to the Global Reporting Initiative ("GRI") Universal Standards

# **Additional Guidelines:**

- Bursa Malaysia's Sustainability Reporting Guide, including the enhanced requirements for the Main Market Listing Requirements
- FTSE4Good Bursa Malaysia Index ("FTSE4Good")
- United Nations Sustainable Development Goals ("UNSDGs")

The accuracy of the statement's content has been:

- Reviewed by the Sustainability Committee
- Subjected to external limited assurance by SIRIM QAS International Sdn. Bhd. (refer to the Independent Assurance Statement on pages 74 and 75)
- Approved by the Board of Directors

SPToto is fully committed to listening to stakeholders and welcomes feedback on its sustainability reporting and performance. Please send comments or questions through the 'Contact Us' section of the corporate website www.berjaya.com/sports-toto/contact-us/



# DRIVING SUSTAINABILITY WITH EESG EXCELLENCE

SPToto aims to meet the expectations of all key stakeholders. A strong focus on sustainability is essential for maintaining our legal and social license to operate and preserving stakeholders' trust.

We drive a sustainable business model that benefits our organisation and positively impacts the environment and society. Strategic initiatives help integrate sustainability seamlessly into operations, creating long-term stakeholder value and promoting responsible business practices.

# O SPTOTO SUSTAINABILITY POLICY

Sustainable development, or sustainability, integrates economic outcomes, social responsibility and environmental concerns to improve the quality of life for current and future generations.

Sustainability complements the Company's values to meet consumers' needs, build revenue and profitability and improve the well-being of employees, shareholders and communities.

Through sustainability practices, SPToto develops the economic, environmental and social well-being of critical stakeholders - employees, shareholders, and communities where it operates, locally and overseas.

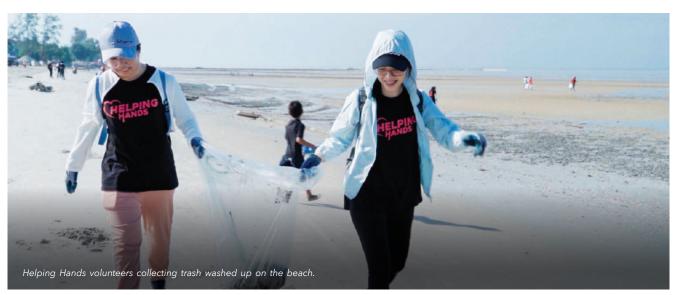
# SPTOTO EARNS FTSE4GOOD 4-STAR RATING: LEADING IN ESG EXCELLENCE

SPToto is dedicated to enhancing its sustainability disclosures to align with local and international standards. The FTSE4Good measures the performance of companies demonstrating specific Environmental, Social, and Governance ("ESG") practices. We are honoured to have achieved the FTSE4Good 4-Star rating in the latest results announced in June 2024. This significant accomplishment places SPToto in the top 10% of the FTSE Russell ESG Ratings among companies in the Consumer Products & Services, Travel and Leisure sub-sector.

# Game-Changing Sustainability: SPToto's Path To Value Creation

SPToto embraces sustainable value creation, integrating eco-consciousness, social responsibility and economic viability into its ethos. Mindful business strategies and operations help SPToto foster long-term benefits for stakeholders and the environment. By prioritising sustainability, SPToto aims to innovate, adapt, and thrive while positively impacting society and future generations.

In pursuing comprehensive sustainability, we recognise the importance of effectively managing our financial, human, social, intellectual, natural, and manufactured capitals. These capitals represent invaluable resources that underpin business operations and shape our global impact. Managing and aligning these capitals with specific focus areas establishes tangible links to outputs and outcomes that define our impact.



# DRIVING SUSTAINABILITY WITH EESG EXCELLENCE

# 0

# **CAPITALS/INPUT**

# **(2)**

# **FOCUS AREA**



### FINANCIAL CAPITAL

(as at 1 July 2023)

# **Total Asset Value: RM3.9 billion**

(including Cash and Cash Equivalents: RM632.7 million)

## Shareholders' funds: RM1.1 billion

SPToto has applied total asset base and shareholders' funds primarily from its gaming operations and luxury motor retailing that contribute to the company's financial capital.



## **HUMAN CAPITAL**

# 1,328 Employees

SPToto invests in skilled employees who drive innovation, customer service and operational efficiency across all business segments. The Group fosters a culture of continuous learning and development to retain top talent and ensure high-performance teams.



# **SOCIAL CAPITAL**

# RM45,326,010 community investments to non-profit groups

SPToto cultivates strong relationships with stakeholders, including customers, suppliers, local communities and regulatory authorities. Prioritising transparency, ethical business practices and corporate social responsibility initiatives allows the Group to build trust and goodwill, enhancing its social capital.



# **INTELLECTUAL CAPITAL**

# ISO/IEC 27001:2013 & WLA-SCS:2020 compliant

SPToto leverages intellectual property, technological advancements, and proprietary gaming algorithms to maintain a competitive edge in the gaming industry.

Read more on page 46.



# NATURAL CAPITAL

SPToto has centralised data tracking for environmental indicators such as energy, waste and water. Additionally, STM Lottery has implemented an Inventory Tracking System to monitor the consumption of Forest Stewardship Council-certified Thermal Ticket Rolls ("TTR").

SPToto recognises the importance of environmental sustainability and strives to minimise its ecological footprint. Responsible waste management practices, energy efficiency initiatives and conservation efforts protect natural resources and preserve biodiversity, safeguarding its natural capital for future generations.



# **MANUFACTURED CAPITAL**

# Showrooms and service centres in the UK & 680\* outlets in Malaysia

SPToto invests in infrastructure, equipment and facilities to support its gaming and automotive businesses. Maintaining and upgrading these assets ensures operational reliability, efficiency, and scalability, enhancing its manufactured capital.

\* 24 outlets in Kedah and Perlis are temporarily closed until further notice.



## **Economic Sustainability**

 Creating long-term shareholder value and added benefits for all stakeholders



### **Environmental Sustainability**

 Reducing the Group's environmental footprint by improving resource efficiency and supporting conservation efforts



### **Social Sustainability**

Engaging with customers and the public according to good market practices and regulatory requirements, conducive workplace practices and community engagement through various initiatives involving the Group's monetary and



# Governance Sustainability

- Ensuring healthy business practices comply with approved policies, standard operating procedures, local laws where we operate and international standards of corporate behaviour
- Promoting fair engagement, accountability and access to justice, internally and externally





# **DRIVING SUSTAINABILITY WITH EESG EXCELLENCE**

management operations

•	OUTPUTS	<b>E</b> IMPACT
	FINANCIAL CAPITAL (as at 30 June 2024)  Revenue and profits primarily generated from lottery sales and luxury motor sales.  Revenue: RM6.4 billion  Profits after tax: RM220.5 million	Profitability, financial stability, and growth potential for SPToto
ارځي د ا	HUMAN CAPITAL  Skilled workforce, innovative ideas, efficient operations, and exceptional customer service  • 529 employees trained and recorded 6,632 total training hours	Increased productivity, employee satisfaction and customer loyalty, leading to improved business performance and competitiveness
	SOCIAL CAPITAL  Positive relationships with customers, suppliers, communities, and regulators, transparent communication and ethical business practices  43,392 beneficiaries from community investments	Trust, reputation, and goodwill, which enhance brand value, mitigate risks and foster long-term sustainability
Ď	<ul> <li>INTELLECTUAL CAPITAL</li> <li>Intellectual property, technological innovations, and proprietary algorithms used in gaming, waste management, hospitality and automotive operations</li> <li>We have achieved the Certificate of Accreditation in Level 3 of the World Lottery Association ("WLA") Responsible Gaming Framework</li> </ul>	Competitive advantage, differentiation, and continuous improvement in products, services and processes, leading to market leadership and profitability
	NATURAL CAPITAL  Sustainable waste management practices, energy-efficient operations, and conservation efforts to protect natural resources  Comprehensive environmental data as reported on pages 70 and 71 of this Annual Report  80 trees planted at the Forest Research Institute Malaysia's forest plantation research station in Melaka  456 kg of recycled waste collected during the STM Lottery Recycling Campaign	Environmental preservation, reduced ecological footprint and resilience to environmental risks, ensuring long-term viability and responsible stewardship
	MANUFACTURED CAPITAL  Infrastructure, equipment and facilities supporting gaming, automotive, hospitality, and waste	Operational reliability, efficiency and scalability, facilitating business expansion and enhancing productivity and service quality



# DRIVING SUSTAINABILITY WITH EESG EXCELLENCE

# **Contributing Towards Collective Goals**

As a responsible corporate citizen, we prioritise initiatives that address global challenges by aligning our efforts with the UNSDGs and recognising our significant impact. Identifying six goals that are particularly appropriate to our operations drives meaningful change in critical areas. Setting Key Performance Indicators ("KPIs") for each topic and diligently monitoring our advancement towards these goals delivers accountability and progress. We play our part in creating a more sustainable and equitable future for all through these concerted efforts.

Goals	Goals Rationale as Defined by the United Nations	КРІ	What We Do
2 NAMES	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	To ensure that a minimum of 400 families in need receive food support each year.	Since July 2021, STM Lottery has collaborated with Kechara Soup Kitchen on its food bank project as part of our Helping Hands programme, aiding disadvantaged families. This year, we began sponsoring shoplots: a larger unit for food donations and an intermediate lot for non-food items. This initiative will benefit around 180,000 people.
3 GORDHAIN AND WILLEARD  —///	Ensure healthy lives and promote well-being for all ages	To reduce medical claims by 10%.	SPToto's meticulous approach to safety is embedded within the Group's Sustainability Policy. Our Health and Safety Policy sets tailored performance standards for each operation and facility. Additionally, the Sports Toto Sports Club, established in 1987, drives our well-being initiatives by organising weekly activities to alleviate stress, promote relaxation, and improve employee health and mental well-being.
4 country	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	To deliver positive impacts to 20 primary schools annually.	The Sports Toto "Reading My Companion" Reading Programme continues to spread the joy of reading to primary school students in rural areas across Penang, Perak, Pahang and Johor.
5 GOMES COUNTY	Achieve gender equality and empower all women and girls	To attain a representation of at least 30% women in top management.	Group HR is focusing on targeted recruitment, ensuring equality in hiring and opportunities, and implementing a balanced work conditions strategy to enhance management representation.
12 GENOVARI AND PRODUCTIN AND PRODUCTIN	Ensure sustainable consumption and production patterns	To maintain continuous compliance with relevant laws and regulations by conducting responsible and ethical operations to provide value to customers and the Group while advancing the industry.	In December 2023, STM Lottery achieved Level 3 accreditation in the WLA Responsible Gaming Framework, demonstrating its integration of Responsible Gaming principles into daily operations. Meanwhile, H.R. Owen and Berjaya Philippines Inc. ("BPI") maintain a strong presence and deliver exceptional experiences within their respective industry stakeholder spheres.
15 or to the state of the state	Protect, restore and promote the sustainable use of terrestrial ecosystems and sustainably managed forests; combat desertification; halt or reverse land degradation and prevent biodiversity loss	To engage in biodiversity and conservation efforts by planting at least 80 trees annually.	SPToto supports biodiversity through initiatives and partnerships that preserve ecosystems and promote sustainability. Examples include STM Lottery's collaboration with MY Clean Beach and Forest Research Institute Malaysia ("FRIM").



## DRIVING SUSTAINABILITY WITH EESG EXCELLENCE

### **Our Sustainability Governance Model**

SPToto's sustainability governance delivers accountability and transparency while effectively managing sustainability initiatives. The Board of Directors helms this governance structure as the apex governing body. The Board's strategic guidance is pivotal for approving SPToto's sustainability development strategy and objectives.

Supporting the Board, the dedicated Sustainability Committee provides valuable insights, advice and proposals within its defined scope. This committee liaises between the Board and various stakeholders, ensuring that sustainability considerations are thoroughly evaluated and integrated into decision-making processes. SPToto also established a Sustainability Working Group.

Sustainability Working Group

- Comprises representatives from essential functional areas
- Responsible for planning and executing sustainability initiatives and policies across the organisation
- Leveraging the expertise and perspectives of diverse stakeholders
- Ensures that sustainability efforts are effectively implemented and aligned with strategic objectives

Heads of SPToto's operating entities are directly accountable for driving sustainable practices within their respective domains, including:

Coordinating
efforts to meet
the Group's
sustainability
targets

Integrating sustainability principles into day-to-day operations

Fostering a culture of continuous improvement

Maintaining transparent communication channels





# STAKEHOLDERS' RELATIONSHIPS AND ENGAGEMENT

SPToto prioritises inclusive dialogue, actively encourages diverse perspectives and integrates stakeholder feedback into decision-making processes. We regularly engage with every stakeholder group through online and offline channels, including social media. Participating in industry seminars improves our understanding of stakeholders' demands and expectations, fostering better industry relations.

### SPToto Stakeholder Engagement: Two-way communication channels dedicated to each stakeholder group

Stakeholder Groups	Areas of Interest	Methods of Engagement	Key Outcomes
Government and regulators	<ul> <li>Compliance</li> <li>Impact from operations</li> <li>Contributions to industry advancement and nation-building</li> </ul>	<ul><li>Reports and compliance</li><li>Periodic meetings</li><li>Materiality survey</li></ul>	<ul> <li>Fostering transparent communication, proactive collaboration and mutual respect to ensure compliance and positive relationships</li> </ul>
Customers	<ul><li>Data privacy</li><li>Results announcement</li><li>Transparent processes</li></ul>	<ul><li>Customer satisfaction surveys</li><li>Regular outlet visits</li><li>Corporate website</li><li>Social media</li><li>Materiality survey</li></ul>	<ul> <li>Delivering exceptional service, understanding their needs and continuously seeking feedback to ensure satisfaction and loyalty</li> </ul>
Employees	<ul><li>Equal opportunities</li><li>Diversity</li><li>Career progression</li><li>Benefits and rewards</li></ul>	<ul> <li>Berjaya intranet</li> <li>Internal communications, such as a biannual newsletter</li> <li>Townhall meetings</li> <li>Events and functions</li> <li>Employee grievance system</li> <li>Materiality survey</li> <li>Employee commuting survey</li> </ul>	Fostering a culture of open communication, providing opportunities for growth and development and recognising their contributions to create a motivated and empowered workforce
Suppliers	<ul> <li>Fair procurement</li> <li>Efficient supply chain management</li> </ul>	<ul> <li>Service delivery feedback</li> <li>Collaboration, training and events</li> <li>Meetings and discussions</li> <li>Materiality survey</li> </ul>	<ul> <li>Building solid partnerships, maintaining clear communication channels, fostering mutual trust and collaboration to ensure quality, efficiency and sustainability throughout the supply chain</li> </ul>
Communities and non-governmental organisations	<ul> <li>Social and economic development</li> <li>Local community development</li> <li>Long-term engagement</li> </ul>	<ul> <li>Community collaboration and consultation</li> <li>Philanthropic activities</li> <li>Volunteerism programmes</li> <li>Events and roadshows</li> <li>Materiality survey</li> </ul>	<ul> <li>Prioritising active involvement, transparent communication and collaborative initiatives that address local needs and create a positive impact</li> </ul>
Media	<ul> <li>Sustainability matters</li> <li>Group's performance</li> <li>Compliance</li> <li>News releases, updates and projections</li> </ul>	<ul><li>Media releases</li><li>Regular updates</li><li>Events and festive visits</li><li>Materiality survey</li></ul>	<ul> <li>Fostering transparent and trusting relationships, providing timely and accurate information and leveraging opportunities for constructive dialogue to ensure effective communication</li> </ul>
Investors and stock analysts	<ul><li>Business performance</li><li>Risk management</li><li>Updates and projection</li></ul>	<ul> <li>Results announcement meetings</li> <li>Annual general meetings</li> <li>Regular updates and communication</li> <li>Corporate website</li> <li>Briefings and updates</li> <li>Materiality survey</li> </ul>	Emphasising transparent communication, providing comprehensive and accurate information and fostering trust to ensure alignment with strategic objectives and maintain confidence in our organisation

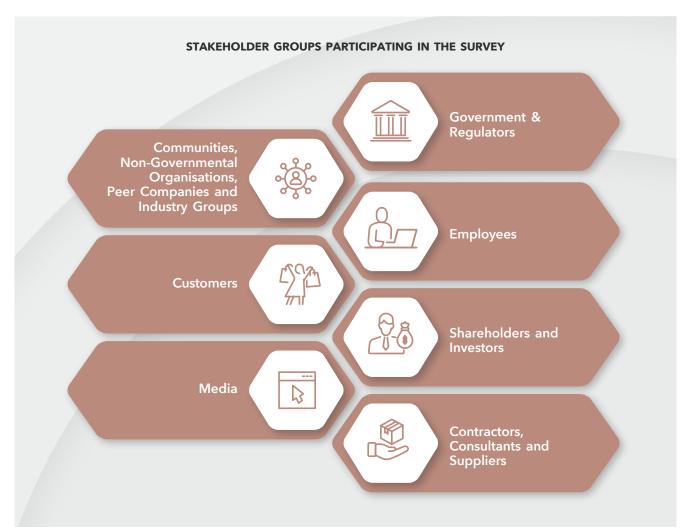


Materiality is a foundational pillar in SPToto's sustainability initiatives, directing the Group in identifying and tackling essential EESG matters.

Conducting a fresh materiality mapping exercise this year identified our current sustainability priorities. This exercise enables us to streamline focus, allocate resources effectively and drive meaningful progress toward sustainability goals, fostering resilience and maintaining stakeholder trust.

### The Methodology

During the last quarter of FY2024, SPToto conducted a full-scale materiality study involving internal and external stakeholders to evaluate the importance of 18 sustainability areas. Stakeholders used a 5-point Likert Symmetric Scale, ranging from "very unimportant" (1) to "very important" (5), with a midpoint of (3) indicating neutrality. The Board and Senior Management Team also participated in the survey, providing insights aligned with the Group's strategic perspective.





We place great emphasis on fulfilling our commitments to every material matter. Additionally, we meticulously map each matter against the UNSDGs. This dual approach ensures that our efforts add value to our stakeholders and the business, and contributes to addressing global challenges.



### **ECONOMIC ENVIRONMENT SOCIAL** Energy and Climate Change Management Employee Wellness, Engagement and Satisfaction M1 Risk Management M11 Occupational Safety and Health Supply Chain Management Resource Management Diversity, Inclusion and Talent Development Compliance Waste Management Water Management M13 Human Rights Biodiversity M14 Customer Engagement Preventing Pollution M15 Integrated Marketing Communications M16 Data Privacy and Security M17 Community and Society M18 Responsible Gaming



Sustainability Topic	What We Do	Related UNSDGs
	ECONOMIC	
Risk Management	Managing product, supplier, business, environmental, social and brand risks across the value chain	8 TERM SHALES TO THE THREE THR
Supply Chain Management	Sourcing materials responsibly and working with supply chain partners to deliver the highest quality products and services	8 ESCHARGOUN 12 ESCHARGOUN CONTROL OF THE CONTROL OF T
M3 Compliance	Complying with legal (e.g. anti-corruption and anti-competition regulations) and other core operational regulations (e.g. environment, labour law, safety and health, and gaming laws)	16 vincents Nitrition
	ENVIRONMENT	
Energy and Climate Change Management	Introducing strategic measures to optimise energy use, reduce carbon emissions and mitigate environmental impact, ensuring sustainable and responsible business practices	7 stimulation   8 monomous   12 monomis   13 min   13 min   13 min   14 min   15 min
Resource Management	Conserving natural resources to address issues such as biodiversity, water quality and land preservation to minimise environmental impact and promote ecological balance	6 sanding 12 seconds 14 distribution 12 seconds 14 distribution 14 distribution 15 seconds 15 seconds 16 distribution 15 seconds
Waste Management	Systematically handling, collecting, disposing and recycling waste materials to minimise environmental impact, promote sustainability and manage resources efficiently and responsibly	3 services 6 services 11 services 14 showers 14 showers
Water Management	Using water efficiently and minimising its consumption throughout operations	6 susuant to construct to const
M8 Biodiversity	Implementing measures to conserve and sustainably manage ecosystems, species and genetic diversity, safeguarding biodiversity and promoting environmental resilience for future generations	14 # Townson   15 th to   15 th t
Preventing Pollution	Minimising the release of harmful substances into the environment to protect human health and ecosystems for a cleaner and healthier planet	11 second 12 14 second 15

Sustainability Topic	What We Do	Related UNSDGs
	SOCIAL	
Employee Wellness, Engagement and Satisfaction	Prioritising employees' health and well-being through regular engagement to attract and retain the best talent	3 mentions
M11 Occupational Safety and Health	Upholding workplace safety for injury prevention and eliminating workplace health and safety risks through safety assessments and initiatives	3 separation   8 secretarians   16 secretarians
Diversity, Inclusion and Talent Development	Empowering employees to grow by creating positive working relationships with our diverse employees and providing opportunities for career development	4 5500 8 6500 10 5 5000 10 10 5000 10 10 5000 10 10 5000 10 10 5000 10 10 5000 10 10 5000 10 10 10 10 10 10 10 10 10 10 10 10
M13 Human Rights	Protecting the rights of all stakeholders by providing decent conditions for workers, such as eliminating excessive working hours and providing decent accommodation	5 mm   8 mm mm   10 mm m
M14 Customer Engagement	Training staff regularly to improve customer service levels, rewarding customers through our loyalty programme and assessing their needs to improve satisfaction	11 menoments 12 movems approximate approxi
M15 Integrated Marketing Communications	Delivering clear and concise promotional materials across all media channels with coherent and consistent messaging	11 menometer 10 menome Montes
M16  Data Privacy and  Security	Protecting customers and other users' data during all transactions and loyalty schemes	16 MALERIN Manual Ma Manual Manual Manual Ma Manual Manual Manual Manual Manual Manual Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma
M17 Community and Society	Strengthening our local communities by organising multiple corporate social responsibility programmes and collaborating with partners to raise awareness	1 West State of the State of th
M18 Responsible Gaming	Initiatives to protect vulnerable groups from the ills of illegal gambling and advocate responsible gaming experiences to prevent gaming problems	9 housements  12 months  16 minutes  17 months  18 minutes  18 minutes  19 minutes  19 minutes  10 minutes  10 minutes  10 minutes  11 minutes  12 minutes  13 minutes  14 minutes  15 minutes  16 minutes  17 minutes  18 minutes  18 minutes  18 minutes  18 minutes  19 minutes  19 minutes  10 min



SPToto contributes significantly to economic sustainability through its diverse operations portfolio, including the number forecast operation ("NFO") business, luxury motor retailing, hospitality and landfill.

This comprehensive array generates revenue and creates jobs; the computerised lottery and gaming systems drive technological innovations.

SPToto's hospitality ventures stimulate local economies and tourism while its luxury motor retailing and aftersales services enhance economic stability. The Group's recent expansion into landfill operations further strengthens its contribution by providing waste management solutions, creating jobs and generating revenue through waste disposal services. SPToto extends its economic impact globally through its international subsidiaries, promoting growth and sustainability across various sectors.

For more information on the Group's financial performance, please refer to the Group Financial Summary and Highlights on pages 22 and 23 of the SPToto Annual Report 2024.

## Accelerating Industry Progress Through Collaboration

Extensive industry partnerships and connections enable us to actively contribute our expertise to advance the nation and the industry. Collaborations, memberships, partnerships and other dynamic exchanges of ideas and resources foster synergistic relationships where stakeholders combine knowledge and innovation to elevate industry standards.

STM Lottery is an active member of the WLA and the Asia Pacific Lottery Association ("APLA"). We work through these memberships to provide players with responsible and entertaining gaming products. The WLA is an international, member-based organisation of state-authorised lotteries,

sports betting operators and suppliers to the global lottery industry. With this membership, we support the two internationally recognised standards for the lottery industry: the WLA Security Control Standard ("WLA-SCS") and the WLA Responsible Gaming Framework ("WLA-RGF").

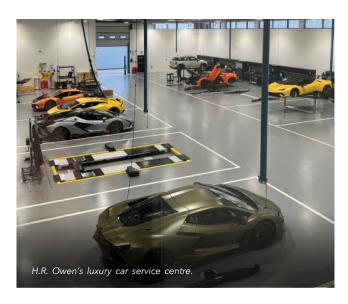
SPToto also participates in industry collaborations for a sustainable supply chain that promotes responsible, relevant and effective purchasing practices and ethics. In the Philippines, the Perdana Hotel Philippines Inc., an entity under BPI's hospitality segment, is an active member of the Association of Purchasing Managers of Hotels & Restaurants of the Philippines ("APMHRP").

We keep abreast of labour standards in our operating regions through our memberships in the Malaysian Employers Federation ("MEF") and the People Management Association of the Philippines ("PMAP").

## Redefining Luxury In The Automotive Industry

H.R. Owen stands at the forefront of the automotive industry in the UK, serving as the premier Luxury Motor Group. Dedication to excellence is evident in exclusive retailing and aftersales service of the world's most prestigious car brands. From iconic names like Bugatti, Czinger, Rimec and Hennessey to renowned manufacturers like Ferrari, Lamborghini, Rolls-Royce and Bentley, our portfolio epitomises luxury and sophistication. Operating showrooms and service centres throughout London and the UK, we provide unparalleled access to these exceptional vehicles while delivering top-notch service and support. H.R. Owen continues to shape the automotive landscape, setting new standards of luxury and performance through a solid commitment to quality and innovation.









H.R. Owen Lamborghini Manchester Named As Global Dealer Of The Year

Lamborghini Manchester, part of the H.R. Owen Group, has been honoured as Lamborghini Global Dealer of the Year at the manufacturer's Annual Dealer Meeting in Italy. This prestigious award recognises outstanding performance across various criteria, including sales targets, aftersales services, and customer care. Just over a year after officially launching the newly refurbished Lamborghini Manchester showroom, this recognition demonstrates H.R. Owen's commitment to providing world-class customer experiences.

The showroom, named Best Sales Dealer for the EMEA region, showcases the latest Lamborghini technology and design across its 370 sq. m space, presenting the full Lamborghini model ranges.

Lamborghini Hatfield, another notable addition to the Group, was the second-best dealer overall and the third-best sales dealership in the EMEA region. Situated in a new flagship development by the H.R. Owen Group since early 2023, the Hatfield showroom exemplifies the Group's dedication to the legendary super sports cars of Sant'Agata. The showroom enhances the Group's reputation for excellence in the luxury automotive sector, featuring a 500 sq. m display area, an Ad Personam studio for bespoke personalisation and a cutting-edge 870 sq. m aftersales facility.



**Rolls-Royce Motor Cars London Was** Named Global Dealer Of The Year For The Second Time In Five Years

Rolls-Royce Motor Cars London is the first to win three awards in total during a single year. The Global Dealer of the Year Award recognises consistent excellence across all business areas, not just sales, grading dealers on their performance in aftersales, marketing efforts and customer engagement. Rolls-Royce Motor Cars London's performance was so excellent that it won two additional awards: Regional Whispers Dealer of the Year and Regional Sales Dealer of the Year.

The interior concept of the new showroom is based on a luxury Galleria shopping experience. Each Rolls-Royce model enjoys its dedicated space, framed and presented according to its distinctive personality and identity. A kinetic lighting arrangement illuminates the area in which clients take delivery of their commission, using different sequences and orientations to create an engaging atmosphere, dependent on the product.



Maserati Joins H.R. Owen's Flagship Multi-Marque Facility As The Latest **Addition** 

Maserati recently joined H.R. Owen's flagship multimarque facility by opening its first new store concept in the UK, Maserati Hatfield. Within one of the five showrooms on the 110,000 sq. ft site, which includes three workshops, event space, and offices, Maserati Hatfield adds to the expanding portfolio of H.R. Owen Maserati sales and service sites across the UK.

Guests attended an exclusive soirée with Maserati Global Brand Ambassador David Beckham. Hatfield is the first UK showroom to showcase Maserati's 'new store concept', designed to reflect the brand's expertise in Italian luxury craftsmanship. The welcoming and contemporary setting resembles a modern living area, exuding Italian elegance with a colour palette reminiscent of rustic hues in Italian countryside villages.

Visitors can enjoy the relaxed café lounge area, explore a dedicated space for merchandise, and engage with 'Fuoriserie' - Maserati's cutting-edge 3D digital customisation programme.



### **Welcoming Lotus**

H.R. Owen welcomes Lotus into the world's most iconic luxury and performance car brand lineup. This partnership marks a significant milestone, as H.R. Owen becomes the newest retailer for Lotus in the UK. With a rich luxury car sales and servicing history, we introduced the groundbreaking EV series - Evija, Emira and Eletre models and the newly unveiled Emeya to our discerning clientele.



### **Sustainable Supply Chain**

SPToto's sustainable procurement strategy meticulously considers environmental, social and economic impacts throughout the lifecycle when procuring goods, services and works. Sustainable procurement is deeply integrated into our operational framework, ensuring that our purchasing decisions align with our sustainability commitment.



Despite minimal supply-chain sustainability risks, we engage in global procurement across a diverse spectrum of services and products. Where feasible, our influence drives improvements in the social and environmental standards of our business partners, suppliers and stakeholders.

STM Lottery formalised its expectations of suppliers' ethics, compliance, and social and environmental responsibilities in its Supplier Code of Conduct ("SCOC"). To date, over 90% of our suppliers have acknowledged the SCOC. We prioritise cultivating open, enduring relationships with our strategic partners and suppliers. Dedicated communication channels foster mutual engagement through regular meetings, emails, phone calls and social media interactions.

### **Local Sourcing And Employment**

SPToto is steadfast in its commitment to local sourcing and employment. We prioritise engaging local suppliers, utilising local resources and creating job opportunities within our communities. This commitment aligns with our sustainability goals, promoting economic growth, fostering community development, and minimising our environmental footprint. Sourcing locally and hiring from local communities supports the local economy and builds more robust, resilient relationships with neighbours.

SPToto prioritises local sourcing and employment; however, certain operations necessitate niche offerings that are not readily available within the local market. In such cases, we actively seek foreign suppliers with the expertise to fulfil our specialised needs.



- Fostering stronger ties with the local community
- Enhancing local economy
- Growth and sustainability of local businesses through capacity building
- Job creation, workforce development and empowerment

For instance, International Lottery & Totalizator Systems, Inc. designs and develops a customised lottery system tailored to STM Lottery's requirements. This system, unique to our organisation, required specialised components and technical know-how that were not readily accessible locally.

Specific spare parts of our terminals, such as touch displays, module chassis, circuit boards, and cables, are essential components that are highly specialised and not produced within our local market. Sourcing these components from foreign suppliers ensures that we can maintain the functionality and reliability of our terminals without compromising on quality or performance.

While we remain committed to supporting local businesses wherever possible, our collaboration with foreign suppliers for niche offerings underscores our dedication to delivering cutting-edge solutions that meet the unique demands of our operations.

### **Socially And Environmentally Sustainable Supply Chain**

Our operations must comply with many statutory employment laws across operating countries. These regulations encompass a broad spectrum of social and environmental elements, reflecting our commitment to upholding ethical standards and promoting sustainable practices.

These statutory employment laws mandate adherence to labour standards, including provisions for fair wages, safe working conditions and non-discrimination in the workplace. They often incorporate environmental regulations to minimise our ecological footprint and promote responsible resource management.

SPToto complies with these laws to ensure its operations meet legal requirements and uphold our values of social responsibility and environmental stewardship. The Group aims to perform due diligence to ensure its supply chain is environmentally and socially responsible by carrying out the following steps:

### **Environmentally Friendly Supply Chain**

- Supplier sourcing assessment includes elements such as energy use, greenhouse gas emissions and other climate change impact measurements, water use, biodiversity impacts, pollution, waste reduction, resource use and other environmental issues
- Environmental policies are integrated into the supply chain

### **Socially Friendly Supply Chain**

SPToto ensures that its major supply chain partners adhere to all social standards stipulated by local labour law and policies. We also have policies in place that:

- Prevent child labour: all suppliers must adhere to the local labour law on the minimum legal working age.
- Prevent forced labour.
- Provide equal opportunities and non-discrimination.
- Promote freedom of association according to local laws where everyone has the right to belong to any organisation of their choice.
- · Support the right to collective bargaining and forming a union according to local law.
- Eliminate excessive working hours by offering fair overtime pay and limiting working hours.
- Meet or exceed the minimum wage.
- Introduce a health and safety policy, code and standards for providing a safe and healthy workplace, complying with local laws.

SPToto expects suppliers to inform their workers of their social obligations in a language they can understand.

SPToto communicates the social and environmental conduct expected from major suppliers through its regular engagement channels, such as emails and meetings, written in the purchasing policy and our new supplier contracts. Moving forward, we intend to invest in training and capacity building of our supply chain to improve our collective social and environmental performance.

### **Supply Chain Efficiency**

As an innovative leader in the gaming industry, STM Lottery regularly introduces new processes and technology to meet the evolving expectations of the gaming market. The Field Support Department operates nine service centres nationwide, with ample Point of Sale ("POS") terminal machines to swiftly replace faulty units. Regarding logistics and risk management, STM Lottery collaborates with two suppliers of TTR.

### Supply Chain Efficiency Initiatives

#### **STM Lottery**

Monitors reported and attended service calls with a comprehensive service call tracking system

Oversees inventory using a sophisticated stock control management system

Develops and consistently upgrades both systems in-house to enhance efficiency and user-friendliness

Employs a buffer stock management system as a vital business continuity plan strategy component



### **Ethical Business Conduct**

SPToto upholds ethical business conduct through its comprehensive Code of Conduct. Prioritising integrity and compliance across all operational aspects fosters growth, innovation and a culture of respect and transparency. Fulfilling our duty to customers, business associates, communities and stakeholders ensures that SPToto remains a trusted and responsible entity in the global business arena.

### **Anti-Bribery and Anti-Corruption**

SPToto is dedicated to conducting business ethically, adhering to all relevant anti-bribery, anti-fraud, and anti-corruption laws and regulations in the countries where operations are based. This commitment includes complying with Section 17A of the Malaysian Anti-Corruption Act 2009 in Malaysia and The Bribery Act 2010 in the UK.

Day-to-day operations maintain a zero-tolerance stance against all forms of bribery, fraud and corruption, including money laundering.

### **Anti-Bribery And Anti-Corruption Measures**

- Clear policies and objectives that address corruption risks
- Bribery risk assessment conducted biennially
- Awareness of Berjaya's policies and commitments to anti-corruption internally and externally
- Establishment of whistleblowing channels
- The Board of Directors are responsible to lead, advise and oversee anti-bribery and anti-corruption

The Group communicates its stance on anti-bribery and anti-corruption to all employees through BERJAYA's T.R.U.S.T. concept, code of conduct and employee handbook. Every employee receives these documents upon joining the company. SPToto ensures that staff are familiar with its anti-corruption ethos through comprehensive training. An annual refresher course on anti-bribery and anti-corruption, conducted in collaboration with Berjaya University College, reinforces these principles.

The Board of Directors is primarily responsible for establishing and ensuring the effectiveness of the anti-bribery and anti-corruption programme. The Group's monitoring and enforcement procedures ensure compliance with anti-corruption laws in its operating countries.

STM Lottery conducts an annual review and audit at all company-owned sales and administrative offices, sales outlets and selected agent sales outlets. The Internal Audit Department reviewed 583 offices or outlets, focusing on antimoney laundering measures. These audits assess the company's internal controls, operations and compliance.

#### **Total Audit Sessions Conducted in FY2024**

Offices/outlets	Number
Company-owned sales and administrative offices	22
Company-owned sales outlets	28
Agent sales outlets	533
Total	583

The Bribery Risk Assessment forms the basis of anti-bribery and anti-corruption policies. The Group conducts assessments periodically, as directed by the Berjaya Group. We aim to perform at least one comprehensive evaluation and review every two years. The assessment covers:

- Identifying opportunities for corrupt practices arising from system loopholes and weaknesses
- Examining financial transactions that may be disguised as routine payments but intended for bribery and corrupt practices
- Assessing high-risk business activities that may lead to corruption or expose the Group to bribery and corrupt practices
- Evaluating external parties (e.g., business associates, partners, agents, sales representatives, promoters) who may engage in bribery or corruption
- Analysing vulnerable areas within the supply chain susceptible to bribery and corrupt practices (both inbound and outbound)

A thorough comprehension of corruption risk exposure forms the cornerstone of an effective anti-corruption compliance programme. SPToto actively engages in identifying its corruption risks, including bribery, as integral components of its risk register. This understanding enables the Group to design efficient mitigation strategies and allocate resources strategically to counter potential bribery, corruption and fraud, particularly in high-risk operations.

With an updated risk register introduced in 2024, SPToto is committed to conducting corruption risk assessments for intermediaries, such as contractors and agents, and communicating our anti-corruption policy to them. These risk assessments identify, evaluate, measure and rank critical corruption and bribery risk areas with significant potential or likely influence over operations and all levels of management.

Since 2022, all suppliers must sign the Integrity Declaration Form to acknowledge BERJAYA's T.R.U.S.T. Concept and Anti-Corruption Laws.

Carrying out due diligence helps us understand business partners, agents or associates while assessing the nature and extent of bribery risks relating to planned or ongoing relationships with specific categories of business associates or employees in management and decision-making positions. H.R. Owen conducts a credit check with a reference agency as part of its account opening process.

### Whistleblowing

Every employee is responsible for preventing and reporting instances of corruption, bribery, suspicious activity or wrongdoing that may lead to bribery using our whistleblowing channels. This confidential reporting mechanism covers all elements of anti-corruption and bribery. Employees found involved in bribery are subject to disciplinary proceedings, which may include demotion, suspension, dismissal or legal action.

SPToto's whistleblowing policy extends to all employees and external parties with business relationships, ensuring that individuals raising concerns or reporting non-compliance or any unethical act, including corruption and bribery, in good faith are protected from any forms of retaliation and treated with the utmost confidentiality.

Whistleblowers can submit their reports directly to our senior independent director or Chief Executive Officer via email or letter. If the report implicates the CEO in wrongdoing, the whistleblower should address it to another director, who will then refer it to the Board of Directors.

We take all necessary measures to safeguard the confidentiality and identity of the whistleblower unless otherwise mandated by law. For further details, please refer to our Whistleblowing Policy and Procedures at the following link: <a href="www.berjaya.com/pdf/stoto/policies/stoto-whistleblowing-policy-procedures-230914.pdf">www.berjaya.com/pdf/stoto/policies/stoto-whistleblowing-policy-procedures-230914.pdf</a>.

### **Draw Process**

STM Lottery has attained compliance with the World Lottery Association Security Control Standard: 2020 (WLA-SCS: 2020), the sole internationally recognised security standard within the lottery sector as well as the international standard to manage information security by the International Organization for Standardization ("ISO") and the International Electrotechnical Commission ("IEC"), ISO/IEC 27001:2013. Achieving this standard underscores our robust security management framework, ensuring the integrity, availability and confidentiality of critical information essential for secure operations.

STM Lottery's draw proceedings undergo meticulous scrutiny to ensure transparency and prevent fraud or mishandling, as this aspect is critical to maintaining public trust. Adherence to the Toto Draw Standard Operating Procedure and controls advocated by the WLA has significantly fortified draw management, operations and conduct.

Toto draws use pneumatic draw machines with transparent tubes, chambers and bodies, providing a clear view of the entire loading, mixing and selection process. Draws are conducted in full view of the public, observed and presided over by a Panel of Judges who are also members of the public.



Draws are open to the public



Cameras record all draws



Independent judges officially observe draws



A dedicated team is responsible for the integrity, security and accuracy of the draw results and betting data

Cameras record the draws to ensure they are transparent, accountable and fair. The Internal Audit Department audits the process regularly, and the external auditor audits annually in compliance with the ISO/IEC 27001: 2013 and WLA-SCS 2020.



SPToto prioritises environmental sustainability as a cornerstone of its business philosophy, with this commitment emphasised by the board's leadership. The Group remains vigilant in monitoring and managing its ecological impact.

SPToto reduces its environmental footprint through resource conservation, waste minimisation and emission reduction strategies. Strictly adhering to its Environmental Quality Policy, SPToto ensures compliance with relevant environmental legislation and regulations across all operational fronts. The board appointed the Sustainability Committee to spearhead the development and execution of comprehensive environmental strategies, policies and initiatives. These efforts reflect the Group's unwavering dedication to achieving environmental targets and fostering continual improvement in environmental performance.

### **Environmental Quality Policy**

SPToto's Environmental Quality Policy focuses on developing and improving environmental quality in its products, processes and operations wherever it operates. The Policy aims to achieve the following goals:

Ensure the Company's products and services, processes and operations are relatively safe for its employees, consumers and the environment.

Reduce the environmental impact of the Company's products and services, processing and distribution and promote the use of renewables whenever possible to sustainably manage energy, water and waste, in line with the environmental goals such as reducing pollution and other hazards.

Support the sustainable and responsible use of resources in the Company's business ecosystem, which includes operations, processes and activities and encourage renewable strategies in the form of "re-use, reduce and recycle" where possible.

Endeavour to comply with all requirements of all environmental laws and regulations and formulate cost-effective ways to comply with good environmental practices.

Encourage employees to understand and be responsible for incorporating environmental quality considerations in their daily business activities.

### **Sustainable Materials**

Given its extensive utilisation across various operations, our materials management focuses primarily on paper. We are efficiently managing this resource for operational efficiency and upholding our commitment to sustainability.

Prioritising sustainable sourcing, usage, and disposal of paper helps mitigate our environmental impact while advocating responsible resource stewardship. Initiatives encompassing paper reduction practices, using recycled paper and embracing digital alternatives balance meeting operational requirements and minimising our ecological footprint.

### **Eco-Friendly Thermal Papers**

SPToto sets a precedent in promoting green, sustainable practices within the ticketing industry. Recognising TTR's pivotal role in the business, we only source the highest quality and most sustainable options. We balance efficient, heat-sensitive printing and eco-friendly practices, considering this objective as paramount. This approach ensures functionality and significantly reduces our environmental footprint while advocating responsible resource management within ticketing systems.

The Group also transitioned to using wood-free materials and has opted for one of the finest grades of wholly recycled materials sourced from renewable fibres by International Paper Mills. These thermal papers undergo meticulous distribution and monitoring through our computerised Ticket Roll and Inventory Tracking System, ensuring optimal efficiency and productivity while minimising waste.

Furthermore, we have extended our eco-friendly practices to include using recycled paper for bet slips at our sales outlets and embracing environmentally conscious choices in material sourcing and utilisation.

Our thermal paper supplier is certified with ISO 9001 and ISO 13485 for direct thermal and thermal transfer products manufactured in Southeast Asia. They also conform to the Environmental Management System Standards: ISO 14001:2015.

Our TTR suppliers adhere to international standards, such as the Chain of Custody certification by the Forest Stewardship Council ("FSC"). This certification verifies that materials follow rigorous standards during production, services, research and development, and storage while meeting social and environmental standards. Our supplier has previously received a gold award at the EcoVadis Sustainable Procurement Leadership Awards, recognising its leading efforts in integrating sustainability into its processes.



### **Minimising Paper Use**

SPToto continued its paper reduction practices and introduced office paper minimisation initiatives to transition towards a paperless environment. These efforts align with our broader commitment to responsible resource management and environmental stewardship. Salient paper reduction initiatives at SPToto include:

- Implementing paper reduction practices in offices: dual-side printing, 'save paper' reminders and 3R corners
- Transitioning to paperless offices globally: utilising cloud storage and electronic document systems
- Other resource optimisation initiatives: monitoring photocopier use, using refillable ink cartridges, and incorporating recycled paper for drafts
- Advanced inventory management software system: tracks thermal ticket roll usage from warehouse to sales agents to minimise wastage and misuse with barcode-equipped rolls

### **Energy Management**

While our operations may not be energy-intensive, we remain committed to responsible resource usage and complying with all relevant environmental legislation in our operating regions. Some countries impose additional requirements for overseas operations, such as the UK Government's Energy Savings Opportunity Scheme, which is subject to different laws. H.R. Owen must measure its total energy consumption, conduct energy audits, and invest in energy-saving fit-outs to refurbish existing and new sites.

Our outlets, restaurants and showrooms are significant energy consumers despite not facing the same challenges as more energy-intensive sectors. SPToto remains determined to reduce its future carbon footprint and environmental impact through daily practices. Key actions include:

STM Lottery	<ul> <li>Switching 100% of office lights to LED reduces electricity by at least 25%.</li> <li>STM Lottery dims corridor, venue foyer and common area illumination by half after 10 pm.</li> <li>Replacing outdated air conditioners in our data centre with precision alternatives ensures 24-hour air conditioning for servers featuring energy-saving DC inverter compressors, eco-friendly R410A refrigerants and EC fan technology to regulate airflow and reduce power consumption. The in-floor configuration minimises energy usage in downflow units.</li> <li>STM Lottery procured a battery-operated forklift with a 1.5-tonne load capacity.</li> <li>Migrating head office computers and laptops to Windows 10/11 enhances carbon management practices.</li> </ul>
H.R. Owen	<ul> <li>H.R. Owen's Hatfield site's photovoltaic system generates 100,000 kWh a year, approximately 7% of its electricity consumption.</li> <li>Conducting ESOS audits every four years meets UK requirements.</li> <li>The Lotus Emeya, an electric four-door hyper-GT, bolsters electric vehicles and clean energy. Its dual-motor setup accelerates from 0-60mph in 2.8 seconds, delivers up to 905hp and offers a range of up to 370 miles.</li> </ul>
BPI	• BPI equipped all Perdana Hotel Philippines Inc. (branded as Berjaya Makati Hotel) rooms with LED lights and televisions.



### **Climate Change Management**

Mitigating risks is a significant part of SPToto's commitment to managing climate change by reducing its environmental impacts. Although our business operations do not involve substantial ecological hazards, they emit greenhouse gases that are responsible for climate change. We recognise the devastating effects of climate change and its associated short- and long-term business risks.

Our strategy improves operational efficiency to minimise climate change impacts, which includes:

- Working with employees and supply chain partners on energy-saving processes
- Conducting a comprehensive climate change risk assessment
- · Adapting to climate change by adopting new green technologies
- Implementing fuel efficiency measures

We have phased out the company car policy for managerial employees and upgraded their car allowance to promote greener commuting. STM Lottery is considering Euro-4 trucks compliant with the Euro-4 standard. These trucks offer energy efficiency and environmental benefits by reducing harmful emissions such as nitrogen oxides, particulate matters, carbon monoxide and hydrocarbons, improving air quality and aligning with government environmental policies.

Our carbon footprint performance is presented in the sustainability performance data table on pages 70 and 71, with the scope and coverage outlined for data compilation.

Consolidation method in calculating the carbon footprint

Operational

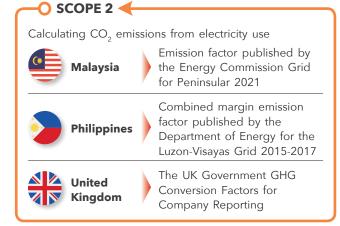
Organisational boundary in calculating carbon footprint

Accounts for 100% GHG emissions where SPToto has the authority to implement operational policies



SPToto uses petrol and diesel to power company-owned vehicles and small amounts of diesel to test its generators. H.R. Owen consumes significant liquified natural gas while BPI uses liquified petroleum gas in its hotel kitchen.

SPToto derived the carbon dioxide (" ${\rm CO_2}$ ") emissions from fuel consumption from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories. The UK Government GHG Conversion Factors for Company Reporting calculated the emissions from natural gas.







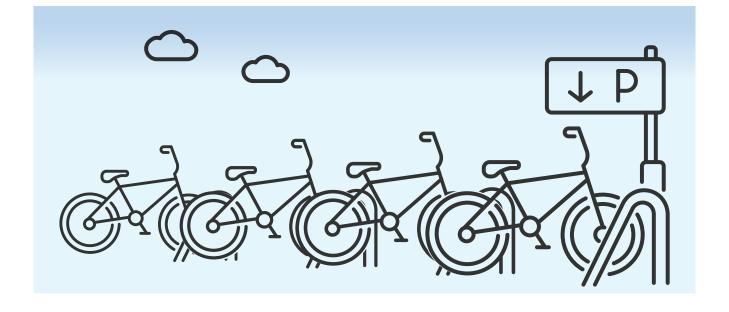
### O SCOPE 3 ←

SPToto's Scope 3 emissions disclosure comprises employee commuting and business travel. In the last quarter of FY2024, the Group surveyed employees to estimate their travel methods, daily round-trip distances to work and vehicle details if employees used their vehicles.

SPToto employed the Emission Factors for Cross Section Tools for the WRI to compute emissions for each respondent. With employees working an average of 291 days annually, this survey facilitated an accurate estimation of SPToto's annual emissions. 387 employees responded to the survey, representing 29% of the total workforce.

Method of Transport	No. of Employees in Sample	Estimated Total Annual Distance Travelled by All Employees (km)	Estimated Total Yearly Emissions (tCO <sub>2</sub> e) of SPToto
Bicycle	6	76,890	0
Bus	7	163,766	11
Car pool	1	11,983	1
Company Vehicle	34	1,397,005	0
e-bike/e-scooter (non-owned)	1	3,994	0
Overground Train	8	287,589	33
Own Vehicle	275	8,147,362	1,734
Taxi/E-hailing	2	5,991	1
Train (LRT/KTM/Monorail/MRT/ERL)	46	1,249,216	127
Walking	6	6,990	0
Work from home	1	999	0
Total	387	11,351,785	1,907

In FY2024, employees travelled an estimated 11,351,785 km to and from work. The total yearly CO2 emissions for employees commuting in FY2024 was 1,907 tonnes.





### **Our TCFD Journey: A Game-Changing Approach**

SPToto navigates sustainability by aligning its practices with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Integrating TCFD principles strengthens our resilience to climate risks and enhances transparency in disclosing climate-related financial information. This commitment underscores our dedication to sustainable practices and responsible financial management, ensuring alignment with global standards and contributing to a more resilient and sustainable future.

### Governance

The Board of Directors integrates EESG principles throughout SPToto, including climate risks and opportunities to drive long-term value. The Sustainability Committee reviews and approves the Group's sustainability strategy and critical long-term EESG initiatives, regularly updating the Board of Directors on endorsed sustainability strategies and initiatives.

At the management level, EESG efforts are spearheaded by the CEO and supported by the Sustainability Working Group, comprising a cross-functional team with representatives from all business areas. This team is responsible for planning, communication, education, prioritisation, and reporting all EESG matters.

### **Strategy**

Through the materiality assessment, SPToto identified and evaluated relevant risks and opportunities with potential meaningful business impacts. The Group is exploring financial impacts and strategic responses to each risk and opportunity.

The TCFD highlights two primary types of climate risks over the short-, medium- and long-term: physical and transition. In FY2024, the Group conducted an ESG risk assessment exercise which included climate change. The ESG risk register recognises extreme weather events pose a physical risk to SPToto's supply chain that could affect operations. Specific to climate change, SPToto continues to monitor its Scopes 1, 2 and 3 emissions and analyse emerging risks and opportunities related to emissions, renewable energy, recycling, new regulatory actions, materials and life cycle impact. The Group has also identified transition risks related to the changing regulatory reporting requirements and market preference.

Climate change poses a risk to operations and sees opportunities in transitioning to a low-carbon economy: additional growth through new sustainable operations and improved operational performance through increased efficiency. The Group is well-positioned to take advantage of these opportunities.

### Risk Management

As part of the Group's ESG agenda, SPToto regularly identifies, assesses, and monitors climate risks to minimise their potential impact. Like most organisations, SPToto is bound by domestic and international environmental laws and regulations and considers the regulatory landscape when assessing climate-related risks and opportunities.

SPToto continues to identify and assess climate-related risks and opportunities. The Sustainability Committee and Board of Directors review the assessment results internally to help management create operational improvements to support its goals.

SPToto maintains an ongoing risk management programme, which it reassesses annually. Through its Sustainability Committee, which members also sit on the Risk Management Committee, the Group evaluates and integrates previously identified ESG and climate-related risks as part of this programme.

The Group discloses its risk management strategy and risk oversight in its Risk Report. It integrates risks and opportunities of emerging concerns, including climate change-related issues, into the Group's Enterprise Risk Assessment. The Sustainability Team ensures that ESG, including climate-related issues, is effectively integrated into operational strategies.

### Metrics and Targets

The Group streamlines its environmental data gathering and recording process to set a baseline and targets on emissions reduction metrics. SPToto will continue monitoring regulatory compliance, stakeholder engagement and reputation metrics impacted by climate-related risks while pursuing several initiatives to reduce  $CO_2$  emissions.



#### SPORTS TOTO BERNAD

### **ENVIRONMENTAL SUSTAINABILITY**



### **WASTE MANAGEMENT**

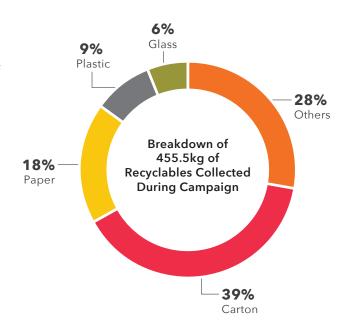
SPToto's effective waste management practices minimise its environmental footprint. Licensed contractors meticulously handle waste generated from operations according to the type. Contractor audits are conducted on areas such as wastewater treatment checks compliance before renewing their permits.

Solid waste	Paper constitutes the bulk of waste produced at our offices and operations. We comply with corporate policies by selling shredded paper to recycling collectors. H.R. Owen substituted single-use plastic bags with branded paper bags in retail merchandise in line with UK government waste disposal regulations. BPI, overseeing the Group's hospitality segment, has banned single-use plastics, opting for paper cups, straws and containers.
Scheduled waste	H.R. Owen, UK's premier Luxury Motor Group, responsibly disposes of hazardous waste such as motor oil, engine fluids, batteries, refrigerants, brake pads and consumables. Approved contractors handle all hazardous waste disposal and management.
Recyclable waste	SPToto sorts recyclables at their source before sending them to recycling centres.  In our Philippine hospitality operations, colour-coded waste disposal bags facilitate recycling and grease traps reduce wastewater pollution.  We introduced the Toto Recycling Heroes competition to encourage recycling among employees. Our year-round recycling campaign sends recyclables to the Tzu Chi Recycling Centre and rewards top contributors.

### **STM LOTTERY RECYCLING CAMPAIGN**

The quarterly STM Lottery Recycling Campaign recognises and rewards recycling efforts. STM Lottery encourages employees to participate in recycling activities. At the end of each year, the highest contributor is acknowledged and rewarded for their dedication to environmental sustainability.

This campaign reinforces the importance of recycling and encourages active participation from all employees.







### **WATER MANAGEMENT**

SPToto prioritises efficient water management practices to minimise consumption and promote sustainability. Water is vital in offices, outlets, washrooms and other parts of the business. Implementing water optimisation measures, such as installing water-efficient fixtures and implementing recycling and reuse systems, reduces our overall water footprint and supports environmental conservation. Ongoing monitoring and evaluation processes identify areas for further improvement and ensure our water management strategies remain effective and sustainable over time.

SPToto Water-Saving Initiatives



Constantly monitor water usage and investigate any abnormalities immediately



Placed water conservation signs at office pantries and bathrooms



Water saving device such as aerators are used in the toilets and pantries

Our international operations implement water-saving initiatives, particularly in the hospitality sector, where water consumption is significant. Perdana Hotel Philippines Inc. (branded as Berjaya Makati Hotel) introduced several water conservation measures. Adjusting water closet tank levels from 70 m³ to 60 m³ ensured optimal water usage without compromising functionality. Pressure Relief Valves regulate water pressure and usage. The hotel maintenance team conducts regular checks to detect and address leaks promptly. The Hotel also encourages water savings by offering guests the option to opt-out of daily housekeeping.



SPToto promotes biodiversity conservation as it is crucial for maintaining ecological balance and sustaining life on our planet. Proactive initiatives and partnerships preserve ecosystems, protect species and promote sustainable practices in line with our commitment to environmental stewardship. We invite our employees and stakeholders to be part of our green biodiversity movement, fostering a collective effort towards a more sustainable future.

### **Beach Clean-Up**

The company has participated in beach and island clean-up activities since 2016. This year, STM Lottery partnered with MY Clean Beach, an environmental organisation, to hold a beach cleaning event at Pantai Morib Baru in Selangor on 9 March 2024.

Forty STM Lottery employees volunteered at the event on Saturday morning. Volunteers diligently collected litter and sorted trash, cleaning and preserving the beach environment.

The volunteers collected 69 kg of trash. MY Clean Beach concluded the day with a brief educational session on sustainable practices.



### **Tree-Planting**

STM Lottery conducted its annual tree-planting campaign with FRIM on 29 June 2024. This programme, which commenced in 2022, involved planting 80 Meranti trees at the FRIM's Kepong Botanic Gardens in Kuala Lumpur to support the Government's initiative to plant 100 million trees by 2025.

SPToto is deeply committed to supporting and collaborating with the society at large. A range of initiatives and programmes cultivate a culture of engagement and contribution. We urge our employees to actively engage in community outreach, volunteering, and philanthropic efforts to uplift those in need. Harnessing our team's collective power improves social issues and fosters inclusivity in the local communities. Our community investment focus areas include sports and community enrichment, aligning with the Group's strategy of promoting responsible leisure and enhancing societal development. Together, we aspire to embody the values of compassion, solidarity, and proactive citizenship.

STM Lottery's Helping Hands Programme is our flagship corporate social responsibility ("CSR") initiative, guided by the tagline "Sharing, Giving and Caring". This programme implements various CSR projects and acknowledges employees who contribute to our corporate philanthropy, positively impacting society. Recognising volunteerism underscores our commitment to recognising the significance of collective efforts in giving back and fostering a culture of compassion. The total community investments in FY2024 was RM45,326,010, encompassing contributions to charities, NGOs and not-for-profit organisations.

### **Advancing Sports**

STM Lottery has consistently supported Malaysia achieve sporting excellence by making substantial yearly contributions to the National Sports Council of Malaysia since its inception in 1985. The Company also extends sponsorship to various community sports initiatives.

STM Lottery contributes 10% of its profits before tax to the National Sports Council annually to support the nation's sporting excellence.

### **Food Bank**

Kechara Soup Kitchen ("KSK") has provided food, essential medical services and welfare aid to Malaysia's homeless and urban poor populations since 2008. Today, KSK's efforts extend beyond food provision, encompassing job placements and shelter assistance to improve the quality of life of those in need. SPToto pledged its support, acknowledging the importance of improving the lives of the underprivileged.

Since July 2021, STM Lottery has collaborated closely with KSK, primarily supporting its food bank project. This collaboration is a cornerstone of our Helping Hands programme, which helps disadvantaged families grappling with financial challenges. Moreover, volunteers from STM Lottery actively engage in KSK's food distribution initiatives, reflecting our unwavering commitment to effecting positive change in the community.

From July to December 2023, 68 dedicated volunteers from STM Lottery collectively contributed 238 volunteer hours, underscoring our firm commitment to community engagement. We value and recognise volunteerism, embedding it into individual scorecards as part of our organisational structure. This approach fosters employee engagement and instils a sense of purpose among the workforce. We prioritise employee engagement by fostering a supportive community environment and providing avenues for employees to voice concerns and offer feedback.

This year, we began sponsoring shoplots to store bulk items. We designated a larger corner unit for storing food products donated by companies and partners; the intermediate lot is for non-food items. This initiative will benefit approximately 180,000 people, given the substantial amount of food stored and the rapid turnover.





## Celebrating Art, Music And Culinary Heritage

The Kuching Festival of 2023, organised by the South Kuching City Council, surpassed numerous attendance records during its 24-day run. Attracting 1,113,744 visitors, it exceeded the ambitious one million target set by the council. The festival fostered the growth of budding entrepreneurs. Providing a platform to showcase their innovative products and services empowered them to thrive within the local business landscape.

STM Lottery donated RM40,000 to this festival, a cornerstone of the city's strategy to bolster local tourism and the food industry. With a diverse array of 17 activities encompassing art, music, and culinary heritage, the festival served as a vibrant celebration of the city's cultural richness and entrepreneurial spirit. The Kuching Festival attracts visitors and contributes significantly to the economic and cultural vitality of the region. Fostering creativity, honouring heritage and nurturing entrepreneurship, this festival exemplifies the positive impact that community-driven initiatives can have on the growth and development of a city.

### Impact:

The festival benefitted 274 local business owners, attracting over 1.1 million customers.



## Bringing The Joy Of Reading To Rural Communities

The 2023 edition of the Sports Toto "Reading My Companion" Reading Programme began in July. This year, the programme spread the joy of reading to 2,515 students from 20 microsized Chinese primary schools in rural areas across Penang, Perak, Pahang and Johor.

This reading initiative seeks to instil meaningful reading habits among students residing in rural regions, where recreational options may be limited. STM Lottery volunteers visit each of the 20 participating schools to deliver carefully selected storybooks to the students. These titles enrich the libraries of these schools by donating a variety of captivating titles. Storytelling sessions encourage students to read interactively and enjoyably.

"Our reading programme is a testament to our unwavering commitment to sustainable education efforts. By promoting reading as a favourite pastime and igniting a passion for reading, we believe we can inspire students to excel academically and unlock their full potential."

### Mr. Giam Say Khoon,

Deputy General Manager (Communications & Sustainability) of Berjaya Group and SPToto

Participating schools are encouraged to maximise the programme's impact by promoting book exchanges, encouraging students to share stories in class, and prompting them to reflect on their reading experiences through personal journals. Awarding tokens of commendation to two students from each participating school demonstrating exceptional participation in the programme further ignites students' enthusiasm and dedication.

### Impact:

Initiated by STM Lottery in 2012, the Reading Programme has benefitted over 17,500 students in 163 sub-urban schools in Penang, Perak, Selangor, Negeri Sembilan, Melaka, Pahang and Johor.

### **Spreading Festive Joy**

STM Lottery collaborated with Strategic Methods and Ongoing Achievements Bhd (SEMOA) to organise a special Christmas event with Christian Orang Asli communities in Selangor and Pahang. Ten employees volunteered as part of the Helping Hands team.

On 3 December 2023, we reached out to the indigenous community in Kampung Sungai Kelubi, Rawang; on 9 December 2023, we visited the Orang Asli community at Kampung Kepong Kuchai, Raub. We contributed RM35,000 to organise Christmas celebrations. The funds helped:

- Host a heartwarming event, including a festive Christmas party
- Distribute essential food provisions to 800 adults
- Ensure the holiday season was a time of abundance and joy for all involved

STM Lottery also distributed festive gifts to 500 children from these communities.

The Christmas celebration brought immense joy to 500 children from Kampung Sungai Kelubi in Rawang and Kampong Kepong Kuchai in Raub and their families.

## **Sharing The Blessings Of Breaking Fast Together**

STM Lottery generously donated RM6,000 through the KDE Buka Puasa event as part of its Ramadan contribution. The event allowed these children to participate in a communal breaking of the fast, fostering a sense of togetherness and belonging during the holy month of Ramadan. STM Lottery supported the children of Nur Hati Home while exemplifying the spirit of compassion and generosity associated with the Ramadan season.

### **Impact:**

This charitable initiative brought joy and support to 50 children from Nur Hati Home as they broke their fast in a spirit of joy.

## Illuminating Smiles This Deepavali: Bringing Light To Every Heart

STM Lottery collaborated with Kelab Bell Belia Tamil Bukit Beruang from Melaka to illuminate the spirit of Deepavali for 50 needy families and children from Pusat Jagaan Kanak-Kanak Ceria Bukit Beruang on 16 December 2023. Our contributions encompassed an RM9,000 donation and the

distribution of essential household items. Spreading joy and alleviating the burden of underserved families during the festive season fostered a sense of community and compassion. We aimed to make a meaningful difference in the lives of those in need, embodying the spirit of generosity and goodwill associated with the Festival of Lights, Deepavali.

### Impact:

The Deepavali celebration has brought light to 50 needy families and children from Pusat Jagaan Kanak-Kanak Ceria Bukit Beruang.

## Chinese New Year Cheer For Senior Citizens

The 37<sup>th</sup> Sports Toto Chinese New Year Ang Pow donation campaign, from 18 to 23 January 2024, benefitted senior citizens in 50 cities and towns nationwide. Approximately 3,000 eligible senior citizens attended the campaign at Berjaya Times Square Boulevard, including those from four specially invited old folks' homes from Kuala Lumpur. STM Lottery further reached out to approximately 15,000 senior citizens as our employees were mobilised across Malaysia. This campaign is an integral part of our Helping Hands programme. Eligible senior citizens receive a mini hamper and a red packet.



### **Impact:**

Since its launch in 1988, STM Lottery has contributed more than RM25.6 million to the campaign, benefitting over 455,000 senior citizens nationwide.



### Go For It!-FTKLAA Cross Country 2023

STM Lottery co-organised The Got For It! Run with the Federal Territory Kuala Lumpur Athletic Association ("FTKLAA") on 9 July 2023 at Padang Merbok in Kuala Lumpur.

Structured into various categories, including men's and women's 15km, 7km, 5km Fun Run and the 3km (Kids Run). The event catered to a wide range of participants. Participants who finished in the top five of each category (except for the 5km Fun Run) received trophies and cash prizes. All finishers received a medal and a goodie bag. The grand lucky draw prize was a Modenas M3 motorcycle.

As the title sponsor, STM Lottery takes pride in promoting a healthy lifestyle within the local community, as maintaining physical and mental well-being is paramount.

### **Impact:**

The Go For It!-FTKLAA Cross Country 2023 saw the participation of around 1,200 local and international runners.



### **Penang Bridge International Marathon**

STM Lottery extended its support to the Penang Bridge International Marathon 2023 by donating RM40,000 to the event, which took place on 17 December 2023.

Our contribution played a crucial role in facilitating the organisation of this marathon, which has gained global recognition. The Penang Bridge International Marathon brings participants from diverse backgrounds and cultures together, promoting physical fitness, unity and camaraderie among people worldwide.

### **Impact:**

The Penang Bridge International Marathon attracted 20,000 runners, including local participants and individuals from 60 countries.

## Sports Toto High School Basketball Tournament

STM Lottery continued its role as the title sponsor of the Sports Toto High School Basketball Tournament with an RM15,000 cash contribution. The tournament featured three age categories - Under-15 Boys, Under-17 Boys, and Under-17 Girls - with 36 teams participating in the eightweek-long event. We aim to inspire young people to participate in healthy activities.





## **Corporate Responsibility Programmes By Our Overseas Counterparts**

## DECK THE BENTLEY SHOWROOMS AND LET THE CHRISTMAS BELLS RING

In the 1920s and 30s, the original Bentley Boys were renowned for their five Le Mans victories in just eight years and extravagant parties. This Christmas, at H.R. Owen Bentley, we upheld that spirit of celebration, honouring the Bentley brand and the adventurous spirit of all customers.

On 6 December 2023, we hosted a festive gathering at Jack Barclay, the world's oldest Bentley dealer. We treated our guests to a production of Beauty and the Beast by the acclaimed British Pantomimes, creating a magical atmosphere within our showroom.

Bentley Surrey continued the holiday cheer the next day by welcoming customers, guests and their families to a family-friendly festival. Bentley Surrey showroom was transformed into a Christmas market with local craft traders, offering face painting and gingerbread making for kids, complemented by a local choir and festive refreshments, creating a joyful Christmas atmosphere.

Bentley Hatfield hosted a sophisticated cocktail evening with a captivating performance by internationally acclaimed jazz singer Nick Pritchard and indulgent chocolate tasting courtesy of Yvette's Chocolates. This event allowed the Bentley team at Hatfield to welcome customers to its new showroom again. We directed generous charitable donations by our valued customers during these events to support Cherry Trees and Isabel Hospice, reflecting our commitment to giving back to the community.

## CONTINUING THE GOOD DEEDS: THE CHAIN OF HOPE CHARITY

Following the success of last year's inaugural H.R. Owen Charity Shoot for the children's charity Chain of Hope, the event returned, raising £50,000 for crucial life-saving efforts.

Guests indulged in a gourmet breakfast before engaging in two hours of friendly shooting with Purdey 12-bores. At midday, they received snacks and refreshments, a champagne reception and a three-course lunch featuring locally sourced juniper-infused venison.

Prizes awarded included engraved glass decanters for the Top Gun and Top Lady, engraved cut glass paperweights for the Top Team, and fluffy pheasant toys for the Clay Conservationist Team. The auction showcased exclusive items such as a Ferrari 296 GTS weekend, an Aston Martin F1 team shirt signed by Fernando Alonso and Lance Stroll, and a VIP tour of the Lamborghini factory.

We are delighted to continue our long-standing relationship with Chain of Hope. We are overwhelmed by the response from our customers, spurred on by the success of our

inaugural charity shoot day. H.R. Owen Group is proud to contribute to Chain of Hope's mission of providing worldwide life-saving heart operations for children.

Since 1996, Chain of Hope has provided life-saving treatment to children worldwide, focusing on developing and war-torn countries. The charity relies on public donations to facilitate treatment and transportation to leading cardiac centres.

#### **VACCINATION DRIVE**

Floridablanca enhanced community health by organising a vaccination drive in partnership with Floridablanca local government. The initiative provided employees and their families access to essential healthcare services, particularly the Pneumococcal Vaccine. On 28 March 2024, the event vaccinated 41 individuals, promoting overall well-being within the community.

#### **BUILDING HOMES, EMPOWERING COMMUNITIES**

On 8 June 2023, a significant event unfolded at the Berjaya-Gawad Kalinga community in Pililla, Rizal. A handover ceremony marked the completion of 10 newly constructed houses, symbolising hope and stability for needy families. The occasion also announced plans for building an additional 10 homes, showcasing a commitment to ongoing community development. Attended by community leaders, volunteers and organisation representatives, the ceremony fostered unity and renewed determination. It highlighted the collective effort of BPI and its immediate community to address housing shortages and improve living conditions. This milestone reflects a shared commitment to positively impacting and uplifting the lives of vulnerable communities.

### **Community Education and Awareness**

Illegal gambling is a significant social ill affecting all walks of life today. SPToto works closely with the Royal Malaysia Police on a gaming specialist course (Kursus Pakar Judi) to improve their knowledge of illegal gambling and its negative consequences and collaborate on curbing illegal gaming. The programme familiarised the participants with our product games. They also observed a live draw to understand the integrity of legalised NFO draws. We also covered current statutes and regulations and the impact of illegal gaming operators on the country.

SPToto prioritises people management as the cornerstone of our workplace ethos. Valuing each team member encourages talents to flourish. Transparent communication and a supportive culture empower our people to reach their full potential. Recognising diversity as a strength, we celebrate varied perspectives and experiences. With ongoing training and development initiatives, we ensure continuous growth and adaptation to evolving challenges. SPToto nurtures a cohesive team where everyone feels valued, respected and motivated to contribute their best to our success.



SPToto upholds a formal Code of Conduct that complies with legal mandates and has actively developed policies related to several labour standards, including:

Prevention of child labour	Adhering to in-situ labour laws regarding minimum working age requires SPToto and its suppliers to verify workers' ages through legal documentation and background checks.
Prevention of forced labour	SPToto checks that workers do not perform under coercion or the threat of punishment or property confiscation.
Equal opportunities and non-discrimination	SPToto promotes fairness in hiring, remuneration, training, promotion, termination, and retirement, irrespective of race, religion, gender, age, sexual orientation, disability, or nationality.
Freedom of association	SPToto respects employees' rights to join any organisation as per local laws.
Collective bargaining and union formation	The Group recognises employees' rights to representation and discussion of employment matters.
Mechanisms for employee engagement	SPToto facilitates communication between employee representatives and company management.
Regulation of working hours	Providing fair overtime pay and limiting work hours prevents excessive working hours, as per the countries' law where the Group operates in.
Compliance with minimum and living wages	SPToto ensures that employees receive wages meeting or exceeding minimum and potentially exceeding living wage standards through benefits and compensation.
Safety policies and practices	Establishing and adhering to safety codes provides a secure and healthy workplace environment.

SPToto communicates these standards through its Human Rights And Labour Standards Policy, the Anti-Child And Forced Labour Policy, as well as the Diversity, Equity And Inclusion Policy. Introduced in FY2024, these policies were communicated to all employees. We are committed to ensuring that every member of our diverse workforce understands their rights and responsibilities.

SPToto actively participates in industry-specific conventions and workshops to enhance labour standards. These initiatives contribute to developing solutions that promote improved working conditions and fair treatment of workers in the countries where we operate. Engaging in these collaborations demonstrates a solid commitment to fostering positive change and upholding high standards across the industry.

### **Competitive Benefits**

SPToto's competitive benefits reflect its commitment to fairness and reasonableness in salary and remuneration packages. We uphold the principle of fair commensuration following local regulations, ensuring parity in basic terms.

Employee wages adhere to all relevant Malaysian laws, covering working hours, minimum wages, overtime compensation and mandated benefits. We compensate overtime hours at regular hourly rates and overtime hours cap at 104 hours monthly as prescribed by Malaysia's Employment Act 1955.

In the current financial year, SPToto bolstered its employee benefits package to enhance employee well-being. In Malaysia, STM Lottery increased sick leave entitlement without requiring a medical certificate from one to two days. This change provides adequate time for employees to rest and recover from illness without the burden of obtaining medical documentation.

Our Philippines operations will adhere to the Minimum Wage Increase Order issued by the Regional Tripartite Wages and Productivity Board, which became effective on 16 July 2024. In the UK, H. R. Owen publishes their annual gender pay gap report on their website.

H.R. Owen introduced a Workplace Nursery Policy in the UK on 23 June 2023. This policy underscores SPToto's commitment to supporting working parents by providing access to on-site or nearby nursery facilities. This childcare solution alleviates employees' challenges in balancing their professional responsibilities with their family obligations, ultimately promoting a more positive work-life balance and supporting employee well-being.

### **Unleashing Potential through Training** and Development

SPToto prioritises our team members' growth and development through regular training initiatives. Our diverse workshops and continuous learning opportunities show our commitment to career advancement. Investing in training and development empowers employees to reach their full potential and stay ahead in their careers.

### **Examples of Training Programmes Attended by Employees FY2024**

First Aid at Workplace

Minimum TRANSFER Pricing

Emergency Preparedness and Response Plan

ESG Role of Accountant and Financial Reporting

Tax seminar on budget

ISO45001:2018 Understanding & Implementing

Sustainability Governance and Reporting

Assessable Income and Exclusions, Allowable Deductions and Restrictions and Cap

Product and Selling 2.0

Winning Service Attitude

International Standards on Quality Management System ("ISQMS") General Awareness Seminar (Floridablanca)



Personal development is integral to professional growth. We support employees' career needs and aspirations, help them hone their skills, nurture their passions and develop holistically. Fostering a culture that values career advancement and personal growth empowers employees to thrive in and out of the workplace, creating a fulfilling and enriching experience for all. Throughout the year, we actively invested in our employees' personal development by investing in a variety of courses such as:











Operating within the gaming industry, STM Lottery equips employees with the necessary knowledge and tools to ensure that gaming experiences are enjoyable and safe for all users. By promoting responsible gaming practices, businesses can play a vital role in fostering a healthier gaming ecosystem while maintaining ethical standards and prioritising user well-being. STM Lottery offers regular responsible gaming training courses encompassing topics such as the company's dedication to responsible gaming, the consumer protections integrated into its gaming platforms, methods for identifying signs of problem gambling and access to resources for those needing assistance.

STM Lottery furthered its commitment to employee development by enrolling its workforce in the Berjaya Group's esteemed leadership development programme, the Berjaya Executive Development Programme. This initiative enhances employees' skills and talent, fosters professional growth and contributes to their success.

Recognising the significance of training, H.R. Owen has integrated employees' training attendance with their Key Performance Indicators ("KPIs") and bonuses, incentivising their participation in training programmes and enhancing their skills. The company also offers a comprehensive threeyear apprenticeship training programme. On-the-job and classroom training provides employees with a well-rounded learning experience. There are currently six apprenticeships available under the apprenticeship scheme.



### **Empowering Engagement**

SPToto promotes employee engagement as a fundamental component of its sustainability strategy. Open dialogue, skills development and inclusive decision-making nurture a culture where every voice is valued and every contribution meaningful. Recognising achievements and promoting worklife balance are essential components of this approach. Cultivating open communication channels and a supportive culture empowers our team to collaborate effectively.

### **Sports Toto Sports Club**

The Sports Toto Sports Club drives our employee engagement initiatives. Established in 1987 and entirely managed by employees, the company supports the club's objective of enhancing employee well-being and morale by matching RM1 for every RM1 contributed to membership fees. The club organises weekly activities to alleviate stress and encourage relaxation, improving employee health and well-being. Events and activities organised by the Club during this financial year include the following:

### **Discover Yogyakarta**

The Sports Toto Sports Club reached a milestone by organising its first-ever social outing post-Covid from 10 to 13 September 2023. A group of 13 club members, accompanied by their families, embarked on a captivating four-day, three-night journey to Yogyakarta, Indonesia. The outing brimmed with excitement and unforgettable experiences, resulting in cherished stories the members will share for years.



### **Black & Pink Night!**

Over 300 distinguished Sports Toto Sports Club members convened at the prestigious Manhattan II venue within the Berjaya Times Square Hotel on 30 November 2023, for the club's annual gala dinner. The attendees enjoyed a sophisticated evening filled with gastronomic delights, captivating entertainment and convivial networking opportunities.

The event commenced with an eloquent welcome address delivered the President of the Sports Toto Sports Club, expressing sincere appreciation to the esteemed management and members for their unwavering dedication and active engagement in club initiatives throughout the year. The ambience reverberated with energy as the renowned Kraftari dancers took the stage, enchanting the audience with their mesmerising performances.

The emcee provided engaging entertainment, games and quizzes, eliciting laughter and fostering camaraderie. The climax of the evening unfolded with the eagerly anticipated grand lucky draw, offering an array of prestigious prizes, including the latest phone model, premium electrical appliances, exclusive holiday packages and coveted door gifts.



### **Uniting as One Berjaya Family**

Our employee engagement activities extend beyond our organisation; as part of the Berjaya family, we enjoy participating in their diverse events. This integration enriches our experience and fosters networking opportunities. Strengthening our sense of community within the broader Berjaya family enhances employee satisfaction and loyalty.

New employees join the New Employee Orientation Programme hosted by Berjaya Group. During this session, our new talents engage in various activities and discussions to facilitate their seamless integration into Berjaya's operations and provide insights into our Group and its culture.

During the year, SPToto employees volunteered to support the Berjaya Cares Foundation's CSR activities, including The Lost Food Project. Additionally, our employees benefitted from attending a talk by KITARAN, where they learned the art of plastic upcycling and transforming waste into treasure.

### **Overseas Engagement Activities**

H.R. Owen's Christmas Party brought 382 employees together for a festive celebration and camaraderie. The raffle draws offered eight top prizes to lucky winners and 60 smaller prize draws, ensuring many employees won something special. From gift cards to festive hampers, these prizes added an element of fun and surprise to the festivities.

BPI hosts a quarterly birthday celebration party to show appreciation to their employees whose birthday falls within the quarter. During this party, the team also welcomes new employees.

### **Beyond The Survey: Unveiling Employee Satisfaction Insights**

In FY2024, H.R. Owen reinstated its staff appraisal system to evaluate employee well-being and satisfaction. The assessment outcomes were encouraging: a mental health score of 8 out of 10 suggested employees are experiencing positive mental well-being. An average satisfaction score of 8 out of 10 reflects a high level of contentment in the workforce. The results signify the effectiveness of the appraisal system in gauging and promoting employee welfare.

These findings will inform and refine our HR strategies in line with employees' needs and expectations. The high satisfaction scores indicate that our current initiatives resonate well with the workforce, validating their effectiveness. We will continue prioritising programmes and policies that support employee mental health and overall satisfaction.

These appraisal results will help identify areas for improvement and implement targeted interventions where necessary. Addressing any concerns or dissatisfaction highlighted in the appraisal enhances employee engagement, productivity and retention.

### **Recognising Achievements**

SPToto remains committed to honouring achievements through various recognition programmes. For instance, H.R. Owen's Employee of the Month incentive package includes a prestigious trophy and a cash voucher for the winner. With three nominees each month, this initiative celebrates individual excellence and fosters a culture of appreciation and recognition within the organisation.

### **Safety and Health**

SPToto places great importance on safety and health, implementing stringent protocols and providing ongoing employee training. Fostering a culture of vigilance and accountability promotes a secure workplace environment that prioritises employee well-being. Our proactive measures enhance safety and productivity, ensure full compliance with industry standards and regulations, and promote a safe and sustainable work environment for all.

### **Health and Safety Governance**

SPToto's approach to safety governance is thorough and meticulous, firmly embedded within the overarching framework of the Group's Sustainability Policy. Our Health and Safety Policy, an integral component of this framework, establishes tailored performance standards for every operation and facility. We uphold these standards through regular training and development initiatives, continuously refining them to ensure they remain adequate and relevant.

STM Lottery has a dedicated Safety and Health Committee which includes a Chairman, a Secretary and a balanced representation of employer and employee representatives. The Committee ensures employee safety, health and welfare by identifying hazards, conducting risk assessments and developing mitigation strategies. It also assists in developing rules, reviewing programme effectiveness, conducting studies on workplace incidents and making policy recommendations to the employer. In emergencies or incidents, the committee takes the lead in coordinating response efforts and ensuring the adoption of appropriate measures to minimise harm and prevent future occurrences. The committee meticulously evaluates emergency plans, scrutinising the effectiveness of procedures for managing significant incidents.



The Group prioritises safety by conducting regular inspections to ensure compliance and mitigate potential risks. The Health and Safety Committee oversees safety at STM Lottery. Through the Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process, they identified 19 hazards primarily related to housekeeping issues, such as improper storage, obstructing access to fire safety equipment and unsafe wiring. Incident reports with recommended rectifications ensured the relevant parties could mitigate these hazards. Performing daily general safety checks ensures continuous adherence to safety measures.

Floridablanca has obtained the Local Government Sanitary Permit Compliance Certification, ensuring that the company adheres to the necessary safety and health standards set by the local authorities. In contrast, H.R. Owen enlisted the services of an external health and safety consultant to conduct site audits and identify risks, adhering to the guidelines outlined in the Health & Safety at Work Act 1974 Section 2(8). These audits assess workplace risks and identify potential hazards at all the showrooms and service centres.

### **Safety Training And Awareness**

We delivered several safety and health awareness training sessions led by internal experts and external collaborators. We remain steadfast in our commitment to upholding the highest safety standards by collaborating with local authorities and closely cooperating with regulatory bodies. Sharing best practices enhances our communities' overall safety ecosystem.

Similarly, H.R. Owen enlisted a third party to provide health and safety training for all new employees. The topics covered include Health and Safety Law, Fire Safety, Workstation Display Screen Equipment, Personal Protective Equipment relevant to the automotive industry, Working at Heights, Hazardous Substances and Labelling, and Accident Prevention.

## SAFETY TRAINING AND AWARENESS CONDUCTED IN FY2024



Fire Safety Training



First Aid at Workplace



Fire Safety Seminar by Malaysia Fire Department



ERT (Fire Marshals)



Effective OSH Committee



Effective Safety Committee OSHA 1994



Emergency Response Plan

### **Diversity Makes Us Stronger**

SPToto is committed to respecting diversity, inclusion, and belonging; reflecting the diverse communities and players it serves. Creating an environment free of discrimination and open to diverse perspectives allows employees to feel they belong and are seen and heard. We create sensitive and responsive experiences for the communities and players we serve.

SPToto's Diversity, Equity And Inclusion Policy outlines our commitment to building an inclusive workplace and does not tolerate discrimination in any part of operations, such as hiring, training and promotion. Various placement programmes and employing underprivileged groups, including those from deprived backgrounds, address youth unemployment. We offer unconscious bias training to all employees across the organisation.

### **Respecting Human Rights**

SPToto is committed to upholding international human rights norms as an integral part of its business operations. We rigorously adhere to the established work and social standards of the International Labour Organisation ("ILO") and ensure compliance with local human rights regulations, including those stipulated by the Human Rights Commission of Malaysia and the Universal Declaration of Human Rights.

We provide our Code of Conduct, enshrining our dedication to human rights, to all new hires as part of their training on our human rights policy. This Code is available in both English and Bahasa Malaysia. We embed human rights assessment into our core business processes, continually striving for improvement by evaluating our impacts and setting targets accordingly. Our approach involves proactive measures to avoid, prevent and mitigate human rights issues, including screening, training, and monitoring internal operations as stipulated in our Human Rights And Labour Standards Policy and the Anti-Child And Forced Labour Policy.

We ensure our suppliers align with these principles and encourage them to uphold applicable employment and human rights regulations. Additionally, we have established a formal grievance mechanism for individuals and communities affected by our activities, including concerns related to human rights. We foster open communication and respect freedom of expression. Our whistleblowing channel guarantees confidentiality for internal and external stakeholders.

SPToto remains at the forefront of responsible and sustainable business strategies, enhancing its competitive advantage through steadfast adherence to ethical practices and regulatory compliance. Our operations consistently uphold the highest standards of professionalism, ensuring strict compliance with regulations to safeguard our operating licences and approvals.



### **Responsible Marketing and Advertising**

Our responsible marketing commitment is vital to our overall communication strategy, reflecting our dedication to promoting responsible gaming practices.

Under the governance of the Communication and Multimedia Act 1998, our advertising and marketing efforts align closely with the Common Gaming Houses Act 1953, the Pool Betting Act 1967, the Betting Act 1953, and other relevant gambling legislation.

## OUR RESPONSIBLE ADVERTISING AND MARKETING PRINCIPLES:

- Deing sensitive to religious and age considerations, refraining from promoting gaming products to Muslims or minors.
- Not encouraging or likely to appeal (whether in terms of style, tone, content or location) to persons under 21 years of age nor focused on particular ethnic groups to participate in any games
- No false or misleading advertising, resulting in contravention of the prevailing gaming laws and regulations
- Does not directly or indirectly misrepresent the probability of winning a prize
- Does not promote lottery games as an alternative to work or give the impression that gambling is a reasonable strategy for earning financial income

As a proud member of the WLA, STM Lottery prioritises gambling safety in all marketing endeavours. Our responsible marketing strategy is sensitive to religious and age considerations, refraining from promoting gaming products to Muslims or minors.

Utilising various marketing platforms, including digital channels, our website, product awareness campaigns, and engagement events, we conscientiously convey messages that advocate for responsible gaming. Our advertising campaigns promote the use of QR codes to assess betting habits. Notably, we strictly conduct all promotional activities on our premises.

We strictly adhere to existing betting laws and regulations issued by the Malaysian authorities such as the Ministry of Finance, the Royal Malaysia Police, the Ministry of Communications and the Ministry of Digital. Through formal and detailed guidelines, we ensure that our advertising, marketing, and promotional activities consistently uphold the highest responsibility standards.

We prioritise the continuous professional development of our staff through rigorous training programmes. These initiatives ensure our team members are well-versed in ethical standards and marketing and promotional activities guidelines.

### **SPToto's Multifaceted Communication Approach**

We actively encourage two-way communication and invite our stakeholders to contact us. Our communication channels include social media platforms like Facebook, Instagram, TikTok, and LinkedIn which allow us to engage with the public effectively. Customers can contact us through our Careline, Livechat, and email services. H.R. Owen further utilises online marketplaces such as Autotrader and Carguru to broaden its reach for used cars. We value open dialogue and welcome interaction from all stakeholders, ensuring that we take note and address their needs promptly.

### Responsible Gaming ("RG")

STM Lottery acknowledges the inherent gaming risks and values its key stakeholders' input. The company advocates responsible and safe gambling practices, encouraging customers to engage in moderate gambling. SPToto delivers games in a manner that safeguards the legal rights of gamblers, effectively preventing abuse and crime and mitigating economic, social and health-related issues.

### Responsible gaming strategy objectives:

- Promote protective tools to prevent problem gambling
- Support responsible gaming organisations that address problem gambling
- Prevent underage and illegal gambling

In December 2023, STM Lottery attained the Certificate of Accreditation in Level 3 of the WLA Responsible Gaming Framework. This achievement signifies how much a lottery operator has integrated the RG Principles into its daily operations. The Seven Responsible Gaming Principles outlined in this Framework encompass player protection, stakeholder collaboration, research, promotion, informed player choice, monitoring and reporting. Promoting responsible gaming requires a collective effort. STM Lottery collaborates closely with all stakeholders, particularly its customers, players, employees and regulators, to address this critical issue.

Our commitment to promoting responsible gaming extends beyond mere compliance with regulations. It is a fundamental aspect of our corporate ethos, guided by transparency, accountability and social responsibility. Collaborative efforts with all stakeholders create a safer and more enjoyable gaming experience for all.



Initiatives With Our Employees	<ul> <li>We deliver mandatory RG training to all employees, including Customer Service Assistants, lottery retailers and agents.</li> <li>Distributing RG handbooks to all retailers, sales assistants, regional managers and employees equips them with the knowledge to educate customers, communities and stakeholders.</li> </ul>
Initiatives With Regulators	<ul> <li>We support the government's efforts to combat illegal gambling by collaborating with authorities and key stakeholders such as the Ministry of Finance, Royal Malaysia Police, local authorities, the Ministry of Communications and the Ministry of Digital to uphold the integrity of gaming regulations and promote responsible gaming practices.</li> </ul>
Initiatives With Players	<ul> <li>We distribute RG handbooks to all customers to equip them with knowledge for educating customers, communities and stakeholders.</li> <li>An online self-assessment tool is available to all players to help them understand their gaming habits.</li> <li>STM Lottery launched the new "Toto4Green" IG account, which provides RG information.</li> <li>Continuous awareness campaigns encourage purchasing betting tickets from licensed lotteries and avoiding illegal operators.</li> <li>We prominently display the "Play Responsibly" tagline.</li> <li>Displaying RG stickers on glass panels in outlets to raise public awareness.</li> <li>We share RG tips on the website to promote responsible play with information on addiction symptoms.</li> <li>STM Lottery promotes rehab centre services on its website, social media and customer care.</li> <li>We refer problem players to professional bodies such as the Gambler Rehab Centre Malaysia ("GRC") for counselling.</li> <li>Short video raising RG awareness for display on outlet's TV, YouTube and social media.</li> <li>Promotional materials, including websites, videos and social media, feature the "Play Responsibly" tagline.</li> </ul>

We encourage players to complete the Self-Assessment Betting Habit test on our website. This comprehensive tool allows players to assess their gambling habits and gain insights into gaming behaviour. Of 173 players who took the test, 75% were healthy and 10% were high-risk.

Our website contains detailed information on support and counselling resources for those identified as high-risk players. This resource guides players on seeking assistance and accessing professional counselling services. All players must receive the necessary support to gamble responsibly and maintain a healthy balance in their gaming activities.

### **Commitment To Excellent Customer Experience**

STM Lottery meticulously personalises customer interaction, combining responsive service and genuine care to ensure a consistently positive experience for each individual they engage with. STM Lottery exemplifies the finest customer service by conducting annual training for all employees at our sales outlets. The training impacts all our employees with utmost personalised skills and knowledge to provide exceptional service. Training encompasses communication techniques and product expertise to empower employees to address customer inquiries and guide players experiencing gaming challenges.

As a renowned dealer of premium car brands and UK's leading retailer of luxury and supercars, H.R. Owen establishes a solid presence and provides unparalleled experiences for its discerning customers. Continuing its tradition, H.R. Owen participated again in the prestigious Concours of Elegance on 8 September 2023, showcasing a selection of the most exquisite vehicles from its esteemed luxury brand portfolio including iconic models such as the Bugatti Veyron Grand Sport, Ferrari Roma, Lamborghini Huracan Tecnica, Rolls-Royce Motor Cars' Black Badge Ghost, and the latest addition to Maserati's lineup, the MC20.

Perdana Hotel Philippines Inc. (branded as Berjaya Makati Hotel) has undertaken several initiatives to enhance customer experience and ensure a comfortable, memorable stay. The hotel underwent significant renovations, modernising guest rooms with new furniture, upgraded bathrooms, and smart room features. Common areas, including the lobby and dining facilities, were refreshed with contemporary designs for a more welcoming atmosphere. As a Halal-certified hotel, Berjaya Makati now uses guest preference data to offer customised in-room amenities and bespoke dining and activity recommendations. This personalised approach has been well-received by guests.

### **Enhanced Digital Guest Service**

This year, Berjaya Makati Hotel has revitalised its social media presence to offer guests a seamless experience. Our updated accounts now provide easy access to inquiries, online bookings, and real-time guest reviews. This enhanced digital engagement simplifies and enriches the booking process for a smoother and more rewarding experience for every guest.

### **Data Protection And Information Security**

### Our Commitment to Data Protection and Information Security



### **Regulatory Frameworks Compliance**

Personal Data Protection Act 2010

ISO/IEC 27001:2013 standards

WLA-SCS:2020 standards

Cyber Security Law (UK)

Protection Regulation Act 2018 (UK)

Cybercrime Prevention Act 2012 (UK)

Accreditation with the WLA Security Control Standard: 2020 signifies that SPToto meets stringent international Information Security Management System ("ISMS") standards, including lottery-specific security and integrity controls onlined in the World Lottery Association. The audit affirmed SPToto's adherence to ISO 27001:2013; all findings, including corrections, root causes, and corrective actions, were accepted on 5 December 2023.

We conducted an internal ISMS audit from 2 to 5 October 2023. The audit identified two minor non-conformities and highlighted five areas for improvement opportunities. The auditor accepted and signed off all corrective action requests on 24 October 2023. Subsequently, an external audit of the ISMS was conducted from 25 to 27 October 2023 by DNV Malaysia Sdn Bhd. Eight areas for improvement were noted, with no non-conformities found.



Our comprehensive risk management measures comprise annual Vulnerability Assessments on Internal Security, Web Application Assessments, Mobile Application Assessments and Network Device Configuration Reviews. We addressed all identified risks, and no outstanding issues remain.

We significantly enhanced cybersecurity measures throughout the year, ensuring robust protection against potential threats. The following actions fortified our systems and infrastructure:

Upgraded Active Directory version for enhanced security features

Implemented Self Reset Password functionality

Conducted firewall upgrades

Replaced Symantec with Bitdefender End Point Protection

Upgraded PCs/Laptops with Windows 10/11 at our offices and outlets to enhance security

Migrated to cloud-based IT solutions

### **Our Future Commitment**

As we progress on our sustainability journey, our commitment deepens. We aim to create lasting impacts by embracing innovation, fostering partnerships and upholding transparency. The actions outlined below lay the foundation for a thriving and balanced tomorrow.

Our approach to sustainability is comprehensive and inclusive, recognising that progress requires collective effort and shared responsibility. We are dedicated to continuous improvement, systemic appraisal and refining of our strategies to ensure they are effective and aligned with our long-term goals. Prioritising environmental stewardship and social responsibility creates a harmonious future where people and the planet can thrive.

#### **Advancing Sustainability**

- Committing to carbon footprint reductions and deploying alternative energy solutions
- Reducing resource consumption and waste, including conserving water and electricity

### Strengthening Diversity, Equity & Inclusion

- Increasing board and management diversity of race, gender and ethnicity
- Ensuring equitable access to career advancement opportunities for all employees
- Increasing work with diverse suppliers and vendors
- Supporting racial equality and social justice efforts through partnerships and philanthropy

### **Investing in Communities**

- Spurring economic development and community revitalisation through capital investment, job creation and local business support
- Delivering in times of crisis, such as natural disasters and economic challenges
- Expanding educational and career development opportunities
- Investing in corporate philanthropy initiatives and meaningful community partnerships

### Responsible Leadership

- Protecting and empowering customers by investing in responsible gaming programmes and equipping customers with tools to wager responsibly
- Delivering a gaming experience that exceeds regulatory requirements ensures patrons enjoy a trusted gaming experience with robust protection
- Fostering a responsible culture through employee training on responsible gaming and problem gambling
- Establishing and following rigorous business and supply chain standards
- Investing in research and partnering with advocacy groups to advance responsibility efforts broadly



# BURSA MALAYSIA SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	49.13
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	11.84
Middle Management	Percentage	9.70
Junior Management	Percentage	5.18
Non-executive	Percentage	0.12
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	17,819.11
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	61.248000
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	45,326,010.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	43,392
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	511
Middle Management	Hours	1,483
Junior Management	Hours	2,970
Non-executive	Hours	1,668
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.50
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	3
Middle Management	Number	14
Junior Management	Number	40
Non-executive	Number	128
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.44
Bursa C5(c) Number of employees trained on health and safety standards	Number	83



### **BURSA MALAYSIA SUSTAINABILITY PERFORMANCE REPORT**

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	35.53
Senior Management Above 50	Percentage	64.47
Middle Management Under 30	Percentage	2.99
Middle Management Between 30-50	Percentage	60.45
Middle Management Above 50	Percentage	36.57
Junior Management Under 30	Percentage	11.16
Junior Management Between 30-50	Percentage	63.35
Junior Management Above 50	Percentage	25.50
Non-executive Under 30	Percentage	22.03
Non-executive Between 30-50	Percentage	46.14
Non-executive Above 50	Percentage	31.83
Gender Group by Employee Category		
Senior Management Male	Percentage	65.79
Senior Management Female	Percentage	34.21
Middle Management Male	Percentage	67.16
Middle Management Female	Percentage	32.84
Junior Management Male	Percentage	60.56
Junior Management Female	Percentage	39.44
Non-executive Male	Percentage	59.86
Non-executive Female	Percentage	40.14
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.71
Female	Percentage	14.29
Under 30	Percentage	0.00
Between 30-50	Percentage	28.57
Above 50	Percentage	71.43
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

External assurance No assurance Internal assurance (\*)Restated



## SUSTAINABILITY PERFORMANCE DATA

Indicator	Unit	FY2022	FY2023	FY2024
Economic				
Supply Chain				
Proportion of spending on local suppliers	%	74.43%	75.06%	49.13%^
Corruption				
Total cost of fines, penalties or settlements in relation to corruption	RM	0	0	0
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	No.	0	0	0
Provisions for fines and settlements specified for ESG issues in audited accounts	RM	0	0	0
Total costs of environmental fines and penalties	RM	0	0	0
Total employees who have received training on anti-corruption	No. (%)	NA	529 (32.80%)	36 (2.71%)
Total Non-executive employees who have received training on anti-corruption	No. (%)	NA	437 (42.47%)	1 (0.12%)
Total junior management who have received training on anti-corruption	No. (%)	NA	12 (3.66%)	13 (5.18%)
Total middle management who have received training on anti-corruption	No. (%)	NA	55 (36.42%)	13 (9.70%)
Total senior management who have received training on anti-corruption	No. (%)	NA	29 (27.62%)	9 (11.84%)
Total confirmed incidents of corruption	No.	0	0	0
Percentage of operations assessed for corruption-related risks	%	100.00%	0.00%	0.00%
Environment				
Energy <sup>†</sup>				
Non-renewable electricity consumption (grid)	kWh	6,306,319	6,913,937	7,581,010
Renewable electricity [solar] consumption (H.R. Owen only)	kWh	-	-	76,694
Total electricity consumption	kWh	6,306,319	6,913,937	7,657,705
Direct energy*	TJ	35	43	37
Indirect energy	TJ	23	25	28
Total energy  * Energy conversion coefficients are derived from the IPCC Guidelines for National Greenhouse Gas Inventories	TJ	58	68	64
GHG emissions				
Scope 1 <sup>†</sup>				
$CO_2$	tCO <sub>2</sub> e	1,365	2,871	2,381
CH <sub>4</sub>	tCO <sub>2</sub> e	4	10	8
$N_2O^{\#}$	tCO <sub>2</sub> e	2	6	4
CO <sub>2</sub> e <sup>#</sup>	tCO <sub>2</sub> e	1,371	2,887	2,392
Fugitive emissions	tCO <sub>2</sub> e	-	-	45
Total scope 1 emissions	tCO <sub>2</sub> e	1,371	2,887	2,437
Scope 2 <sup>††</sup>				
Total scope 2 (electricity)	tCO <sub>2</sub> e	3,098	3,480	3,519

Change in percentage for FY2024 due to new operations in the Philippines.

CO, N<sub>2</sub>O unavailable for transport fuels.

CO<sub>2</sub> emissions from fuel consumption is derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories. The UK Government GHG Conversion Factors for Company Reporting were used to calculate the emissions from natural gas, refrigerants and other

the Scope 2 emissions were derived using the emission factor published by the Energy Commission Grid for Peninsular 2021 for Malaysia; Combined margin emission factor published by the Department of Energy for the Luzon-Visayas Grid 2015-2017 for the Philippines; and the UK Government GHG Conversion Factors for Company Reporting for the United Kingdom.



### SUSTAINABILITY PERFORMANCE DATA

Indicator	Unit	FY2022	FY2023	FY2024
GHG emissions				
Scope 3 <sup>†††</sup>				
Business travel	tCO <sub>2</sub> e	-	57	64
Employee travel	tCO <sub>2</sub> e	-	3,619	1,907
Environment				
Water	_			
Municipal water consumption	m <sup>3</sup>	49,443	59,849	57,446
Groundwater from wells, boreholes (BPI only)	m <sup>3</sup>	-	-	3,802
Total water consumption	m <sup>3</sup>	49,443	59,849	61,248
Waste				
Total solid waste disposed	kg	27,527,534	15,093,193	312,172**
Non-recyclable waste	kg	27,353,393	15,057,821	256,062**
Total recycled waste	kg	174,141	35,372	2,268**
Plastic	kg	-	-	1,612
Used cooking oil	kg	-	-	240
Total scheduled waste disposed	kg	64,693	14,589	-
Social				
Diversity, Equality & Inclusion	NIa	1 507	1 / 12	1 220
Total number of employees  Number of full time employees	No. (%)	1,597 1,293 (80.96%)	1,613 1,310 (81.22%)	1,328 1,162 (87.50%)
Number of run time employees  Number of contractors/temporary staff	No. (%)	304 (19.04%)	303 (18.78%)	166 (12.50%)
Number of new hire employees	No.	417	317	178
Employees by nationality	140.	717	317	170
Total Malaysian staff	No. (%)	678 (42.45%)	706 (43.77%)	734 (55.27%)
Total non-Malaysian staff	No. (%)	919 (57.55%)	907 (56.23%)	594 (44.73%)
Employees by gender		, , ,	, , ,	. ,
Female	No. (%)	568 (35.57%)	599 (37.14%)	517 (38.93%)
Male	No. (%)	1,029 (64.43%)	1,014 (62.86%)	811 (61.07%)
Employees by age group	1			
<30	No. (%)	335 (20.98%)	342 (21.20%)	223 (16.79%)
30-50	No. (%)	826 (51.72%)	825 (51.15%)	667 (50.23%)
>50	No. (%)	436 (27.30%)	446 (27.65%)	438 (32.98%)
Employees by category	_			
Non-executive employees	No. (%)	1,012 (63.37%)	1,029 (63.79%)	867 (65.29%)
Junior management	No. (%)	318 (19.91%)	328 (20.33%)	251 (18.90%)
Middle management	No. (%)	159 (9.96%)	151 (9.36%)	134 (10.09%)
Senior management	No. (%)	108 (6.76%)	105 (6.51%)	76 (5.72%)
Gender by category				
Non-executive: Female	No. (%)	354 (34.98%)	375 (36.44%)	348 (40.14%)
Non-executive: Male	No. (%)	658 (65.02%)	654 (63.56%)	519 (59.86%)
Junior management: Female	No. (%)	129 (40.57%)	139 (42.38%)	99 (39.44%)
Junior management: Male	No. (%)	189 (59.43%)	189 (57.62%)	152 (60.56%)
Middle management: Female	No. (%)	50 (31.45%)	51 (33.77%)	44 (32.84%)
Middle management: Male	No. (%)	109 (68.55%)	100 (66.23%)	90 (67.16%)
Senior management: Female	No. (%)	35 (32.41%)	34 (32.38%)	26 (34.21%)
Senior management: Male	No. (%)	73 (67.59%)	71 (67.62%)	50 (65.79%)

<sup>\*\*</sup> Change of scope of business entities under review in FY2024.

The transport vehicle distance emission factors for cross-sector tools compiled for the WRI Greenhouse Gas Protocol were used to calculate the  ${\rm CO_2}$ emissions from employee commuting and business travel.



### **SUSTAINABILITY PERFORMANCE DATA**

Indicator	Unit	FY2022	FY2023	FY2024
Social				
Diversity, Equality & Inclusion				
Age by category				
Non-executive: <30	No. (%)	268 (26.48%)	272 (26.43%)	191 (22.03%)
Non-executive: 30-50	No. (%)	478 (47.23%)	483 (46.94%)	400 (46.14%)
Non-executive: >50	No. (%)	266 (26.28%)	274 (26.63%)	276 (31.83%)
Junior management: <30	No. (%)	50 (15.72%)	56 (17.07%)	28 (11.16%)
Junior management: 30-50	No. (%)	208 (65.41%)	209 (63.72%)	159 (63.35%)
Junior management: >50	No. (%)	60 (18.87%)	63 (19.21%)	64 (25.50%)
Middle management: <30	No. (%)	16 (10.06%)	13 (8.61%)	4 (2.99%)
Middle management: 30-50	No. (%)	94 (59.12%)	87 (57.62%)	81 (60.45%)
Middle management: >50	No. (%)	49 (30.82%)	51 (33.77%)	49 (36.57%)
Senior management: <30	No. (%)	1 (0.93%)	1 (0.95%)	0 (0.00%)
Senior management: 30-50	No. (%)	46 (42.59%)	46 (43.81%)	27 (35.53%)
Senior management: >50	No. (%)	61 (56.48%)	58 (55.24%)	49 (64.47%)
Union membership				
Union members	No. (%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
Non-union members	No. (%)	1,597 (100.00%)	1,613 (100.00%)	1,328 (100.00%)
Disability				
Total number of disabled staff	No. (%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
Employee Turnover Rates* (STM Lottery and H.R. Owen only	/)			
Total turnover	No. (rate)	330 (20.31%)	471 (29.35%)	185 (12.58%)
By gender	,			
Female	No. (rate)	110 (18.93%)	180 (30.85%)	76 (13.62%)
Male	No. (rate)	220 (21.08%)	291 (28.49%)	109 (11.95%)
By age group				
<30	No. (rate)	133 (39.70%)	207 (61.15%)	43 (15.22%)
30-50	No. (rate)	176 (20.83%)	217 (26.29%)	90 (12.06%)
>50	No. (rate)	21 (4.72%)	47 (10.66%)	52 (11.76%)
By employment category				
Non-executive employees	No. (rate)	281 (27.55%)	373 (36.55%)	128 (13.50%)
Junior management	No. (rate)	22 (6.72%)	61 (18.89%)	40 (13.82%)
Middle management	No. (rate)	20 (11.98%)	29 (18.71%)	14 (9.82%)
Senior management	No. (rate)	7 (6.36%)	8 (7.51%)	3 (3.31%)
Total voluntary turnover (full time staff)	No.	72	143	79
Total involuntary turnover (full time staff)# # H.R. Owen only	No.	12	4	16
* Turnover rates = number of employees leaving/average number of employees for each category				
Women representatives in the management				
Female employees in management	No. (%)	214 (36.58%)	224 (38.36%)	169 (36.66%)
Female employees in top management	No. (%)	35 (32.41%)	34 (32.38%)	26 (34.21%)



### **SUSTAINABILITY PERFORMANCE DATA**

Indicator	Unit	FY2022	FY2023	FY2024
Social				
Director Diversity				
Directors by gender				
Female	No. (%)	1 (12.50%)	1 (14.29%)	1 (14.29%)
Male	No. (%)	7 (87.50%)	6 (85.71%)	6 (85.71%)
Directors by age group				
<30	No. (%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
30-50	No. (%)	2 (25.00%)	2 (28.57%)	2 (28.57%)
>50	No. (%)	6 (75.00%)	5 (71.43%)	5 (71.43%)
Training & Development (STM Lottery and H.R. Owen only	<i>(</i> )			
Total number of employees attending training	No.	342	206	529
Total number of hours spent on employee development training to enhance knowledge or individual skills	Hrs.	12	3,770	6,631.5
Total number of hours spent on employee development training for non-executive employees	Hrs.	0	532	1,668
Total number of hours spent on employee development training for junior management	Hrs.	0	2,124	2,970
Total number of hours spent on employee development training for middle management	Hrs.	0	768	1482.5
Total number of hours spent on employee development training for senior management	Hrs.	0	346	511
Average training hours per employee	Hrs.	0.01	2.34	4.99
Average training days per employee	Days	0.00	0.29	0.62
Community				
Total amount of corporate or group donations/community investments made to registered not-for-profit organisations	RM	26,696,000	36,676,293	45,326,010
Total beneficiaries of the investment in communities	No.	7,386	19,886	43,392
Health and safety (STM Lottery and H.R. Owen only)				
Fatalities (employees)	No.	0	0	0
Fatalities (third-party contractors)	No.	0	0	0
Lost time incident rate (employees)	LTIR*	0	0	0.44
Lost time incident rate (third-party contractors)	LTIR*	0	0	0
Employees trained on health and safety standards	No.	0	0	83
Employees receiving general training which includes safety	No.	0	0	60
* LTIR = number of lost time injuries in the reporting period/total number of hours worked in the reporting period x 200,000				
Human rights				
Number of substantiated complaints concerning human rights violations	No.	0	0	0
Data privacy and security				
Total substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0
Certification				
Percentage of sites covered by recognised environmental	0/	2	0	0
management systems such as ISO14001 or EMAS	%	0	0	0







### SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

### To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Sports Toto Berhad (hereafter referred to as SPToto) to perform an independent verification and provide assurance of SPToto Sustainability Statement FY2024. The main objective of the verification process is to provide assurance to SPToto and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International applied to all sustainability performance information (subject matter) as listed below, within the assurance scope which is included in SPToto Sustainability Statement FY2024.

The management of SPToto was responsible for the preparation of the Sustainability Statement FY2024. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the SPToto Sustainability Statement and the Annual Report 2024.

The assurance engagement was designed to provide limited assurance in accordance with International Standard on Assurance Engagements ("ISAE") 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organisation's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of SPToto Sustainability Statement and its overall presentation against respective reporting framework such as UN-SDGs and GRI Standards. The assurance process involves verification of 18 material matters as presented in the Sustainability Statement (page 30 to 73 of the Annual Report) within sections as follows i.e., Economic Sustainability, Environmental Sustainability, Growing Alongside the Community, Our People - The Foundation of Our Success, and Operating Responsibly. Details are provided in the Report to Management.

The verification was carried out by SIRIM QAS International between August and September 2024, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Statement includes a detailed assessment of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the statement in order to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of the work did not involve verification of other information reported in SPToto's Annual Report 2024.
- The head office at Berjaya Times Square was visited as part of this assurance engagement. The verification process did not include physical inspections of any of SPToto's operations and assets; and,
- The verification team did not conduct any verification of the data and services provided by appointed contractors and third parties.

### Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO 17021-1:2015 and ISO 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of SPToto relating to the accuracy of some of the information contained in the statement. In response to the raised findings, the Sustainability Statement was subsequently reviewed and revised by SPToto. It is confirmed that changes that have been incorporated into the final version of the statement have addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in SPToto Sustainability Statement FY2024, is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the statement was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement;
- The Sustainability Statement FY2024 provides a reasonable and balanced presentation of the sustainability performance of Sports Toto Berhad.



# SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

List of Assessors.

Ms. Aernida Abdul Kadir
 Ms. Kamini Sooriamoorthy
 Team Member
 Ms. Suzalina Kamaralarifin
 Team Member
 Ms. Nur Ruzaini Ab Razak
 Team Member
 Team Member
 Team Member
 Team Member

Statement Prepared by:

**AERNIDA BINTI ABDUL KADIR** 

Team Leader Management System Certification Department SIRIM QAS International Sdn. Bhd.

Date: 23 September 2024

Statement Approved by:

Ts. MD ADHA BIN RAHMAT

Senior General Manager Management System Certification Department SIRIM QAS International Sdn. Bhd.

Date: 30 September 2024

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (26 September 2024).

- **78** Corporate Governance Overview Statement
- 92 Statement on Risk Management and Internal Control
- **95** Audit Committee Report
- **99** Statement of Directors' Responsibility in Respect of the Audited Financial Statements





# GOVERNANCE STATEMENT





# 









The Board of Directors ("Board") of Sports Toto Berhad ("the Company") recognises the importance of corporate governance ("CG") towards promoting business prosperity and corporate accountability to protect and enhance shareholders' value as well as the interest of the Company.

The Board is committed in ensuring that the Company and its subsidiaries (collectively "Group") carries out its business operations within the required standards on CG as set out in the Malaysian Code on Corporate Governance ("MCCG").

The Board is pleased to provide an overview of the Company's CG practices during the financial year ended 30 June 2024 ("FYE 2024") and where applicable, up to the date of this CG Overview Statement with reference to the three (3) key CG principles as set out in the MCCG as follows:-

- (a) Principle A: Board Leadership and Effectiveness;
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Overview Statement is also in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the Company's Corporate Governance Report 2024 ("CG Report"), which is available on its website at <a href="https://www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a> and on Bursa Securities' website at <a href="https://www.bursamalaysia.com">www.bursamalaysia.com</a>.

The CG Report sets out the various practices under the MCCG which provides details on how the Company has applied each Practice, any departures thereof and the alternative measures being in place within the Company during the FYE 2024. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2024 save for the exceptions which are fully described in the CG Report.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### **Board Responsibilities**

The Board has overall responsibility for the proper conduct of the Company's business and the strategic direction, development and control of the Group. The roles and responsibilities of the Board in discharging its fiduciary and leadership function has been formalised in the Board Charter.

### Chairman and Chief Executive Officer ("CEO")

The Board is led by the Chairman, Dato' Sri Robin Tan Yeong Ching, a Non-Independent Executive Director of the Company. The Chairman is responsible to ensure that he will preside at all Board meetings and general meetings of the Company. The Chairman is also responsible for providing leadership as well as to ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

The Board has delegated the day-to-day management of the Group's affairs and business to the CEO of the Company, Nerine Tan Sheik Ping. The CEO holds the primary executive responsibility for the Group's business performance and to manage the Group in accordance with the strategies and policies approved by the Board. The CEO will focus on the business and leads the Senior Management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and the associated risks involved while pursuing the corporate objectives of the Group. The CEO may delegate appropriate functions to any member of the Senior Management reporting to the CEO.

The CEO and Management meet regularly to review and monitor the performance of the Group's operating divisions. The CEO briefs the Board on the Group's business operations and Management's initiatives during the quarterly Board meetings.

### Separation of Positions of the Chairman and CEO

The positions of the Chairman and the CEO are held by two different individuals. The distinct and separate roles of the Chairman and CEO with clear division of responsibilities have ensured the balance of the power and authority and that no one has unfettered control of the Board. The roles and responsibilities of the Chairman and CEO have been formalised in the Board Charter of the Company.

### **Non-Executive Directors**

The Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their own particular expertise and experience in the development of the business strategy of the Group and to make insightful contribution during the Board's deliberation. They also assist and ensure the Board adopts a good CG practice within the Group.

The presence of three (3) Independent Non-Executive Directors is sufficient to provide the required checks and balances on the decision making process of the Board. The Independent Non-Executive Directors are essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders,



employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account. The significant contributions of the Independent Directors in the decision making process is evidenced in their participation as members of the various committees of the Board.

In addition, the Non-Independent Non-Executive Director on the Board also helps to provide views and contributions from a different perspective as he is not involved in the day-to-day operations of the Group.

### **Board Committees**

The Board has established and is supported by the following Board Committees which consist of a majority of Non-Executive Directors to provide independent oversights of management and to ensure that there are appropriate checks and balances in discharging its oversight function:

- i. Audit Committee
- ii. Nomination Committee
- iii. Remuneration Committee
- iv. Risk Management Committee
- v. Sustainability Committee

The Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee which is aligned with the recommendation of the MCCG.

Each of the Board Committee operates within its respective terms of reference ("TOR") that also clearly defined its respective functions and authorities. The TOR of the respective Board Committees is also periodically reviewed by the Board Committees and approved by the Board to ensure that the TOR remains relevant and adequate in governing the responsibilities of the Committees and to reflect the latest developments in the Main Market Listing Requirements of Bursa Securities and the MCCG. These Board Committees have the authority to report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters still lies with the Board.

The TORs of each the Board Committees are available on the Company's website at www.berjaya.com/sports-toto/.

### **Company Secretaries**

The Board is supported by the qualified and experienced Company Secretaries, who are members of the professional body namely, Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified Company Secretaries as per Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also advised the Board on adoption of CG best practices as

recommended under the MCCG. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their respective TOR and best practices and ensuring adherence to the existing Board policies and procedures.

The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter of the Company which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

The Company Secretaries have also been continuously attending the relevant training programmes, conferences, seminars, webinars and/or forums so as to keep themselves abreast with the current regulatory changes in laws, regulatory requirements and corporate governance that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

### **Board Meetings and Meeting Materials**

In order to discharge their responsibilities effectively, the Board meet regularly on a quarterly basis. Other than quarterly Board Meetings, additional Board and/or Board Committee Meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters under their purview and which requires the Board's expeditious review or consideration and approval. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board and/or Board Committee approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

In the intervals between Board and/or Board Committee Meetings, any matters requiring urgent Board and/or Board Committee recommendations, decisions or approvals will be sought via circular resolutions to the Board and/or Board Committee members and these are supported with all the relevant information and/or explanations required for an informed decision to be made.

For predetermined Board Meeting and/or Board Committee Meetings, the Directors will be provided with the relevant agenda and Board papers at least five (5) business days' notice except for meetings called on an ad hoc basis for special matters or urgent proposals, reasonable notice for such meetings shall be sufficient. This enables the Board to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers provide, among others the minutes of preceding meetings of the Board and Board Committees, summary of dealings in shares by the directors or affected persons and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.



# CORPORATE GOVERNANCE

# OVERVIEW STATEMENT

In addition, there is also a schedule of matters reserved for Board's deliberations and decisions, which include among others, the review, evaluation, adoption and approval of the Company and the Group's policies and strategic plans. This is to ensure that the strategic plans of the Company and the Group supports long term value creation, including strategies on economic, environmental and social considerations underpinning sustainability. It also includes the review, evaluation and approval for any material acquisition and/or disposal of undertakings or assets and any new major ventures in the Group.

### **Access to Information and Advice**

The Directors have unrestricted access to the advice and services of the Company Secretaries and Senior Management staff in the Group to assist them in carrying out their duties. They may also obtain independent professional advice at the Company's expense in furtherance of their duties whenever the need arises.

Board Charter, Ethical Standards through Code of Ethics, Directors' Fit and Proper Policy, Code of Conduct, Whistleblowing Policy and Procedures, T.R.U.S.T. Concept and Conflict of Interest Policy

The Board has the following in place:-

### (a) Board Charter

The Board has adopted a Board Charter to promote the standards of CG and clarifies, amongst others, the roles and responsibilities of the Board, Board Committees and individual Director.

The Board Charter is subject to review by the Board periodically to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. A copy of the Board Charter is available on the Company's website at <a href="https://www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a>.

### (b) Code of Ethics for Directors

The Board has adopted a Code of Ethics for Directors ("Code") which is incorporated in the Board Charter. The Code was formulated to enhance the standard of CG and to promote ethical conduct of the Directors.

### (c) Directors' Fit and Proper Policy

The Group has adopted a Directors' Fit and Proper Policy which set out the fit and proper criteria for the appointment and re-election of director onto the Board of the Company and the Group.

The Policy serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates that are proposed to be appointed onto the Board as well as directors who are seeking for re-election.

The Directors' Fit and Proper Policy is subject to review by the Board periodically to ensure that it remains effective and relevant and a copy of the Directors' Fit and Proper Policy is available on the Company's website at <a href="https://www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a>.

### (d) Code of Conduct and Business Ethics

The Group has adopted a Code of Conduct covering business ethics, workplace safety and employees' personal conduct for all employees of the Company and all of its subsidiaries and associates. This is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation.

All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its terms throughout their employment or tenure with the Company.

The Board will periodically review the Code of Conduct. The Code of Conduct is available on the Company's website at www.berjaya.com/sports-toto/.



### (e) Whistleblowing Policy and Procedures

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Group has in place a Whistleblowing Policy and Procedures which provides an avenue for employees, the Group's third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns and to disclose alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis, without fear of any form of victimisation, harassment, retribution or retaliation.

The Whistleblowing Policy and Procedures also serves as an avenue to safeguard against the acts of bribery and corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Whistleblowing Policy and Procedures, underlining its protection and reporting channels, can be accessed on the Company's website at www.berjaya.com/sports-toto/.

### (f) Adequate Procedures to Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept

The Board has adopted T.R.U.S.T. Concept which forms the ethos and philosophy of the top management in respect of the Group's fight against bribery and corruption in all its business dealings, transactions and such other related activities.

The T.R.U.S.T. Concept was formulated to set out the guidelines on adequate procedures to curb and prevent bribery and corruption and the procedures are guided by the following five (5) principles:-

Principle I: Top Level Commitment (Berjaya's Ethos and Commitment);

Principle II: **R**isk Management Assessment; Principle III: **U**ndertake Control Measures;

Principle IV: Systematic Review, Monitoring and Enforcement; and

Principle V: Training and Communication.

(Collectively known as T.R.U.S.T. Concept)

The T.R.U.S.T. Concept demonstrates the Group's zero-tolerance approach against all forms of bribery and corruption in its daily operations and the Group takes a strong stance against such acts. The Group will take all reasonable and appropriate measures to ensure that all its directors and employees are committed to act professionally and with integrity in all their business dealings and not participate in any corrupt activities for its advantage or benefit.

The T.R.U.S.T. Concept can be accessed on the Company's website at www.berjaya.com/sports-toto/.

### (g) Conflict of Interest Policy

The Board has established and adopted a Conflict of Interest ("COI") Policy that outlines the processes and procedures that the Directors and Key Senior Management within the Group must adhere to and address circumstances that may potentially lead to a COI, whether they are actual, apparent or potential in nature.

The COI Policy serves as a guide to the Audit Committee and the Board in identifying, evaluating, approving, reporting and monitoring of COI situations.

All the Directors and Key Senior Management are required to declare that they have acknowledged, received and read the COI Policy and agreed to comply with its provisions in the COI Policy.



### **Sustainability Strategies**

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a long-term sustainability balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's sustainability journey including strategies, priorities, progress, and targets are communicated to its stakeholders, internal or external, through regular engagement with each of the stakeholder groups.

The Group's efforts to promote sustainability initiatives for the environment, the communities in which it operates and its employees have been set out in the Sustainability Statement in this Annual Report.

### **Board Composition**

The Board composition of the Company represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently has seven (7) members comprising the CEO, two (2) Executive Directors (including the Chairman), one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The profiles of each Directors of the Company are set out in the Profile of Directors Section in this Annual Report.

The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least one third (1/3) of its members to be Independent Directors. However, the Company is not in compliance with Practice 5.2 of the MCCG as the Board does not have a composition which comprises of 50% Independent Directors.

The presence of the Independent Director, though not forming majority of the Board members, is sufficient to provide the necessary checks and balances on the decision making process of the Board. They are able to contribute their particular expertise and experience to the Board and to carry out their duties and responsibilities with unfettered and unbiased independent judgment.

### **Boardroom Diversity**

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.

The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. The Board will continuously strive to meet the targets for gender diversity requirement and will actively take the necessary measures towards promoting a corporate culture that embraces gender diversity in the Boardroom.

The Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company.

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a work place environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

Currently, the Board has one (1) female Director namely, Ms Nerine Tan Sheik Ping representing about 14.3% ratio of the full Board of seven (7) members. The Company has complied with Paragraph 15.02(1)(b) of the Main Market Listing Requirements of Bursa Securities which states that the Company must have at least one (1) female Director on Board. However, the Company is not in compliance with Practice 5.9 of the MCCG as the Board does not comprise at least 30% women directors.

The Board has in place a Diversity Policy, a copy of which is available on the Company's website at <a href="www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a>.



### **Time Commitment**

The Board is satisfied with the level of time commitment given by the Directors and Board Committees towards fulfilling their roles and responsibilities as Directors and Board Committees of the Company. During the FYE 2024, the number of meetings held and attended by Board and Board Committees were as follows:-

Directors		No. of Me	eetings Atte	nded/held i	in FY2024	
	BOARD	AC	NC	RC	sc	RMC
Dato' Sri Robin Tan Yeong Ching (Chairman/Non-Independent Executive Director)	5/5	-	-	-	-	-
Nerine Tan Sheik Ping (Chief Executive Officer)	5/5	-	-	-	_	-
Derek Chin Chee Seng (Non-Independent Executive Director)	5/5	-	-	-	-	-
Dato' Oon Weng Boon (Non-Independent Non-Executive Director)	5/5	6/6	1/1	1/1	2/2	4/4
Datuk Seri Wong Chun Wai (Independent Non-Executive Director)	5/5	6/6	1/1	1/1	2/2	4/4
Poh Ying Loo (Independent Non-Executive Director)	5/5	6/6	1/1	1/1	2/2	4/4
Premshangar A/L Venugopal (Independent Non-Executive Director)	5/5	-	-	1/1	2/2	4/4

### Notes:

RMC : Risk Management Committee

All the Directors of the Company have confirmed that they do not hold more than five (5) directorships in listed issuers pursuant to Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities. They are required to notify the Chairman of the Board before accepting any new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

### **Directors' Training**

All the Directors of the Company had attended and completed the Mandatory Accreditation Programme ("MAP") Part I and majority of the Directors of the Company have completed the MAP II as required by Bursa Securities as at the date of this CG Overview Statement.

The Board and/or the Directors individually will on a continuous basis, evaluate and determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will attend the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements.

The Board is also regularly updated by the Company Secretaries on the latest update/amendments to the relevant regulatory requirements, corporate governance and sustainability relating to the discharge of the Directors' duties and responsibilities.



During the FYE 30 June 2024, the training programmes, seminars, conferences and webinars attended by the Directors were as follows:-

Directors	Title of Training Programmes/Seminars/Conferences/Forum/Webinars
Dato' Sri Robin Tan Yeong Ching	<ul> <li>Environmental, Social and Governance-IFRS S1 and S2: Beyond compliance</li> <li>In-house training on Fraud Risk and Enterprise Risk</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>
Nerine Tan Sheik Ping	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Derek Chin Chee Seng	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Oon Weng Boon	- Webinar on Management of Cyber Risk Programme
Datuk Seri Wong Chun Wai	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Poh Ying Loo	<ul> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>The Mechanics of ESG</li> <li>SC's Audit Oversight Board Conversation with Audit Committee</li> <li>Managing Scope 3 Emissions by CGM</li> <li>CGM: Reporting under the TCFD framework</li> <li>KPMG: Navigating Capital Gains Tax</li> <li>Seminar on IFRS Sustainability Disclosure Standards</li> <li>Future proof Malaysia Business - Navigating Cyber Threats</li> <li>Tax Digitalisation in Action: Landscape of e-invoicing in Malaysia</li> <li>What you need to know about the Bursa's amended listing requirements on COI</li> <li>Climate Governance 101 - A Board's Guide to Effective Oversight</li> </ul>
Premshangar A/L Venugopal	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

### **Appointment To The Board**

The members of the Nomination Committee, which comprises exclusively Non-Executive Directors with a majority of them being Independent Directors are as follows:-

Poh Ying Loo	- Chairman/Independent Non-Executive Director
Dato' Oon Weng Boon	- Member/Non-Independent Non-Executive Director
Datuk Seri Wong Chun Wai	- Member/Independent Non-Executive Director

The Chairman of the Nomination Committee, Mr Poh Ying Loo is an Independent Director and this composition is aligned with the recommendation of Practice 5.8 of the MCCG.

The composition, authority as well as the duties and responsibilities of the Nomination Committee are set out in its TOR, which is available on the Company's website at www.berjaya.com/sports-toto/.

The Board delegates to the Nomination Committee the responsibility of making recommendations on any potential candidate for the appointment as a new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent, rigorous and are made based on merits and in the best interest of the Company.

In compliance with the Main Market Listing Requirements of Bursa Securities, the Company has in place a Directors' Fit and Proper Policy which sets out the selection criteria that Nomination Committee use as part of its assessment for the appointment and/or re-election of Directors.

The process for the appointment of a new Director is summarised in the sequence as follows:-

The candidate identified upon the recommendation by the existing Directors' network, referrals from incumbent Directors and business associates, Senior Management or major shareholders, independent search firms and/or other independent sources;



- In evaluating the suitability of a candidate for appointment to the Board, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidate, and in the case of a candidate proposed for appointment as Independent Non-Executive Director, the candidate's independence;
- 3. Potential candidate is required to undertake fit and proper assessment prior to the appointment;
- Recommendation shall then be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees as recommended by Nomination Committee.

### **Annual Assessment**

The Nomination Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and areas where improvements could be considered. The criteria for the evaluation are guided by the CG Guide issued by Bursa Malaysia Berhad. The evaluation process also involved a peer and self-review assessment, where each Director will assess their own performance and that of their fellow Directors. These outcome of the assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

During the FYE 2024, the Nomination Committee carried out the following activities:

- Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- (ii) Reviewed and assessed the performance of each individual Director, independence of the Independent Directors, effectiveness of the Board and Board Committees;
- (iii) Reviewed the performance of the Audit Committee and its members;
- (iv) Reviewed the financial literacy assessment for each of the Audit Committee members;

- (v) Recommended to the Board the re-election of Directors who are due for retirement by rotation for shareholders' approval at the Annual General Meeting ("AGM"); and
- (vi) Reviewed and recommended to the Board for approval the revised TOR of Nomination Committee.

#### **Re-election of Directors**

Clause 117 of the Company's Constitution provides that at least one-third (1/3) of the Directors shall retire by rotation and they are eligible to seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years.

At the forthcoming AGM, the following Directors ("Retiring Directors") are due for retirement and are eligible for reelection pursuant to Clause 117 of the Company's Constitution:

Directors	Retiring Pursuant to
i. Poh Ying Loo	Clause 117
ii. Premshangar A	L Venugopal Clause 117

The Board through the Nomination Committee had undertaken an annual assessment and evaluation as well as fit and proper assessment on of the Retiring Directors in accordance with the provisions of the Companies Act 2016, the Constitution and the Fit and Proper Policy of the Company.

All the Retiring Directors have completed their respective declaration on the fitness and propriety, contribution and performance and calibre and personality in accordance with the Fit and Proper Policy of the Company as well as the confirmation of their independence.

Based on the results of the assessment conducted, the Nomination Committee was satisfied with the favourable evaluation of the overall performance and contributions of the Retiring Directors and the Retiring Directors have fulfilled the fit and proper criteria in accordance to the Fit and Proper Policy of the Company. Accordingly, Nomination Committee recommended to the Board for re-election of the Retiring Directors. The Board has deliberated and endorsed the Nomination Committee's recommendation and supports the re-election of Retiring Directors for approval by the shareholders at the forthcoming AGM. The Retiring Directors had abstained from deliberations and decisions on their re-election at the Nomination Committee and Board Meetings.

The profiles of the Retiring Directors are set out in the Profile of Directors in the Company's 2024 Annual Report.



### **Tenure of Independent Directors**

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director does not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. The MCCG also sets out a recommendation that the Board must justify and seek shareholders' approval through a two-tier voting in the event it retains an Independent Director who has served in that capacity beyond nine (9) years.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years.

The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgment during Board deliberations and decision making.

As at 30 June 2024, none of the Independent Directors of the Company has served the Board for a cumulative term of more than nine (9) years.

### **Annual Assessment of Independence**

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, has assessed the independence of its Independent Non-Executive Directors on an annual basis based on criteria set out in the Main Market Listing Requirements of Bursa Securities.

The current Independent Directors of the Company namely, Datuk Seri Wong Chun Wai, Mr Poh Ying Loo and Mr Premshangar A/L Venugopal have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Main Market Listing Requirements of Bursa Securities.

### **Remuneration Policies and Procedures**

The members of the Remuneration Committee, which comprises exclusively Non-Executive Directors with a majority of them being Independent Directors are as follows:-

Premshangar A/L	- Chairman/Independent
Venugopal	Non-Executive Director
Dato' Oon Weng Boon	- Member/Non-Independent Non-Executive Director
Datuk Seri Wong Chun	- Member/Independent
Wai	Non-Executive Director
Poh Ying Loo	- Member/Independent Non-Executive Director

The composition, authority as well as the duties and responsibilities of the Remuneration Committee are set out in its Terms of Reference which is available on the Company's website at www.berjaya.com/sports-toto/.

The Board has adopted a Remuneration Policy to support the Directors and Key Senior Management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Directors and Key Senior Management who will manage and drive the Company's success.

The Board has delegated to the Remuneration Committee to implement its Remuneration Policy. The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the Executive Directors. The remuneration of Executive Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The remuneration of Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and level of responsibilities.

Both the remuneration of Executive Directors and Key Senior Management are structured to link rewards to the achievement of individual and corporate performance.

The Remuneration Committee is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommended that the level of remuneration should reflect the experience and the level of responsibilities undertaken



by each Non-Executive Director. The Board will then recommend the payment of the yearly Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

The Board will periodically review the Remuneration Policy and a copy is available on the Company's website at www.berjaya.com/sports-toto/.

Details of Directors' remuneration paid or payable to all Directors of the Company (by both the Company and the Group) and categorised into appropriate components for the FYE 2024 are as follows:-

### (a) Individual Directors on a named basis

### **Company**

				RM			
	Fees	Allowances	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive							
Dato' Sri Robin Tan Yeong Ching	-	-	-	-	-	-	-
Nerine Tan Sheik Ping	-	-	-	-	=	-	-
Derek Chin Chee Seng	-	=	209,700	34,961	-	47,281	291,942
Non-executive							
Dato' Oon Weng Boon	80,000	-	-	-	-	22,000	102,000
Datuk Seri Wong Chun Wai	80,000	-	-	-	-	22,000	102,000
Poh Ying Loo	80,000	-	-	-	-	23,600	103,600
Premshangar A/L Venugopal	80,000	-	-	-	-	17,800	97,800
	320,000	-	209,700	34,961	-	132,681	697,342

### Group

				RM			
	Fees	Allowances	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive							
Dato' Sri Robin Tan Yeong Ching	-	1,410,621	2,317,236	193,103	82,174	402,818	4,405,952
Nerine Tan Sheik Ping	-	-	2,733,000	750,000	29,931	460,540	3,973,471
Derek Chin Chee Seng	-	-	786,504	131,095	31,110	217,308	1,166,017
Non-executive							
Dato' Oon Weng Boon	80,000	-	-	-	-	22,000	102,000
Datuk Seri Wong Chun Wai	80,000	-	-	-	-	22,000	102,000
Poh Ying Loo	80,000	-	-	-	-	23,600	103,600
Premshangar A/L Venugopal	80,000	-	-	-	-	17,800	97,800
	320,000	1,410,621	5,836,740	1,074,198	143,215	1,166,066	9,950,840



### (b) The Remuneration of top three (3) Senior Management in bands of RM50,000 on an aggregate basis

The number of top three (3) Senior Management and their total remuneration from the Group categorised into the various bands are as follows:-

	Number of Key Senior Management
RM500,001 - RM550,000	1
RM8,950,000 - RM9,000,000	1
RM37,600,001 - RM37,650,000	1
	3

Although the MCCG provides that the Company should disclose the detailed remuneration of the top five (5) Senior Management on a named basis, the Board has opined that it is not in the best interest of the Company to make such disclosures on the remuneration of the Senior Management due to the sensitivity of their remuneration package, privacy, competition and issue of staff poaching.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### **Audit Committee**

The members of the Audit Committee, which comprises exclusively Non-Executive Directors with a majority of them being Independent Directors are as follows:-

Poh Ying Loo	- Chairman/Independent Non-Executive Director
Dato' Oon Weng Boon	- Member/Non-Independent Non-Executive Director
Datuk Seri Wong Chun Wai	- Member/Independent Non-Executive Director

The Chairman of the Audit Committee is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the Audit Committee are set out in its TOR and a copy is available on the Company's website at <a href="https://www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a>.

The members of the Audit Committee possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the Audit Committee. In addition, the Audit Committee members are financially literate and are able to understand, analyse and challenge matters under purview of the Audit Committee including the financial reporting process.

The Board is responsible to ensure the annual financial statements are prepared in accordance with the provisions of the Companies Act 2016 and the applicable financial reporting standards in Malaysia. In presenting the annual

financial statements and quarterly announcement of results, the Board seeks to provide shareholders with a clear, balanced and understandable assessment of the Group's financial position and prospects. The Audit Committee assists the Board to discharge its duties in financial reporting by ensuring the reliability and integrity of the Group's accounting and financial reporting process and to ensure the financial statements give a true and fair view in accordance with the provisions of the Companies Act 2016 and the applicable financial reporting standards in Malaysia. In addition, the Audit Committee reviews the annual financial statements and quarterly financial results before they are recommended to the Board for approval.

Besides overseeing the Group's accounting and financial reporting process, Audit Committee is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the External Auditors, to oversee and monitor the Group's internal audit functions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. A summary of the activities undertaken by the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

The performance of the Audit Committee is reviewed annually by the Nomination Committee. Based on the evaluation, the Nomination Committee concluded that the Audit Committee has been effective in its performance and has carried out its duties in accordance with its TOR during the FYE 2024.



### **Assessment of External Auditors**

The Board maintains a transparent and professional relationship with the External Auditors through the Audit Committee. Under the existing practice, the Audit Committee invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Company's annual financial statements. In addition, the Audit Committee will also have private meetings with the External Auditors without the presence of the Chief Executive Officer, Chief Financial Officer and Senior Management to enable exchange of views on issues requiring attention.

The Audit Committee has adopted an External Auditors Policy ("EA Policy") which outlines the policies and procedures for the Audit Committee to govern the assessment and to monitor the External Auditors. The EA Policy covers, among others, the appointment of External Auditors, assessment of External Auditors, independence of External Auditors, non-audit services including the need to obtain approvals from the Chief Financial Officer/Executive Director/Head of Group Accounts or the Audit Committee for non-audit work up to a certain threshold and the annual reporting and rotation of the External Audit Engagement Partner. In addition, the EA Policy also included a requirement for a former audit partner to observe a cooling-off period of at least three (3) years before they can be considered for appointment as a member of the Audit Committee and/or the Board.

The Board has delegated to the Audit Committee to perform an annual assessment on the quality of the audit which encompassed the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standards and devising tools to obtain the relevant data.

The areas of assessment include among others, the calibre of the audit firm, quality processes/performance, audit team, audit scope and planning, audit communications and independence and objectivity as well as the audit fees. Assessment questionnaires were used as a tool to obtain input from the Company's personnel who had constant contact with the external audit team throughout the financial year.

To support the Audit Committee's assessment of their independence, the External Auditors will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are required to declare their independence annually to the Audit Committee as specified in the By-Laws issued by the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants. The External Auditors have included such declaration in their presentation of the annual audit plan to the Audit Committee of the Company.

The Audit Committee also ensures that the External Auditors are independent of the activities they audit and will review the contracts for provision of non-audit services by the External Auditors. The recurring non-audit services were in respect of tax compliance and the annual review of the Statement on Risk Management and Internal Control. The non-recurring non-audit service is the professional accounting fees for an aborted corporate exercise.

During the financial year, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the FYE 2024 were as follows:-

	Compa	Company		•
	FYE2024 RM'000	FYE2023 RM'000	FYE2024 RM'000	FYE2023 RM'000
Statutory audit fees paid/payable to:- - Ernst & Young PLT ("EY") Malaysia				
- Current financial year	147	139	464	436
- Under provision in previous financial year	8	9	23	40
- Affiliates of EY Malaysia	-	-	15	13
Total (a)	155	148	502	489
Non-audit fees paid/payable to:-				
- EY Malaysia	8	8	8	8
- Affiliates of EY Malaysia	15	13	108	80
Total (b)	23	21	116	88
% of non-audit fees (b/a)	14.84%	14.19%	23.11%	18.00%

In considering the nature and scope of non-audit fees, the Audit Committee was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

Upon completion of the assessment, the Audit Committee will make recommendation for the re-appointment of the External Auditors to the Board for its deliberation and approval. The Board concurred with the Audit Committee's recommendation and agreed to table the proposed re-appointment of External Auditors to the shareholders for approval at the Company's forthcoming AGM.

### **Risk Management and Internal Control**

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. Accordingly, the Directors are required to ensure that an effective system of internal control, 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 is in place within the Group.

While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding the Company's assets and the shareholders' investments, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the Audit Committee provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of the risk management process is carried out by the Risk Management Committee of the Group.

The Risk Management Committee currently comprises a majority of Independent Directors as follows:-

Premshangar A/L	- Chairman/Independent
Venugopal	Non-Executive Director
Dato' Oon Weng Boon	- Member/Non-Independent Non-Executive Director
Datuk Seri Wong Chun	- Member/Independent
Wai	Non-Executive Director
Poh Ying Loo	- Member/Independent Non-Executive Director

The details of the risk management and system of internal control of the Company which provides an overview of the state of internal controls within the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### **Communication With Stakeholders**

The Company strives to maintain an open transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. The provision of timely information is of paramount importance to assist the shareholders and investors to make an informed decision on their investments. However, whilst the Company endeavours to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The various channels of communications with stakeholders are through the following:-

- (i) the quarterly announcements on financial results and other periodical or relevant announcements to Bursa Securities;
- (ii) circulars and annual reports;
- (iii) general meetings of shareholders;
- (iv) meetings with investors, analysts and fund managers and briefings where appropriate; and
- (v) the Company's website at <a href="www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a> where shareholders can have easy access to the Company's corporate information such as the Board Charter, TOR of the Board Committees, Company Policies, press releases, financial information, Company announcements and others.

The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.



### **Conduct of General Meetings**

The Company regards the AGM as the principal forum for dialogue and interactions with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders. At each AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions. The External Auditors will also be present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The Chairman, Chief Executive Officer, Chief Financial Officer and other Directors present will respond to questions posed by the shareholders/proxies at the AGM.

The Company despatches a Notification to Shareholders in respect of AGM of the Company to the shareholders of the Company to notify them that the following documents can be viewed and downloaded from the website of the Company and Bursa Securities at <a href="www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a> and www.bursamalaysia.com respectively:-

- (a) Annual Report;
- (b) Notice of AGM, Form of Proxy and Administrative Guide; and
- (c) Circular/Statement to Shareholders.

The notice of AGM was issued to the shareholders of the Company at least twenty-eight (28) days before the AGM. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxy or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting. Each item of special business included in the Notice of AGM is accompanied by a brief explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.

The shareholders are allowed to submit the questions prior to the AGM via email to the poll administrator and they are given sufficient time and opportunity to participate in the question and answer sessions with regard to the proposed resolutions, the Group's financial performance and operations at AGM.

All Board members (including all members of the Board Committees), the Senior Management and the External Auditors of the Company attended the last AGM and provided meaningful response to shareholders' queries during the meeting.

### **Poll Voting**

Pursuant to Clause 82 of the Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the Company is required to ensure that all resolutions set out in the notice of general meetings are voted by poll.

At the Company's previous AGM held on 6 December 2023, all the resolutions passed by the shareholders at the said AGM were voted by way of a poll. In providing a more efficient and wide-spread of remote shareholders' participation at general meetings, the Company had conducted its AGM virtually through live streaming from broadcast venue and online remote voting via Remote Participation and Voting facilities ("RPV Facilities") provided by the appointed Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at <a href="www.sshsb.net.my/">www.sshsb.net.my/</a>. Shareholders who registered for remote participation via Securities Services e-Portal joined the live streaming of the proceeding of the AGM and posed questions to the Board via real time submission of typed texts and also casted their votes online via RPV Facilities at the AGM.

The Administrative Guide for the AGM with detailed registration and voting procedures were made available and can be viewed and downloaded from the website of the Company and Bursa Securities at <a href="www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a> and www.bursamalaysia.com. The Company had appointed SS E Solutions Sdn Bhd as poll administrators to conduct the polling process on all resolutions tabled at the AGM and Commercial Quest Sdn Bhd as the independent scrutineers to verify and validate the poll results. The independent scrutineers announced the poll results of the AGM with details on the number of votes cast for and against for each resolution together with the respective percentages which were simultaneously displayed on the screen. The poll results were also announced to Bursa Securities on the same day by the Company. The minutes of the AGM, confirmed and signed by the Chairman, was made available on the Company's website after the AGM.

This CG Overview Statement was approved by the Board of the Company on 18 October 2024.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

The Board of Directors ("the Board") of Sports Toto Berhad ("SPToto" or "the Group") is committed to maintaining a sound system of risk management and internal control to provide a platform for the Group's business objectives to be achieved. The Board sets out below the nature and scope of the risk management and internal controls of the Group.

### **RESPONSIBILITY**

The Board of SPToto recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group. In view of the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage and achieve its business objectives. As such, the system can only provide reasonable assurance against material misstatement or loss.

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 Board has undertaken a review of the adequacy and effectiveness of the risk management and internal control system. The Board has also obtained assurance from the Chief Executive Officer and Chief Financial Officer and concluded that the Group's governance, risk management and internal control system are operating adequately and effectively, in all material aspects.

### **MANAGEMENT STYLE**

The management of the Group as a whole is assigned to the Chief Executive Officer who will lead the management teams

The Chief Executive Officer and management practise 'close to operations' policy and have various scheduled management meetings as well as carry out regular review of financial and operations reports. These provide the platform for timely identification of the Group's risks and systems to manage risks. The Chief Executive Officer update the Board on any significant matters which require the latter's attention.

The management of the Group's main operating companies is assigned to their Executive Directors and the respective management teams who are accountable for the conduct and performance of their businesses within the agreed

business strategies. For the gaming division, operations are divided into regions and areas due to the 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 are being managed by experienced personnel in their respective country offices. Regular reporting on performance of their businesses is provided to their management who are assigned to manage the respective overseas operations. In addition, the Chief Executive Officer and 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.

The Board does not regularly review the internal control system of its associated companies, as the Board does not have any direct control over their operations. The Group's interests are served through board representations on the board of associated companies and the review of their management accounts, and enquiries thereon. These representatives provide the Board with information for timely decision making on the continuity of the Board's investments based on the performance of the associated companies.

### **INTERNAL CONTROL PROCESSES**

The key aspects of the internal control process are as follows:

- The business units identify the areas of control relevant to their business, design the internal control procedures and document the procedures in manuals.
- The internal auditors of the Group establish the annual audit plan and table the plan to the Audit Committee ("AC") for approval.
- The internal auditors perform the audit and present their audit reports to the AC, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

### **ASSURANCE MECHANISM**

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. The Board has assigned the AC with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The AC receives assurance reports from the internal auditors on findings from their visits to the operating units, on areas for improvement identified during the course of their audit. The AC reviews the reports and takes the necessary action to remedy any significant weaknesses to the internal control system.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The internal auditors provide the AC with independent and objective reports on the state of internal controls of the operating units within the Group to assist the AC in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the AC together with management's responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audits with implementation status reported to the AC.

The internal audit function of the gaming related segment is principally carried out by the Internal Audit Department of STM Lottery Sdn Bhd, the principal operating subsidiary of the Group. The internal audit function of the other overseas business segments is outsourced to the Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the AC.

The Board also reviews the minutes of the meetings of the AC. The Audit Committee Report is set out on pages 95 to 98 of the Annual Report.

## KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

Some key features of SPToto's system of internal control include:

- Clear organisation structure with delineated reporting lines;
- Defined levels of authority;
- Capable workforce with ongoing training efforts;
- Timely financial and operations reports, and scheduled management meetings;
- Centralised human resource function which outlines procedures for recruitment, training, appraisal and the reward system;
- Structured procurement function to ensure approval procedures are adhered to;
- Formal operating and draw process with strict controls that are consistent with industry standard operating procedures;
- 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.

### WHISTLEBLOWING POLICY

The Group has a whistleblowing policy, which provides an avenue for employees, third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis without fear of any form of victimisation, harassment, retribution or retaliation. The whistleblowing policy is available on SPToto's website at www.berjaya.com/sports-toto/.

# ANTI-BRIBERY AND CORRUPTION POLICY

In response to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has established its Anti-Bribery and Corruption Policy, titled Adequate Procedures to Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept. The Group and affiliated companies strictly adopt a zero-tolerance policy approach against all forms of bribery and corruption in its daily operations, and take all reasonable and appropriate measures to ensure that all its directors and employees are committed to act professionally and with integrity in all their business dealings and not participate in any corrupt activities for its advantage or benefit.

The Adequate Procedures to Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept can be accessed on SPToto's website at www.berjaya.com/sports-toto/.

### **RISK MANAGEMENT**

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 risk management and be in line with the Malaysian Code on Corporate Governance. The RMC together with the AC are entrusted with the overall responsibility to regularly review and monitor the risk management activities of the Group as well as to approve appropriate risk management procedures and measurement methodologies. This responsibility involves ensuring more effective and efficient identification, evaluation, management and reporting of the Group's risks. The members of the RMC are Mr. Premshangar A/L Venugopal (Chairman), Dato' Oon Weng Boon, Datuk Seri Wong Chun Wai and Mr. Poh Ying Loo.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The RMC terms of reference include, inter alia:

- To ensure that the strategic context of the risk management strategy is complete;
- To determine the overall risk management processes;
- 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 that risk management processes are integrated into all core business processes;
- To establish risk reporting mechanism;
- To ensure alignment and coordination of assurance activity across the organisation; and
- To act as steering committee for the group wide risk management programme.

The Risk Management Working Committee ("RMWC"), consisting of all heads of departments of the operating subsidiary companies, maintains a risk register which outlines the risk policies including the procedures of risk identification, risk tolerance and the evaluation and managing process. Any new risks identified or areas which exceeded the risk tolerance level defined will be evaluated with immediate action taken according to the procedures defined and promptly reported to the RMC together with a control strategy to manage the risk identified.

### **RISK MANAGEMENT PROCESS**

The key aspects of the risk management process are as follows:

- The business units are required to identify the risks relevant to their businesses.
- The risks are then assessed based on the probability of their occurrence as well as their impact to the business units and are evaluated as Low, Medium or High. The level of residual risk is determined after evaluating the effectiveness of controls and mitigating measures.
- The business units develop control procedures or action plans to either prevent the occurrence or reduce the impact upon its occurrence.
- The business units are required to update their risk profiles and review their processes in monitoring the risks periodically.
- On a quarterly basis, the business units are required to prepare a report summarising the significant risks and status of action plan. The relevant reports will be submitted to the RMC for review and deliberation.

During the financial year ended 30 June 2024, the RMC held 4 meetings to review the reports tabled by the RMWC. The RMC had evaluated and monitored the progress of any risk factors relating to the operations raised by the RMWC and recommended certain measures to be adopted to mitigate their business risks.

### **REVIEW BY EXTERNAL AUDITORS**

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3 (previously the Recommended Practice Guide 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the financial year ended 30 June 2024, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. AAPG 3 does not require the auditors to consider whether the Directors' SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

### **CONCLUSION**

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 action plans, when necessary, to further enhance the Group's system of internal control.

The Group's system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.



The Board of Directors of Sports Toto Berhad ("SPToto") is pleased to present the report of the Audit Committee ("AC") for the financial year ended 30 June 2024.

### **COMPOSITION OF AC**

The members of the AC comprise the following:-

### **Poh Ying Loo**

Chairman/Independent Non-Executive Director

### Datuk Seri Wong Chun Wai

Member/Independent Non-Executive Director

### Dato' Oon Weng Boon

Member/Non-Independent Non-Executive Director

The AC comprises three (3) members and all of them are Non-Executive Directors with a majority of them being independent directors. The Chairman of the AC is a member of the Malaysian Institute of Accountants, a Fellow Chartered Management Accountant and a Chartered Global Management Accountant, both under the Chartered Institute of Management Accountants. None of the AC members is an alternate director. Accordingly, the composition of the AC has complied with Paragraph 15.09 (1) and (2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Chairman of the AC is an Independent Non-Executive Director of the Company and he is not the Chairman of the Board. This composition has complied with Paragraph 15.10 of the MMLR of Bursa Securities and also in line with the recommendation of Practice 9.1 of the Malaysian Code on Corporate Governance.

### **MEETINGS**

The AC held six (6) meetings during the financial year ended 30 June 2024. The details of attendance of the AC members are as follows:-

Name	Attendance
Poh Ying Loo	6/6
Datuk Seri Wong Chun Wai	6/6
Dato' Oon Weng Boon	6/6

The AC meetings were convened with proper notices and agenda and these were distributed to all members of the AC with sufficient notification. The minutes of each of the AC meetings were recorded and tabled for confirmation at the next AC meeting and thereafter tabled at the Board Meeting for the Directors' review and notation.

The Chief Executive Officer, the Chief Financial Officer of the Company and the ultimate holding company, Berjaya Corporation Berhad ("BCorp"), the Deputy General Manager and Assistant General Manager of Internal Audit of STM Lottery Sdn Bhd ("STM Lottery") as well as the Financial Adviser of BCorp were also invited to attend the AC meetings. The External Auditors were also invited to attend three (3) of these meetings. The AC also met with the External Auditors without the presence of executive Board members and the Management. In addition, the senior management of the relevant operations was also invited to provide clarification on the follow-up audit review and the adequacy of internal controls to be implemented to resolve those issues arising from the audit reports.

## SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee ("AC") are set out in its Terms of Reference, a copy of which is available at www.berjaya.com/sports-toto/.

In discharging its duties and responsibilities, the AC had undertaken the following activities and work during the financial year ended 30 June 2024:-

### **Financial Reporting**

(a) Reviewed the quarterly financial results including the draft announcements pertaining thereto and made recommendations to the Board for approval of the same as follows:-

Date of Meetings	Review of Quarterly Financial Results
23 August 2023	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 June 2023
21 November 2023	First quarter results for financial year ended 30 June 2024
23 February 2024	Second quarter results for financial year ended 30 June 2024
24 May 2024	Third quarter results for financial year ended 30 June 2024

The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim



Financial Reporting Standards in Malaysia and International Accounting Standards 34 - Interim Financial Reporting as well as the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed the audited financial statements of the Company and the Group for the financial year ended 30 June 2023 together with the Management and the External Auditors at its meeting held on 18 October 2023 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with regulatory requirements before recommending the audited financial statements to the Board for approval. Prior to that, the AC had reviewed the status report on the Audit Plan for the financial year ended 30 June 2023 prepared by the External Auditors at the meeting held on 23 August 2023.

### **External Audit**

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 June 2023 covering areas such as calibre of external audit firm, quality processes/ performance, audit team, independence and objectivity, audit scope and planning, audit fees and audit communication of the External Auditors. The AC, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young PLT ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year of 30 June 2024 at its meeting held on 18 October 2023.
- (b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors including the key audit matters which were raised in the external auditors' report for the financial year ended 30 June 2023.

The AC also had private discussions with the External Auditors on 23 August 2023, 18 October 2023 and 24 May 2024 without the presence of Management during the review of the audited financial statements for the year ended 30 June 2023 and also the audit plan for year ended 30 June 2024 to discuss any problems/ issues arising from the previous year final audit, proper disclosure of information and the assistance given by the employees during the course of audit by External Auditors.

(c) Reviewed with the External Auditors at the meeting held on 24 May 2024, their audit plan for the financial year ended 30 June 2024, outlining the EY client service team, audit emphasis, audit quality, auditors' independence, digital audit, audit timeline, digital roadmap, materiality in planning and performing audit, assessment of internal control environment, fraud considerations and the risk of management override of controls, group audit scoping, management's expert, integrating technology risk based approach into the overall audit approach as well as the updates on the Environmental, Social and Governance and Tax updates.

### **Internal Audit**

- (a) Reviewed Internal Audit reports on the Company's operating subsidiaries namely STM Lottery and H.R. Owen Plc, during the financial year under review. Areas covered by the Internal Audit included branch audit, audit of Head Office operating departments, software verification, bigwin processing of single and/or share jackpot winners, recalculation/verification of Toto 4D, Toto 4D Zodiac, Toto 5D and Toto 6D pools reports, major operating expenses and capital expenditures, finance, information technology, credit control, vehicle inventory, general security of the premises and general observations relating to the operating conditions of the premises.
- (b) Reviewed the audit findings, Internal Auditors' recommendations to improve any weaknesses or noncompliance together with the Management's responses from the respective business units and the timeline taken by the Management to ensure the deficiencies are addressed promptly. The Internal Audit monitored the implementation of Management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses were being properly addressed.
- (c) Reviewed and approved the Internal Audit Plan for the year 2023 to ensure that the scope and coverage of the internal audit on the operations of STM Lottery is adequate and comprehensive and that all the risk areas are audited annually.
- (d) Assessed the adequacy of the scope, competency and performance of internal audit function and its effectiveness of the audit processes for the financial year ended 30 June 2023.



### **Recurrent Related Party Transactions**

(a) Reviewed the 2023 Circular to Shareholders in connection with the Recurrent Related Party Transactions ("RRPT") that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

The framework set up for identifying and monitoring the RRPT includes inter-alia, the following:-

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) The related parties and interested Directors will be notified of the method and/or procedures of the RRPT for the SPToto Group;
- (iii) Records of RRPT will be retained and compiled by the Group accountant for submission to the AC for review;
- (iv) The AC is to provide a statement that it has reviewed the terms of the RRPT to ensure that such transactions are undertaken based on terms not more favourable to the related parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the SPToto Group;
- (v) The AC also reviewed the procedures and processes with regards to the RRPT on a half yearly basis to ensure that the transactions are within the approved mandate.
- (vi) Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any person connected with them will also abstain from voting on the resolution(s) at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:-
  - the type of the RRPT made; and
  - the names of the related parties involved in each type of the RRPT made and their relationships with the SPToto Group.

### **Related Party Transactions**

The AC also reviewed transactions with related parties and/ or interested persons to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Company's business practices and policies, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

During the financial year ended 30 June 2024, the AC had reviewed the following related party transactions, prior to their recommendation to the Board for approval and to make the relevant announcement thereof:-

 proposed acquisition of such number of ordinary shares in Berjaya Food Berhad ("BFood Shares") from open market and/or via direct business transaction for a total cash consideration of up to RM15.0 million by its wholly owned subsidiary, Magna Mahsuri Sdn Bhd.

### **Other Activities**

- (a) Reviewed and recommended to the Board for approval, the AC Report, Corporate Governance Report, Corporate Governance Overview Statement, Directors' Responsibility Statement in respect of the Audited Financial Statements and Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report.
- (b) Reviewed and assessed the financial literacy of AC members for the financial year ended 30 June 2023.
- (c) Reviewed and recommended to the Board the distribution of interim dividends for the financial year ended 30 June 2024 based on the solvency test conducted, that the distribution of dividend was in accordance with the provision made under the Companies Act 2016.
- (d) Reviewed and recommended to the Board for approval, the revised T.R.U.S.T. Concept pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.
- (e) Reviewed and recommended to the Board for approval, the revised Whistleblowing Policy and Procedures.
- (f) Reviewed and approved the revised External Auditors Policy.
- (g) Reviewed and recommended to the Board for approval, the revised Terms of Reference of AC.
- (h) Reviewed and recommended to the Board for approval, the Conflict of Interest Policy.

### Conflict of Interest/Potential Conflict of Interest

On 23 August 2024, the AC has reviewed the annual declaration of conflict of interest and potential conflict of interest of Directors of the Company and Key Senior Management. There were no conflict of interest or potential conflict of interest being declared by any Director of the Company or Key Senior Management for the financial year ended 30 June 2024.

### **Training**

In order to discharge the above duties and responsibilities of AC effectively, the AC members had undertaken continuous professional development by having attended various seminars, training programmes and conferences during the financial year. They were also briefed by the External Auditors of the latest accounting and audit standards applicable to the Group. The list of training attended is disclosed in the Corporate Governance Overview Statement as set out in this Annual Report.

## SUMMARY OF THE WORK 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 Audit 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 of the gaming related segment is principally carried out by the Internal Audit Department of STM Lottery, the principal operating subsidiary of the Group which is involved in the gaming operations. The internal audit function of the other overseas business segments is outsourced to the Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the Audit Committee.

During the FYE 2024, the Internal Audit Department carried out various audit assignments on STM Lottery. The areas audited included branch audit of company's sales offices, audit of Head Office operating departments, and IT audit. Internal audit reports were issued to the Audit Committee and the STM Lottery's 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. In addition, areas covered by our Group Internal Audit Division of BCorp on H.R. Owen Plc included management & internal controls, properties & facilities, showroom sales & aftersales service operation, spare parts & inventory management, finance and IT management.

The total cost incurred for the internal audit function of the Company for the FYE 2024 was about RM960,000.00.

### PERFORMANCE OF THE AUDIT COMMITTEE

The Board assessed and evaluated the performance of the Audit Committee ("AC") and its members through Nomination Committee for the financial year ended 30 June 2024. Based on the outcome of the annual assessment, the Board was satisfied with the performance of the AC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the AC.

The Terms of Reference of the AC was last revised and reviewed by the AC and approved by the Board on 24 May 2024. The latest Terms of Reference of the AC can be viewed on the Company's websites at <a href="https://www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a>.



# STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable;
- ensured that applicable accounting standards have been complied with; and
- applied the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy on the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect other irregularities.







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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 June 2024.

### **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 subsidiary companies consist of:

- (i) operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- (ii) motor retailing, repair and maintenance and provision of aftersales and insurance services;
- (iii) development, manufacturing, distribution of computerised wagering and voting systems and provision of software support;
- (iv) property investment and development;
- (v) operation of hotel; and
- (vi) investment holding and others.

Details of the subsidiary companies are disclosed in Note 7 to the financial statements.

### RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	220,538	190,069
Attributable to:		
Owners of the parent	217,977	190,069
Non-controlling interests	2,561	-
	220,538	190,069

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 other than those disclosed in Note 31 to the financial statements.



### **DIVIDENDS**

e amounts of dividends paid by the Company since 30 June 2023 were as follows:	RM'000
In respect of the financial year ended 30 June 2023	
as reported in the Directors' Report of that financial year:	
Third interim single tier dividend of 2.0 sen per share on	
1,340,924,870 ordinary shares with voting rights, paid on 21 July 2023	26,818 #
Fourth interim single tier dividend of 2.5 sen per share on	
1,324,714,870 ordinary shares with voting rights, paid on 20 October 2023	33,118
In respect of the financial year ended 30 June 2024:	
First interim dividend via distribution of treasury shares on the basis of 1 treasury	
share of every 50 existing ordinary shares held (equivalent to a dividend of	
approximately 3.0 sen per share), credited into the entitled depositors'	
securities accounts maintained with Bursa Malaysia Depository Sdn Bhd	
on 19 January 2024	39,548
	,
Second interim single tier dividend of 2.0 sen per share on	
1,349,313,400 ordinary shares with voting rights, paid on 19 April 2024	26,986
Third interim single tier dividend of 3.0 sen per share on	
1,349,313,400 ordinary shares with voting rights, paid on 19 July 2024	40,479
	140,131
The directors declared and approved on 23 August 2024:	
o dii ooto. o doolal od diid approvod on 20 August 2024.	
Fourth interim single tier dividend of 2.0 sen per share on	
1,349,313,400 ordinary shares with voting rights, payable on 18 October 2024	26,986 *

- # This dividend was accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ended 30 June 2023.
- 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 June 2025.

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



### **DIRECTORS**

The names of the directors of the Company in office during the financial year and during the period from the end of financial year to the date of this report are:

Dato' Sri Robin Tan Yeong Ching Nerine Tan Sheik Ping Derek Chin Chee Seng Dato' Oon Weng Boon Datuk Seri Wong Chun Wai Poh Ying Loo Premshangar A/L Venugopal

The names of directors of subsidiary companies are set out in the respective subsidiary company's statutory accounts and the said information is deemed incorporated herein by such reference and made a part thereof.

### **DIRECTORS' BENEFITS**

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown in Note 29(a) 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.

The Company maintained a Directors' & Officers' Liability insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium effected for any director and officer of the Company and of the Group for the financial year was RM43,000. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.



### **DIRECTORS' INTERESTS**

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

# The Company Sports Toto Berhad ("SPToto")

	Number of ordinary shares					
	At 1.7.2023	Acquired		Disposed	At 30.6.2024	
Dato' Sri Robin Tan Yeong Ching	1,025,689	20,513	*	-	1,046,202	
	-	629,300	Δ	-	641,886	Δ
		12,586	*	-		

### Immediate Holding Company Berjaya Land Berhad

	Number of ordinary shares			
	At 1.7.2023	Acquired	Disposed	At 30.6.2024
Dato' Sri Robin Tan Yeong Ching	600,000	-	-	600,000
	13,000,000 $\Delta$	-	13,000,000	-
Nerine Tan Sheik Ping	2,000,000	-	-	2,000,000

# Ultimate Holding Company Berjaya Corporation Berhad ("BCorp")

	Number of ordinary shares						
	At 1.7.2023		Acquired		Disposed	At 30.6.2024	ı
Dato' Sri Robin Tan Yeong Ching	5,001,613		300,096	#	-	5,301,709	
	6,356	٨	381	#	-	6,737	٨
	161,474,168	Δ	9,688,446	#	-	175,162,614	Δ
			4,000,000	Δ	-		
Nerine Tan Sheik Ping	132,000		7,920	#	-	139,920	
Derek Chin Chee Seng	464,240		27,854	#	-	492,094	

### **Related Company**

Berjaya Food Berhad ("BFood")

	Number of ordinary shares			
	At 1.7.2023	Acquired	Disposed	At 30.6.2024
Dato' Sri Robin Tan Yeong Ching	11,100,000	111,000 ^^	-	11,211,000
	1,500,000 $\Delta$	15,000 ^^	-	1,515,000 $\Delta$

 $<sup>\</sup>Delta$  Indirect interests pursuant to Section 8 of the Companies Act 2016.

<sup>^</sup> Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.



### **DIRECTORS' INTERESTS (CONTINUED)**

- \* Share dividend distribution by the Company on the basis of one (1) SPToto treasury share for every fifty (50) existing SPToto ordinary shares on 19 January 2024.
- # Share dividend distribution by the BCorp on the basis of six (6) BCorp treasury shares for every one hundred (100) existing BCorp ordinary shares on 26 January 2024.
- ^^ Share dividend distribution by the BFood on the basis of one (1) BFood treasury share for every one hundred (100) existing BFood ordinary shares on 29 December 2023.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares 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 June were as follows:

	Number of shares		Carrying amounts	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	Units'000	Units'000	RM'000	RM'000
Balance as at				
beginning of financial year	10,875	11,658	15,864	23,626
Acquisition of treasury shares	17,276	10,355	26,252	14,810
Distributed as share dividend	(26,434)	(11,138)	(39,548)	(22,572)
Total treasury shares as at				
end of financial year	1,717	10,875	2,568	15,864

As at 30 June 2024, the issued share capital of the Company with voting rights was 1,349,313,400 (2023: 1,340,154,870) ordinary shares.

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
  - to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of
    provision for doubtful debts and satisfied themselves that all known bad debts had been written off and
    that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current asset which was unlikely to realise its value 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.



# **DIRECTORS' REPORT**

# OTHER STATUTORY INFORMATION (CONTINUED)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the 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.
- (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.
- (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.



# **DIRECTORS' REPORT**

# **AUDITORS**

The auditors of the Company, Ernst & Young PLT, have expressed their willingness to continue in office.

The remuneration of the auditors of the Company and the auditors of the Group are disclosed in Note 29 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during the financial year and since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 October 2024

**DATO' SRI ROBIN TAN YEONG CHING** 

**NERINE TAN SHEIK PING** 



# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF COMPANIES ACT 2016

We, DATO' SRI ROBIN TAN YEONG CHING and NERINE TAN SHEIK PING, being two of the directors of SPORTS TOTO BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 111 to 223 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 June 2024 and of their financial performance and the cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 October 2024

**DATO' SRI ROBIN TAN YEONG CHING** 

**NERINE TAN SHEIK PING** 



# STATUTORY DECLARATION

# PURSUANT TO SECTION 251(1)(b) OF COMPANIES ACT 2016

I, CHEONG TUCK KONG, being the officer primarily responsible for the financial management of SPORTS TOTO BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 111 to 223 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	}	
CHEONG TUCK KONG at Kuala Lumpur in the Federal	}	
Territory on 18 October 2024	}	CHEONG TUCK KONG
		MIA NO. 31306

Before me,

YM TENGKU NUR ATHIYA TENGKU FARIDDUDIN (W881)

Commissioner for Oaths Kuala Lumpur



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Gro	oup	Com	pany
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	614,201	622,911	553	666
Right-of-use assets	6(a)	220,690	223,168	1,168	3,518
Subsidiary companies	7	-	-	4,391,078	4,394,184
Associated companies	8	132,255	125,723	2,538	2,538
Long term investments	9	139,156	124,230	-	-
Investment properties	10	121,356	117,419	-	-
Deferred tax assets	11	35,470	33,030	-	-
Retirement benefit assets	21	37,218	38,082	-	-
Intangible assets	12	730,209	729,284	-	
		2,030,555	2,013,847	4,395,337	4,400,906
Current assets					
Inventories	13	531,509	652,067	-	-
Receivables	14	621,617	613,386	102,102	81,790
Contract assets	15	8,493	15,789	-	-
Tax recoverable		25,486	8,231	45	127
Amounts due from subsidiary companies	16	-	-	470,646	368,506
Deposits with financial institutions	17	494,281	402,125	23,100	26,000
Cash and bank balances	17	248,483	230,702	5,625	2,303
		1,929,869	1,922,300	601,518	478,726
TOTAL ASSETS		3,960,424	3,936,147	4,996,855	4,879,632



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Gro	oup	Com	pany
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY AND LIABILITIES					
Equity attributable to					
owners of the parent					
Share capital	18	135,103	135,103	135,103	135,103
Reserves	19	359,898	364,773	-	-
Retained earnings		663,417	588,097	3,688,355	3,638,417
Equity funds		1,158,418	1,087,973	3,823,458	3,773,520
Treasury shares	20	(2,568)	(15,864)	(2,568)	(15,864)
Net equity funds		1,155,850	1,072,109	3,820,890	3,757,656
Non-controlling interests		70,409	70,925	-	
TOTAL EQUITY		1,226,259	1,143,034	3,820,890	3,757,656
Non-current liabilities					
Retirement benefit obligations	21	351	439	_	_
Long term borrowings	22	788,013	959,002		
Other long term liabilities	23	49,321	55,182		
Lease liabilities	6(b)	187,586	184,833	_	1,222
Amount due to a subsidiary company	27	107,500	104,000	781,593	733,852
Deferred tax liabilities	11	55,957	39,738	701,000	700,002
Deferred tax habilities		1,081,228	1,239,194	781,593	735,074
Current liabilities					
Short term borrowings	24	654,635	560,128	-	-
Provisions	25	2,137	12,130	720	720
Payables	26	627,435	575,775	41,425	27,902
Lease liabilities	6(b)	30,803	30,609	1,215	2,344
Contract liabilities	15	299,299	357,182	-	-
Amounts due to subsidiary companies	27	-	-	351,012	355,936
Tax payable		38,628	18,095	-	
		1,652,937	1,553,919	394,372	386,902
TOTAL LIABILITIES		2,734,165	2,793,113	1,175,965	1,121,976
TOTAL EQUITY AND LIABILITIES		3,960,424	3,936,147	4,996,855	4,879,632

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



# STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Gro	oup	Com	pany
	·	2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	28	6,356,108	6,099,660	233,221	219,763
Cost of sales	20	(5,245,272)	(5,125,586)		
Gross profit		1,110,836	974,074	233,221	219,763
Selling and distribution expenses		(303,452)	(281,583)	200,221	210,700
General and administrative expenses		(416,270)	(348,235)	(15,268)	(14,262)
Profit before other		(+10,270)	(040,200)	(13,200)	(17,202)
income and expenses	29	391,114	344,256	217,953	205,501
Investment related income	30	1,583	15,144	217,000	203,301
Investment related expenses	31	(6,692)	(2,538)	(3,106)	(1,195)
Other income	32	41,115	40,449	24,441	27,834
Other income	32	427,120	397,311	239,288	232,140
Finance costs	33	(96,673)	(79,814)	(48,524)	(46,251)
Share of results of associated companies	33	12,326	21,772	(40,324)	(40,231)
Profit before tax		342,773	339,269	190,764	185,889
Taxation	34		-	(695)	
Profit for the financial year	34	(122,235) 220,538	(107,951)	190,069	(1,126)
Front for the infancial year		220,336	231,310	190,009	104,703
Attributable to:					
Owners of the parent		217,977	225,326	190,069	184,763
Non-controlling interests		2,561	5,992	, -	-
<b>G</b>		220,538	231,318	190,069	184,763
Earnings per share attributable to					
owners of the parent - Basic (sen)	35	16.30	16.75		
Dividends per share (sen)	36			10.0	9.0



# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Gro	oup	Com	pany
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the financial year		220,538	231,318	190,069	184,763
Other comprehensive income:					
Items that may be reclassified					
subsequently to profit or loss					
Foreign currency translation		(14,738)	87,284		
Share of an associated company's		(14,730)	07,204	_	_
currency translation differences		1,201	(445)		
currency translation differences		1,201	(445)	-	-
Items that will not be reclassified					
subsequently to profit or loss					
Net changes in fair value of investments					
classified as fair value through other					
comprehensive income ("FVTOCI")		4,798	3,853	-	-
Share of associated companies' changes					
in fair values of FVTOCI investments		38	19	-	-
Actuarial (loss) / gain recognised in					
	21(ii)	(2,453)	8,742	-	-
Tax effect relating to defined					
benefit pension scheme	11	613	(2,186)	-	-
Share of other comprehensive					
items of associated companies		63	58	-	-
Total comprehensive					
income for the financial year		210,060	328,643	190,069	184,763
Attributable to:					
Owners of the parent		210,576	319,644	190,069	184,763
Non-controlling interests		(516)	8,999	-	
		210,060	328,643	190,069	184,763

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Attribu	Attributable to owners of the Parent	ers of the Pa	rent				
	'		Non-distributable	outable	1	Distributable			
Share	Treasury	Foreign currency translation	FVTOCI	Capital	Conso- lidation	Retained		Non- controlling	Total
capital RM'000	shares RM'000	reserve RM'000	reserve RM'000	reserve RM'000	reserve RM'000	earnings RM'000	Total RM'000	interests RM'000	equity RM'000
135,103	(23,626)	92,516	(37,362)	285,306	(64,556)	507,585	894,966	61,926	956,892
						225,326	225,326	5,992	231,318
		85,194	3,286		•	5,838	94,318	3,007	97,325
ı	,	85,194	3,286	ı	•	231,164	319,644	8,999	328,643
•	•	,	389	•	•	(388)	•	•	•
						(127,691)	(127,691)		(127,691)
•	(14,810)	•	•	1	•		(14,810)	•	(14,810)
ı	22,572		•	•	•	(22,572)	•	•	
	7,762					(150,263)	(142,501)		(142,501)
135,103	(15,864)	177,710	(33,687)	285,306	(64,556)	588,097	1,072,109	70,925	1,143,034

Total comprehensive income

for the financial year

Other comprehensive income

for the financial year

Profit for the financial year

As at 1 July 2022

GROUP

of investments at FVTOCI

Effects arising from disposal

Transactions with owners:

Dividends (Note 36)

Purchase of treasury shares (Note 20)

Distribution of share dividend

(Notes 20 and 36)

Total transactions with owners

As at 30 June 2023



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

# Attributable to owners of the Parent

			Non-distributable	outable	_	Distributable			
Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve	FVTOCI reserve RM'000	Capital reserve RM'000	Conso- lidation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
135,103	(15,864)	177,710	(33,687)	285,306	(64,556)	588,097	1,072,109	70,925	1,143,034
•						217,977	217,977	2,561	220,538
1		(10,446)	4,614	,		(1,569)	(7,401)	(3,077)	(10,478)
•	•	(10,446)	4,614		•	216,408	210,576	(516)	210,060
•	•	•	957	•	•	(266)	•	•	1
•	'					(100,583)	(100,583)	,	(100,583)
•	(26,252)	•	•	•	٠	•	(26,252)	•	(26,252)
	39,548	•	,			(39,548)	•	•	'
•	13,296	•	•	•		(140,131)	(126,835)	•	(126,835)
135,103	(2,568)	167,264	(28,116)	285,306	(64,556)	663,417	1,155,850	70,409	1,226,259

**Fotal comprehensive income** 

for the financial year

Other comprehensive income

for the financial year

Profit for the financial year

As at 1 July 2023

GROUP

of investments at FVTOCI

Effects arising from disposal

Transactions with owners:

Dividends (Note 36)

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

Purchase of treasury shares (Note 20)

Distribution of share dividend

(Notes 20 and 36)

Total transactions with owners

As at 30 June 2024

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Share Treasury	Retained	
		Total
capital shares	earnings	equity
RM'000 RM'000	RM'000	RM'000
COMPANY		
As at 1 July 2022 135,103 (23,626)	3,603,917	3,715,394
Total comprehensive income		
for the financial year	184,763	184,763
Transactions with owners:		
Dividends (Note 36)	(127,691)	(127,691)
Purchase of treasury shares (Note 20) - (14,810)	-	(14,810)
Distribution of share dividend (Notes 20 and 36) - 22,572	(22,572)	-
Total transactions with owners - 7,762	(150,263)	(142,501)
As at 30 June 2023 135,103 (15,864)	3,638,417	3,757,656
As at 1 July 2023 135,103 (15,864)	3,638,417	3,757,656
Total comprehensive income for the financial year	190,069	190,069
Transactions with owners:		
Dividends (Note 36)	(100,583)	(100,583)
Purchase of treasury shares (Note 20) - (26,252)	-	(26,252)
Distribution of share dividend (Notes 20 and 36) - 39,548	(39,548)	-
Total transactions with owners - 13,296	(140,131)	(126,835)
As at 30 June 2024 135,103 (2,568)	3,688,355	3,820,890



# **CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	GRO	DUP
	2024	2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,607,229	6,431,798
Payments to prize winners, suppliers and for other operating expenses	(5,434,520)	(5,544,638)
Payments for pool betting duties, gaming tax,		
other indirect taxes and government contributions	(588,477)	(545,067)
Payment of taxes	(104,670)	(117,693)
Other receipts	2,597	8,726
Net cash from operating activities	482,159	233,126
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	273	596
Proceeds from disposal of non-current asset held for sale	-	7,635
Proceeds from disposal of long term investments	15,478	5,064
Proceeds from disposal of short term investments	-	54,133
Acquisition of property, plant and equipment (Note A)	(37,703)	(185,189)
Acquisition of investments in subsidiary companies (Note B)	(3,925)	(3,968)
Acquisition of long term investments	(30,491)	(39,128)
Acquisition of short term investments	-	(40,000)
Payment for intangible asset	(783)	-
Dividends received	2,193	6,809
Interest received	10,307	22,634
Net repayment from associated		
companies of a foreign subsidiary company	563	1,244
Other receipts arising from investments	658	617
Net cash used in investing activities	(43,430)	(169,553)



# **CONSOLIDATED STATEMENT OF CASH FLOWS** FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	GRO	UP
	2024	2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of medium term notes	90,000	
Repayment of medium term notes	(90,000)	-
Drawdown of borrowings	3,379	- 265,547
-	•	-
Repayment of borrowings	(87,326)	(23,937)
Payment of hire purchase payables	(306)	(377)
Payment of lease liabilities	(39,661)	(45,422)
Net advances from an associated company to foreign subsidiary companies	137	9,039
Net movement in deposits placed for credit facilities	60	3
Interest paid	(97,534)	(79,848)
Dividends paid to shareholders of the Company	(86,916)	(127,668)
Treasury shares acquired	(26,252)	(14,810)
Net cash used in financing activities	(334,419)	(17,473)
NET QUANCE IN CACH AND CACH FOUNTAL ENTO	104.010	40.400
NET CHANGE IN CASH AND CASH EQUIVALENTS	104,310	46,100
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF FINANCIAL YEAR	632,691	558,697
Effects of exchange rate changes	5,687	27,894
CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL YEAR (Note C)	742,688	632,691
	2024	2023
	RM'000	RM'000
Note A Acquisition of property, plant and equipment:		
Hire purchase	-	288
Cash	37,703	178,063
	37,703	178,351
Payment for current year acquisition	37,703	178,063
Payment for previous year accruals	- 07,700	7,126
Total cash paid	37,703	185,189
. Star odori para	57,700	100,100



# **CONSOLIDATED STATEMENT OF CASH FLOWS**

# FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

			GROUP
		•	2023
			RM'000
Note B	Analysis of the effects of subsidiary companies acquired:		
	Property, plant and equipment (Note 5)		328
	Cash and cash equivalents acquired	<u>-</u>	1
	Net assets acquired		329
	Goodwill on consolidation (Note 7(1))		6,098
	Intangible assets on consolidation (Note 7(1))		10,859
		•	17,286
	Less: Deferred tax liabilities arising on consolidation (Note 11)		(2,715)
		-	14,571
	Less: Remaining consideration to be paid over the		
	remaining three (3) financial years (Note 7(1))		(10,602)
		-	3,969
	Excluding: Cash and cash equivalents of subsidiary companies acquired		(1)
	Cash flow on acquisition (net of cash in subsidiary companies acquired)	-	3,968
		=	
		GRO	UP
		2024	2023
		RM'000	RM'000
Note C	Cash and cash equivalents comprise the following:		
	Deposits with financial institutions (Note 17)	494,281	402,125
	Cash and bank balances (Note 17)	248,483	230,702
		742,764	632,827
	Less: Fixed deposits with financial institutions restricted for use	(76)	(136)
		742,688	632,691



# **CONSOLIDATED STATEMENT OF CASH FLOWS** FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

# Reconciliation of liabilities arising from financing activities:

# **GROUP**

	Lease liabilities RM'000	Medium term notes B RM'000	Sorrowings RM'000	Hire purchase payables RM'000	Amounts due to an associated company RM'000	Total RM'000
<u>2024</u>						
At beginning of financial year	215,442	799,019	719,192	919	50,979	1,785,551
Additions	13,011	-	-	-	-	13,011
Reassessment	33,093	-	-	-	-	33,093
Termination	(5,709)	-	-	-	-	(5,709)
Drawdown of borrowings	-	90,000	3,379	-	-	93,379
Repayment of borrowings	-	(90,000)	(87,326)	-	-	(177,326)
Net advances	-	-	-	-	137	137
Payment of hire						
purchase payables	-	-	-	(306)	-	(306)
Payment of lease liabilities	(39,661)	-	-	-	-	(39,661)
Charge out of deferred						
transaction costs	-	250	-	-	-	250
Exchange differences	2,213	-	7,521	-	(2,522)	7,212
At end of financial year	218,389	799,269	642,766	613	48,594	1,709,631
	-					

					Amount	
		Medium		Hire	due to an	
	Lease	term		purchase	associated	
	liabilities	notes	Borrowings	payables	company	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>2023</u>						
At beginning of financial year	249,132	798,785	437,953	1,008	39,678	1,526,556
Additions	33,966	-	-	288	-	34,254
Reassessment	(6,827)	-	-	-	-	(6,827)
Termination	(40,181)	-	-	-	-	(40,181)
Drawdown of borrowings	-	-	265,547	-	-	265,547
Repayment of borrowings	-	-	(23,937)	-	-	(23,937)
Net advances	-	-	-	-	9,039	9,039
Payment of hire						
purchase payables	-	-	-	(377)	-	(377)
Payment of lease liabilities	(45,422)	-	-	-	-	(45,422)
Charge out of deferred						
transaction costs	-	234	-	-	-	234
Exchange differences	24,774	-	39,629	-	2,262	66,665
At end of financial year	215,442	799,019	719,192	919	50,979	1,785,551

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



# **STATEMENT OF CASH FLOWS**

# FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	COMPANY	
	2024	2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment for operating expenses	(12,687)	(11,373)
Dividends received	212,667	219,463
Payment of taxes	(613)	(837)
Other receipts	119	10
Net cash from operating activities	199,486	207,263
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	3	28
Acquisition of property, plant and equipment	(31)	(33)
Interest received	991	540
Net advances given to subsidiary companies	(78,809)	(33,965)
Net cash used in investing activities	(77,846)	(33,430)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(86,916)	(127,668)
Interest paid	(121)	(121)
Payment of lease liabilities	(2,343)	(2,350)
Payment of hire purchase payables	-	(43)
Treasury shares acquired	(26,252)	(14,810)
Net repayment to subsidiary companies	(5,586)	(20,542)
Net cash used in financing activities	(121,218)	(165,534)
NET CHANGE IN CASH AND CASH EQUIVALENTS	422	8,299
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	28,303	20,004
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note A)	28,725	28,303
	2024	2023
	RM'000	RM'000
Note A Cash and cash equivalents comprise the following:	00.400	00.000
Deposits with financial institutions (Note 17)	23,100	26,000
Cash and bank balances (Note 17)	5,625	2,303
	28,725	28,303



# **STATEMENT OF CASH FLOWS** FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

# Reconciliation of liabilities arising from financing activities:

COMPANY			Amounts	
			due to	
		Lease	subsidiary	
		liabilities	companies	Total
		RM'000	RM'000	RM'000
2024				
At beginning of financial year		3,566	1,089,788	1,093,354
Termination		(8)	-	(8)
Payment of lease liabilities		(2,343)	-	(2,343)
Net repayment to subsidiary companies		-	(5,586)	(5,586)
Interest on advances from subsidiary companies		-	48,403	48,403
At end of financial year		1,215	1,132,605	1,133,820
			Amounts	
		Hire	Amounts due to	
	Lease	Hire purchase		
	Lease liabilities		due to	Total
		purchase	due to subsidiary	Total RM'000
	liabilities	purchase payables	due to subsidiary companies	
<u>2023</u>	liabilities	purchase payables	due to subsidiary companies	
2023 At beginning of financial year	liabilities	purchase payables	due to subsidiary companies	
<del></del>	liabilities RM'000	purchase payables RM'000	due to subsidiary companies RM'000	RM'000
At beginning of financial year	liabilities RM'000	purchase payables RM'000	due to subsidiary companies RM'000	<b>RM'000</b> 1,065,490
At beginning of financial year Additions	liabilities RM'000	purchase payables RM'000	due to subsidiary companies RM'000	RM'000 1,065,490 4,669
At beginning of financial year Additions Payment of hire purchase payables	1,247 4,669	purchase payables RM'000	due to subsidiary companies RM'000	RM'000 1,065,490 4,669 (43)
At beginning of financial year Additions Payment of hire purchase payables Payment of lease liabilities	1,247 4,669	purchase payables RM'000	due to subsidiary companies RM'000	RM'000 1,065,490 4,669 (43) (2,350)



30 JUNE 2024

### 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 subsidiary companies consist of:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- · motor retailing, repair and maintenance and provision of aftersales and insurance services;
- development, manufacturing, distribution of computerised wagering and voting systems and provision of software support;
- · property investment and development;
- operation of hotel; and
- investment holding and others.

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 ("Bursa Malaysia").

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 principal place of business of the Company is located at Level 12, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

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

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 18 October 2024.

### 2 BASIS OF PREPARATION

The financial statements of Sports Toto Berhad ("SPToto") and its subsidiary companies ("the Group") have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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



### 3 MATERIAL ACCOUNTING POLICY INFORMATION

# 3.1 Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies, which are prepared up to the end of the same financial year.

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

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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.

Changes in the Group's ownership interest in subsidiary company that do not result in the Group losing control over the subsidiary company are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity as effect arising from the changes in equity interest attributed to the owners of the parent.

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



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.2 Associated companies

Investments in unquoted associated companies are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and supplemented by management financial statements of the associated companies made up to the Group's financial year end.

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

# 3.3 Intangible assets

# (1) 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.

### (2) Dealership rights

The cost of dealership rights acquired in a business combination is at their fair value at the date of acquisition. Following the initial recognition, the dealership rights are carried at cost less any accumulated impairment losses. The dealership rights are assessed and recognised based on the dealership agreements signed with the selected luxury brand car manufacturers that satisfied the criterion to be separately identified as intangible assets and highly likely to contribute significant future economic benefits. The dealership rights, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently, when indications of impairment are identified. The useful lives of dealership rights are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on prospective basis.

# (3) Customer relationships

The cost of customer relationships acquired in a business combination is measured at their fair value at the date of acquisition. Following the initial recognition, the customer relationships are carried at cost less accumulated amortisation and any accumulated impairment losses. The customer relationships with finite lives are amortised on a straight-line basis over their useful economic lives and assessed for impairment whenever there is an indication that the customer relationships may be impaired.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.3 Intangible assets (Continued)

### (4) Computer software

Computer software acquired separately are measured on initial recognition at cost. Following the initial recognition, computer software are carried at cost less accumulated amortisation and any accumulated impairment losses. Computer software are amortised on a straight-line basis over its estimated economic useful lives and assessed for impairment whenever there is an indication that the computer software may be impaired.

# 3.4 Property, plant and equipment and depreciation

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

Freehold land has an unlimited useful life and therefore is not depreciated but is reviewed at each reporting date to determine whether there is an indication of impairment. Capital work-in-progress are also not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Plant and machinery	10% - 33%
Computer equipment	10% - 33%
Office equipment	10% - 67%
Furniture and fittings	10% - 20%
Motor vehicles	20% - 33%
Renovation	10% - 20%
Hotel and kitchen equipment and utensils	20%



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

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.

Right-of-use asset that meets the definition of investment property is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property is carried at fair value.

### 3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, in the case of work-inprogress 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 or by specific identification. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and the estimated costs necessary to make the sale.

# 3.7 Financial instruments

# (1) Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

Subsequent measurement of a financial asset depends on its classification, as described below:

# (a) Amortised cost

Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gain or loss is recognised in profit or loss when the asset is derecognised, modified or impaired.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

- 3.7 Financial instruments (Continued)
  - (1) Financial assets (continued)
    - (b) Fair value through other comprehensive income ("FVTOCI")

# **Debt instrument**

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment loss or reversal are recognised in profit or loss. Fair value change is recognised in other comprehensive income.

On derecognition of a financial asset, the fair value changes accumulated in other comprehensive income are recycled to profit or loss.

# **Equity instrument**

Dividend is recognised as income in profit or loss unless the dividend clearly represents part recovery of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition of a financial asset, fair value changes and other net gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

(c) Fair value through profit or loss ("FVTPL")

All financial assets not classified as amortised cost or FVTOCI as described above are classified as FVTPL.

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.7 Financial instruments (Continued)

# (2) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Group initially measures a financial liability at its fair value minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent measurement of a financial liability depends on its classification, as described below:

# **Amortised cost**

Financial liability is measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus repayments, plus the cumulative amortisation using the effective interest method. Gain or loss is recognised in profit or loss when the liability is derecognised as well as through the effective interest rate amortisation process.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.8 Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt instruments measured at FVTOCI, contract assets and lease receivables.

For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at FVTOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group recognises impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in profit or loss and accumulated in the fair value reserve.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# 3.9 Equity instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity.

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. Consideration paid or received is recognised directly in equity.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.10 Leases

### (1) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying assets.

# (a) ROU assets

The Group recognises ROU assets at the commencement date of the lease i.e. the date the underlying asset is available for use. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The depreciation periods are as follows:

Leasehold land41 yearsBuildings1 to 50 yearsMotor vehicle3 yearsOther equipment3 to 20 years

# (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

# (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of asset (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.10 Leases (Continued)

### (2) Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

# (a) Operating lease

Leases in which the Group retains substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Lease income from operating lease is accounted for on a straight-line basis or another systematic basis if another systematic basis is more representative of the pattern of benefit received.

Contingent rents are recognised in profit or loss in the period which they are earned.

### (b) Finance lease

A finance lease is a lease contract which transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. At commencement of the contract, the Group recognises the finance lease as a receivable at an amount equal to the net investment in the lease.

Subsequent to the commencement date, finance income is recognised over the lease term on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Contingent rents are recognised in profit or loss in the period in which they are earned.

# 3.11 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 (i.e. functional currency). The financial statements are presented in RM, which is also the Company's functional currency.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.12 Revenue recognition

- (1) Revenue from contract with customers
  - (a) Toto betting

Revenue from toto betting is recognised based on ticket sales at a point in time, net of gaming tax and Sales and Service Tax ("SST") relating to draw days within the financial year.

(b) Sales of motor vehicles, charges for aftersales services, insurance, repairs and maintenance services rendered

Revenue on sales of vehicles, parts and accessories are recognised at a point in time on satisfaction of the performance obligation when control is deemed to have passed to the customer, generally deemed at the time of delivery to the customer.

Revenue on servicing, repair and body shop sales are recognised at a point in time with reference to the extent of the completion of the agreed work.

Revenue in relation to commission on vehicle sales, arranging vehicle financing and related insurance products as an agent, and vehicle insurance sales as a broker are recognised at a point in time when the relevant performance obligations have been fulfilled, such as the delivery of the vehicle or finalisation of the insurance contract.

Revenue is stated net of value-added tax and discounts, where applicable.

(c) Wagering and voting products sales, services and licensing income

Revenue from wagering and voting product sales are recognised at a point in time upon shipment and control of the product has been transferred to the customer. Revenue from wagering and voting services are recognised at a point in time when service has been rendered, or recognised over time measured progressively on the basis of 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 from licensing income is recognised at a point in time upon installation of the software licenses.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.12 Revenue recognition (Continued)

- (1) Revenue from contract with customers (continued)
  - (d) Income from supply of goods and services from hotel operations

Revenue from hotel operation is recognised at a point in time upon the delivery and acceptance of accommodation and related services by the hotel guests.

(e) Management fee income

Management fee income is recognised over time when the services are rendered.

- (2) Revenue from other sources
  - (a) Lease income

Lease income is recognised on the basis as detailed in Note 3.10(2).

(b) Dividend income

Dividend income is recognised when the shareholders' rights to receive the dividend payment are established.

(c) Interest income

Interest income is recognised on an accrual basis using the effective interest method unless recoverability is in doubt, or where a loan is considered to be non-performing in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on receipt basis until all arrears have been paid.

Interest income from investments in government securities and loan stocks are recognised on a time proportion basis that takes into account the effective yield of the asset.

(d) Other income

All other income is recognised on accrual basis.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.13 Taxes

### Indirect taxes

Indirect taxes include gaming tax, SST and value-added tax.

The amount of indirect taxes payable to taxation authority is included as part of payables in the statements of financial position.

# 3.14 Segmental information

For management purposes, the Group is organised into operating segments based on their products and services which are managed by the 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 revenues 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 income tax expense and items arising on investing or financing activities. Revenue is attributed to geographical segments based on location where the sales are transacted.

Segment assets include all operating assets used by a segment and do not include tax assets and items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of the assets. Segment liabilities comprise operating liabilities and do not include tax liabilities and items arising on investing or financing activities.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

# 3.15 Changes in accounting policies

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the Malaysian Accounting Standards Board ("MASB"), which are effective for financial periods beginning on or after 1 January 2023:

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts (Initial Application of

MFRS 17 and MFRS 9 - Comparative Information)

Amendments to MFRS 101 Presentation of Financial Statements and MFRS

Practice Statement 2: Making Materiality Judgements

(Disclosure of Accounting Policies)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting

Estimates and Errors (Definition of Accounting Estimates)

Amendments to MFRS 112 Income Taxes (Deferred Tax related to Assets and

Liabilities arising from a Single Transaction)

Amendments to MFRS 112 Income Taxes: International Tax

Reform (Pillar Two Model Rules)

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company, except as described below:

Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2: Making Materiality Judgements – Disclosure of Accounting Policies

The Amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The Amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 Changes in accounting policies (Continued)

Amendments to MFRS 112: Income Taxes: International Tax Reform - Pillar Two Model Rules

On 2 June 2023, the MASB has also issued the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules. This pronouncement is effective from annual period beginning on or after 1 January 2023. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The Amendments to MFRS 112 introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements available for the constituent entities in the Group. Based on the initial assessment carried out as at 30 June 2024, the Pillar Two effective tax rate in all jurisdiction in which the Group operates is above 15%. Therefore, the Group does not expect a significant potential exposure to Pillar Two top-up taxes.

# 3.16 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following pronouncements have been issued by the MASB, will become effective in future financial periods and have not been adopted by the Group and the Company:

# Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 101 Presentation of Financial Statements

(Classification of Liabilities as Current or Non-current)

Amendments to MFRS 101 Presentation of Financial Statements

(Non-current Liabilities with Covenants)

Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)

Amendments to MFRS 107 Statement of Cash Flows and Disclosure of

and MFRS 7 Financial Instruments (Supplier Finance Arrangements)

# Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign

Exchange Rates (Lack of Exchangeability)



# 3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.16 Standards issued but not yet effective (Continued)

# Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and Disclosure of Financial Instruments and MFRS 7 (Classification and Measurement of Financial Instruments)

# Effective for financial periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures

# Effective date yet to be determined

Amendments to MFRS 10 Consolidated Financial Statements and

and MFRS 128 Investments in Associates and Joint Ventures

(Sale or Contribution of Assets between an

Investor and its Associate or Joint Venture) (Deferred)

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements is not expected to have any material impact on the financial statements of the Group and of the Company.

### 4 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company'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.

# (1) Critical judgements made in applying accounting policies

The following are the judgements made by 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.



# 4 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

- (1) Critical judgements made in applying accounting policies (Continued)
  - (a) Classification between investment properties and property, plant and equipment

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

Some properties comprise a portion that is held to earn lease income 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 its properties as investment properties.

# (b) Useful life of intangible assets

The Group considers that the goodwill and dealership rights arising respectively, from Toto betting operations and motor dealership have indefinite useful life because they are expected to contribute to the Group's net cash flows indefinitely. The Group intends to continue the Toto betting and motor dealership operations and is confident that these rights can be maintained indefinitely. Historically, there has been no compelling challenge to the renewal of these rights.

(c) Determination of the lease term of contracts with renewal and termination options as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably not to be exercised.

The Group assesses, by applying significant judgement at lease commencement date, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.



# 4 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

# (2) 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 set out below:

# (a) Impairment of goodwill and dealership rights

The Group performs an impairment test on its goodwill and dealership rights at least on an annual basis or when there is evidence of impairment. This requires an estimation of the values-in-use ("VIU") of the cash generating units ("CGU") to which goodwill and dealership rights are allocated. Estimating a VIU 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. Details of the goodwill and dealership rights are disclosed in Note 12.

The Group carries goodwill of RM547,686,000 (2023: RM547,686,000) in respect of the licence for Toto betting operations in Malaysia ("Licence"). In regard to the impairment review of the CGU for the Licence, the Group intends to continue with the annual renewal of the Licence indefinitely and considers that the annual renewal of the Licence is expected to contribute to the Group's net cash flows indefinitely. Historically, there has been no compelling challenge to the renewal of the Licence.

# (b) Provision for ECL of trade and other receivables and contract assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The Group develops the expected loss rates based on the historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information.

Other than trade receivables and contracts assets, the Group assesses the credit risk of other receivables at each reporting date on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Group determines the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or in full when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

In assessing credit risks for purposes of applying the ECL model, the Group considers the need to incorporate forward-looking factors and to estimate the probability of default, which are likely to be judgemental and subject to estimation uncertainties.



# 4 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

- (2) Key sources of estimation uncertainty (Continued)
  - (b) Provision for ECL of trade and other receivables and contract assets (continued)

The information about the ECLs on the Group's trade and other receivables and contract assets are disclosed in Notes 14 and 15.

# (c) Inventory valuations

The Group holds significant inventories of used cars in the United Kingdom. Trade guides and other publications are used to assist in the assessment of the net realisable values of these cars at the reporting date and write-downs taken as necessary.

### (d) Impairment of investment in subsidiary companies

The Company conducted an annual impairment review of its investment in subsidiary companies based on indicators of impairment. The impairment test is carried out based on assessment of the fair value less costs to sell of the investees' assets or CGU or based on the estimation of the VIU of the CGU of the investees. Estimating the VIU requires the Company to make an estimate of the expected future cash flows from the CGU and also to apply a discount rate that reflects the specific risk relating to respective CGU in order to calculate the present value of those cash flows. An impairment loss will be recognised if the carrying values of these CGUs are assessed to be in excess of their VIU.

The annual impairment review resulted in the Company recognising an impairment loss amounting to RM3,106,000 (2023: RM1,195,000) during the financial year in respect of its investment in subsidiary companies as disclosed in Notes 7 and 31.

As at 30 June 2024, the carrying amount of investment in subsidiary companies of the Company was RM4,391,078,000 (2023: RM4,394,184,000).

# (e) Useful life of customer relationships

The customer relationships are recognised separately from goodwill on acquisition of a subsidiary company. The Group estimates the useful life of customer relationships to be up to 10 years which is determined based on customer attrition from the acquired relationships. The estimated useful life of customer relationships are reviewed periodically.



### 4 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

- (2) Key sources of estimation uncertainty (Continued)
  - (f) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group performs valuations on its investment properties with comparison method assessed by independent professional valuers. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties.

ROU assets that met the definition of investment properties are valued with income method assessed by the management. The fair value of the ROU assets derived from the income method is based on market rental rate and maintenance cost discounted at an appropriate discount rate.

The details of the investment properties are disclosed in Note 10 whilst the valuation techniques and key assumptions applied on the determination of the fair values are disclosed in Note 41(a)(i).



## 5 PROPERTY, PLANT AND EQUIPMENT

Group

	Net carrying amount at beginning of financial year RM'000	Additions RM'000	Disposals RM'000	Write-off RM'000	Reclassi- fication RM'000	Exchange differences RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
2024						1		1
Freehold land	58,943	•	•	1	1	175	1	59,718
Buildings	278,370	4,654	•	•	699	203	(4,633)	279,763
Plant and machinery	156,613	10,878	•	(_)	1,049	1,802	(22,445)	147,890
Computer equipment	10,219	937	(6)	(9)	•	40	(4,775)	6,406
Office equipment	6,404	703	(2)	(40)	•	6	(1,210)	5,864
Furniture and fittings	1,013	247	•	(13)	•	284	(268)	1,263
Motor vehicles	12,725	8,088	(342)	(2)	•	_	(3,280)	17,190
Renovation	40,997	1,181	•	(34)	231	(137)	(6),709)	32,529
Hotel and kitchen								
equipment and utensils	333	267	•	•	•	(13)	(66)	488
Capital work-in-progress	57,294	10,748	•	(80)	(1,949)	(2,923)	1	63,090
	622,911	37,703	(323)	(182)	•	541	(46,419)	614,201

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## 5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

			Acquisition						
	Net carrying		o						Net carrying
	amount at		subsidiary						amount at
	beginning of		companies			Reclassi-	Exchange		end of
	financial year RM'000	Additions RM'000	(Note 7) RM'000	Disposals RM'000	Write-off RM'000	fication RM'000	differences RM'000	Depreciation RM'000	financial year RM'000
2023									
Freehold land	53,270	•	1	•	•	•	5,673	•	58,943
Buildings (Note b)	62,983	51,091	1	•	•	158,322	8,710	(2,736)	278,370
Plant and machinery	21,138	108,382	198	•	(465)	35,797	1,462	(6,899)	156,613
Computer equipment	12,644	1,271	1	(31)	(4)	1,078	79	(4,818)	10,219
Office equipment	3,889	3,587	1	•	(18)	•	N	(1,056)	6,404
Furniture and fittings	915	337	1	•	(24)	•	ı	(215)	1,013
Motor vehicles	13,798	2,569	1	(287)	(2)	•	24	(3,074)	12,725
Renovation	40,510	691	130	1	(571)	8,138	3,043	(10,944)	40,997
Hotel and kitchen									
equipment and utensils	140	238	1	•	•	•	2	(20)	333
Capital work-in-progress	188,974	10,185	1	1	•	(159,500)	17,635	1	57,294
	398,261	178,351	328	(618)	(1,087)	43,835	36,633	(32,792)	622,911

Notes:

- (a) As at the reporting date, the below properties and equipment owned by foreign subsidiary companies of the Group were pledged to financial institutions for credit facilities as disclosed in Note 22(b):
- i) a freehold land with carrying amount of RM59,718,000 (2023: RM58,943,000);
- ii) buildings erected on the freehold land under item (i) above with total net carrying amounts of RM113,015,000 (2023: RM113,184,000) and other buildings with carrying amounts of RM82,831,000 (2023: RM85,903,000); and
- iii) plant, machinery and capital work-in-progress with carrying amount of RM124,681,000 (2023: RM133,556,000)
- (b) As at the previous reporting date, a building amounting to RM43,835,000 was reclassified from right-of-use asset to better reflect the nature of the acquired identified asset that was erected on an underlying lease asset as disclosed in Note 6(a)



### 5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Group

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As at 30 June 2024			
Freehold land	59,718	-	59,718
Buildings	302,317	(22,554)	279,763
Plant and machinery	199,334	(51,444)	147,890
Computer equipment	51,870	(45,464)	6,406
Office equipment	16,540	(10,676)	5,864
Furniture and fittings	9,153	(7,890)	1,263
Motor vehicles	50,772	(33,582)	17,190
Renovation	107,821	(75,292)	32,529
Hotel and kitchen equipment and utensils	1,639	(1,151)	488
Capital work-in-progress	63,090	-	63,090
	862,254	(248,053)	614,201

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As at 30 June 2023			
Freehold land	58,943	-	58,943
Buildings	297,048	(18,678)	278,370
Plant and machinery	201,151	(44,538)	156,613
Computer equipment	57,194	(46,975)	10,219
Office equipment	16,270	(9,866)	6,404
Furniture and fittings	8,745	(7,732)	1,013
Motor vehicles	45,059	(32,334)	12,725
Renovation	118,203	(77,206)	40,997
Hotel and kitchen equipment and utensils	1,444	(1,111)	333
Capital work-in-progress	57,294		57,294
	861,351	(238,440)	622,911



### 5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Group

Net carrying amount of property, plant and equipment of the Group held under hire purchase arrangements were

	2024	2023
	RM'000	RM'000
Motor vehicles	1,045	1,256

### Company

	Net carrying amount at beginning of financial year RM'000	Additions RM'000	Disposal RM'000	Write-off RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
2024						
Computer equipment	77	10	(3)	-	(23)	61
Office equipment	19	-	-	(1)	(9)	9
Furniture and fittings	9	6	-	(1)	(5)	9
Motor vehicles	551	-	-	-	(98)	453
Renovation	10	15	-	-	(4)	21
	666	31	(3)	(2)	(139)	553

	Net carrying amount at beginning of financial year RM'000	Additions RM'000	Disposal RM'000	Write-off RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
2023						
Computer equipment	78	20	-	-	(21)	77
Office equipment	23	13	-	(4)	(13)	19
Furniture and fittings	19	-	-	-	(10)	9
Motor vehicles	722	-	(32)	-	(139)	551
Renovation	23	-	-	-	(13)	10
	865	33	(32)	(4)	(196)	666



### 5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Company

			Net
		Accumulated	carrying
	Cost	depreciation	amount
	RM'000	RM'000	RM'000
As at 30 June 2024			
Computer equipment	685	(624)	61
Office equipment	234	(225)	9
Furniture and fittings	5,568	(5,559)	9
Motor vehicles	2,160	(1,707)	453
Renovation	4,414	(4,393)	21
	13,061	(12,508)	553
			Net
		Accumulated	Net carrying
	Cost	Accumulated depreciation	
	Cost RM'000		carrying
		depreciation	carrying amount
As at 30 June 2023		depreciation	carrying amount
As at 30 June 2023 Computer equipment		depreciation	carrying amount
	RM'000	depreciation RM'000	carrying amount RM'000
Computer equipment	<b>RM'000</b>	depreciation RM'000	carrying amount RM'000
Computer equipment Office equipment	<b>RM'000</b> 687 320	(610) (301)	carrying amount RM'000
Computer equipment Office equipment Furniture and fittings	687 320 5,584	(610) (301) (5,575)	carrying amount RM'000 77 19 9

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## 6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

Group

5								
	Net carrying amount at beginning of financial year RM'000	Additions RM'000	Termi- nation RM'000	Reassess- ment RM'000	Reclassi- fication RM'000	Exchange differences RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
2024 Leasehold land	7,353		1 (			(358)	(196)	
Buildings (Note ii) Motor vehicle	215,385	13,011	(5,693)	33,093	(6,293)	2,067	(37,939)	213,631
Other equipment	311	ı	(7)	ı	ı	1	(44)	260
	223,168	13,011	(5,700)	33,093	(6,293)	1,709	(38,298)	220,690
	Net carrying amount at beginning of financial year RM'000	Additions RM'000	Termi- nation RM'000	Reassess- ment RM'000	Reclassi- fication RM'000	Exchange differences RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
2023 Leasehold land								
and building (Note iii)	50,981	•	1	1	(43,835)	397	(190)	7,353
Buildings	245,512	33,936	(38,863)	(6,827)	1	20,514	(38,887)	215,385
Motor vehicle	262	ı	1	1	1	1	(143)	119
Other equipment	421	30	(78)	1	1	1	(62)	311
	297,176	33,966	(38,941)	(6,827)	(43,835)	20,911	(39,282)	223,168

The right-of-use assets for buildings are in respect of lease contracts for office and business premises for the operation.

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# NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2024

# 6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (a) Right-of-use assets (Continued)

Group

As at 30 June 2024

Leasehold land

Other equipment

Cost RM'000	Cost depreciation	impairment RM'000	amount RM'000
7,845	845 (1,046)	•	6,799
298,931	931 (85,072)	(228)	213,631
41	415 (155)		260
307,191	191 (86,273)	(228)	220,690

	Cost	Accumulated depreciation	Accumulated Accumulated depreciation impairment	Net carrying amount
	RM'000	RM'000	RM'000	RM'000
As at 30 June 2023				
Leasehold land	8,253	(006)	1	7,353
Buildings	313,176	(97,563)	(228)	215,385
Motor vehicle	429	(310)	1	119
Other equipment	430	(119)	1	311
	322,288	(98,892)	(228)	223,168

### Notes:

- (i) As at the reporting date, leasehold land of the Group with net carrying amount of RM6,799,000 (2023: RM7,353,000) were pledged to financial institution for credit facility granted to subsidiary company as disclosed in Note 22(b).
- During the current financial year, certain right-of-use assets with net carrying amounts of RM6,293,000 were reclassified and presented as investment properties in Note 10 due to sublease arrangements that met the definition of investment properties. ≘
- (iii) A building amounting to RM43,835,000 was reclassified to property, plant and equipment in the previous financial year to better reflect the nature of the acquired identified asset that was erected on the underlying lease asset as disclosed in Note 5(b).



### 6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (a) Right-of-use assets (Continued)

Com	panv

	Net carrying amount at beginning of financial year RM'000	Termination RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
<u>2024</u>				
Buildings	3,502	-	(2,335)	1,167
Other equipment	16	(7)	(8)	1
	3,518	(7)	(2,343)	1,168
	Net carrying amount at beginning of financial year RM'000	Additions RM'000	Depreciation RM'000	Net carrying amount at end of financial year RM'000
<u>2023</u>	amount at beginning of financial year		-	amount at end of financial year
<u>2023</u> Buildings	amount at beginning of financial year		-	amount at end of financial year RM'000
	amount at beginning of financial year RM'000	RM'000	RM'000	amount at end of financial year RM'000
Buildings	amount at beginning of financial year RM'000	RM'000	RM'000 (2,339)	amount at end of financial year RM'000

The right-of-use assets for buildings are in respect of lease contracts for office premises.

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As at 30 June 2024			
Buildings	4,669	(3,502)	1,167
Other equipment	30	(29)	1
	4,699	(3,531)	1,168
	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As at 30 June 2023			
As at 30 June 2023 Buildings	4,669	(1,167)	3,502
	4,669 45	(1,167) (29)	3,502 16



### 6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year:

	Group		Com	Company	
	2024	2023	2024	2023	
	RM'000	RM'000	RM'000	RM'000	
At beginning of financial year	215,442	249,132	3,566	1,247	
Additions	13,011	33,966	-	4,669	
Reassessment	33,093	(6,827)	-	-	
Termination	(5,709)	(40,181)	(8)	-	
Interest expense in lease liabilities (Note 33)	8,469	8,261	121	120	
Lease payments	(48,130)	(53,683)	(2,464)	(2,470)	
Exchange differences	2,213	24,774	-		
At end of financial year	218,389	215,442	1,215	3,566	
Analysed as:					
- Non-current	187,586	184,833	-	1,222	
- Current	30,803	30,609	1,215	2,344	
At end of financial year	218,389	215,442	1,215	3,566	

### Other information relating to lease contract

Other information relating to lease contract				
	Gre	Group		pany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other income from sublease (Note 32)	2,702	3,445	14	10
Gain on lease termination (Note 32)	9	1,240	1	-
Expenses relating to leases of:				
- low-value assets (Note 29)	148	100	-	-
- short term leases (Note 29)	2,979	1,552	-	
Cash flows items				
Cash flows from operating activities:				
Included under payment for prize				
winners, suppliers and for				
other operating expenses:				
- Cash outflow for expenses				
relating to leases of:				
- low-value assets	148	100	-	-
- short term leases	2,979	1,552	-	
Cash flows from financing activities:				
_	0.460	0.061	121	120
Payment for lease liabilities - interests	8,469	8,261		· ·
Payment for lease liabilities - principal	39,661	45,422	2,343	2,350
Total lease payments	48,130	53,683	2,464	2,470



### **7 SUBSIDIARY COMPANIES**

	Company		
	2024	2023	
	RM'000	RM'000	
Unquoted shares, at cost	6,797,200	6,797,200	
Less: Accumulated impairment losses	(2,406,122)	(2,403,016)	
	4,391,078	4,394,184	

At the reporting date, the Company conducted impairment review of the investments in its subsidiary companies.

The review gave rise to the recognition of impairment loss of investment in a subsidiary company of RM3,106,000 (2023: RM1,195,000), as disclosed in Note 31, as the carrying value exceeded the recoverable amount determined by the Company.

Details of the subsidiary companies are as follows:

Name of Company	Country of Incorporation	Principal Activities	_	uity rest
			2024	2023
			%	%
Subsidiary companies of SPToto				
FEAB Land Sdn Bhd	Malaysia	Property development and property investment	100	100
FEAB Properties Sdn Bhd	Malaysia	Property investment and investment holding	100	100
Magna Mahsuri Sdn Bhd	Malaysia	Property investment and investment holding	100	100
STM Lottery Sdn Bhd ("STM Lottery") ^^	Malaysia	Toto betting operations	100	100
Sports Toto Fitness Sdn Bhd * (Note a)	Malaysia	Dormant	100	100
STM Resort Sdn Bhd	Malaysia	Property investment	100	100



Name of Company	Country of Incorporation	Principal Activities	_	uity rest
			2024	2023
			%	%
Subsidiary companies of Magna Mahsuri Sdn Bhd				
Berjaya Sports Toto (Cayman) Limited ("BSTC")	Cayman Islands	Investment holding	100	100
Sports Toto Apparel Sdn Bhd (Note b)	Malaysia	Dissolved	-	100
Sports Toto Computer Sdn Bhd	Malaysia	Computer consultancy services	100	100
Sports Toto Products Sdn Bhd (Note b)	Malaysia	Dissolved	-	100
Subsidiary company of BSTC				
Berjaya Lottery Management (HK) Limited ("BLM") #	Hong Kong	Investment holding	100	100
Subsidiary companies of BLM				
Berjaya Philippines Inc. ("BPI") *	Philippines	Investment holding	74.20	^ 74.20 ^
International Lottery & Totalizator Systems, Inc. *	United States of America	Development, manufacturing, distribution of computerised wagering systems and provision of software licences and support	100	100
Subsidiary companies of BPI				
eDoc Holdings Limited *	United Kingdom	Dormant	100	100
Floridablanca Enviro Corporation *	Philippines	Service business of protecting and cleaning the environment	100	100



Name of Company	Country of Incorporation	Principal Activities	-	uity rest
			2024 %	2023 %
Subsidiary companies of BPI (Continued)				
H.R. Owen Plc ("H.R. Owen") *	United Kingdom	Investment holding	100	100
Perdana Hotel Philippines Inc. *	Philippines	Operation of a hotel in the Philippines	100	100
Subsidiary companies of International Lottery & Totalizator Systems, Inc.				
ILTS Vietnam Company Limited *	Socialist Republic of Vietnam	Provision of lottery technical support services	100	100
Unisyn Voting Solutions, Inc. *	United States of America	Development, manufacturing, distribution of voting systems and provision of software licences and support	100	100
Subsidiary companies of H.R. Owen				
Bodytechnics Limited *	United Kingdom	Maintenance and repair of motor vehicles	100	100
Broughtons of Cheltenham Limited *	United Kingdom	Motor retailing and provision of aftersales services	100	100
Jack Barclay Limited *	United Kingdom	Motor retailing and provision of aftersales services	100	100



Name of Company	Country of Incorporation	Principal Activities	-	uity rest
			2024 %	<b>2023</b> %
Subsidiary companies of H.R. Owen (Continued)				
Hatfield 6939 Limited *	United Kingdom	Property investment	100	100
H.R. Owen Dealerships Limited *	United Kingdom	Motor retailing and provision of aftersales services	100	100
H R Owen Insurance Services Limited *	United Kingdom	Provision of insurance agent and broker services	95	95
H.R. Owen Servicing and Repairs Limited*	United Kingdom	Provision of aftersales services	100	100
Pangbourne 6939 Limited *	United Kingdom	Property investment	100	100
Upbrook Mews Limited *	United Kingdom	Property investment	100	100
Bradshaw Webb (Chelsea) Limited *	United Kingdom	Dormant	100	100
Holland Park Limited *	United Kingdom	Dormant	100	100
J M Developments (UK) Limited *	United Kingdom	Dormant	100	100
Shepperton 6939 Limited * (Note c)	United Kingdom	Dissolved	-	100
Heathrow Limited * (Note c)	United Kingdom	Dissolved	-	100



Name of Company	Country of Incorporation	Principal Activities	•	uity rest
			2024 %	2023 %
Subsidiary companies of H.R. Owen (Continued)				
H.R. Owen Investments Limited * (Note c)	United Kingdom	Dissolved	-	100
Malaya Dealerships Limited * (Note c)	United Kingdom	Dissolved	-	100

- \* Audited by firms of auditors other than Ernst & Young PLT
- # Audited by other member firm of Ernst & Young Global Limited
- ^ The total equity interests held by the Group in BPI is 88.26% (2023: 88.26%) and it is held by the following companies respectively:

		2024	2023
		%	%
(i)	BLM	74.20	74.20
(ii)	BSTC	14.06	14.06
		88.26	88.26

- ^^ The Medium Term Notes ("MTN") issued by STM Lottery are secured by a third party first equitable charge over the unquoted shares of the said subsidiary company owned by the Company as disclosed in Note 22(a). The carrying value of the unquoted shares were RM3,625,624,000 (2023: RM3,625,624,000) at the reporting date.
- Note a Sports Toto Fitness Sdn Bhd, a wholly-owned subsidiary company of the Group was struck off subsequent to the financial year end on 2 September 2024.
- Note b The voluntary winding-up of wholly-owned subsidiary companies of the Group, namely Sports Toto Apparel Sdn Bhd and Sports Toto Products Sdn Bhd were completed on 17 July 2023.
- Note c The Group has struck off the following wholly-owned dormant subsidiary companies from the Registrar of Companies and dissolved accordingly:
  - Heathrow Limited dissolved on 29 August 2023;
  - H.R. Owen Investments Limited dissolved on 29 August 2023;
  - Malaya Dealerships Limited dissolved on 29 August 2023; and
  - Shepperton 6939 Limited dissolved on 16 April 2024.



### 7 SUBSIDIARY COMPANIES (CONTINUED)

### (1) Acquisition of Subsidiary Companies

In the previous financial year, H.R. Owen acquired two (2) wholly-owned subsidiary companies namely H.R. Owen Servicing and Repairs Limited and J M Developments (UK) Limited for a total cash consideration of £3,015,000 (equivalent to approximately RM15,643,000). An initial sum of £765,000 (equivalent to approximately RM3,969,000) was paid in the previous financial year and the nominal value of the remaining cash consideration of £2,250,000 is to be paid over three (3) years from the date of acquisition with the present value amounting to £2,043,000 (equivalent to approximately RM10,602,000). This brings the aggregate present value of the total consideration amounts to £2,808,000 (equivalent to approximately RM14,571,000) at the date of acquisition, representing total investment cost.

The remaining cash consideration outstanding at the current reporting date is £1,397,000 (equivalent to approximately RM7,250,000) (2023: £2,043,000, equivalent to approximately RM10,602,000) as disclosed in Notes 23 and 26 accordingly.

The cost of acquisition comprised the following:

	2023
	RM'000
Group	
Purchase consideration satisfied by cash paid in financial year 2023	3,969
Present value of the remaining cash consideration to be paid in	
- Financial year 2024	3,352
- Financial year 2025 (Note 26)	3,531
- Financial year 2026 (Note 23)	3,719
Total present value of the remaining cash consideration to be paid	10,602
Investment cost, representing fair value of the subsidiary companies acquired at the date of acquisition	14,571

The fair values of the identifiable assets and liabilities of these subsidiary companies as at the date of acquisition were as follows:

	Fair value RM'000
Property, plant and equipment (Note 5)	328
Cash and cash equivalent acquired	1
Total net assets acquired	329
Goodwill on consolidation (Note 12)	6,098
Intangible assets on consolidation (Note 12)	10,859
	17,286
Less: Deferred tax liabilities arising on consolidation (Note 11)	(2,715)
Investment cost, representing fair value of the	
subsidiary companies acquired at the date of acquisition	14,571



### 7 SUBSIDIARY COMPANIES (CONTINUED)

### (2) Subsidiary company with material non-controlling interests

The subsidiary company with non-controlling interests of which the Group regards as material are set out below:

### Proportion of equity interest held by non-controlling interests:

	Country of		
	incorporation	2024	2023
Name	and operation	%	%
BPI (on consolidated basis)	Philippines	11.74	11.74

The summarised financial information presented below is the amount before inter-company elimination and after reflecting the fair value adjustments arising from business combination, where applicable.

### (i) Summarised statement of financial position

	2024	2023
	RM'000	RM'000
<u>BPI</u>		
Non-current assets	1,176,695	1,178,176
Current assets	1,204,024	1,295,851
Total assets	2,380,719	2,474,027
Non-current liabilities	425,431	420,013
Current liabilities	1,028,753	1,130,136
Total liabilities	1,454,184	1,550,149
Net assets	926,535	923,878
Owners of the parent	856,126	852,953
Non-controlling interests	70,409	70,925
Total equity	926,535	923,878



### 7 SUBSIDIARY COMPANIES (CONTINUED)

### (2) Subsidiary companies with material non-controlling interests (Continued)

(ii)	Summarised	statement	of profit o	r loss	and other	comprehensive	income
------	------------	-----------	-------------	--------	-----------	---------------	--------

	2024	2023
	RM'000	RM'000
BPI Revenue	2 207 057	2 101 202
neveriue	3,307,057	3,101,393
Profit for the financial year attributable to:		
- Owners of the parent	16,059	43,704
- Non-controlling interests	2,561	5,992
Profit for the financial year	18,620	49,696
Other comprehensive income (net of tax) attributable to:		
- Owners of the parent	(12,886)	76,963
- Non-controlling interests	(3,077)	3,007
Other comprehensive income for the financial year	(15,963)	79,970
Total comprehensive income for the financial year	2,657	129,666
Total comprehensive income attributable to:		
- Owners of the parent	3,173	120,667
- Non-controlling interests	(516)	8,999
Total comprehensive income for the financial year	2,657	129,666
(iii) Summarised statement of cash flows		
	2024	2023
	RM'000	RM'000
P.D.		
<u>BPI</u>		
Net cash from / (used in):	00 / 705	40.100
Operating activities	231,763	40,133
Investing activities	(20,351)	(133,469)
Financing activities	(151,796)	131,742
Net change in cash and cash equivalents	59,616	38,406



### **8 ASSOCIATED COMPANIES**

Group		Company	
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000
119,398	119,428	30,461	30,461
14,273	1,258	-	-
133,671	120,686	30,461	30,461
(967)	5,509	-	-
132,704	126,195	30,461	30,461
(449)	(472)	(27,923)	(27,923)
132,255	125,723	2,538	2,538
	2024 RM'000 119,398 14,273 133,671 (967) 132,704 (449)	2024 2023 RM'000 RM'000 119,398 119,428 14,273 1,258 133,671 120,686 (967) 5,509 132,704 126,195 (449) (472)	2024         2023         2024           RM'000         RM'000         RM'000           119,398         119,428         30,461           14,273         1,258         -           133,671         120,686         30,461           (967)         5,509         -           132,704         126,195         30,461           (449)         (472)         (27,923)

### Movement of accumulated impairment losses:

	Group		Company	
	2024 2023		2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	472	3,803	27,923	27,923
Written off during the financial year	-	(3,356)	-	-
Exchange differences	(23)	25	-	
At end of financial year	449	472	27,923	27,923

Details of the associated companies are as follows:

Name of Company	Country of Incorporation	Country of Incorporation Principal Activities		Equity Interest	
		-	2024 %	2023 %	
Associates of SPToto					
Berjaya Racing Management Sdn Bhd	Malaysia	Dormant	20	20	
Berjaya Lottery Vietnam Limited	Malaysia	Investment holding	20	20	



### 8 ASSOCIATED COMPANIES (CONTINUED)

Name of Company	Country of Incorporation	Principal Activities	-	uity rest
			2024	2023
			%	%
Associates of BPI				
Berjaya Pizza (Philippines) Inc.	Philippines	Development and operation of "Papa John's Pizza" chain of restaurants in the Philippines	48.38	48.38
Bermaz Auto Asia Inc. (formerly known as Berjaya Auto Asia Inc.)	Philippines	Selling and distribution of vehicles within the territory of the Philippines	19.98	19.98
Bermaz Auto Philippines Inc. ("BAPI") (Note a)	Philippines	Selling and distribution of Mazda brand vehicles within the territory of the Philippines	29.77	28.28
Chailease Berjaya Finance Corporation	Philippines	Provision of hire purchase and loan financing services	25	25
Neptune Properties, Incorporated	Philippines	Engage in real estate business	41.46	41.46
Perdana Land Philippines Inc.	Philippines	Acquire, develop and lease real estate	40	40
Philippine Gaming  Management Corporation  ("PGMC")	Philippines	Leasing of online lottery equipment and provision of software support	39.99	39.99



### 8 ASSOCIATED COMPANIES (CONTINUED)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
		·	2024 %	<b>2023</b> %
Associates of BPI (Continued)				
Ssangyong Berjaya Motor Philippines Inc.	Philippines	Selling and distribution of Ssangyong brand vehicles within the territory of the Philippines	21.67	21.67
Cosway Philippines Inc. (Note b)	Philippines	Dormant	40	40

Note a On 5 February 2024, BAPI purchased 45,506,521 of its own shares from its existing shareholders for PHP140,000,000. This is treated as deemed acquisition by BPI and resulting in its equity interest in BAPI increased from 28.28% to 29.77%.

Note b Cosway Philippines Inc. is currently under striking-off process.



### 8 ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information in respect of the material associated companies are set out below. The summarised financial information represents the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

### (i) Summarised statement of financial position

	PGMC	BAPI
	RM'000	RM'000
At 30 June 2024		
Non-current assets	90,573	65,565
Current assets	81,922	236,117
Total assets	172,495	301,682
Total assets	172,433	001,002
Non-current liabilities	28,932	58,192
Current liabilities	29,541	73,036
Total liabilities	58,473	131,228
Net assets	114,022	170,454
Group's share of net assets	45,597	50,744
		_
At 30 June 2023		
Non-current assets	87,602	65,094
Current assets	99,455	200,784
Total assets	187,057	265,878
Non-current liabilities	44,597	52,364
Current liabilities	21,804	68,891
Total liabilities	66,401	121,255
Net assets	120,656	144,623
Group's share of net assets	48,250	40,899



### 8 ASSOCIATED COMPANIES (CONTINUED)

(ii) Summarised statement of profit or loss and other comprehensive income

	PGMC RM'000	BAPI RM'000
For financial year ended 30 June 2024		
Revenue	55,665	358,243
Profit for the financial year	832	45,522
Other comprehensive income	135	33
Total comprehensive income for the financial year	967	45,555
Group's share of profit for the financial year	333	13,150
Group's share of other comprehensive income for the financial year	54	10
Dividend received from the associated company during the financial year	643	-
For financial year ended 30 June 2023		
Revenue	100,980	255,231
Profit for the financial year	28,464	24,315
Other comprehensive income	80	89
Total comprehensive income for the financial year	28,544	24,404
Group's share of profit for the financial year	11,383	6,876
Group's share of other comprehensive		
income for the financial year	32	25
Dividend received from the associated		
company during the financial year	5,798	



### 8 ASSOCIATED COMPANIES (CONTINUED)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associated companies

	PGMC RM'000	BAPI RM'000
2024		
Net assets attributable to its owners of the parent:		
As at 1 July 2023	120,656	144,623
Treasury shares	-	(11,262)
Exchange differences	(5,992)	(8,462)
Profit for the financial year	832	45,522
Other comprehensive income	135	33
Dividend paid during the financial year	(1,609)	-
As at 30 June 2024	114,022	170,454
Equity contribution from associate's parent	-	3,918
Net assets as at 30 June 2024	114,022	174,372
Interest in the associated companies	39.99%	29.77%
Group's equity interests	45,597	50,744
Goodwill		3,112
Carrying value of the Group's interest		
in the associated companies	45,597	53,856
2002		
Net appete attribute le te ita appeare of the propert		
Net assets attributable to its owners of the parent:	100,191	110 560
As at 1 July 2022		112,568
Exchange differences  Profit for the financial year	6,419	7,651
	28,464	24,315
Other comprehensive income	(14.409)	89
Dividend paid during the financial year As at 30 June 2023	(14,498)	144 602
	120,656	144,623 3,935
Equity contribution from associate's parent  Net assets as at 30 June 2023	120,656	148,558
Net assets as at 50 June 2025	120,030	140,330
Interest in the associated companies	39.99%	28.28%
Group's equity interests	48,250	40,899
Goodwill	-	2,311
Carrying value of the Group's interest		
in the associated companies	48,250	43,210



### 8 ASSOCIATED COMPANIES (CONTINUED)

(iv) Aggregate information of associated companies that are not individually material to the Group

	2024	2023
	RM'000	RM'000
The Group's share of (loss) / profit for the financial year	(1,157)	3,513
The Group's share of other		
comprehensive income for the financial year	1,238	(425)
The Group's share of total comprehensive income for the financial year	81	3,088
Aggregate carrying amounts of the total		
Group's interests in these associated companies	32,802	34,263

The Group has discontinued the recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interest in these associated companies. As at the reporting date, the Group's cumulative unrecognised share of losses in these associated companies amounted to PHP143,184,000 equivalent to RM11,519,000 (2023: PHP139,596,000 equivalent to RM11,814,000), which exceeded the Group's interest in these associated companies. Accordingly, the Group did not recognise its share of current year's loss amounting to PHP3,588,000 equivalent to RM297,000 (2023: PHP4,236,000 equivalent to RM341,000) of these associated companies.



### 9 LONG TERM INVESTMENTS

	Group		Company	
	2024 2023		2024	2023
	RM'000	RM'000	RM'000	RM'000
At fair value:				
- Quoted shares in Malaysia	105,325	89,900	-	-
- Unquoted shares outside Malaysia	30,678	31,132	-	-
- Malaysian Government Securities	3,117	3,162	-	
	139,120	124,194	-	-
At cost:		_		_
Club memberships	771	981	143	353
Less: Accumulated impairment losses	(735)	(945)	(143)	(353)
	36	36	-	
	139,156	124,230	-	-

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 4.5% (2023: 4.5%) per annum.

Further details on fair value hierarchy and classification of equity investments are disclosed in Notes 41 and 42 respectively.

### 10 INVESTMENT PROPERTIES

_	Group	
	2024	2023
	RM'000	RM'000
At beginning of financial year	117,419	116,766
Fair value adjustments, net (Note 31)	(2,500)	(400)
Reclassified from right-of-use assets (Note 6(a)(ii))	6,293	-
Exchange differences	144	1,053
At end of financial year	121,356	117,419
Included in the above are:		
Freehold land and buildings	113,413	115,769
Leasehold building	1,650	1,650
Right-of-use assets	6,293	
	121,356	117,419

The carrying amounts of the investment properties (excluding right-of-use assets) were assessed and determined based on fair values using comparison method by an independent valuer, who holds recognised qualifications and has relevant experience in valuing these types of properties.

The carrying amounts of the right-of-use assets that met the definition of investment property were determined based on fair values using income method.



### 11 DEFERRED TAX (ASSETS) / LIABILITIES

	Gro	oup	Com	pany
	2024	2024 2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	6 700	11 470		
At beginning of financial year	6,708	11,478	-	-
Recognised in profit or loss (Note 34)	13,312	(12,671)	-	-
Recognised in other comprehensive income	(613)	2,186	-	-
Arising from acquisition of				
subsidiary companies (Note 7(1))	-	2,715	-	-
Exchange differences	1,080	3,000	-	
At end of financial year	20,487	6,708	-	-
December of the control of the contr				
Presented after appropriate				
offsetting as follows:				
Deferred tax assets	(35,470)	(33,030)	-	-
Deferred tax liabilities	55,957	39,738	-	
	20,487	6,708	-	

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:**

	Retirement benefit obligations RM'000	Payables RM'000	Unutilised tax losses and unabsorbed capital allowances RM'000	Total RM'000
2024				
At beginning of financial year	(113)	(35,579)	(4,048)	(39,740)
Recognised in profit or loss	(18)	(1,724)	(854)	(2,596)
Recognised in other comprehensive income	29	-	-	29
Exchange differences	6	422	30	458
At end of financial year	(96)	(36,881)	(4,872)	(41,849)
Less: set-off against deferred tax liabilities				6,379
				(35,470)



### 11 DEFERRED TAX (ASSETS) / LIABILITIES (CONTINUED)

### **Deferred Tax Assets of the Group:**

			Unutilised	
			tax losses	
			and	
	Retirement		unabsorbed	
	benefit		capital	
	obligations	<b>Payables</b>	allowances	Total
	RM'000	RM'000	RM'000	RM'000
2023				
At beginning of financial year	(118)	(22,377)	(2,965)	(25,460)
Recognised in profit or loss	(21)	(12,778)	(826)	(13,625)
Recognised in other comprehensive income	33	-	-	33
Exchange differences	(7)	(424)	(257)	(688)
At end of financial year	(113)	(35,579)	(4,048)	(39,740)
Less: set-off against deferred tax liabilities				6,710
			_	(33,030)
			-	

### **Deferred Tax Liabilities of the Group:**

	Intangible assets RM'000	Accelerated capital allowances RM'000	Investment properties RM'000	Retirement benefit assets and others RM'000	Total RM'000
2024					
At beginning of financial year	18,790	14,479	2,126	11,053	46,448
Recognised in profit or loss	(855)	16,496	(218)	485	15,908
Recognised in other					
comprehensive income	-	-	-	(642)	(642)
Exchange differences	239	330	-	53	622
At end of financial year	18,174	31,305	1,908	10,949	62,336
Less: set-off against					
deferred tax assets					(6,379)
					55,957



### 11 DEFERRED TAX (ASSETS) / LIABILITIES (CONTINUED)

### **Deferred Tax Liabilities of the Group:**

	Intangible assets	Accelerated capital allowances	Investment	benefit assets and others	Total
	RM'000	RM'000	properties RM'000	RM'000	RM'000
2023					
At beginning of financial year	13,815	12,583	2,157	8,383	36,938
Recognised in profit or loss	-	1,260	(31)	(275)	954
Recognised in other					
comprehensive income	-	-	-	2,153	2,153
Arising from acquisition					
of subsidiary					
companies (Note 7(1))	2,715	-	-	-	2,715
Exchange differences	2,260	636	-	792	3,688
At end of financial year	18,790	14,479	2,126	11,053	46,448
Less: set-off against					
deferred tax assets				_	(6,710)
				_	39,738

### **Deferred Tax Assets of the Company:**

	Other payables RM'000
<u>2024</u>	
At beginning / end of financial year	-
Less: set-off against deferred tax liability	-
	-
<u>2023</u>	
At beginning / end of financial year	(17)
Less: set-off against deferred tax liability	17



2024

### NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2024

### 11 DEFERRED TAX (ASSETS) / LIABILITIES (CONTINUED)

**Deferred Tax Liability of the Company:** 

At beginning / end of financial year

Accelerated capital allowances RM'000

Less: set-off against deferred tax assets	-
	-
<u>2023</u>	
At beginning / end of financial year	17
Less: set-off against deferred tax assets	(17)

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

		Gro	up
		2024	2023
		RM'000	RM'000
Unutilised tax losses			
-Malaysian income tax		8,359	8,830
-foreign tax		7,799	6,473
Unabsorbed capital allowances		740	719
		16,898	16,022

Deferred tax assets have not been recognised in respect of the items above as it is not probable that future taxable profits will be available against which the items above can be utilised.

The Malaysia Finance Act 2018 gazetted on 27 December 2018 imposed a time limitation to restrict the carry forward of the unutilised tax losses to a maximum period of 7 consecutive Year of Assessment ("YA"), effective YA 2019. Based on the latest Malaysia Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years. As a result of this change, the unutilised tax losses accumulated up to YA 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from YA 2019 to 2028). Any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised tax losses applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislation of the respective countries.



### 11 DEFERRED TAX (ASSETS) / LIABILITIES (CONTINUED)

Pursuant to the relevant tax regulation, the unutilised tax losses and unabsorbed capital allowances at the end of reporting period will expire as follows:

	Group	
	2024	2023
	RM'000	RM'000
With no expiry	4,636	4,313
More than 12 months	12,262	11,709
	16,898	16,022

### 12 INTANGIBLE ASSETS

	Gre	Group	
	2024	2023	
	RM'000	RM'000	
At counting emounts			
At carrying amount: Goodwill on consolidation			
At beginning of financial year	653,203	637,231	
	053,203		
Arising from acquisition of subsidiary companies (Note 7(1))	1.050	6,098	
Exchange differences	1,352	9,874	
At end of financial year	654,555	653,203	
Dealership rights			
At beginning of financial year	61,150	55,263	
Exchange differences	803	5,887	
At end of financial year	61,953	61,150	
Customer relationships			
At beginning of financial year	12,181	1,077	
Arising from acquisition of subsidiary companies (Note 7(1))	-	10,859	
Amortisation (Note 29)	(1,589)	(1,273)	
Exchange differences	142	1,518	
At end of financial year	10,734	12,181	
Computer software			
At beginning of financial year	2,750	3,032	
Addition	783	-	
Amortisation (Note 29)	(582)	(460)	
Exchange differences	16	178	
At end of financial year	2,967	2,750	
Total	730,209	729,284	



### 12 INTANGIBLE ASSETS (CONTINUED)

Group	Group	
2024	2023	
RM'000	RM'000	
Cost		
Goodwill on consolidation 654,555	653,203	
Dealership rights 61,953	61,150	
Customer relationships 16,064	15,856	
Computer software 5,020	4,208	
737,592	734,417	
Accumulated Amortisation		
Customer relationships (5,330)	(3,675)	
Computer software (2,053)	(1,458)	
(7,383)	(5,133)	
Net carrying amounts 730,209	729,284	

### Impairment test on goodwill, dealership rights and customer relationships

### Allocation of goodwill

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

	Group	
	2024	2023
	RM'000	RM'000
Toto betting operations	547,686	547,686
Motor dealership	93,237	92,029
Others	13,632	13,488
	654,555	653,203
	654,555	653,203

### Allocation of dealership rights, customer relationships and computer software

Dealership rights and customer relationships are allocated solely to the Group's motor dealership operations. Computer software is the capitalised software development costs that is allocated to the Group's manufacture and distribution of computerised wagering and voting systems operation.



### 12 INTANGIBLE ASSETS (CONTINUED)

### Impairment test on goodwill, dealership rights and customer relationships (Continued)

### (a) Impairment test on goodwill and customer relationships

The recoverable amount of a CGU is determined with VIU calculations using cash flow projections based on financial budgets covering five-year period.

The key assumptions used for VIU 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 the expected future growth rate based on growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

### (ii) Discount rates

The post-tax discount rates, applied to post-tax cash flows, used for the respective identified CGUs are in the range of 8.8% to 9.5% (2023: 8.8% to 10.5%).

### (iii) Terminal growth rates

The terminal growth rates used for the identified CGUs are estimated with reference to published research and do not exceed the long term growth rates for the countries relevant to the CGUs. The applicable terminal growth rate for all segments during the current financial year is between 1.5% to 2.0% (2023: 1.5%).

### Sensitivity to changes in assumptions

For the United Kingdom motor dealership business segment, the recoverable amounts of goodwill on consolidation based on VIU computation is sensitive towards possible changes in discount rate and terminal growth rate due to the unanticipated economic changes.

Should the discount rate increase by 0.5% or terminal growth rate decrease by 0.5% with all the other variables held constant, the VIU of the goodwill of the motor dealership business segment would fall below the carrying amount of the CGU by RM36,369,000 or RM24,463,000 respectively, resulting in an impairment of goodwill.

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



### 12 INTANGIBLE ASSETS (CONTINUED)

Impairment test on goodwill, dealership rights and customer relationships (Continued)

### (b) Impairment test on dealership rights

The recoverable amount of a CGU is determined with VIU calculations using cash flow projections based on financial budgets covering five-year period.

The key assumptions used for VIU 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 the expected future growth rate based on average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

### (ii) Discount rate

The post-tax discount rate, applied to post-tax cash flows, used for the identified CGUs is 10.5% (2023: 11.5%).

### (iii) Terminal growth rate

The terminal growth rate used for identified CGUs is estimated with reference to published research and does not exceed the long term growth rate for the country relevant to the CGUs. The applicable terminal growth rate used is 2.0% (2023: 1.5%).

### Sensitivity to changes in assumptions

Management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying amounts of the dealership rights and customer relationships to materially exceed their recoverable amounts.



### 13 INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
At cost:		
Vehicles	307,611	442,252
Gaming equipment components and parts	307	365
Raw materials	28,290	25,536
Work-in-progress	807	6,453
Ticket inventories	6,612	4,201
Parts and consumables	25,594	34,130
Finished goods and inventories for resale	995	2,489
	370,216	515,426
At net realisable value:		
Vehicles	159,031	135,558
Parts and consumables	2,262	1,083
	531,509	652,067

The cost of inventories recognised as an expense during the financial year amounted to RM2,898,899,000 (2023: RM2,771,819,000).

The carrying amounts of inventories pledged for vehicle stocking loans were RM457,604,000 (2023: RM558,395,000) as disclosed in Note 24(a).

### 14 RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade receivables	313,564	286,275	-	-
Other receivables	68,820	42,666	6	4
Refundable deposits	2,895	3,003	737	687
Amounts due from associated companies	183,541	186,623	-	-
	568,820	518,567	743	691
Less: Allowance for impairment				
- trade receivables	(1,157)	(2,379)	-	-
- other receivables	(303)	(373)	-	-
- amounts due from				
associated companies	(11,093)	(7,642)	-	-
	556,267	508,173	743	691
Other current non-financial assets				
Dividend receivable	-	-	101,270	81,016
Other receivables	33,706	68,346	-	-
Prepayments	31,644	36,867	89	83
	621,617	613,386	102,102	81,790

The Group's trade receivables are non-interest bearing with credit term ranging from 1 to 90 days (2023: 1 to 90 days). Included in the trade receivables of the Group is an amount due from a related company to a foreign subsidiary company of the Group amounting to RM182,344,000 (2023: RM169,010,000). The amount due from this related company is unsecured and considered as a significant concentration of credit risk to the Group.

### (a) Trade receivables

### Ageing analysis of trade receivables

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

	Group	
	2024	2023
	RM'000	RM'000
Current	88,984	82,813
1 to 30 days	14,369	27,919
31 to 60 days	8,582	8,005
61 to 90 days	7,826	2,358
More than 90 days	192,646	162,801
	223,423	201,083
Impaired	1,157	2,379
	313,564	286,275



### 14 RECEIVABLES (CONTINUED)

## (a) Trade receivables (Continued)

#### 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:

	Grou	р
	2024	2023
	RM'000	RM'000
Individually impaired		
Trade receivables - nominal amounts	1,157	2,379
Less: Allowance for impairment	(1,157)	(2,379)
	-	-
Movement in allowance accounts		
	Grou	р
	2024	2023
		2020
	RM'000	RM'000
At beginning of financial year		
At beginning of financial year  Net (reversal) / charge for the financial year (Note 29)	RM'000	RM'000
	<b>RM'000</b> 2,379	<b>RM'000</b> 2,250
Net (reversal) / charge for the financial year (Note 29)	<b>RM'000</b> 2,379	2,250 236

The Group measures allowance for impairment losses of trade receivables based on lifetime ECL.

The ECL on trade receivables are estimated by reference to historical loss experience of the trade receivables and an analysis of the trade receivable's current financial position, adjusted for forward-looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or on an account-by-account basis.



# 14 RECEIVABLES (CONTINUED)

## (b) Other receivables

#### Other receivables that are impaired

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

### Movement in allowance accounts

	Group	
	2024	2023
	RM'000	RM'000
At beginning of financial year	373	191
Net (reversal) / charge for the financial year (Note 29)	(73)	158
Exchange differences	3	24
At end of financial year	303	373

## (c) Amounts due from associated companies

Amounts due from associated companies of foreign subsidiary company are unsecured, repayable on demand and interest bearing except for a total amount of RM57,733,000 (2023: RM53,762,000) that is non-interest bearing.

#### Movement in allowance accounts

	Group	
	2024	2024 2023
	RM'000	RM'000
At beginning of financial year	7,642	5,416
Net charge for the financial year (Note 31)	4,192	1,824
Written off during the financial year	(243)	-
Exchange differences	(498)	402
At end of financial year	11,093	7,642



## 15 CONTRACT ASSETS / (LIABILITIES)

CONTINUE ACCETO (CIADICITIES)		
	Gro	up
	2024	2023
	RM'000	RM'000
Contract asset		
<u>Current</u>		
Wagering and voting systems contracts (a)	8,493	15,789
Contract liabilities		
Current		
Wagering and voting systems contracts (a)	(1,642)	(1,549)
Deposits received from customers for sale of motor vehicles (b)	(297,657)	(355,633)
	(299,299)	(357,182)
(a) Contract assets / (liabilities) from wagering and voting contracts		
The movements of contract assets / (liabilities) are as follows:		
	Gro	up

	Group	
	2024	2023
	RM'000	RM'000
<u>Current:</u>		
Contract assets		
At beginning of financial year	15,789	4,740
Revenue recognised during the financial year	8,868	12,234
Progress billings during the financial year	(16,322)	(1,978)
Exchange differences	158	793
At end of financial year	8,493	15,789
Contract liabilities		
At beginning of financial year	(1,549)	(13,002)
Revenue recognised during the financial year	1,551	13,227
Considerations received	(1,642)	(1,549)
Exchange differences	(2)	(225)
At end of financial year	(1,642)	(1,549)



### 15 CONTRACT ASSETS / (LIABILITIES) (CONTINUED)

(a) Contract assets / (liabilities) from wagering and voting contracts (Continued)

Revenue from wagering and voting systems contracts are recognised over time using the input method, which represent the milestones billings, which are either structured or negotiated with contract customers to reflect the physical stage of completion of the contracts.

The transaction price allocated to the unsatisfied performance obligations as at financial year end and the timing of recognition for the remaining performance obligations are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Within one year	(1,642)	(1,549)

(b) Contract liabilities from deposits received from customers for sale of motor vehicles

The movement of contract liabilities is as follows:

	Group	
	2024	2023
	RM'000	RM'000
<u>Current:</u>		
Contract liabilities		
At beginning of financial year	(355,633)	(279,151)
Revenue recognised during the financial year	243,636	170,641
Considerations received	(183,714)	(231,651)
Exchange differences	(1,946)	(15,472)
At end of financial year	(297,657)	(355,633)

Contract liabilities represent the obligations to deliver the motor vehicles to the customers for which the Group has received the considerations (i.e. customer deposits received) from the customers. The contract liabilities will only be recognised as revenue when the customer deposits are used for the purchase motor vehicles of current and new models upon launches and made available by the respective car manufacturers. With that, the Group applies the practical expedient not to disclose the information pertaining to the timing of revenue recognition from the remaining performance obligations.



### 16 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	Company	
	2024 2023	
	RM'000	RM'000
Amounts due from subsidiary companies	470,646	368,506
Movement in allowance accounts:		
At beginning of financial year	-	148
Reversal for the financial year (Note 32)	-	(148)
At end of financial year	-	_

Amounts due from subsidiary companies are unsecured, interest bearing and repayable on demand except for total amounts of RM406,000 (2023: RM382,000) which are non-interest bearing.

### 17 DEPOSITS WITH FINANCIAL INSTITUTIONS, CASH AND BANK BALANCES

Group		Company	
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000
267,841	232,759	23,100	26,000
226,440	169,366	-	
494,281	402,125	23,100	26,000
248,483	230,702	5,625	2,303
742,764	632,827	28,725	28,303
	2024 RM'000 267,841 226,440 494,281 248,483	2024 2023 RM'000 RM'000 267,841 232,759 226,440 169,366 494,281 402,125 248,483 230,702	2024 2023 2024 RM'000 RM'000 RM'000 267,841 232,759 23,100 226,440 169,366 - 494,281 402,125 23,100 248,483 230,702 5,625

- (a) Included in cash and bank balances of the Group are amounts of RM1,251,000 (2023: RM1,383,000) held in debt service reserve accounts for credit facilities granted to the Group.
- (b) Fixed deposits of the Group amounting to RM76,000 (2023: RM136,000) are pledged for other facilities granted by financial institutions to the Group.



## 17 DEPOSITS WITH FINANCIAL INSTITUTIONS, CASH AND BANK BALANCES (CONTINUED)

For the purpose of Statements of Cash Flows, cash and cash equivalents comprise the following:

	Group		Com	pany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with financial institutions	494,281	402,125	23,100	26,000
Cash and bank balances	248,483	230,702	5,625	2,303
	742,764	632,827	28,725	28,303
Less: Fixed deposits with financial				
institutions restricted for use	(76)	(136)	-	
	742,688	632,691	28,725	28,303

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

	Group		Company	
	2024	2023	2024	2023
Licensed banks	3.18%	3.09%	2.95%	2.85%
Other financial institutions	5.95%	5.94%	-	-

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

	Group		Company	
	2024	2023	2024	2023
Licensed banks	8 days	10 days	3 days	3 days
Other financial institutions	31 days	31 days	-	-



#### **18 SHARE CAPITAL**

#### **Group and Company**

#### Number of

	ordinary shares		Amount	
	2024	2023	2024	2023
	Units '000	Units '000	RM'000	RM'000
Issued and fully paid:				
At beginning / end of financial year	1,351,030	1,351,030	135,103	135,103

The number of issued shares with voting rights as at 30 June are as follows:

	Number of ordinary shares	
	2024	2023
	Units '000	Units '000
Total number of issued ordinary shares	1,351,030	1,351,030
Less: Ordinary shares held as treasury shares (Note 20)	(1,717)	(10,875)
	1,349,313	1,340,155

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 the ordinary shares (other than treasury shares) rank equally with regard to the Company's residual assets.

### 19 RESERVES

	Group	
	2024	2023
	RM'000	RM'000
Capital reserve (Note a)	285,306	285,306
Consolidation reserve (Note b)	(64,556)	(64,556)
Foreign currency translation reserve (Note c)	167,264	177,710
Fair value through other comprehensive income ("FVTOCI") reserve (Note d)	(28,116)	(33,687)
	359,898	364,773

- (a) The capital reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus shares issued by a subsidiary company.
- (b) The consolidation reserve comprises the consolidation effects of changes in the Group's equity interests in subsidiary companies which do not result in loss of control.
- (c) The foreign currency translation reserve represents the foreign translation differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.
- (d) The FVTOCI reserve represents the cumulative fair value changes, net of tax, if applicable, of FVTOCI financial assets until they are disposed of.



#### **20 TREASURY SHARES**

## **Group and Company**

	Number of shares		Amount	
	2024	2023	2024	2023
	Units '000	Units '000	RM'000	RM'000
At beginning of financial year	10,875	11,658	15,864	23,626
Acquisition of treasury shares	17,276	10,355	26,252	14,810
Distribution of share dividend (Note 36)	(26,434)	(11,138)	(39,548)	(22,572)
At end of financial year	1,717	10,875	2,568	15,864

The renewal of the Company's plan and mandate relating to the share buyback was approved by the shareholders of the Company on 6 December 2023 granting the directors of the Company the authority to buy back its own shares up to 10% of the existing total number of issued shares, inclusive of all treasury shares that have been bought back.

## 21 RETIREMENT BENEFIT OBLIGATIONS / (ASSETS)

	Grou	up
	2024	2023
	RM'000	RM'000
At beginning of financial year	(37,643)	(24,839)
Recognised in profit or loss	(1,119)	(474)
Recognised in other comprehensive income	2,453	(8,742)
Employer's contribution	(21)	(878)
Exchange differences	(537)	(2,710)
At end of financial year	(36,867)	(37,643)
Presented after appropriate offsetting as follows:		
Retirement benefit assets	(37,218)	(38,082)
Retirement benefit obligations	351	439
	(36,867)	(37,643)
	<del></del>	

The foreign subsidiary companies maintained separate funded and unfunded retirement plans for its eligible employees. Actuarial valuations are made regularly to update the retirement benefit obligations / (assets).



## 21 RETIREMENT BENEFIT OBLIGATIONS / (ASSETS) (CONTINUED)

The amounts of retirement benefit obligations / (assets) recognised in the statements of financial position are determined as follows:

	Group	
	2024	2023
	RM'000	RM'000
Present value of retirement benefit obligation	52,967	50,927
Fair value of plan assets	(89,834)	(88,570)
Surplus in plan assets	(36,867)	(37,643)

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

	Group	
	2024	2023
	RM'000	RM'000
At beginning of financial year	50,927	54,516
Current service cost and interest cost	2,702	2,113
Actuarial loss / (gain)	608	(7,672)
Benefits paid by the plan	(1,941)	(3,988)
Exchange differences	671	5,958
At end of financial year	52,967	50,927

The movements in fair value of plan assets are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of financial year	88,570	79,355
Interest income	3,821	2,587
(Deficit) / return on plan assets	(1,845)	1,070
Employer's contribution	21	878
Benefits paid by the plan	(1,941)	(3,988)
Exchange differences	1,208	8,668
At end of financial year	89,834	88,570

The plan assets consist of the following:

The plan assets consist of the following:	Grou	р
	2024	2023
	RM'000	RM'000
Equity instruments	-	69,025
Fixed income assets	58,613	19,307
Cash in bank	31,221	238
	89,834	88,570



## 21 RETIREMENT BENEFIT OBLIGATIONS / (ASSETS) (CONTINUED)

The components of amounts recognised in the statements of profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

## (i) Recognised in the statements of profit or loss:

	Group	
	2024	2023
	RM'000	RM'000
Current service costs (net of gain on settlements)		
recognised in employee benefit expenses (Note 29(b))	855	484
Net interest income (Note 32)	(1,974)	(958)
Retirement benefits recognised in profit or loss	(1,119)	(474)

# (ii) Recognised in the statements of comprehensive income:

	Group	
	2024	2023
	RM'000	RM'000
Remeasurement (loss) / gain arising from:		
Actuarial changes in financial assumptions	(1,178)	11,274
Actuarial changes in demographic assumptions	263	573
(Deficit) / return on plan assets	(1,845)	1,070
Experience adjustments arising from defined benefit obligations	307	(4,175)
Actuarial (loss) / gain recognised in other comprehensive income	(2,453)	8,742
Deferred tax effect (Note 11)	613	(2,186)
	(1,840)	6,556
Attributable to:		
Owners of the parent *	(1,626)	5,787
Non-controlling interests	(214)	769
	(1,840)	6,556

<sup>\*</sup> Recognised in retained earnings through other comprehensive income.



#### 21 RETIREMENT BENEFIT OBLIGATIONS / (ASSETS) (CONTINUED)

#### **Defined benefit plans**

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.

#### (a) Funded defined benefit plan

Certain foreign subsidiary companies of the Group provide funded pension benefits to its eligible employees.

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 Group's net obligations in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The liability recognised in the statements of financial position for defined benefit plans is the discounted present value of the defined benefit obligation using an appropriate discount factor at the reporting date less the fair value of plan assets. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The calculation is performed by independent actuaries using the projected unit credit method.

#### (b) Unfunded defined benefit plan

Certain foreign subsidiary companies within the Group operate unfunded defined retirement benefit schemes for their eligible employees. The obligation recognised in the statements of financial position under the scheme is calculated by independent actuaries using the projected unit credit method.

The current service and net interest (income) / costs are charged to profit or loss and presented as part of the employee benefit expenses and interest income or finance costs respectively.

The amounts recognised in other comprehensive income are included within items that would not be subsequently reclassified to profit or loss.

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

2024 2023

Discount rate 5.10%-6.73% 5.30%-6.22%

#### Sensitivity analysis for retirement benefit obligation

Should the discount rate decrease by 0.50% (2023: 0.50%) with all other variables held constant, the retirement benefit obligation liabilities would increase by 6.6% (2023: 6.5%).



## **22 LONG TERM BORROWINGS**

Revolving credit (Note d)   Revolving credit (Note 24)   Revolving credit (Note 24)   Revolving credit (Note d)   Revolving credit (Note 24)   R		Gro	up
Secured:         At carrying value:       799,269       799,019         Portion repayable within 12 months included under short term borrowings (Note 24)       (230,000)       (89,959)         569,269       709,060         Term loans (Note b)       173,064       183,673         Portion repayable within 12 months included under short term borrowings (Note 24)       (17,171)       (16,844)         Hire purchase payables (Note c)       613       919         Portion repayable within 12 months included under short term borrowings (Note 24)       (262)       (306)         Revolving credit (Note d)       82,500       95,000         Portion repayable within 12 months included under short term borrowings (Note 24)       (20,000)       (12,500)         Total borrowings       1,055,446       1,078,611         Portion repayable within 12 months included under short term borrowings (Note 24)       (267,433)       (119,609)         Total borrowings       1,055,446       1,078,611         Portion repayable within 12 months included under short term borrowings (Note 24)       (267,433)       (119,609)         Term loans on term borrowings:       (267,433)       (119,609)       788,013       959,002         Maturities of long term borrowings:         Later than one year but not later than two years		2024	2023
At carrying value:  MTN (Note a) 799,269 799,019  Portion repayable within 12 months included under short term borrowings (Note 24) (230,000) (89,959) 569,269 709,060  Term loans (Note b) 173,064 183,673  Portion repayable within 12 months included under short term borrowings (Note 24) (17,171) (16,844) 155,893 166,829  Hire purchase payables (Note c) 613 919  Portion repayable within 12 months included under short term borrowings (Note 24) (262) (306) 351 613  Revolving credit (Note d) 82,500 95,000  Portion repayable within 12 months included under short term borrowings (Note 24) (20,000) (12,500) Portion repayable within 12 months included under short term borrowings (Note 24) (20,000) (12,500) 62,500 82,500  Total borrowings  Total borrowings 1,055,446 1,078,611  Portion repayable within 12 months included under short term borrowings (Note 24) (267,433) (119,609) 788,013 959,002  Maturities of long term borrowings:  Later than one year but not later than two years - Term loans 11,055 13,084 - Hire purchase payables 214 263 - Revolving credit 27,500 20,000		RM'000	RM'000
MTN (Note a)         799,269         799,019           Portion repayable within 12 months included under short term borrowings (Note 24)         (230,000)         (89,959)           569,269         709,060           Term loans (Note b)         173,064         183,673           Portion repayable within 12 months included under short term borrowings (Note 24)         (17,171)         (16,844)           Hire purchase payables (Note c)         613         919           Portion repayable within 12 months included under short term borrowings (Note 24)         (262)         (306)           400         82,500         95,000           Portion repayable within 12 months included under short term borrowings (Note 24)         (20,000)         (12,500)           62,500         82,500         82,500           Portion repayable within 12 months included under short term borrowings (Note 24)         (20,000)         (12,500)           Fortion repayable within 12 months included under short term borrowings (Note 24)         (267,433)         (119,609)           788,013         959,002           Maturities of long term borrowings:         11,055         13,084           Later than one year but not later than two years         11,055         13,084           Hire purchase payables         214         263           Revolving credit <td>Secured:</td> <td></td> <td></td>	Secured:		
Portion repayable within 12 months included under short term borrowings (Note 24) (230,000) (89,959)   569,269   709,060     173,064   183,673   183,873	At carrying value:		
under short term borrowings (Note 24)         (230,000)         (89,959)           569,269         709,060           Term loans (Note b)         173,064         183,673           Portion repayable within 12 months included under short term borrowings (Note 24)         (17,171)         (16,844)           Hire purchase payables (Note c)         613         919           Portion repayable within 12 months included under short term borrowings (Note 24)         (262)         (306)           Revolving credit (Note d)         82,500         95,000           Portion repayable within 12 months included under short term borrowings (Note 24)         (20,000)         (12,500)           Total borrowings         1,055,446         1,078,611           Portion repayable within 12 months included under short term borrowings (Note 24)         (267,433)         (119,609)           Total borrowings         1,055,446         1,078,611         1,078,611           Portion repayable within 12 months included under short term borrowings (Note 24)         (267,433)         (119,609)           788,013         959,002           Maturities of long term borrowings:         1         1,055         13,084           Later than one year but not later than two years         11,055         13,084           Hire purchase payables         214         263	MTN (Note a)	799,269	799,019
Term loans (Note b)	Portion repayable within 12 months included		
Term loans (Note b)	under short term borrowings (Note 24)	(230,000)	(89,959)
Portion repayable within 12 months included under short term borrowings (Note 24)		569,269	709,060
Portion repayable within 12 months included under short term borrowings (Note 24)			
Under short term borrowings (Note 24)	Term loans (Note b)	173,064	183,673
Hire purchase payables (Note c)	Portion repayable within 12 months included		
Hire purchase payables (Note c)   613   919     Portion repayable within 12 months included under short term borrowings (Note 24)   (262)   (306)     351   613     Revolving credit (Note d)   82,500   95,000     Portion repayable within 12 months included under short term borrowings (Note 24)   (20,000)   (12,500)     62,500   82,500     Total borrowings   1,055,446   1,078,611     Portion repayable within 12 months included under short term borrowings (Note 24)   (267,433)   (119,609)     788,013   959,002     Maturities of long term borrowings:   Later than one year but not later than two years   11,055   13,084     Hire purchase payables   214   263     Revolving credit   27,500   20,000	under short term borrowings (Note 24)	(17,171)	(16,844)
Portion repayable within 12 months included under short term borrowings (Note 24) (262) (306)   351   613   613		155,893	166,829
Portion repayable within 12 months included under short term borrowings (Note 24) (262) (306)   351   613   613			
under short term borrowings (Note 24)       (262)       (306)         Revolving credit (Note d)       82,500       95,000         Portion repayable within 12 months included under short term borrowings (Note 24)       (20,000)       (12,500)         Total borrowings       1,055,446       1,078,611         Portion repayable within 12 months included under short term borrowings (Note 24)       (267,433)       (119,609)         788,013       959,002         Maturities of long term borrowings:       11,055       13,084         Later than one year but not later than two years       11,055       13,084         Hire purchase payables       214       263         Revolving credit       27,500       20,000	Hire purchase payables (Note c)	613	919
Revolving credit (Note d)   82,500   95,000	Portion repayable within 12 months included		
Revolving credit (Note d)   82,500   95,000	under short term borrowings (Note 24)	(262)	(306)
Portion repayable within 12 months included under short term borrowings (Note 24)  Total borrowings  Total borrowings  Portion repayable within 12 months included under short term borrowings (Note 24)  Maturities of long term borrowings:  Later than one year but not later than two years  Term loans  Hire purchase payables  Revolving credit  (20,000) (12,500) (267,430) (119,609) 788,013 959,002		351	
Portion repayable within 12 months included under short term borrowings (Note 24)  Total borrowings  Total borrowings  Portion repayable within 12 months included under short term borrowings (Note 24)  Maturities of long term borrowings:  Later than one year but not later than two years  Term loans  Hire purchase payables  Revolving credit  (20,000) (12,500) (267,801) (267,433) (119,609) (267,433) (119,			
under short term borrowings (Note 24)       (20,000) (12,500)         62,500       82,500         Total borrowings       1,055,446       1,078,611         Portion repayable within 12 months included under short term borrowings (Note 24)       (267,433) (119,609)         788,013       959,002         Maturities of long term borrowings:         Later than one year but not later than two years       11,055 13,084         - Term loans       11,055 13,084         - Hire purchase payables       214 263         - Revolving credit       27,500 20,000	Revolving credit (Note d)	82,500	95,000
Total borrowings	Portion repayable within 12 months included		
Total borrowings	under short term borrowings (Note 24)	(20,000)	(12,500)
Portion repayable within 12 months included under short term borrowings (Note 24)       (267,433) (119,609)         788,013 959,002         Maturities of long term borrowings:         Later than one year but not later than two years         - Term loans       11,055 13,084         - Hire purchase payables       214 263         - Revolving credit       27,500 20,000		62,500	82,500
Portion repayable within 12 months included under short term borrowings (Note 24)       (267,433) (119,609)         788,013 959,002         Maturities of long term borrowings:         Later than one year but not later than two years         - Term loans       11,055 13,084         - Hire purchase payables       214 263         - Revolving credit       27,500 20,000			
under short term borrowings (Note 24)       (267,433)       (119,609)         788,013       959,002         Maturities of long term borrowings:         Later than one year but not later than two years       11,055       13,084         - Hire purchase payables       214       263         - Revolving credit       27,500       20,000	Total borrowings	1,055,446	1,078,611
Maturities of long term borrowings:         788,013         959,002           Later than one year but not later than two years         - Term loans         11,055         13,084           - Hire purchase payables         214         263           - Revolving credit         27,500         20,000	Portion repayable within 12 months included		
Maturities of long term borrowings:  Later than one year but not later than two years  Term loans  Hire purchase payables  Revolving credit  11,055 13,084 263 27,500 20,000	under short term borrowings (Note 24)	(267,433)	(119,609)
Later than one year but not later than two years  - Term loans - Hire purchase payables - Revolving credit  11,055 13,084 263 27,500 20,000		788,013	959,002
Later than one year but not later than two years  - Term loans - Hire purchase payables - Revolving credit  11,055 13,084 263 27,500 20,000			
- Term loans       11,055       13,084         - Hire purchase payables       214       263         - Revolving credit       27,500       20,000	Maturities of long term borrowings:		
- Term loans       11,055       13,084         - Hire purchase payables       214       263         - Revolving credit       27,500       20,000			
- Hire purchase payables       214       263         - Revolving credit       27,500       20,000		11,055	13,084
- Revolving credit 27,500 20,000			
- IVITIN 1 139./34 II 230.000 I	- MTN	139,734	230,000
178,503 263,347			

Group



# **NOTES TO THE FINANCIAL STATEMENTS** 30 JUNE 2024

# 22 LONG TERM BORROWINGS (CONTINUED)

	_	Group	
		2024	2023
		RM'000	RM'000
Maturities of long term borrowings (Continued):	_		
More than two years but not later than five years			
- Term loans		33,164	32,639
- Hire purchase payables		137	350
- Revolving credit		35,000	62,500
- MTN	L	369,535	194,377
		437,836	289,866
Later than five years		111 074	101 100
- Term loans		111,674 60,000	121,106
- MTN	L	171,674	284,683 405,789
Total long term borrowings	-	788,013	959,002
Total long term borrowings	=	700,010	333,002
		Gro	oup
	_	2024	2023
	Maturity	RM'000	RM'000
The maturities of the MTN as at reporting date are a	•		
<u>Current:</u>			
5.14% p.a. fixed rate MTN	January 2024	-	25,000
4.20% p.a. fixed rate MTN	June 2024	_	25,000
5.05% p.a. fixed rate MTN	June 2024	-	39,959
4.15% p.a. fixed rate MTN	September 2024	30,000	-
4.99% p.a. fixed rate MTN	June 2025	200,000	_
Portion repayable within one year included		,	
under short term borrowings (Note 24)		230,000	89,959
3. ( ,		,	,
Non-current:			
4.15% p.a. fixed rate MTN	September 2024	-	30,000
4.99% p.a. fixed rate MTN	June 2025	_	200,000
5.25% p.a. fixed rate MTN	June 2026	139,734	139,613
4.85% p.a. fixed rate MTN	January 2027	25,000	-
5.45% p.a. fixed rate MTN	June 2028	54,806	54,764
5.55% p.a. fixed rate MTN	June 2029	124,729	-
5.65% p.a. fixed rate MTN	June 2029	100,000	_
4.94% p.a. fixed rate MTN	June 2029	65,000	_
Portion repayable later than one year	-	,	
but not later than five years		509,269	424,377
Service man me years		333,233	,
5.55% p.a. fixed rate MTN	June 2029	_	124,683
5.65% p.a. fixed rate MTN	June 2029	_	100,000
4.98% p.a. fixed rate MTN	June 2030	60,000	60,000
Portion repayable later than five years	34.13 2000	60,000	284,683
		799,269	799,019
	=	,	,



### 22 LONG TERM BORROWINGS (CONTINUED)

(a) The facility amount of the MTN programme is RM800 million (2023: RM800 million).

The MTN programme of up to RM800 million in nominal value was established by a wholly-owned subsidiary, STM Lottery. As at 30 June 2024, total MTN amounting to RM800 million (2023: RM800 million) in nominal value remain outstanding.

MTN are secured by:

- (i) a third party first equitable charge over the entire issued share capital of a subsidiary company which is the issuer as disclosed in Note 7; and
- (ii) corporate guarantee provided by the Company.
- (b) The term loans obtained by foreign subsidiary companies are secured by:
  - (i) freehold land together with the properties and other assets erected on the freehold land and also other buildings of the Group as disclosed in Note 5;
  - (ii) a right-of-use leasehold land of the Group as disclosed in Note 6(a); and
  - (iii) office and commercial condominium units owned by foreign associated company of the Group.
- (c) Hire purchase payables

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

	Group	
	2024	2023
	RM'000	RM'000
Non-current Non-current	351	613
Current (Note 24)	262	306
	613	919

(d) The revolving credit facility amounting to RM82,500,000 (2023: RM95,000,000) in nominal value obtained by a subsidiary company is secured by corporate guarantee by the Company and first party charge over a debt service reserve bank account.



## 22 LONG TERM BORROWINGS (CONTINUED)

The range of interest rates per annum at the reporting date for borrowings was as follows:

	Group	
	2024	2023
	%	%
Secured:		
MTN	4.15 - 5.65	4.15 - 5.65
Term loans	2.80 - 8.75	2.80 - 8.75
Hire purchase payables	4.75 - 5.25	4.75 - 5.25
Revolving credit	5.91	5.67

### 23 OTHER LONG TERM LIABILITIES

	Gro	oup
	2024	2023
	RM'000	RM'000
Amounts due to an associated company (Note a)	48,594	50,979
Less: Amounts payable within 12 months (Note 26)	(2,992)	(3,047)
	45,602	47,932
Deferred cash consideration for acquisition		
of subsidiary companies (Note 7(1))	3,719	7,250
	49,321	55,182
·		

<sup>(</sup>a) Amounts due to an associated company by foreign subsidiary companies are unsecured and non-interest bearing except for RM483,000 (2023: RM NIL) which are interest bearing.



### **24 SHORT TERM BORROWINGS**

	Group	
	2024	2023
	RM'000	RM'000
Secured:		
Term loans (Note 22)	17,171	16,844
Hire purchase payables (Note 22)	262	306
Revolving credit (Note 22)	20,000	12,500
MTN (Note 22)	230,000	89,959
	267,433	119,609
Vehicle stocking loans (Note a)	387,202	440,519
	654,635	560,128

(a) The vehicle stocking loans obtained by foreign subsidiary companies are secured by fixed and floating charges on certain vehicle inventories held as disclosed in Note 13. The vehicle stocking loans are interest bearing with floating interest rates ranging from 6.75% to 8.75% (2023: 6.50% to 8.50%) per annum.

## 25 PROVISIONS

	Group		Com	pany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salas warranty				
Sales warranty				
At beginning of financial year	1,865	224	-	-
Provision during the financial year (Note 29)	661	1,834	-	-
Reversal during the financial year (Note 29)	(1,754)	(239)	-	-
Utilised during the financial year	(193)	(33)	-	-
Exchange differences	6	79	-	
At end of financial year	585	1,865	-	_
Restoration costs				
At beginning of financial year	10,265	14,981	720	720
Provision during the financial year	24	1,490	-	-
Reversal during the financial year (Note 29)	(2,680)	(6,926)	-	-
Settlement during the financial year	(6,142)	(256)	-	-
Exchange differences	85	976	-	_
At end of financial year	1,552	10,265	720	720
Total	2,137	12,130	720	720



### 25 PROVISIONS (CONTINUED)

#### (a) Sales warranty

A foreign subsidiary company provides 3 to 12 months (2023: 3 to 12 months) warranties on certain products and undertakes to provide repairs or replacement of items that fail to perform satisfactorily. 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.

#### (b) Restoration costs

Provision for dismantlement, removal or restoration is the estimated cost of dismantlement, removal or restoration of property, plant and equipment arising from the use of such assets, which are capitalised and included in the cost of property, plant and equipment and right-of-use assets.

#### **26 PAYABLES**

	Group		Com	pany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade payables	210,703	185,130	-	-
Other payables	60,113	70,780	312	426
Deferred cash consideration for acquisition				
of subsidiary companies (Note 7(1))	3,531	3,352	-	-
Amounts due to an				
associated company (Note 23)	2,992	3,047	-	-
Accruals	189,709	178,585	601	631
Agency deposits	39,288	39,415	-	-
	506,336	480,309	913	1,057
Other current non-financial liabilities				
Pool betting duty and				
other indirect taxes payable	80,587	68,416	-	-
Dividend payables	40,512	26,845	40,512	26,845
Deferred lease income	-	205	-	-
	627,435	575,775	41,425	27,902

Included in accruals of the Group are accrued contribution to the National Sports Council payable to the Ministry of Finance.

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 184 days (2023: 1 to 184 days).



#### **27 AMOUNTS DUE TO SUBSIDIARY COMPANIES**

 Company

 2024
 2023

 RM'000
 RM'000

 Amounts due to subsidiary companies
 1,132,605
 1,089,788

 Less: Amount payable within 12 months
 (351,012)
 (355,936)

 Amount payable after 12 months
 781,593
 733,852

Amounts due to subsidiary companies are unsecured and interest bearing.

### 28 REVENUE

Revenue of the Group and of the Company are analysed into the following significant categories and the intragroup transactions are excluded:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers:				
Management fee income	_	_	300	300
Toto betting income	2,952,467	2,831,551	-	-
Sale of motor vehicles, charges	_,00_,101	_,00:,00:		
for aftersales, insurance, repair				
and maintenance services rendered	3,294,258	3,092,735	-	-
Sale of wagering and voting products				
sales, services and licensing income	92,191	161,649	-	-
Income from supply of goods and				
services from hotel operations and others	11,755	8,384	-	
	6,350,671	6,094,319	300	300
Other revenue:				
Dividend income	-	-	232,921	219,463
Lease income and service charges				
from investment properties	5,437	5,341	-	-
	6,356,108	6,099,660	233,221	219,763
Timing of revenue recognition:				
- at point in time	6,338,696	6,079,256	-	-
- over time	11,975	15,063	300	300
	6,350,671	6,094,319	300	300



## 29 PROFIT BEFORE OTHER INCOME AND EXPENSES

	Group		Com	Company	
	2024	2023	2024	2023	
	RM'000	RM'000	RM'000	RM'000	
Profit before other income and					
expenses is stated after charging:					
Auditors' remuneration					
- Statutory audit:					
- auditors of the Company (Ernst & Young PLT)					
- current financial year	464	436	147	139	
- under provision in previous financial years	23	40	8	9	
- other auditors					
- current financial year	1,245	1,118	-	-	
- Other services					
- auditors of the Company	8	8	8	8	
- other auditors	807	716	-	-	
Amortisation of intangible assets (Note 12)	2,171	1,733	-	-	
Depreciation of					
- property, plant and equipment (Note 5)	46,419	32,792	139	196	
- right-of-use assets (Note 6(a))	38,298	39,282	2,343	2,348	
Property, plant and equipment written off					
- included in general					
and administrative expenses (Note 5)	182	1,087	2	4	
Expenses relating to leases of					
- low-value assets (Note 6(b))	148	100	-	-	
- short term leases (Note 6(b))	2,979	1,552	-	-	
Contribution to National Sports Council	42,727	32,957	-	-	
Allowance for impairment					
- trade receivables (Note 14(a))	-	236	-	-	
- other receivables (Note 14(b))	-	158	-	-	
Loss on disposal of					
property, plant and equipment	80	234	-	4	
Loss on foreign exchange (net)	27	-	-	-	
Inventories written down	6,794	4,596	-	-	
Employee benefit expenses (Note b)					
(excluding directors)	291,566	255,500	3,215	4,104	
Provision for sales warranty (Note 25)	661	1,834	-	-	
Trade receivables written off	-	16	-	-	



30 JUNE 2024

## 29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONTINUED)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before other income and				
expenses is stated after crediting:				
Gain on disposal of				
- property, plant and equipment	-	212	-	-
- non-current asset				
classified as held for sale	-	502	-	-
Reversal of allowance for impairment				
- trade receivables (Note 14(a))	1,239	-	-	-
- other receivables (Note 14(b))	73	-	-	-
Reversal of provision (Note 25)				
- sales warranty	1,754	239	-	-
- restoration cost	2,680	6,926	-	-
Gain on foreign exchange (net)	-	629	-	



## 29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONTINUED)

## (a) <u>Directors' remuneration</u>

The aggregate directors' remuneration paid or payable to all directors of the Company, by the Company and the Group, categorised into appropriate components for the financial year are as follows:

	Group		Com	npany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive directors				
Salaries, bonuses and				
other emoluments	8,409	6,910	246	105
Defined contribution plans	994	807	46	20
Benefits-in-kind	143	146	-	-
Non-Executive directors				
Fees	320	393	320	393
Emoluments	85	241	85	241
Defined contribution plans	-	6	-	6
Benefits-in-kind	-	15	-	15
	9,951	8,518	697	780

## (b) Employee benefit expenses

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and other allowances	250,945	218,671	2,455	3,176
Social security costs	230,943	210,071	2,433	3,170
and employee insurance	19,116	19,038	159	152
Bonuses	9,351	7,767	321	447
Pension costs				
- defined contribution plans	10,929	10,184	282	358
- defined benefit plans (Note 21(i))	855	484	-	-
Short term compensated absences	370	(644)	(2)	(29)
Total employee benefit expenses	291,566	255,500	3,215	4,104



## 30 INVESTMENT RELATED INCOME

Group Company 2024 2023 2024 2023 RM'000 RM'000 RM'000 RM'000 Dividend income from investments 1,583 1,011 Fair value gain on FVTPL equity investments quoted in Malaysia 14,133 1,583 15,144

## 31 INVESTMENT RELATED EXPENSES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Impairment in value of investment				
in a subsidiary company (Note 7)	-	-	3,106	1,195
Fair value loss on FVTPL				
investments quoted in Malaysia	-	314	-	-
Net fair value losses for				
investment properties (Note 10)	2,500	400	-	-
Allowance for impairment in amounts due				
from associated companies (Note 14(c))	4,192	1,824	-	
	6,692	2,538	3,106	1,195



## 32 OTHER INCOME

2024 2023 2024	2023
RM'000 RM'000 RM'000	RM'000
Other income comprise:	
Interest income:	
- deposits with financial institutions 22,163 16,320 991	540
- advances to subsidiary companies - 23,331	27,136
- advances to associated companies 7,415 5,083 -	-
- defined benefit pension scheme (Note 21(i)) 1,974 958 -	-
- others 94 53 -	-
Others:	
- income from sublease (Notes 6(b)) 2,702 3,445 14	10
- other lease income 2,231 1,824 -	-
- gain on lease termination (Notes 6(b)) 9 1,240 1	-
- government grant - 4,448 -	-
- reversal of allowance for	
impairment in amount due from	
a subsidiary company (Note 16)	148
- miscellaneous 4,527 7,078 104	
41,115 40,449 24,441	27,834

## 33 FINANCE COSTS

	Gro	oup	Com	pany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest on:				
- advances from subsidiary companies	-	-	48,403	46,130
- term loans	5,424	5,083	-	-
- MTN	41,587	41,503	-	-
- hire purchase	66	80	-	1
- vehicle stocking loans	34,779	21,004	-	-
- revolving credits	5,244	3,353	-	-
- lease liabilities (Notes 6(b))	8,469	8,261	121	120
Unwinding of discount and charged				
out of deferred transaction costs	823	234	-	-
Loan related expenses	281	296	-	
	96,673	79,814	48,524	46,251



## 34 TAXATION

	Gre	oup	Com	ipany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current financial year tax expense:				
Malaysian income tax	114,911	106,076	695	1,137
Withholding tax	361	285	-	-
Foreign tax	5,450	17,294	-	
	120,722	123,655	695	1,137
Over provision in prior financial years				
Malaysian income tax	(1,542)	(433)	-	(11)
Foreign tax	(10,257)	(2,600)	-	
	(11,799)	(3,033)	-	(11)
	108,923	120,622	695	1,126
Deferred tax (Note 11)				
Relating to origination and reversal				
of temporary differences	2,050	(14,017)	-	-
Under provision in prior financial years	11,262	1,346	-	-
	13,312	(12,671)	-	
	122,235	107,951	695	1,126

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.



# 34 TAXATION (CONTINUED)

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 of the Company is as follows:

	Group		Com	Company	
	2024	2023	2024	2023	
	RM'000	RM'000	RM'000	RM'000	
Profit before tax	342,773	339,269	190,764	185,889	
Tax at Malaysian					
statutory tax rate of 24% (2023: 24%)	82,266	81,425	45,783	44,613	
Different tax rates in the					
foreign subsidiary companies	(787)	(5,380)	-	-	
Expenses not deductible for tax purposes	44,715	40,454	15,057	14,789	
Income not subject to tax	(817)	(1,956)	(60,145)	(58,265)	
Deferred tax on real property gain tax	(218)	(31)	-	-	
Effect of withholding tax	361	285	-	-	
Effect of share of					
associated companies' results	(2,958)	(5,225)	-	-	
Effect of utilisation of previously					
unrecognised deferred tax assets	-	(129)	-	-	
Deferred tax assets not					
recognised during the current financial year	210	195	-	-	
Over provision of tax					
expense in prior financial years	(11,799)	(3,033)	-	(11)	
Under provision of deferred					
tax in prior financial years	11,262	1,346	-		
Taxation for the financial year	122,235	107,951	695	1,126	



### 35 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit for the financial year attributable to owners of the parent 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	
	2024	2023
	RM'000	RM'000
Profit for the financial year attributable to owners of the parent	217,977	225,326
Weighted average number of shares with voting rights outstanding ('000)	1,337,083	1,345,529
Basic earnings per share (sen)	16.30	16.75

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares during the financial year.

### **36 DIVIDENDS**

	Company			
	Dividends	recognised	Dividends	in respect
	in financial year of financ		in financial year of financial yea	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
4th interim (in respect of previous financial years)				
2023: 2.5 sen	33,118	-	-	-
2022: 3.0 sen	-	40,181	-	-
2022: Share dividend equivalent to				
approximately 1.7 sen per share	-	22,572	-	-
1st interim				
- Share dividend equivalent to	39,548	26,988	39,548	26,988
approximately 3.0 sen per share				
(2023 cash dividend: 2.0 sen)				
2nd interim				
- 2.0 sen (2023: 2.5 sen)	26,986	33,704	26,986	33,704
3rd interim				
- 3.0 sen (2023: 2.0 sen)	40,479	26,818	40,479	26,818
4th interim				
- 2.0 sen (2023: 2.5 sen)	-		26,986	*33,118
	140,131	150,263	133,999	120,628

Company



# NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2024

### 36 DIVIDENDS (CONTINUED)

	Company	
	Dividends in respect	
	of financial year	
	2024	2023
	sen	sen
Dividends Per Share		
1st interim		
- Cash dividend	-	2.0
- Share dividend	3.0	-
2nd interim	2.0	2.5
3rd interim	3.0	2.0
4th interim	2.0	* 2.5
	10.0	9.0

\* On 23 August 2024, the directors of the Company approved a fourth interim cash dividend of 2.0 sen per share in respect of the financial year ended 30 June 2024. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## **37 FINANCIAL GUARANTEE**

The financial guarantees provided to financiers for subsidiary companies are not disclosed as contingent liabilities but would instead be accounted as financial liabilities if considered likely to crystallise. For the current and previous financial years, the Group and the Company have assessed the financial guarantee contracts and determined that the guarantees are not likely to be called upon by the banks.

### 38 CAPITAL COMMITMENTS AND LEASE ARRANGEMENTS

### (a) Capital commitments

	Group	
	2024	2023
	RM'000	RM'000
Capital expenditures:		
- Approved and contracted for	9,059	18,303



#### 38 CAPITAL COMMITMENTS AND LEASE ARRANGEMENTS (CONTINUED)

#### (b) Non-cancellable operating lease arrangements - Group as lessors

	Group	
	2024	2024 2023
	RM'000	RM'000
Future minimum lease income receivable:		
Not later than one year	3,395	5,103
Later than one year but not later than five years	5,759	1,643
	9,154	6,746

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

#### 39 CONTINGENT LIABILITY

### HM Revenue and Customs ("HMRC") reassessment of customs duty and import value-added tax ("VAT")

In August 2023, H.R. Owen, an 88.26% owned subsidiary of the Group received a letter from HMRC in the United Kingdom ("UK") indicating the intention to raise reassessment of customs duty and import VAT amounting to £2,062,000 (equivalent to approximately RM12,212,000). This reassessment stemmed from HMRC's view that H.R. Owen has incorrectly applied the returned goods relief ("RGR") pertaining to the export and import of two vehicles shipped to/from the manufacturer's plant outside of UK for warranty-based repairs. In relation to this, HMRC raised a post clearance demand note for the sum of £2,062,000 in November 2023.

H.R. Owen requested for a review of HMRC's reassessment in December 2023. However, HMRC maintained its decision that RGR did not apply in the relevant case. H.R. Owen has further applied for a stay on the reassessment sum and tribunal appeal with the intention to challenge and defend its tax position as well as to seek resolution on this matter as soon as possible. HMRC had on 20 June 2024 granted a stay order on the payment for the customs duty and import VAT imposed until the completion of the appeal.

In view of the above appeal process and legal advice from its solicitors, the management is of the view that HMRC's demand for the custom duty and import VAT does not meet the definition of a liability because of the uncertainties involved which could result in a possible obligation and hereby treated this as a contingent liability.



## **40 SIGNIFICANT RELATED PARTY DISCLOSURES**

The following are the significant transactions between the Group and the related parties that took place at terms agreed between parties during the financial year:

2024 2023 2024 202 '000 RM'000 RM'000 RM'00	2023	0004	
'000 RM'000 RM'000 RM'00		2024	
	RM'000	RM'000	
			(a) Tanana at an aith aitheath ladding a san ann an
(700)	(700)	(700)	(a) Transaction with ultimate holding company:
(720) (720) (720) (72	(720)	(720)	- Management fees for services rendered
			(b) Transactions with subsidiary companies:
23,331 27,13	_	_	
	_	_	-
			Net advances on amounts due
- (78,809) (33,96	_	_	from subsidiary companies
- (5,586) (20,54	-	_	
			, ,
			(c) Transactions with associated companies
,415 5,083 -	5,083	7,415	- Interest income charged
			- Net advances on amounts due
137 9,039 -	9,039	137	to an associated company
			- Net repayment on amounts
563 1,244 -	1,244	563	due from associated companies
			(d) Transactions with companies related to
026) (4.026) (2.454) (2.45	(4.026)	(4.026)	
		, ,	-
	` ,		-
(4,237)	(4,207)	(4,077)	
			-
494 34.946 -	34 946	12 494	
31,313	0 .,0 10	, . 0 1	
- (289) -	(289)	_	
23,331 27,1 - (48,403) (46,1 - (78,809) (33,9 - (5,586) (20,5  ,415 5,083 -  (5,586) (20,5  ,317 9,039 -  (317) (4,026) (2,454) (2,454)  (3897 1,907 -  (3277) (4,421) -  (529) (347) (529) (39,77) (4,257) -	5,083 9,039 1,244 (4,026) 1,907 (4,421) (347) (4,257)	7,415	<ul> <li>(b) Transactions with subsidiary companies: <ul> <li>Interest income charged</li> <li>Interest expenses incurred</li> <li>Net advances on amounts due from subsidiary companies</li> <li>Net repayment on amounts due to subsidiary companies</li> </ul> </li> <li>(c) Transactions with associated companies of a foreign subsidiary company: <ul> <li>Interest income charged</li> <li>Net advances on amounts due to an associated company</li> <li>Net repayment on amounts</li> </ul> </li> </ul>



### 40 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

		Group		Com	pany
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
(e)	Transactions with other related				
	parties of the Company:				
	- Parking charges for				
	leasing of parking bays	(353)	(354)	(11)	(14)
	- Lease income	1,262	1,262	-	-
	- Procurement of Toto betting rolls, slips				
	and other printing services	(13,477)	(8,123)	-	-
	- Purchase of motor vehicles,				
	component parts and other related				
	products and services	(108)	(871)	(4)	(14)
	- Information technology consultancy				
	and management related services				
	as well as purchase of hardware,				
	software and network equipment	(1,524)	(1,513)	(844)	(1,042)
	- Procurement of promotion, advertising				
	and publishing services charges	(876)	(1,027)	-	-
	- Supply of computerised lottery				
	systems and related services				
	as well as receipt of licensing				
	fee and support fee	766	732	-	

Other significant related party transactions and balances have been disclosed in Notes 14, 16, 23, 26, 27, 28 and 29.

As at the reporting date, a foreign subsidiary company had deposit placements amounting to RM223,327,000 (2023: RM167,243,000) with a foreign asset management firm of which a director of the foreign subsidiary company has an interest.

The compensation (including benefits-in-kind) of the key management personnel of the Group and of the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short-term benefits	55,012	39,108	651	754
Post-employment benefits	8,268	5,919	46	26
	63,280	45,027	697	780



#### 41 FAIR VALUE MEASUREMENT

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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## (a) Group's non-financial assets that are measured at fair value

(i) The table below analyses the Group's non-financial assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

		Group			
		Level 1	Level 2	Level 3	Total
	Note	RM'000	RM'000	RM'000	RM'000
At 30 June 2024					
Non-financial assets					
Investment properties	10	-		121,356	121,356
At 30 June 2023					
Non-financial assets					
Investment properties	10	-	-	117,419	117,419



#### 41 FAIR VALUE MEASUREMENT (CONTINUED)

- (a) Group's non-financial assets that are measured at fair value (Continued)
  - (ii) Description of valuation techniques used and key inputs to valuation on investment properties:

### Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The investment properties which were included in the Level 3 category in the fair value hierarchy are valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors"). The significant unobservable inputs for these investment properties, which are the adjustment factors, range between -56% and 66% (2023: -56% and 48%) of the respective comparative prices.

#### Income method

The fair values derived from the income approach were assessed using inputs such as monthly gross rental per square foot and monthly maintenance cost per square foot. These inputs were adjusted from its base value derived from existing rental agreements and historical information. The values were then discounted at an appropriate discount rate to arrive at the fair value of the investment properties.

#### Sensitivity analysis

A significant increase or decrease in each of the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value of the investment property.

(iii) Fair value reconciliation of investment properties measured at Level 3:

The carrying amounts of investment properties categorised under Level 3 in the fair value hierarchy are as follows:

	Gro	oup
	2024	2023
	RM'000	RM'000
At beginning of financial year	117,419	116,766
Fair value adjustments during the financial year (Note 31)	(2,500)	(400)
Transfer from right-of-use assets (Note 6(a)(ii))	6,293	-
Exchange differences	144	1,053
At end of financial year	121,356	117,419



### 41 FAIR VALUE MEASUREMENT (CONTINUED)

### (b) Financial instruments that are measured at fair value

As at the reporting date, the Group held the following financial instruments carried at fair values in the statements of financial position:

	_		Group		
	·	Level 1	Level 2	Level 3	Total
	Note	RM'000	RM'000	RM'000	RM'000
At 30 June 2024					
Financial assets					
Long term investments	9	108,442	-	30,678	139,120
At 30 June 2023					
Financial assets					
Long term investments	9	93,062		31,132	124,194

The Level 3 long term investments comprise certain equity securities outside Malaysia held by a foreign subsidiary company of which is not quoted in an active market. The fair value of these investments are determined through discounted cash flow valuation technique. The assumptions (including discount rates and expected growth rates) applied by the Group are mainly based on historical performance of the entity, adjusted for market and economic conditions.

Fair value reconciliation of long term investments measured at Level 3:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of financial year	31,132	33,083
Addition during the financial year	171	285
Net fair value adjustments through other comprehensive income	1,848	(5,034)
Exchange differences	(2,473)	2,798
At end of financial year	30,678	31,132



### **42 FINANCIAL INSTRUMENTS**

## (a) Classification of financial instruments

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

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
<u>FVTOCI</u>					
- Long term investments	9	139,120	124,194	-	-
Amortised cost					
- Receivables	14	556,267	508,173	743	691
- Amounts due from					
subsidiary companies	16	-	-	470,646	368,506
- Deposits with					
financial institutions	17	494,281	402,125	23,100	26,000
- Cash and bank balances	17	248,483	230,702	5,625	2,303
Total financial assets		1,438,151	1,265,194	500,114	397,500
Liabilities					
Amortised cost					
- Lease liabilities	6(b)	218,389	215,442	1,215	3,566
- Payables	26	506,336	480,309	913	1,057
- Amounts due to					
subsidiary companies	27	-	-	1,132,605	1,089,788
- Other long					
term liabilities	23	49,321	55,182	-	-
- Long term borrowings	22	788,013	959,002	-	-
- Short term borrowings	24	654,635	560,128	-	
Total financial liabilities		2,216,694	2,270,063	1,134,733	1,094,411



### **42 FINANCIAL INSTRUMENTS (CONTINUED)**

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

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value are as follows:

	Note		
		*	
Receivables	14	*	
Deposits with financial institutions	17	*	
Cash and bank balances	17	*	
Payables	26	*	
Amounts due from / (to) subsidiary companies	16 and 27	#	
Amounts due to an associated company	23 and 26	#	
Long term borrowings	22	٨	
Short term borrowings	24	*	

- \* The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values as they are either within the normal credit terms or they have short maturity period.
- ^ The fair values of MTN, term loans and revolving credit are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending at the reporting dates. The carrying amount of borrowings is reasonable approximation of fair value due to the insignificant impact of discounting.
- # The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to either insignificant impact of discounting or they are floating rate instruments.



#### 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

#### (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 exposure to credit risk arises primarily from trade and other receivables as well as amount due from subsidiary companies. For other financial assets (including investment securities, cash and bank balances), the Group minimises 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.

At the reporting date, the Group'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.

Other than those disclosed in Notes 14 and 16, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Information regarding trade and other receivables that are neither past due nor impaired and receivables that are impaired as well as the ageing analysis of trade receivables are disclosed in Note 14.

At the reporting date, the Company's maximum exposure to credit risk from guarantees is represented by a nominal amount of RM882,500,000 (2023: RM895,000,000) relating to corporate guarantee provided by the Company to banks on subsidiary companies' borrowings.

### (b) Liquidity risk

Liquidity risk is the risk that the Group 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.

#### 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Liquidity risk (Continued)

Analysis of undiscounted financial instruments by remaining contractual maturities

	On demand or within one year RM'000	More than one year and not later than five years RM'000	Later than five years RM'000	Total RM'000
2024				
Financial liabilities:				
Group				
Payables	506,375	-	-	506,375
Borrowings	731,620	754,841	235,046	1,721,507
Other long term liabilities	-	49,476	-	49,476
Lease liabilities	38,723	109,689	123,520	271,932
	1,276,718	914,006	358,566	2,549,290
Company Payables Amounts due to subsidiary companies Lease liabilities	913 394,290 1,229 396,432	813,157 - 813,157	- - - -	913 1,207,447 1,229 1,209,589
2023 Financial liabilities:				
Group				
Payables	480,309	-	-	480,309
Borrowings	642,082	692,314	489,556	1,823,952
Other long term liabilities	-	55,182	-	55,182
Lease liabilities	38,315	107,119	124,533	269,967
	1,160,706	854,615	614,089	2,629,410
Company				
Payables	1,057	-	-	1,057
Amounts due to subsidiary companies	400,477	765,662	-	1,166,139
Lease liabilities	2,464	1,237		3,701
	403,998	766,899		1,170,897



#### 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (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 is related to interest bearing assets and interest bearing borrowings.

The interest bearing assets are made up of deposits with licensed financial institutions, amounts due from associated companies and amounts due from subsidiary companies. 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.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio to mitigate the impact of interest rate risk. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

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

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

	Gre	oup	Company		
	2024 2023		2024	2023	
	RM'000	RM'000	RM'000	RM'000	
Fixed rate instruments					
Financial assets	620,089	534,986	23,100	26,000	
Financial liabilities	1,185,701	1,188,175	626,061	626,810	
Floating rate instruments					
Financial assets	-	-	470,240	368,124	
Financial liabilities	475,819	546,397	507,759	466,544	



#### 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Market risk (Continued)

#### (i) Interest rate risk (continued)

#### Fair value sensitivity analysis for fixed rate instruments

The Group does not measure any fixed rate instruments at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit before tax of the Group and the Company to be lower / higher by RM1,190,000 (2023: RM1,366,000) and RM94,000 (2023: RM246,000) respectively, assuming that all other variables remain constant.

#### (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. The transactional currencies of the foreign subsidiary companies are mostly in the functional currencies of the respective operating entities and has limited exposure to currency translation risk. The Group's exposure are mainly arises from intra-group sales and purchases which are eliminated at group level as well as cash and cash equivalents and certain receivables which are denominated in foreign currency.

#### 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) Market price risk

The Group is exposed to market price risk arising from its investment in quoted securities. The quoted instruments are listed on Bursa Malaysia and are classified as FVTOCI or FVTPL financial assets, as appropriate.

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



#### 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Market risk (Continued)

#### (iii) Market price risk (continued)

#### Sensitivity analysis for market price risk

At the reporting date, if the prices of the quoted investments had been 1% (2023: 1%) higher / lower, with all other variables held constant, the Group's FVTOCI reserve would have been RM1,084,000 (2023: RM931,000) higher / lower arising as a result of increase / decrease in the fair value of equity instruments designated as FVTOCI financial assets.

#### **44 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 financial year ended 30 June 2024 and 30 June 2023.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group and the Company include within total debt, bank borrowings, MTN, vehicle stocking loans and hire purchase payables. The gearing ratios at reporting date are as follows:

	Group		Com	pany
	2024	2023	2024	2023
Note	RM'000	RM'000	RM'000	RM'000
22	788,013	959,002	-	-
24	654,635	560,128	-	
	1,442,648	1,519,130	-	
	1,226,259	1,143,034	3,820,890	3,757,656
	1.18	1.33	-	
	22	2024 Note RM'000  22 788,013 24 654,635 1,442,648  1,226,259	2024         2023           RM'000         RM'000           22         788,013         959,002           24         654,635         560,128           1,442,648         1,519,130           1,226,259         1,143,034	Note         RM'000         RM'000         RM'000         RM'000           22         788,013         959,002         -           24         654,635         560,128         -           1,442,648         1,519,130         -           1,226,259         1,143,034         3,820,890

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group / company to another.



#### **45 SEGMENT INFORMATION**

#### (a) Business segments:

		Inter-	
	External	segment	Total
	RM'000	RM'000	RM'000
Revenue			
2024			
Toto betting	2,952,467	-	2,952,467
Motor vehicle dealership	3,294,258	1,044	3,295,302
Others	109,383	4,579	113,962
Inter-segment elimination	-	(5,623)	(5,623)
	6,356,108		6,356,108
<u>2023</u>			
Toto betting	2,831,551	-	2,831,551
Motor vehicle dealership	3,092,735	275	3,093,010
Others	175,374	6,397	181,771
Inter-segment elimination		(6,672)	(6,672)
	6,099,660		6,099,660



#### **45 SEGMENT INFORMATION (CONTINUED)**

#### (a) Business segments (Continued):

	2024	2023
	RM'000	RM'000
Results		
Toto betting	379,797	293,644
Motor vehicle dealership	39,077	54,801
Others	(7,207)	16,653
Inter-segment elimination	(5,285)	(6,580)
	406,382	358,518
Unallocated corporate expenses	(15,268)	(14,262)
Profit before other income and expenses	391,114	344,256
Investment related income	1,583	15,144
Investment related expenses	(6,692)	(2,538)
Other income	41,115	40,449
Finance costs	(96,673)	(79,814)
Share of results of associated companies	12,326	21,772
Profit before tax	342,773	339,269
Taxation	(122,235)	(107,951)
Profit for the financial year	220,538	231,318
Non-controlling interests	(2,561)	(5,992)
Profit attributable to owners of the parent	217,977	225,326



#### **45 SEGMENT INFORMATION (CONTINUED)**

#### (a) Business segments (Continued):

	2024		2023		
	Assets	Liabilities	Assets	Liabilities	
	RM'000	RM'000	RM'000	RM'000	
Access and lightlities					
Assets and liabilities	0.400.070	44.0.000	0.011.101	050.000	
Toto betting	2,120,372	416,026	2,011,164	359,006	
Motor vehicle dealership	1,864,721	754,308	1,940,410	799,214	
Others	883,006	568,493	859,510	475,265	
Inter-segment elimination	(1,147,564)	(585,254)	(1,091,194)	(449,523)	
	3,720,535	1,153,573	3,719,890	1,183,962	
Investment in associated companies	132,255		125,723		
Unallocated assets / liabilities	107,634	1,580,592	90,534	1,609,151	
	3,960,424	2,734,165	3,936,147	2,793,113	
		B		044	
	Oomital	Depre-	luo a siamo sust	Other	
	Capital	ciation/	Impairment	non-cash	
	expenditure	amortisation	loss	expenses	
	RM'000	RM'000	RM'000	RM'000	
Other information					
2024					
Toto betting	9,767	14,488	_	86	
Motor vehicle dealership	29,457	65,529	_	6,801	
Others	12,242	5,610	4,192	87	
Unallocated items	31	2,482	- 1,102	2	
Inter-segment elimination	-	(1,221)	_	_	
	51,497	86,888	4,192	6,976	
				,	
2023					
Toto betting	26,149	14,572	_	160	
Motor vehicle dealership	182,450	53,050	394	5,513	
Others	13,054	5,128	1,824	22	
Unallocated items	4,702	2,544	-	4	
Inter-segment elimination	(14,038)	(1,487)	-	-	
-	212,317	73,807	2,218	5,699	



#### **45 SEGMENT INFORMATION (CONTINUED)**

#### (b) Geographical segments:

	2024 RM'000	2023 RM'000
Total revenue from external customers		
Malaysia	2,957,904	2,836,892
The United Kingdom	3,294,258	3,092,735
Others	103,946	170,033
	6,356,108	6,099,660
	0004	0000
	2024	2023
	RM'000	RM'000
Segment assets		
Malaysia	1,395,815	1,274,475
The United Kingdom	1,899,995	1,958,445
Others	664,614	703,227
	3,960,424	3,936,147
	0004	0000
	2024	2023
	RM'000	RM'000
Capital expenditure		
Malaysia	10,239	17,760
The United Kingdom	29,457	182,450
Others	11,801	12,107
	51,497	212,317

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

The geographical segmental information is prepared based on the location of assets. The segment revenue by geographical location of customers does not differ materially from the segment revenue by geographical location of assets.

Unallocated assets / liabilities include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segments. These include mainly corporate assets, tax recoverable / liabilities and borrowings.



#### **45 SEGMENT INFORMATION (CONTINUED)**

Other non-cash expenses include right-of-use assets, property, plant and equipment written-off / impairment, inventories written down and trade receivables written off.

Inter-segment transactions / items are eliminated on consolidation.

Capital expenditure consists of additions of property, plant and equipment, right-of-use assets and intangible assets.

Other business segments include property investment and development and investment holding, development, manufacturing and distribution of computerised wagering and voting systems, operation of hotel as well as service business of protecting and cleaning the environment, none of which are of a sufficient size to be reported separately.



(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### **Opinion**

We have audited the financial statements of Sports Toto Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 111 to 223.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors'* responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



(INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### **Key audit matters (Continued)**

Key audit matters in respect of the audit of the financial statements of the Group

a) Toto betting revenue and related cost of sales

(Refer to summary of material accounting policy information in Note 3.12, and the disclosure of revenue in Note 28 to the financial statements.)

The Group is involved in the Toto betting operations where revenue is derived from a large volume of individually insignificant transactions. The Group relies heavily on its information technology system to account for such revenue. During the financial year, the Group recognised revenue of approximately RM2.95 billion from Toto betting operations, which accounted for 46.5% of the Group's revenue. The related cost of sales from Toto betting operations was RM2.29 billion, which accounted for 43.7% of the Group's cost of sales.

The amounts recognised for revenue and cost of sales from Toto betting operations is a key audit matter because the amounts recognised are significant to the financial statements, and they involve large volume of transactions which are processed by the Group's information technology system.

Our procedures to address this area of focus included, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of recording of revenue and cost of sales;
- evaluated the operating effectiveness of automated controls over revenue and cost of sales processes by
  involving our internal experts in testing the operating effectiveness of the automated controls over the
  revenue and cost of sales processes. We also tested the accuracy of interface between the sales
  terminal system and the betting operating system, and related calculation of prize payment in the
  financial information system;
- evaluated the effectiveness of the non-automated controls in place to ensure accuracy of revenue and cost of sales recognised, including the timely posting of revenue and cost of sales to the general ledger in the financial information system;
- evaluated transactions recorded close to the financial year end, including draw sales after financial year
   end, to establish whether those transactions were recorded in the correct accounting period;
- · performed reconciliation of cash receipts to revenue recorded in the financial statements; and
- reviewed and assessed the adequacy of the Group's disclosure relating to revenue and cost of sales.



(INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

**Key audit matters (Continued)** 

Key audit matters in respect of the audit of the financial statements of the Group (continued)

b) Impairment of goodwill and intangible assets

(Refer to accounting judgements and estimates in Note 4(2)(a) and the disclosure of intangible assets in Note 12 to the financial statements.)

Goodwill and dealership rights with an indefinite useful life, amounting to RM654.6 million and RM62.0 million, formed 35.3% and 18.1% of non-current assets and total assets respectively of the Group as at 30 June 2024. Of these amounts, goodwill of RM547.7 million has been allocated to the Toto betting operations in Malaysia, whilst goodwill and dealership rights of RM155.2 million have been allocated to the motor dealership operations in the United Kingdom.

Goodwill and indefinite life dealership rights are subject to an annual impairment test. The Group estimated the recoverable amount of the respective cash generating units ("CGUs") (or CGU group) based on their respective values-in-use ("VIU"). Estimating the VIU of the CGUs (or CGU group) involved estimates made by management relating to the future net cash flows that would be derived from the CGUs, and discounting them at an appropriate rate.

The cash flow forecasts, included a number of significant judgements and estimates, such as:

- in respect of the Toto betting operations, the revenue growth rate, payout ratio, discount rate and terminal growth rate applicable; and
- in respect of the motor dealership operations, the forecast sales volume and pricing, inflationary effects on the cost of purchase of motor vehicles, discount rate and terminal growth rate.

We considered this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the respective CGUs (or CGU group). The accounting policies for goodwill and dealership rights are disclosed in Note 3.3 to the financial statements.

Our procedures to address this area of focus included, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs (or CGU group);
- evaluated, with the involvement of our internal valuation experts, the appropriateness of the methodology and approach applied, and considered whether it is commonly used in the industry;



(INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### **Key audit matters (Continued)**

Key audit matters in respect of the audit of the financial statements of the Group (continued)

- b) Impairment of goodwill and intangible assets (continued)
  - evaluated the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
  - evaluated whether key assumptions which comprised the revenue growth rate and payout ratio for the
    Toto betting operations, and the forecast sales volume and pricing and inflationary effects on the cost of
    purchase of motor vehicles for the motor dealership operations, as well as terminal growth rates, were
    reasonable by making comparisons to historical trends, taking into consideration the current and expected
    outlook of economic growth in the respective countries in which the CGU (or CGU group) operates;
  - assessed, with the involvement of our internal valuation experts, whether the rate used in discounting the
    future cash flows to its present value was appropriate. This included an assessment of the specific inputs
    to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost
    of debt. Such inputs were benchmarked either against risk rates in specific international markets in which
    the Group operates or equivalent data for peer companies; and
  - analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive. The disclosures on key assumptions and sensitivities are included in Note 12 to the financial statements.

#### Key audit matters in respect of the audit of the financial statements of the Company

a) Impairment assessment of investment in subsidiary companies

(Refer to accounting judgements and estimates in Note 4(2)(d) and disclosure of investment in subsidiary companies in Note 7 to the financial statements.)

As at 30 June 2024, the carrying amount of the investment in subsidiary companies of the Company amounted to RM4.39 billion, representing 99.9% and 87.9% of total non-current assets and total assets respectively of the Company as at 30 June 2024.



(INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

**Key audit matters (Continued)** 

Key audit matters in respect of the audit of the financial statements of the Company (continued)

a) Impairment assessment of investment in subsidiary companies (continued)

The Company reviewed the investment in subsidiary companies for indications of impairment. Accordingly, the Company performed an impairment assessment to determine the recoverable amounts of investment in subsidiary companies with indications of impairment. The Company estimated the recoverable amount of the respective CGUs based on their respective VIU. Estimating the VIU of the CGUs involved estimates made by the management relating to the future net cash flows that will be derived from the CGUs, and discounting them at an appropriate rate. The cash flow forecasts, included a number of significant judgements and estimates such as the revenue growth rate, payout ratio, discount rate and terminal growth rate.

We considered this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management judgements about future market and economic conditions and changes in assumptions made may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated, with the involvement of our internal valuation experts, the appropriateness of the methodology and approach applied, and considered whether it is commonly used in the industry;
- evaluated the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- evaluated whether key assumptions which comprised the revenue growth rate and payout ratio for the
   Toto betting operations were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth;



(INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### **Key audit matters (Continued)**

Key audit matters in respect of the audit of the financial statements of the Company (continued)

- a) Impairment assessment of investment in subsidiary companies (continued)
  - assessed, with the involvement of our internal valuation experts, whether the rate used in discounting the
    future cash flows to its present value was appropriate. This included an assessment of the specific inputs
    to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost
    of debt. Such inputs were benchmarked either against risk rates in specific market in which the respective
    subsidiary company operates or equivalent data for peer companies; and
  - analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive.

#### Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' reports, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.



(INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPORTS TOTO BERHAD (INCORPORATED IN MALAYSIA)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements (Continued)

- on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(INCORPORATED IN MALAYSIA)

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

#### **OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039 Chartered Accountants

Kuala Lumpur, Malaysia 18 October 2024 Tseu Tet Khong @ Tsau Tet Khong 03374/06/2026 J Chartered Accountant



### **LIST OF MAJOR PROPERTIES**

AS AT 30 JUNE 2024

Location	Tenure	Date of Acquisition	Estimated Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Carrying Amount RM'000
Plot 5000A Hatfield Business Park Hatfield AL10 9WN United Kingdom	Freehold	23.12.2020	2 years	5.4 acres	Headquarter office, multi-brand showrooms, sales and aftersales centres	N/A	172,733
Berjaya Times Square 11 <sup>th</sup> Floor No. 1, Jalan Imbi 55100 Kuala Lumpur Malaysia	Freehold	06.01.1998	21 years	104,844 sq. ft.	One floor of office space of an integrated commercial development for rental	65,556	N/A
7835 Makati Avenue Corner Eduque Street Makati City, Philippines 1209	Freehold	04.12.2009	23 years	586 sq. m	Hotel - 223 guest rooms	N/A	48,515
lonna House 39 and 39a Humber Road London NW2 6EN United Kingdom	Freehold	09.11.2021	64 years	1.01 acres	Land with industrial buildings - vacant	N/A	41,115
Garage Showroom St Marys Way Stockport, SK1 4AH United Kingdom	Freehold	22.12.2022	29 years	19,092 sq. ft.	Showroom, sales and aftersales centre	N/A	27,665
Bridge Garage 4/4a, Station Road, Pangbourne Reading RG8 7AN United Kingdom	Freehold	30.06.2023	62 years	48,502 sq. ft.	Showroom, sales and aftersales centre	N/A	22,264
Trackspeed House Portsmouth Road, Ripley Woking, Surrey GU23 6HB United Kingdom	Freehold	16.12.2019	44 years	32,670 sq. ft.	Showroom and sales centre	N/A	16,888
22A Upbrook Mews, Bayswater London W2 3HG United Kingdom	Freehold	22.09.2016	144 years	1,422 sq. ft.	4 storey mid terraced mews style house	11,077	N/A
Brook House 14 Station Road, Pangbourne Reading RG8 7AN United Kingdom	Freehold	20.07.2018	52 years	7,350 sq. ft.	Aftersales service centre	N/A	8,695
No. 1, Jalan 3/91A Taman Shamelin Perkasa 56100 Kuala Lumpur Malaysia	Leasehold expiring 11.09.2082	19.06.2020	21 years	13,519 sq. ft.	1 unit of 2.5 storey semi detached factory used for sales office, service centre and logistic facility	N/A	6,565

N/A denotes Not Applicable

### **MATERIAL CONTRACTS**

Other than as disclosed in Notes 14, 28, 29, 38 and 40 of the financial statements for the financial year ended 30 June 2024, neither Sports Toto Berhad nor any of its subsidiaries has entered into any material contracts involving directors or 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 June 2024 amounted to RM116,000 (2023: RM88,000).



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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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)
-	and/or its unlisted subsidiary companies:	inamic of companies	( 000)
Berjaya Corporation Berhad	Management fees for services rendered that include, inter-alia, the provision of finance, secretarial, internal audit and general administrative services	Sports Toto Berhad ("SPToto")	720
Berjaya Registration Services Sdn Bhd	Receipt of share registration services	SPToto	529
Berjaya Higher Education Sdn Bhd	Rental income for renting of premises at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	1,897
	Receipt of education and staff training services	SPToto Group	10
Ambilan Imej Sdn Bhd	Rental for renting of office premises at part of Level 12, Berjaya Times Square	SPToto	2,158
E.V.A. Management Sdn Bhd	Receipt of human resources management and other related services	SPToto Group	97
Berjaya Gia Thinh Investment Technology Joint Stock Company	Supply of computerised lottery systems and related services as well as receipt of licensing fee and support fee	International Lottery & Totalizator Systems, Inc.	12,494
Berjaya Land Berhad and/or i	its unlisted subsidiary companies:		
Berjaya Langkawi Beach Resort Sdn Bhd	Rental income for renting of restaurant premises at Pulau Langkawi	FEAB Properties Sdn Bhd	132
Berjaya Guard Services Sdn Bhd	Receipt of security guard services	SPToto Group	5,277
San Bha	Rental income for renting of apartment at Apartment Block, Plaza Berjaya	FEAB Properties Sdn Bhd	28
Nada Embun Sdn Bhd	Rental for renting of office premises at part of Level 13, Berjaya Times Square	STM Lottery Sdn Bhd ("STM Lottery") and SPToto	1,868
Berjaya Air Sdn Bhd	Dry lease charges for aircraft leasing facilities	STM Lottery	676
Berjaya Jet Charter Sdn Bhd	Charter fees for aircraft leasing facilities	SPToto Group	4,301
Nural Enterprise Sdn Bhd	Rental for renting of apartment at Apartment Block, Plaza Berjaya	STM Lottery	19
	Rental for renting of storage space at Plaza Berjaya	STM Lottery	26
Cempaka Properties Sdn Bhd	Rental income for renting of shoplot at part of Level 2, Jalan Tun Ismail, Sri Dagangan	FEAB Land Sdn Bhd	4



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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Related parties	Nature of transactions	Name of companies	Amount transacted during the financial year (RM'000)
Berjaya Assets Berhad and/o	its unlisted subsidiary companies:		
Natural Avenue Sdn Bhd	Supply of computerised lottery systems and support services as well as receipt of licensing fee	International Lottery & Totalizator Systems, Inc.	766
BTS Car Park Sdn Bhd	Parking charges for leasing of parking bays at Berjaya Times Square	SPToto Group	353
Berjaya Times Square Sdn Bhd	Rental for renting of office premises at part of Level 8, Berjaya Times Square	STM Lottery	92
	Rental for renting of office premises at part of Level 7, Berjaya Times Square	Sports Toto Computer Sdn Bhd	43
Other related parties:			
U Mobile Sdn Bhd	Rental income for renting of office premises at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	1,262
Roda Indah Motors Sdn Bhd	Purchase of motor vehicles, component parts and other related products and services	SPToto Group	5
Qinetics MSP Sdn Bhd	Purchase of hardware, software, networking equipment, procurement of information technology consultancy, website and software development, maintenance and management services	SPToto Group	1,524
Sun Media Corporation Sdn Bhd	Procurement of promotion, advertising and publishing services	SPToto Group	876
ACES Property Management Sdn Bhd	Receipt of property management services	Magna Mahsuri Sdn Bhd	37
Berjaya Paper Trading Sdn Bhd	Procurement of Toto betting rolls and other printing services	STM Lottery	13,477
HQZ Credit Sdn Bhd	Rental income for renting of office premises at part of Level 12, Berjaya Times Square	SPToto	10



### STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 2 OCTOBER 2024

#### THE COMPANY

		Number of Ordinary shares				
	Direct Interest	%	Deemed Interest	%		
Dato' Sri Robin Tan Yeong Ching	1,046,202	0.08	641,886#	0.05		

#### INTERMEDIATE HOLDING COMPANY **BERJAYA LAND BERHAD**

	Number of Ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Sri Robin Tan Yeong Ching	600,000	0.01	=	_
Nerine Tan Sheik Ping	2,000,000	0.04	-	-

#### **ULTIMATE HOLDING COMPANY BERJAYA CORPORATION BERHAD**

	Number of Ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Sri Robin Tan Yeong Ching	5,301,709	0.09	175,162,614#	3.00
			6,737 <sup>@</sup>	0.00
Derek Chin Chee Seng	492,094	0.01	-	-
Nerine Tan Sheik Ping	139,920	0.00	-	-

#### **RELATED COMPANY BERJAYA FOOD BERHAD**

	Number of Ordinary shares			
	Direct Interest	%	Deemed Interest	%
Dato' Sri Robin Tan Yeong Ching	11,211,000	0.63	1,515,000#	0.09

- # Indirect interests pursuant to Section 8 of the Companies Act 2016
- <sup>®</sup> Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016

Other than as disclosed above, none of the other Directors of the Company had any interests in the shares, warrants and debentures of the Company or its related corporations as at 2 October 2024.



### **STATISTICS ON SHAREHOLDINGS**

AS AT 2 OCTOBER 2024

Total Number of Issued Shares : 1,349,313,400 (excluding 1,716,672 Treasury Shares)

Class of Shares : Ordinary Shares

Voting rights : One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	7,121	15.49	236,702	0.02
100 - 1,000	3,960	8.61	1,459,709	0.11
1,001 - 10,000	25,976	56.49	84,034,790	6.23
10,001 - 100,000	8,110	17.63	197,050,611	14.60
100,001 - 67,465,669	818	1.78	942,380,414	69.84
67,465,670* and above	1	0.00	124,151,174	9.20
Total	45,986	100.00	1,349,313,400	100.00

#### Note

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 2 OCTOBER 2024

No.	Name of Shareholders	No. of Shares	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN. BHD. (41401162208A)	124,151,174	9.2011
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BERHAD	43,753,014	3.2426
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BERHAD (414011622081)	39,238,586	2.9080
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN BHD (7008486)	33,775,751	2.5032
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR BERJAYA LAND BERHAD	28,451,105	2.1086
6	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR B.L. CAPITAL SDN BHD	24,888,000	1.8445
7	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BHD (BBB)	23,326,058	1.7287
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	22,625,356	1.6768
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN BHD (49486 SFIN)	20,648,030	1.5303
10	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN BHD (GBSB RC1/RC2)	19,292,128	1.4298
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BERHAD (BLB-RC5-CONGLO2)	17,650,000	1.3081

 $<sup>^{\</sup>star}\,$  Denotes 5% of total number of issued shares with voting rights.



#### **STATISTICS ON SHAREHOLDINGS**

AS AT 2 OCTOBER 2024

#### LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares	%
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	17,491,248	1.2963
13	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATEWAY BENEFIT SDN BHD	16,620,559	1.2318
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BERHAD	16,400,000	1.2154
15	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR BERJAYA LAND BERHAD	15,366,818	1.1389
16	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATEWAY BENEFIT SDN BHD	14,260,000	1.0568
17	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA CORPORATION BERHAD	14,018,402	1.0389
18	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN BHD (GB-RC3-CONGLO2)	13,987,599	1.0366
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN BHD	13,872,000	1.0281
20	BBL NOMINEES (TEMPATAN) SDN BHD GATEWAY BENEFIT SDN BHD	12,000,000	0.8893
21	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS SMALL-CAP FUND	11,812,295	0.8754
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BERHAD (GB-RC3-CONGLO2)	11,767,399	0.8721
23	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	11,234,760	0.8326
24	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INTER-PACIFIC SECURITIES SDN BHD (PJCAC)	10,771,200	0.7983
25	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATEWAY BENEFIT SDN BHD	10,710,000	0.7937
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA CORPORATION BERHAD (BCB CBM-C2-TL3)	10,478,808	0.7766
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH EWE JIN	10,364,000	0.7681
28	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERJAYA LAND BERHAD	10,317,694	0.7647
29	BIZURAI BIJAK (M) SDN BHD	10,215,953	0.7571
30	GATEWAY BENEFIT SDN BHD	10,115,561	0.7497
	TOTAL SHAREHOLDINGS	639,603,498	47.4021



### LIST OF SUBSTANTIAL SHAREHOLDERS

AS AT 2 OCTOBER 2024

	<> No. of Ordinary Shares>			
Names of Substantial Shareholder	Direct	%	Indirect	%
Gateway Benefit Sdn Bhd	325,172,201	24.10	0	0.00
Berjaya Land Berhad	219,682,561	16.28	355,615,095 <sup>(a)</sup>	26.36
Juara Sejati Sdn Bhd	5,142,499	0.38	595,177,838 <sup>(b)</sup>	44.11
Berjaya Group Berhad	19,633,026	1.46	630,809,733 <sup>(c)</sup>	46.75
Berjaya Corporation Berhad	39,768,131	2.95	650,442,759 <sup>(d)</sup>	48.21

#### Notes:

<sup>(</sup>a) Deemed interested by virtue of its interests in Gateway Benefit Sdn Bhd, Immediate Capital Sdn Bhd, B.L. Capital Sdn Bhd, Bukit Kiara Resort Berhad and Staffield Country Resort Berhad.

<sup>(</sup>b) Deemed interested by virtue of its interests in Berjaya Land Berhad and Berjaya Capital Berhad.

<sup>(</sup>c) Deemed interested by virtue of its 100% interests in Bizurai Bijak (M) Sdn Bhd, Juara Sejati Sdn Bhd and Teras Mewah Sdn Bhd.

<sup>(</sup>d) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.



**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Sports Toto Berhad will be conducted on a virtual basis through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur ("Broadcast Venue") on Friday, 6 December 2024 at 10.00 a.m. for the following purposes:-

#### **AGENDA**

#### **As Ordinary Business**

1. To receive the audited financial statements for the financial year ended 30 June 2024 and the Directors' and Auditors' Reports thereon.

(Please refer to Note 1 of the Explanatory Notes)

2. To approve the payment of Directors' fees amounting to RM320,000.00 to the Non-Executive Directors of the Company for the financial year ended 30 June 2024.

**Resolution 1** 

3. To approve the payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM387,600.00 for the period from 7 December 2024 until the next Annual General Meeting of the Company to be held in 2025.

**Resolution 2** 

- 4. To re-elect the following Directors who retire pursuant to Clause 117 of the Company's Constitution:-
  - (a) Poh Ying Loo

Resolution 3

(b) Premshangar A/L Venugopal

Resolution 4

5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

**Resolution 5** 

#### As Special Business

6. To consider and, if thought fit, pass the following Ordinary Resolutions:-

### (i) Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

"THAT subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price 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 total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 60 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Company to be offered new shares ranking pari passu in all respects with the existing ordinary shares arising from the issuance and allotment of the shares pursuant to Sections 75 and 76 of the Companies Act 2016."

Resolution 6



### (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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 Part A of the Circular to Shareholders dated 29 October 2024 ("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:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in 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."

#### (iii) Proposed Renewal of Authority for the Company to Purchase Its Own Shares

"THAT subject always to the Companies Act 2016, ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company ("SPToto 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:-

- 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 number of issued shares of the Company;
- 2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

Resolution 7



#### (iii) Proposed Renewal of Authority for the Company to Purchase Its Own Shares (continued)

- 3. the authority shall commence immediately upon passing of this ordinary resolution until:-
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the SPToto Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any SPToto Shares so purchased by the Company in the following manner:-

- (a) cancel all the SPToto Shares so purchased; or
- (b) retain all the SPToto Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in 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 8

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

#### THAM LAI HENG MICHELLE

SSM Practising Certificate No. 202008001622 (MAICSA 7013702) Secretary

Kuala Lumpur 29 October 2024



#### **NOTES:**

#### 1. Audited Financial Statements

The Audited Financial Statements are meant for discussion only as it does not require shareholders' approval pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this item on the Agenda is not put forward for voting.

#### 2. Directors' Fees

The quantum of the Directors' fees for each of the Non-Executive Directors for the financial year ended 30 June 2024 is the same as the previous financial year ended 30 June 2023.

#### 3. Directors' Benefits (excluding Directors' Fees)

Section 230(1) of the CA 2016 provides that "fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of Directors' Benefits (excluding Directors' fees) payable to the Non-Executive Directors of the Company.

Resolution 2 is to seek shareholders' approval at the AGM for the payment of Directors' Benefits (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 7 December 2024 until the next AGM of the Company to be held in 2025.

The current Directors' Benefits (excluding Directors' fees) payable to the Non-Executive Directors for the Company comprises of meeting allowances, benefits-in-kind and other emoluments.

In determining the estimated amount of benefits payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and general meetings of the Company, assuming full attendance by all the Non-Executive Directors. The estimated amount also caters for unforeseen circumstances, for example, the appointment of additional Directors (if any) and, additional unscheduled Board/Board Committees meetings.

In the event, where the payment of Directors' Benefits (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM for the shortfall.

#### 4. Re-election of Directors

Pursuant to Clause 117 of the Company's Constitution, one third (1/3) of the Directors shall retire from office at least once in every three (3) years at each AGM of the Company and the retiring Directors can offer themselves for re-election.

Resolution 3 and Resolution 4 are to seek shareholders' approval at this AGM for the re-election of Directors who retire by rotation pursuant to Clause 117 of the Company's Constitution.

Poh Ying Loo and Premshangar A/L Venugopal ("Retiring Directors") have completed their respective declaration on the fitness and propriety, contribution and performance and calibre and personality in accordance with the Directors' Fit and Proper Policy of the Company as well as the confirmation of their independence.

The Board through the Nomination Committee ("NC") had undertaken an annual assessment evaluation and fit and proper assessment on the Retiring Directors who are seeking for re-election as Directors of the Company pursuant to Clause 117 of the Company's Constitution.

Based on the results of the assessment conducted, the NC was satisfied with the favourable evaluation of the overall performance and contributions of the Retiring Directors and the Retiring Directors have fulfilled the fit and proper criteria in accordance to the Directors' Fit and Proper Policy of the Company. Accordingly, NC recommended to the Board for re-election of the Retiring Directors. The Board has deliberated and endorsed the NC's recommendation and supports the re-election of Retiring Directors and recommended the re-election of Retiring Directors for approval by the shareholders at the forthcoming AGM. The Retiring Directors had abstained from deliberations and decisions on their re-election at the NC and Board Meetings.

The profiles of the Retiring Directors are set out in the Profile of Directors in the Company's 2024 Annual Report.

#### 5. Re-appointment of Auditors

Resolution 5 is to seek shareholders' approval at the AGM for the re-appointment of Messrs Ernst & Young PLT ("EY") as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

The Audit Committee ("AC") has considered and recommended to the Board on the re-appointment of EY as Auditors of the Company based on the results of the External Auditors Evaluation for the financial year ended 30 June 2024 wherein EY has satisfactorily performed their audit and that EY had discharged their professional responsibilities in accordance with its rules on professional conduct and ethics and the By-Laws (on Professional Ethics, Conducts and Practice) issued by the Malaysian Institute of Accountants.

The Board has deliberated on the AC's recommendation and had recommended the re-appointment of EY as Auditors of the Company for the ensuing financial year for shareholders' approval at the forthcoming AGM.

#### Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the CA 2016

Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.



Resolution 6, if passed, will exclude shareholder's preemptive right to be offered such new shares and/or convertible securities to be issued by the Company pursuant to the resolution.

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 AGM held on 6 December 2023 and which will lapse at the conclusion of the AGM.

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 current and/or future investment project(s), working capital and/or acquisitions or issuance of shares for such other application(s) as the Directors may deem fit and in the best interest of the Company.

#### Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 7, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out under Part A of the Circular/Statement to Shareholders dated 29 October 2024 which can be viewed and downloaded from the website of the Company at <a href="www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a> and/or Bursa Malaysia Securities Berhad at <a href="www.bursamalaysia.com">www.bursamalaysia.com</a>.

#### 8. Proposed Renewal of Authority for the Company to Purchase Its Own Shares

Resolution 8, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 29 October 2024 which can be viewed and downloaded from the website of the Company at <a href="www.berjaya.com/sports-toto/">www.berjaya.com/sports-toto/</a> and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

#### 9. Proxy and Entitlement of Attendance

- (i) The AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by the poll administrator, SS E Solutions Sdn Bhd, which are available on Securities Services e-Portal at <a href="https://www.sshsb.net.my/">www.sshsb.net.my/</a>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via RPV facilities.
- (ii) The main and only venue of the AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM to be present at the main venue of the AGM in Malaysia.

- (iii) Shareholders/proxies/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM.
- (iv) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM via RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (v) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- (vi) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- (vii) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), may appoint multiple proxies in respect of each of its Omnibus account.
- (viii) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- (ix) The Form of Proxy shall be executed and deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at <a href="www.sshsb.net.my/">www.sshsb.net.my/</a> not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. latest by Wednesday, 4 December 2024 at 10.00 a.m.
- (x) Only members whose names appear in the Record of Depositors as at 29 November 2024 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV facilities.

#### 10. Poll Voting

Pursuant to Clause 82 of the Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by way of poll. The Company has appointed Poll Administrator and Independent Scrutineers to conduct the polling process and verify the results of the poll respectively.



#### **FORM OF PROXY**

#### SPORTS TOTO BERHAD

[Registration No. 196901000688 (9109-K)]

I/We				
	(Name in full)			
I.C. or Company No	)	_ CDS Account No		
, ,	(New and Old I.C. Nos.)			
of				
	(Address)			
being a member/m	embers of SPORTS TOTO BERHAD hereby appoint:			
		IC No		
	(Name in full)		d Old I.C. Nos.)	
of				
0.	(Address)			
Manhattan V, Level on Friday, 6 Decem This proxy is to vote	the Company to be conducted on a virtual basis thr 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 ber 2024 at 10.00 a.m. and at any adjournment there e on the Resolutions set out in the Notice of the Meet on as to voting is given, the proxy will vote or abstain	, Jalan Imbi, 55100 Kuala eof. ing as indicated with an ":	Lumpur ("Bro X" in the app	oadcast Venue")
			FOR	AGAINST
RESOLUTION 1	- To approve payment of Directors' Fees.			
RESOLUTION 2	- To approve payment of Directors' Benefits (excluthe period from 7 December 2024 until the next of the Company in 2025.			
RESOLUTION 3	- To re-elect Poh Ying Loo as Director.			
RESOLUTION 4	- To re-elect Premshangar A/L Venugopal as Direct	or.		
RESOLUTION 5	- To re-appoint Messrs Ernst & Young PLT as Audit	ors.		
RESOLUTION 6	- To approve authority to issue and allot shares.			
RESOLUTION 7	- To renew shareholders' mandate for Recurrent Re	lated Party Transactions.		
RESOLUTION 8	- To renew authority for the Company to purchase	its own shares.		
		No	of Shares H	ald

Dated this \_\_\_

1. The Annual General Meeting ("AGM") of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by the poll administrator, SS E Solutions Sdn Bhd, which are available on Securities Services e-Portal at www.sshb.net.my/. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via RPV facilities.

\_\_ day of \_\_

Signature(s)/Common Seal of Member(s)

- The main and only venue of the AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM to be present at the main venue of the AGM in Malaysia.
- Shareholders/proxy/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM
- 4. A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM via RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.

- An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), may appoint multiple proxies in respect of each of its Omnibus account.
- 8. An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- 9. The Form of Proxy shall be executed and deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at <a href="https://www.sshsb.net.my/">www.sshsb.net.my/</a> not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. latest by Wednesday, 4 December 2024 at 10.00 a.m.
- 10. Only members whose names appear in the Record of Depositors as at 29 November 2024 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV facilities.
- 11. Pursuant to Clause 82 of the Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll. The Company has appointed Poll Administrator and Independent Scrutineers to conduct the polling process and verify the results of the poll respectively.

 Fold this flap for sealing			
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		AFFIX	
		STAMP	
	THE COMPANY SECRETARY SPORTS TOTO BERHAD		
	LOT 13-01A, LEVEL 13 (EAST WING)		
	BERJAYA TIMES SQUARE NO. 1 JALAN IMBI		
	NO. 1 JALAN IMBI		
	NO. 1 JALAN IMBI		
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### **GROUP ADDRESSES**

#### STM Lottery Sdn Bhd

Lot 13-01, Level 13 (East Wing) Berjaya Times Square No. 1 Jalan Imbi 55100 Kuala Lumpur

Email : webmaster@sportstoto.com.my Website : www.sportstoto.com.my

#### Berjaya Lottery Management (HK) Limited

5/F, Manulife Place 348 Kwun Tong Road Kowloon, Hong Kong Tel: 852-2980 1981

#### International Lottery & Totalizator Systems, Inc.

2310 Cousteau Court Vista (San Diego) California 92081-8346 U.S.A.

Tel : 1(760) 598 1655 Fax : 1(760) 598 0219 Email : mktg@ilts.com Website : www.ilts.com

#### Berjaya Philippines Inc.

9<sup>th</sup> Floor, Rufino Pacific Tower 6784 Ayala Ave., cor V.A. Rufino Street Makati City, Philippines

Tel : 632-8811 0668 Website : www.berjaya.com.ph

#### H.R. Owen Plc

Hatfield Business Park Mosquito Way Hatfield AL10 9WN United Kingdom

Tel : 02072451122 Website : www.hrowen.co.uk

For further information, please contact:

#### **The Company Secretary**

Lot 13-01A, Level 13 (East Wing) Berjaya Times Square No. 1 Jalan Imbi 55100 Kuala Lumpur

> Tel: 03-2149 1999 Fax: 03-2143 1685 www.berjaya.com/sports-toto/