

BERJAYA SPORTS TOTO BERHAD

Registration No. 196901000688 (9109-K)

(Incorporated in Malaysia)

An Extract of Minutes of the Annual General Meeting of the Company held on a fully virtual basis 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 Tuesday, 8 December 2020 at 10.00 a.m.

CHAIRMAN: Datuk Robert Yong Kuen Loke presided as Chairman of the Meeting.

PRESENT: As per Appendix “I” attached

IN ATTENDANCE: Tham Lai Heng Michelle - Company Secretary

QUORUM: The Secretary confirmed that a quorum was present for the Meeting.

NOTICE OF MEETING: The Notice of Annual General Meeting (“AGM”) dated 23 October 2020 as contained on Pages 222 to 226 of the Company's Annual Report was taken as read by the Secretary.

CHAIRMAN WELCOME SPEECH

Before the meeting proceeded, Tan Sri Dato’ Seri Tan Kok Ping, the Chairman on behalf of the Board of Directors of the Company, welcomed the shareholders and proxies for their participation in the virtual AGM of the Company.

The Chairman informed the shareholders that the AGM is conducted entirely online from the Broadcast Venue, mainly due to the current Covid-19 pandemic and is for the safety and well-being of all shareholders, employees and Directors.

Tan Sri Dato’ Seri Tan Kok Ping also informed the shareholders present that he was unable to physically present at the Broadcast Venue due to the imposition of conditional movement control order by the Government. Pursuant to Section 327(2) of the Companies Act 2016 and Clause 70 of the Company’s Constitution, the Chairman of the meeting shall be present at the main venue of the General Meeting. In view thereof, the Board of Directors of the Company has nominated Datuk Robert Yong Kuen Loke, an Independent Non-Executive Director of the Company as the Chairman of this Meeting.

Datuk Robert Yong Kuen Loke then proceeded to introduce the Board members, the Company Secretary, the Management Team and the representative of the Company’s External Auditors, Messrs Ernst & Young PLT who were present at the Broadcast Venue.

PROCEEDINGS OF MEETING AND VOTING MANNER

The Chairman advised the shareholders that in compliance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting for all the resolutions to be considered at the AGM would be conducted by poll electronically.

The Chairman then informed that the Company has appointed SS E Solutions Sdn Bhd (“SS E Solutions”) as the Poll Administrator to conduct the polling process and Messrs Commercial Quest Sdn Bhd (“CQSB”) as the Independent Scrutineer to validate the votes cast for all resolutions put to vote at this Meeting using the Remote Participation and Voting (“RPV”) facilities provided by SS E Solutions.

The Chairman further informed the shareholders that for expediency, the Meeting would proceed according to the sequence of the agenda and the Board would deal with questions from the shareholders during the Questions and Answers (“Q&A”) session only after all the businesses at the AGM have been transacted.

The Chairman reminded the shareholders and proxies to submit their questions or remarks in relation to the agenda items by using the text box below the live stream player within the same e-Portal page.

The Chairman also informed that shareholders and proxies can proceed to vote on the resolutions and submit their votes via the RPV facilities at any time from the start of this Meeting and before the closure of the voting session which would be announced later after the Q&A session. The Independent Scrutineer would then verify and announce the poll results.

For the benefit of the shareholders and proxies participating remotely, SS E Solutions presented a short video clip on the procedure for remote voting via the RPV facilities which was shown on the screen.

After the short presentation by SS E Solutions, the Chairman proceeded with Item 1 on the Agenda which is to receive and adopt the Company’s audited financial statements for the financial year ended 30 June 2020 together with the Directors’ and Auditors’ Report thereon.

AUDITED FINANCIAL STATEMENTS

The Chairman informed that under the provisions of Section 340(1)(a) of the Companies Act 2016, the Company is required to lay before the Meeting the audited financial statements and the reports thereon for the financial year ended 30 June 2020. This agenda do not require the approval of the shareholders and hence, it would not be put forward for voting. However, shareholders present would be able to ask questions and give comments on the Company’s audited financial statements during the Q&A session.

The Chairman then invited Mr Desmond Tseu (“Mr Desmond Tseu”) of Messrs Ernst & Young PLT (“EY”), the external auditors of the Company, to present the Independent Auditors’ Report on the financial statements for the financial year ended 30 June 2020 to the shareholders.

The Chairman thanked Mr Desmond Tseu on his presentation of the Auditors’ Report.

A slide presentation via an audio clip on the Group’s financial performance for the financial year ended 30 June 2020 was presented to the shareholders.

After the presentation, it was recorded that the Company’s audited financial statements for the financial year ended 30 June 2020 together with the Directors’ and Auditors’ Reports were duly adopted.

ORDINARY RESOLUTIONS

The Chairman informed that he was an interested Director for Resolution 1 and Resolution 2 in relation to the payment of Directors' Fees and payment of Directors' Remuneration (excluding Directors' Fees) respectively. Hence, he has to abstain from deliberating and voting on the resolutions.

The Chairman then invited Ms Nerine Tan Sheik Ping, the Chief Executive Officer of the Company to chair the Meeting to consider Resolution 1 and Resolution 2.

1. DIRECTORS' FEES

Ms Nerine Tan Sheik Ping proceeded with Ordinary Resolution 1 under item 2 of the Agenda which was to approve the payment of Directors' fees amounting to RM320,000 for the financial year ended 30 June 2020.

2. DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 9 DECEMBER 2020 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

Ms Nerine Tan Sheik Ping then proceeded with Ordinary Resolution 2 under item 3 of the Agenda which was to approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM1,475,000 for the period from 9 December 2020 until the next Annual General Meeting of the Company to be held in 2021.

3. RE-ELECTION OF DIRECTORS

Pursuant to Clause 117 of the Company's Constitution, 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.

(a) The Chairman proceeded with Ordinary Resolution 3 under item 4(a) of the Agenda in relation to the re-election of Tan Sri Dato' Seri Tan Kok Ping who retires pursuant to Clause 117 of the Company's Constitution and being eligible has offered himself for re-election as a Director of the Company.

(b) The Chairman then proceeded with Ordinary Resolution 4 under item 4(b) of the Agenda in relation to the re-election of Dato' Oon Weng Boon who retires pursuant to Clause 117 of the Company's Constitution and being eligible has offered himself for re-election as a Director of the Company.

4. RE-APPOINTMENT OF AUDITORS

The Chairman moved on and proceeded with Ordinary Resolution 5 under item 5 of the Agenda which was to approve the re-appointment of Messrs EY as Auditors of the Company for the ensuing year until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

The Chairman informed that EY has indicated their willingness to continue in office.

5. SPECIAL BUSINESS

5.1 Ordinary Resolution - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Chairman proceeded with Ordinary Resolution 6 under item 6(i) of the Agenda as special business, which was to seek the shareholders' approval on the renewal of a general mandate, which if passed, would empower 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 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 such authority shall continue to be in force until the conclusion of the next AGM of the Company.

The Chairman informed that as at the date of the AGM, the Company did not issue any shares pursuant to the mandate granted to the Directors at the last AGM held on 6 December 2019.

5.2 Ordinary Resolution - Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Chairman informed the shareholders that Ordinary Resolution 7 under item 6(ii) of the Agenda in relation to the proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue of trading nature, 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.

The Chairman added that the following persons who are interested Directors and major shareholders of the Company as well as the persons connected with them would abstain from voting on Resolution 7, in respect of their direct and/or indirect shareholdings in the Company namely:-

- (a) Nerine Tan Sheik Ping
- (b) Tan Sri Dato' Seri Vincent Tan Chee Yioun
- (c) Berjaya Corporation Berhad
- (d) Berjaya Land Berhad

The Chairman further informed that the other Director of the Company namely, Mr Chan Kien Sing, was also a Director of Berjaya Corporation Berhad and certain companies which are under separate listed groups in which Berjaya Corporation Berhad is deemed to have an interest. Although Mr Chan Kien Sing is not deemed to be interested, he has however voluntarily abstained from voting on Resolution 7 in respect of his direct and/or indirect shareholdings in the Company.

5.3 Ordinary Resolution - Proposed Renewal of Authority for the Company to purchase its own shares

The Chairman proceeded with Ordinary Resolution 8 under item 6(iii) in relation to the proposed renewal of authority for the Company to purchase its own shares.

The Chairman informed the shareholders that the Company has bought back 16.86 million of its own shares from the open market pursuant to the mandate granted to the Company at the last AGM held on 6 December 2019 and a total of 13.36 million treasury shares have been distributed as Share Dividend on 8 October 2020. The cumulative total number of shares bought back as at to-date is 7.53 million shares.

5.4 Ordinary Resolution - Proposed Retention of Datuk Robert Yong Kuen Loke as Independent Non-Executive Director

The Chairman then invited Ms Nerine Tan Sheik Ping to chair the Meeting to consider Ordinary Resolution 9 under item 6(iv) of the Agenda in relation to his retention as an Independent Non-Executive Director of the Company.

Ms Nerine Tan Sheik Ping informed the shareholders that Datuk Robert Yong Kuen Loke's tenure as an Independent Non-Executive Director of the Company has reached a cumulative term of nine (9) years after 1 December 2018. He is also the Chairman of the Nomination Committee, Risk Management Committee and Sustainability Committee of the Company. Both the Nominating Committee and the Board had assessed the independence of Datuk Robert Yong Kuen Loke and was satisfied with his contributions and independent judgement that he brings to the Board.

Thus, the Board has recommended Datuk Robert Yong Kuen Loke to continue to serve as an Independent Non-Executive Director of the Company based on the justifications as set out in the Corporate Governance Overview Statement of the Company's 2020 Annual Report.

Q&A SESSION

Following the tabling of all resolutions in the agenda, the Chairman then proceeded with the Q&A Session and he began with addressing the question which was submitted by a shareholder prior to the AGM. He then read out the question and the Company's response on behalf of the Board and Management.

The Chairman moved on and proceeded with the Q&A session and he began with addressing questions submitted by the remote shareholders or proxies at the AGM via the e-Portal.

The Chairman informed that the Board will endeavour to answer as many questions posed which were related to the business of the AGM. The questions with the Company's responses thereto were set out in Appendix "II" attached herewith.

VOTING ON THE RESOLUTIONS AND ANNOUNCEMENT OF POLL RESULTS

Upon the conclusion of the Q&A session, the Chairman advised the shareholders and proxies who have yet to submit their votes to proceed to cast and submit their votes via the RPV facilities, during which time, a short video clip on the procedure for remote voting via the RPV facilities was replayed by SS E Solutions to provide guidance for shareholders and proxies to cast their vote accordingly.

After the votes had been counted and verified by the Independent Scrutineer, CQSB, the Chairman called the Meeting to order at 11.20 a.m. and the representative from CQSB, Cik Nurhayati Binti Sopian reported the results of the poll as follows:-

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Payment of Directors' Fees	782,301,316	99.98	138,143	0.02
2.	Payment of Directors' Remuneration (excluding Directors' Fees) for the period from 9 December 2020 until the next Annual General Meeting of the Company	778,530,909	99.50	3,907,538	0.50
3.	Re-election of Tan Sri Dato' Seri Tan Kok Ping as Director	766,698,812	97.97	15,901,221	2.03
4.	Re-election of Dato' Oon Weng Boon as Director	780,837,335	99.78	1,736,669	0.22
5.	Re-appointment of Ernst & Young PLT as Auditors	782,528,610	99.99	72,423	0.01
6.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	765,269,077	97.79	17,313,795	2.21
7.	Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	119,461,732	99.74	314,109	0.26
8.	Renewal of authority for the Company to purchase its own shares	765,379,564	97.80	17,209,349	2.20
9.	Proposed Retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director	758,435,787	96.93	24,040,343	3.07

The Chairman then declared that all the resolutions, that is Resolution 1 to Resolution 9 were duly carried as follows:-

- (1) "THAT the payment of Directors' fees amounting to RM320,000/= for the financial year ended 30 June 2020 be and is hereby approved."
- (2) "THAT the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM1,475,000/= for the period from 9 December 2020 until the next Annual General Meeting of the Company to be held in 2021 be and is hereby approved."

- (3) “THAT Tan Sri Dato’ Seri Tan Kok Ping, being the Director retiring pursuant to Clause 117 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”
- (4) “THAT Dato’ Oon Weng Boon, being the Director retiring pursuant to Clause 117 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”
- (5) “THAT Messrs Ernst & Young PLT be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”
- (6) “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.”
- (7) “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 the Circular to Shareholders dated 23 October 2020 (“Proposed Mandate”) which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the 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;
 - (ii) 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
 - (iii) 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.”

- (8) “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 (“BToto Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total 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;
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 BToto Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BToto Shares so purchased by the Company in the following manner:-

- (a) cancel all the BToto Shares so purchased; or
- (b) retain all the BToto Shares as treasury shares (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.”
- (9) “THAT Datuk Robert Yong Kuen Loke be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years.”

The duly re-elected/ retention of Directors namely, Tan Sri Dato’ Seri Tan Kok Ping, Dato’ Oon Weng Boon and Datuk Robert Yong Kuen Loke then thanked the members present for re-electing/ retaining them and for their support and confidence in them.

Mr Desmond Tseu, the representative from EY, also thanked the members present for their re-appointment as Auditors of the Company.

6. CONCLUSION

There being no other business to be transacted, the Chairman closed the meeting at 11.30 a.m. and thanked the shareholders for their presence and participation at the Meeting.

Confirmed,

(SIGNED)

CHAIRMAN

Dated: 18 December 2020

BERJAYA SPORTS TOTO BERHAD

Registration No. 196901000688 (9109-K)

(Incorporated in Malaysia)

ANNUAL GENERAL MEETING HELD ON 8 DECEMBER 2020**Present:**

Datuk Robert Yong Kuen Loke	-	Chairman/ Independent Non-Executive Director
Nerine Tan Sheik Ping	-	Chief Executive Officer
Seow Swee Pin	-	Executive Director
Chan Kien Sing	-	Non-Independent Non-Executive Director
Dato' Oon Weng Boon	-	Independent Non-Executive Director

Present via Live Streaming:

Tan Sri Dato' Seri Tan Kok Ping	-	Non-Independent Non-Executive Director
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In Attendance:

Tham Lai Heng Michelle	}	Company Secretaries
Teo Soh Fung		

Management Team and By Invitation:

Tan Thiam Chai	}	Representatives from Group Accounts and Budgets, Berjaya Corporation Berhad
Ernest Lau Lub Ding		
Amy Ng		
Wong Sow Chun		
Yap Seng Chong	}	Representatives from Messrs Ernst & Young PLT
Desmond Tseu		
Choong Kar Mun		
Wong Ee-Coln	-	Representative from Berjaya Philippines Inc.
Yeow Sze Min	-	Representative from SS E Solutions Sdn Bhd
Nurhayati Binti Sopian	-	Representative from Commercial Quest Sdn Bhd

Members, Proxies and Corporate Representatives:

As per the attendance sheets.

BERJAYA SPORTS TOTO BERHAD
 Registration No. 196901000688 (9109-K)
 (Incorporated in Malaysia)

A) Question received via email

No.	Question and Answer
Q1.	<p>In the consolidated statement of cash flows in page 72 of the Company’s Annual Report 2020, there is a RM66.48 million cash outflow for “other payment arising from investments” in the financial year ended 30 June 2020.</p> <p>Can the Board provide more details on this investment?</p> <p>There is no corresponding increase for investments as at 30 June 2020 in the Statement of Financial Positions in page 65 of the Company’s Annual Report 2020.</p> <p>Can the Board explain the reason behind?</p> <p>The Chairman replied that the RM66.48 million stated as “other payment arising from investments” as at 30 June 2020 mainly consists of refundable payment made for the acquisition of a piece of 5-acre property by H.R. Owen Plc in the United Kingdom amounting to about RM66.0 million.</p> <p>The proposed project which comprises showrooms, aftersales facilities and head office was pending planning permission approval from the local authority then. The completion of the property purchase is expected sometime in December 2020 and the aforesaid development will begin in January 2021.</p> <p>This amount paid is classified under Receivables and not as Other Long Term Investment since it is not an acquisition of securities or shares.</p>

B) Questions received via Securities Services e-Portal

No.	Questions and Answers
Q1.	<p>Will the Company consider giving a small token to the participants of this virtual AGM?</p> <p>Is H.R. Owen Plc (“H.R. Owen”) business impacted by Covid-19?</p> <p>Sports Toto Malaysia Sdn Bhd (“Sports Toto”) has a very good presence in social media as compared to other competitors. Does it help in the sales of the Number Forecast Operator (“NFO”) business?</p> <p>The Chairman replied that the Company has decided to give a complementary e-voucher to the shareholders and further details will be announced at the end of the meeting.</p> <p>The Chairman informed that in view of the current Covid-19 pandemic, H.R. Owen’s operations were impacted as their operations were shut down for more than 2 months and its operations only resumed in June 2020. However, despite the shutdown, H.R. Owen reported a profit of GBP1.9 million in the current year.</p> <p>Ms Nerine Tan Sheik Ping (“Ms Nerine Tan”) stated that Sports Toto has a strong presence in social media and it has positively contributed to the Sports Toto’s sales.</p>
Q2.	<p>Any future plan to generate more revenue?</p> <p>Ms Nerine Tan replied that the Company is constantly finding ways of generating more revenue through all its various subsidiary companies. For motor division, H.R. Owen will continue its endeavour to improve the sales of new and used vehicles so as to generate more revenue. As for Sports Toto, the Management will endeavour to ensure that the sales from the NFO business are fully-realized and will continue to work closely with the police and the government authorities to curb illegal operators in Malaysia which would ultimately lead to better earnings for Sports Toto.</p>
Q3.	<p>What is future earnings and dividend of the Company?</p> <p>The Chairman replied that during the current financial year, the Company had distributed both cash dividends and share dividends to the shareholders, totaling 10.4 sen, the amount of which is slightly above the earning per share of the Company for the year. This is aligned with the Company’s dividend policy of distributing a substantial portion of the Company’s annual earnings to the shareholders.</p>
Q4.	<p>What are the Management views on the gaming market as compared to illegal gaming market?</p> <p>Has there been an increase in market share as compared to illegal gaming market?</p> <p>Ms Nerine Tan informed that in the previous financial year, Sports Toto has shown a good growth of 8% mainly attributable to the enforcement by the police and the government authorities to shut down a number of illegal gaming operators. Also, we have seen the size of legal gaming market has increased as compared to illegal gaming market. The Company hopes that it can continue to reap the benefit from the authorities’ enforcement actions, moving forward.</p>

No.	Questions and Answers
Q5.	<p>What is the prospect of the Company moving forward and any plan to open new branches?</p> <p>Is the Company planning to allow the customers to buy numbers via online platform in order to sustain the profitability which would help to mitigate the negative impacts of Covid-19 if the Movement Control Order (“MCO”) is re-implemented again by the government?</p> <p>Ms Nerine Tan explained that Sports Toto is governed by Ministry of Finance (“MOF”) whereby the numbers of outlets are strictly controlled by MOF and hence, the Company cannot decide to increase the number of outlets. She added that the Management has submitted the request for providing online gaming business and as at to-date, the Company is still waiting for a reply from MOF.</p>
Q6.	<p>Can the Board update the status of opportunity in China with China Sports Lottery HKJC Infotech?</p> <p>The Chairman replied that the said business is not undertaken by Berjaya Sports Toto Berhad’s Group.</p>
Q7.	<p>Can the Board explain the reason why Sports Toto’s outlets has yet to implement cashless payment for the purchase of the lottery ticket as it could reduce the revenue of the Company if there is no other payment option?</p> <p>Ms Nerine Tan replied that presently, the government does not encourage cashless payment method for NFOs and as such, the Company does not offer cashless payment for all outlets for the time being.</p>
Q8.	<p>What is the dividend growth of the Company?</p> <p>The Chairman replied that for the financial year ended June 2020, the dividend payout was approximately 10.4 sen per share. Based on the prevailing share price of RM2.00 to RM2.15, the dividend yield is about 5%.</p>
Q9.	<p>What is the status of the Company’s investment in Vietnam and will the Company invest more in the business?</p> <p>The impact of Covid-19 in Vietnam and Malaysia and its strategy for the next 12 months?</p> <p>Ms Nerine Tan informed that Berjaya Lottery Vietnam Limited (“BLV”) is a 20%-owned associated company of Berjaya Sports Toto Berhad (“BToto”). BToto effectively only owns 10% equity interest in the Vietnam lottery business. The Vietnam lottery business’ sales has substantially improved by 36% as compared to previous financial year. The impact of Covid-19 in Vietnam is lesser as compared to Malaysia probably due to common practice of wearing mask when riding motorbikes by the communities even before the Covid-19 outbreak. However, due to its 23-days lockdown in Vietnam in April 2020 and to some extent, it has affected the business in Vietnam. For the lottery business in Malaysia, Sports Toto’s revenue was negatively impacted by the pandemic as 40 draws had been cancelled during the 3 months period since the implementation of the MCO by the Malaysian government. For the next 12 months, the Company’s strategy would be ensuring our customers to feel comfortable when visiting Sports Toto outlets in Malaysia whilst for the business in Vietnam, the Management expects a continued good growth for the next financial year.</p>

No.	Questions and Answers
Q10.	<p>The Company’s operating cash flow has reduced by more than half in current financial year 2020 (as compared to last financial year 2019) due to huge borrowings drawdown, will this have any impact to the Company moving forward?</p> <p>The Chairman replied that the comparative information was not comparable with that of the current financial information due to the change of financial year end. The current financial statements are prepared for a period of twelve (12) months as compared to the last financial statements which were prepared for a period of fourteen (14) months. Further, the reduction in operating cash flow was mainly due to cancellation of 40 draws by Sports Toto during the lockdown period. The increase in borrowings was to finance the inventory purchases of vehicles in UK by H.R. Owen.</p>
Q11.	<p>Referring to page 200 of the Annual Report, under the items of “Others” in Segment of Assets, it was reported an increase in the total amount from RM640.231 million to RM857.634 million, please provide further information on the assets/operations held under the items of “Others”?</p> <p>What is the reason(s) for the huge increase in the Segments of Assets under the items of “Others”?</p> <p>Referring to page 199 of the Annual Report, why the revenue generated in financial year 2020 only amounting to RM93.974 million despite the big amount of assets included in the Segments of Assets?</p> <p>Ms Amy Ng explained that increase in the other segment is related to the increase in right-of-use assets due to the adoption of MFRS16-Leases, the new accounting standard where lease payment is to be taken into book and correspondingly the increase in the right-of-use assets. It resulted from our hotel assets in the Philippines.</p> <p>Ms Amy Ng informed that the increase is also due to the investment in associated company which is in relation to the retained interest in Philippine Gaming Management Corporation (“PGMC”), whereby the Company currently holds 39.99% in PGMC since it ceased as a subsidiary of the Group. Moreover, it was also due to the work in progress expenditures incurred by Floridablanca Enviro Corporation, which involved in the business of cleaning and green environmental business mainly for landfill project. Currently, it is still under the development stage, as such expenditures incurred are classified as capital work-in-progress.</p> <p>In addition, Ms Amy further informed that the other businesses are mainly related to the investment holding companies and also the green environment business as well as International Lottery & Totalizator Systems, Inc., the manufacturer and distributor of the lottery and voting system business segment of the Group.</p>

No.	Questions and Answers
<p>Q12.</p>	<p>Can the Management share with us the group market share in the NFO business?</p> <p>The legal NFOs have been hit hard by the illegal betting market in Malaysia, what is the estimated illegal betting market as compare to legal market in size?</p> <p>Ms Nerine Tan informed that the Company is not privy to Damacai market share and as such, the Company could only make comparison with Magnum. The market share for Sports Toto is about 52% as compared to Magnum which holds approximately 48% of market share. The legalised betting market has been hit hard by the illegal betting market and based on our analysis, the illegal NFOs market is estimated to be about three times the size of the legalised NFOs market.</p>
<p>Q13.</p>	<p>The Capital Expenditure for the UK has increased from RM3.579 million in financial year end 2019 to RM42.151 million in financial year 2020.</p> <p>Please provide the reasons for the higher capital expenditure in financial year 2020?</p> <p>What are the actions taken to improve the low return on assets from its UK's investments since its total segment assets is higher than the Malaysian's operations as set out in page 200 of the Annual Report?</p> <p>The Chairman replied that the increase in capital expenditure in UK is due to the increase in the amounts of right-of-use assets from H.R. Owen following the adoption of MFRS 16-Leases amounting to RM82.0 million. The Malaysian's operation is not capital intensive business and comparatively, the assets from the Malaysian's operation are lower whilst UK's operation is transacted in pound sterling currency whereby the exchange rate is relatively higher.</p>
<p>Q14.</p>	<p>The Company recently has bought back its own shares from the market but at the same time, total liabilities have also increased, would like to know the purpose of share buyback and there were also investment in the Company by Berjaya group of companies, how can it benefit the minority shareholders?</p> <p>What is the cost of this virtual AGM versus physical AGM?</p> <p>The Chairman replied that the purpose of share buyback is to support the share price of the Company as the intrinsic value of BToto shares is higher. The increase in liabilities is mainly from the offshore subsidiaries, due to the increase in lease liabilities for the current financial year and the stocking loan. The total estimated costs for this virtual AGM is approximately RM83,000 as compared to physical AGM costing around RM113,000.</p>
<p>Q15.</p>	<p>Referring to page 152 of Annual Report, under the item of "Receivables", there is an amount due from a related company to a foreign subsidiary of the Group which amounting to RM116.971 million which is unsecured and considered as a significant concentration of credit risk to the Group.</p> <p>What is the nature of the item under "Receivables" and would like to know the amount owing from which foreign subsidiary and when the Company expected to collect the said amount?</p>

No.	Questions and Answers
	<p>The Chairman informed that this is related to the trade receivable from a subsidiary of Berjaya Corporation Berhad, namely Berjaya Gia Think Investment Technology Joint Stock Company (“Berjaya Gia Think”) in relation to lottery business in Vietnam. There has been repayment from Berjaya Gia Think over time and late payment charge of 5% was being charged for the outstanding amount due to the Company.</p>
<p>Q16.</p>	<p>DBKL will be implementing restriction on hard liquor in certain premises in Kuala Lumpur, has the Company and other NFOs operators engage with DBKL and other local councils to ensure that no new restriction will be imposed on the operating licence and etc for the outlets?</p> <p>Ms Nerine Tan stated that there are no restriction directives from DBKL as well as other local councils in relation to our operating licence at the moment.</p>
<p>Q17.</p>	<p>What is the 3 years business plan for the Company?</p> <p>The Chairman replied that in view of the current Covid-19 pandemic, our primary concern will be re-strategizing the plans to ensure Sports Toto’s businesses to thrive after the pandemic as well as the safety of the punters when visiting our outlets, as mentioned earlier by the Chief Executive Officer of the Company.</p>
<p>Q18.</p>	<p>What are the actions taken by the Company to tackle the illegal 4D betting?</p> <p>What is the Company’s long term plan to transform itself to adapt to digital era?</p> <p>Ms Nerine Tan replied that the Management has always rendered full cooperation with the government authorities and police to tackle the illegal 4D betting, which had resulted in 8% growth to the sales of Sports Toto in the previous year. The Company has been actively participating in social media platform and has established a strong digital presence.</p>
<p>Q19.</p>	<p>The Company should consider diversification in food and beverage industry for example Nestle and Dutch Lady which is a necessity to everyone?</p> <p>Why the customers are not given an option to purchase number using mobile apps? Why not extend the business to China and other countries?</p> <p>The Chairman replied that the Company’s main focus is its core business of which to provide pool betting business. Ms Nerine Tan then reiterated that the Company is heavily regulated by MOF and the Company is still awaiting reply from MOF in relation to its request to provide mobile apps services to its customers for purchase of numbers. Moreover, there will be territorial issues if the Group extends its business to China and other countries which are subject to local rules and regulations of the respective countries.</p>
<p>Q20.</p>	<p>Are all the outlets owned and operated by the Company?</p> <p>What is the arrangement in profit sharing?</p> <p>Ms Nerine Tan replied that our Company currently owned 20 outlets and the remaining outlets are managed and operated by individual agents. The profit sharing arrangements between the agents and the Company are confidential.</p>