

Sports Toto Berhad
(Formerly known as Berjaya Sports Toto Berhad)
Company Registration No. : 196901000688 (9109-K)

Date: 21 February 2023

Subject: **UNAUDITED (Q2) INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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SPORTS TOTO BERHAD

(Formerly known as BERJAYA SPORTS TOTO BERHAD)

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group	
	31-12-2022	30-6-2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	468,857	398,261
Right-of-use assets	260,608	297,176
Other investments	83,489	80,868
Investment properties	116,760	116,766
Investment in associated companies	108,409	103,591
Deferred tax assets	25,227	18,284
Retirement benefit assets	25,278	25,294
Intangible assets	711,399	696,603
	1,800,027	1,736,843
Current assets		
Inventories	507,914	401,848
Receivables	552,225	535,966
Contract assets	10,048	4,740
Tax recoverable	13,470	15,596
Short term investments	53,570	-
Deposits, cash and bank balances	538,568	558,830
	1,675,795	1,516,980
Non-current asset classified as held for sale	6,981	6,986
	1,682,776	1,523,966
TOTAL ASSETS	3,482,803	3,260,809
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves	280,824	275,904
Retained earnings	553,833	507,585
Equity funds	969,760	918,592
Less : Treasury shares	(3,029)	(23,626)
Net equity funds	966,731	894,966
Non-controlling interests	63,472	61,926
Total equity	1,030,203	956,892
Non-current liabilities		
Retirement benefit obligations	474	455
Borrowings	967,999	963,534
Deferred tax liabilities	35,375	29,762
Lease liabilities	178,834	212,722
Contract liabilities	-	84
Other long term liabilities	36,744	36,031
	1,219,426	1,242,588
Current liabilities		
Provisions	2,101	15,205
Borrowings	341,192	274,212
Payables	494,048	420,099
Contract liabilities	314,922	292,069
Lease liabilities	30,186	36,410
Tax payable	50,725	23,334
	1,233,174	1,061,329
Total liabilities	2,452,600	2,303,917
TOTAL EQUITY AND LIABILITIES	3,482,803	3,260,809
Net assets per share (RM)	0.72	0.67

Note:

The net assets per share is calculated based on the following:

Net equity funds divided by the number of shares in issue with voting rights.

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

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Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period			Cumulative Period		
	3-Month 1-10-2022 to 31-12-2022 RM'000	3-Month 1-10-2021 to 31-12-2021 RM'000	+/<-> %	6-Month 1-7-2022 to 31-12-2022 RM'000	6-Month 1-7-2021 to 31-12-2021 RM'000	+/<-> %
Revenue	1,408,159	1,245,371	13.1	2,827,261	2,042,944	38.4
Profit from operations	95,043	87,275	8.9	204,367	85,118	140.1
Investment related income	14,956	4,744	215.3	23,844	9,514	150.6
Investment related expenses	-	(212)	(100.0)	-	(542)	(100.0)
Finance costs	(18,628)	(15,332)	21.5	(34,860)	(30,473)	14.4
Share of results of associated companies	4,598	3,318	38.6	8,813	3,772	133.6
Profit before tax	95,969	79,793	20.3	202,164	67,389	200.0
Income tax expenses	(30,634)	(24,644)	24.3	(63,849)	(27,101)	135.6
Profit for the period	65,335	55,149	18.5	138,315	40,288	243.3
Profit attributable to:						
Owners of the parent	64,855	53,261	21.8	136,354	35,594	283.1
Non-controlling interests	480	1,888	(74.6)	1,961	4,694	(58.2)
	65,335	55,149	18.5	138,315	40,288	243.3
Earnings per share (sen)						
Attributable to owners of the parent						
- Basic	4.81	3.97		10.15	2.65	
Dividend per share (sen)						
- First interim	-	-		2.0	1.0	
- Second interim	2.5	1.0		2.5	1.0	

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

SPORTS TOTO BERHAD

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Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period			Cumulative Period		
	3-Month 1-10-2022 to 31-12-2022 RM'000	3-Month 1-10-2021 to 31-12-2021 RM'000	+/<-> %	6-Month 1-7-2022 to 31-12-2022 RM'000	6-Month 1-7-2021 to 31-12-2021 RM'000	+/<-> %
Profit for the period	65,335	55,149	18.5	138,315	40,288	243.3
Other comprehensive items:						
<u>Items that may be reclassified subsequently to profit or loss</u>						
Foreign currency translation	(1,251)	(4,865)	(74.3)	(4,712)	(29,505)	(84.0)
Share of an associated company's currency translation differences	416	(333)	N/A	115	(503)	N/A
<u>Item that will not be reclassified subsequently to profit or loss</u>						
Net changes in fair value of investments classified as fair value through other comprehensive income ("FVTOCI")	5,443	857	535.1	8,737	8,815	(0.9)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	69,943	50,808	37.7	142,455	19,095	646.0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	63,395	48,901	29.6	140,909	17,031	727.4
Non-controlling interests	6,548	1,907	243.4	1,546	2,064	(25.1)
	69,943	50,808	37.7	142,455	19,095	646.0

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Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent									
	Non-distributable					Distributable		Total to owners of parent company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	FVTOCI reserve RM'000	Capital reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000			
As at 1 July 2022	135,103	(23,626)	92,516	(37,362)	285,306	(64,556)	507,585	894,966	61,926	956,892
Profit for the period	-	-	-	-	-	-	136,354	136,354	1,961	138,315
Other comprehensive income for the period	-	-	(3,216)	7,771	-	-	-	4,555	(415)	4,140
Total comprehensive income for the period	-	-	(3,216)	7,771	-	-	136,354	140,909	1,546	142,455
Effects arising from disposal of investments at FVTOCI	-	-	-	365	-	-	(365)	-	-	-
Transactions with owners:										
Dividend	-	-	-	-	-	-	(67,169)	(67,169)	-	(67,169)
Purchase of treasury shares	-	(1,975)	-	-	-	-	-	(1,975)	-	(1,975)
Distribution of share dividend	-	22,572	-	-	-	-	(22,572)	-	-	-
	-	20,597	-	-	-	-	(89,741)	(69,144)	-	(69,144)
As at 31 December 2022	135,103	(3,029)	89,300	(29,226)	285,306	(64,556)	553,833	966,731	63,472	1,030,203
As at 1 July 2021	135,103	(18,631)	126,660	(50,825)	285,306	(59,397)	393,106	811,322	63,783	875,105
Profit for the period	-	-	-	-	-	-	35,594	35,594	4,694	40,288
Other comprehensive income for the period	-	-	(26,558)	7,995	-	-	-	(18,563)	(2,630)	(21,193)
Total comprehensive income for the period	-	-	(26,558)	7,995	-	-	35,594	17,031	2,064	19,095
Effects arising from disposal of investments at FVTOCI	-	-	-	373	-	-	(373)	-	-	-
Transaction with owners:										
Distribution of dividends	-	-	-	-	-	-	(13,419)	(13,419)	-	(13,419)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	(5,432)	-	(5,432)	(2,164)	(7,596)
	-	-	-	-	-	(5,432)	(13,419)	(18,851)	(2,164)	(21,015)
As at 31 December 2021	135,103	(18,631)	100,102	(42,457)	285,306	(64,829)	414,908	809,502	63,683	873,185

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

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**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6-Month Financial period ended 31-12-2022 RM'000	6-Month Financial period ended 31-12-2021 RM'000
OPERATING ACTIVITIES		
Receipts from customers	3,029,025	2,215,101
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(2,889,262)	(2,210,269)
Other receipts	2,052	5,186
Net cash from operating activities	141,815	10,018
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	328	1,248
Proceeds from disposal of long term investments	4,737	11,705
Acquisition of property, plant and equipment	(85,089)	(85,701)
Acquisition of additional equity interest in an associated company	(3,891)	(7,596)
Acquisition of additional equity interest in a subsidiary company	-	(2,848)
Acquisition of short term investments	(40,000)	-
Dividend received	3,342	4,768
Interest received	10,915	1,246
Net repayment from associated companies by a foreign subsidiary company	198	1,766
Other receipts arising from investments	552	326
Net cash used in investing activities	(108,908)	(75,086)
FINANCING ACTIVITIES		
Treasury shares acquired	(1,975)	-
Drawdown of borrowings	77,717	175,779
Repayment of borrowings	(5,710)	(32,907)
Payment of hire purchase liabilities	(199)	(232)
Payment of lease liabilities	(20,783)	(17,565)
Net repayment to an associated company by a foreign subsidiary company	(892)	(4,474)
Dividends paid to shareholders of the Company	(66,965)	(20,128)
Interest paid	(34,706)	(30,279)
Net cash (used in)/from financing activities	(53,513)	70,194
NET CHANGE IN CASH AND CASH EQUIVALENTS	(20,606)	5,126
CASH & CASH EQUIVALENTS AT 1 JULY	556,942	363,624
Effects of exchange rate changes	331	(2,894)
CASH & CASH EQUIVALENTS AT 31 DECEMBER	536,667	365,856
	Financial period ended 31-12-2022 RM'000	Financial period ended 31-12-2021 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	157,766	114,749
Deposits with financial institutions	380,802	251,238
	538,568	365,987
Excluding : Cash and cash equivalents restricted for use	(1,901)	(131)
	536,667	365,856

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**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
NOTES TO THE INTERIM FINANCIAL REPORT**

A1 The condensed consolidated interim financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia, International Accounting Standards 34 - Interim Financial Reporting, the Companies Act 2016 in Malaysia and applicable disclosure provision of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2022 except for the adoption of the new or revised standards and amendments to standards.

The Group has not early adopted new or revised standards or amendments to standards that have been issued but not yet effective for the accounting period beginning 1 July 2022.

The initial application of the MFRSs, Amendments to MFRSs and Annual Improvements to MFRSs, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

A2 Our business operations are not significantly affected by seasonal or cyclical factors except for our toto betting operations that may be positively impacted by the festive seasons.

A3 There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the financial period ended 31 December 2022.

There were no changes in estimates reported in the prior financial year that had a material effect in the current financial period ended 31 December 2022.

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial period ended 31 December 2022.

The number of treasury shares held in hand as at 31 December 2022 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2022	2.03	11,658,072	23,626
Distribution of treasury shares as share dividend	(2.03)	(11,137,870)	(22,572)
Increase in treasury shares	1.80	1,100,000	1,975
Total treasury shares as at 31 December 2022	1.87	1,620,202	3,029

As at 31 December 2022, the number of outstanding shares in issue with voting rights was 1,349,409,870 ordinary shares (31 December 2021 : 1,341,900,000 ordinary shares).

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UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
NOTES TO THE INTERIM FINANCIAL REPORT

A5 During the current period ended 31 December 2022 and up to the date of this report, the Company paid and distributed the following dividends:

- (a) third interim dividend on 22 July 2022, in respect of financial year ended 30 June 2022, of 2.0 sen per share on 1,339,372,000 ordinary shares with voting rights amounting to RM26,787,440.
- (b) fourth interim dividend on 21 October 2022, in respect of financial year ended 30 June 2022:
- (i) 3.0 sen cash dividend per share on 1,339,372,000 ordinary shares with voting rights amounting to RM40,181,160;
- (ii) share dividend equivalent to 1.7 sen per share, via distribution of 11,137,870 treasury shares on the basis of 1 treasury share for every 120 ordinary shares held, credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd. The book cost of the share dividend was RM22,572,118; and
- (c) first interim dividend on 20 January 2023, in respect of financial year ending 30 June 2023, of 2.0 sen per share on 1,349,409,870 ordinary shares with voting rights amounting to RM26,988,197.

A6 Segmental revenue and results for the current financial period ended 31 December 2022 were as follows:

REVENUE

	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting	1,458,168	-	1,458,168
Motor dealership	1,314,634	133	1,314,767
Others	54,459	2,882	57,341
Elimination : Intersegment Revenue	-	(3,015)	(3,015)
	<u>2,827,261</u>	<u>-</u>	<u>2,827,261</u>

RESULTS

	Total RM'000
Toto betting	197,777
Motor dealership	17,639
Others	(3,571)
	<u>211,845</u>
Unallocated corporate expenses	(7,478)
Profit from operations	<u>204,367</u>
Interest income	10,018
Investment related income (other than interest income)	13,826
Finance costs	(34,860)
Share of results of associated companies	<u>8,813</u>
Profit before tax	202,164
Income tax expenses	(63,849)
Profit for the period	<u><u>138,315</u></u>

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UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current period under review that have not been reflected in the financial statements for this current financial period under review.
- A8 There were no changes in the composition of the Group for the current period ended 31 December 2022 up to the date of this report including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:
- (a) The Group has struck off the following dormant wholly-owned subsidiary companies from the respective country Registrar of Companies and dissolved accordingly:
- London Lotus Centre Limited in United Kingdom, dissolved on 26 July 2022;
 - H.R. Owen Leasing Limited, H.R. Owen Motor Dealerships Limited, H.R. Owen Motor Properties Limited and H.R. Owen Vehicle Leasing company Limited in United Kingdom, dissolved on 9 August 2022;
 - Netprofit.com Limited in United Kingdom, dissolved on 20 September 2022; and
 - FEAB Equity Sdn Bhd in Malaysia, dissolved on 8 November 2022.
- (b) On 31 August 2022, H.R. Owen Plc, a subsidiary company of the Group, acquired two (2) wholly-owned subsidiary companies namely H.R. Owen Servicing And Repairs Limited (formerly known as Joe Macari Servicing Limited) and J M Developments (UK) Limited for a total consideration of £3.0 million (equivalent to approximately RM15.6 million). An initial sum of £750,000 (equivalent to approximately RM3.9 million) was paid during the current period and the remaining sum to be paid over 3 years from the date of completion. The principal activities of the subsidiary companies are maintenance and repair of motor vehicles and property investment respectively.
- (c) On 1 November 2022, the Company announced the creditors' voluntary winding-up of its wholly-owned subsidiary companies namely Sports Toto Apparel Sdn Bhd ("STA") and Sports Toto Products Sdn Bhd ("STP"), pursuant to Section 440(1) of the Companies Act 2016. Both STA and STP have ceased operations and are currently dormant.
- (d) On 21 December 2022, Berjaya Philippines Inc. ("BPI"), a 88.26% owned subsidiary company of the group disposed of a total of 9,600,000 ordinary shares in REDtone Digital Berhad ("REDtone") representing 1.24% equity interest in REDtone for a total cash consideration of Peso60.2 million (equivalent to RM4.8 million). Following the disposal, BPI retains 15,832,000 REDtone shares, representing 2.05% equity interests in REDtone.
- A9 There were no significant changes in contingent liabilities since the last annual reporting date as at 30 June 2022.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2022.

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**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The Group's core business is in the number forecast operation ("NFO") which includes toto betting and other related ancillary businesses. The Group also has strategic investments in auto retailing and provision of aftersales services and hospitality sector. The key factors (other than general economic conditions) affecting the performance of the operations of the core business in the Group are disposable income of the general public, Jackpot cycles, luck factor, illegal gaming operations and the number of draws in the current year whilst auto retailing business is affected by the trend as well as supply chain in prestige and specialist cars in the United Kingdom.

The summary results of the Group are as follows:

	3-Month		+/<-> %
	1-10-2022 to 31-12-2022 RM'000	1-10-2021 to 31-12-2021 RM'000	
Revenue	<u>1,408,159</u>	<u>1,245,371</u>	13.1
Profit from operations	<u>95,043</u>	<u>87,275</u>	8.9
Profit before tax	<u>95,969</u>	<u>79,793</u>	20.3

Review of Results for the Current Quarter Vs Same Quarter of Previous Year

The Group recorded an increase in revenue and pre-tax profit of 13.1% and 20.3% respectively, as compared to the previous year corresponding quarter ended 31 December 2021. This was primarily due to improved results reported by the Group's principal subsidiary company, STM Lottery Sdn Bhd ("STM Lottery").

STM Lottery recorded increase in revenue and pre-tax profit of 28.4% and 29.6% respectively in the current quarter under review. Its revenue growth attained was mainly attributed to strong sales from 4D Jackpot game and higher number of draws conducted, forty eight (48) draws were conducted in the current quarter compared to only forty five (45) draws in the previous year corresponding quarter. The higher pre-tax profit attained by STM Lottery was in line with its revenue growth.

As compared to the previous year corresponding quarter, H.R. Owen registered a slight increase in revenue of 1.7%. However, with the unfavourable foreign exchange effect, it reported a drop in revenue of 2.7% when converted to Ringgit Malaysia, being the reporting currency of the Group. Notwithstanding revenue was relatively on par, H.R. Owen incurred a pre-tax loss of RM0.8 million in the current quarter as opposed to pre-tax profit of RM14.9 million in last year same quarter. This was mainly attributed to the previous year corresponding quarter benefitted from better profit margin generated consequent to stronger used car market due to new car supply shortage as well as government relief received in last year. In addition, the current quarter incurred higher operating costs with inflationary pressures as well as UK interest rates hike impact on the higher stocking loan drawdown in the current quarter under review.

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ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the 6-month Period ended 31 December 2022**

The summary results of the Group are as follows:

	6-Month		
	1-7-2022 to 31-12-2022 RM'000	1-7-2021 to 31-12-2021 RM'000	
Revenue	<u>2,827,261</u>	<u>2,042,944</u>	38.4
Profit from operations	<u>204,367</u>	<u>85,118</u>	140.1
Profit before tax	<u>202,164</u>	<u>67,389</u>	200.0

For the current 6-month period ended 31 December 2022, the Group reported an increase in revenue of 38.4% mainly attributed to revenue growth attained by STM Lottery. The Group's pre-tax profit increased by 200.0% in the current quarter under review mainly contributed by STM Lottery but partly set off by lower results reported by H.R. Owen as explained in the ensuing paragraphs.

As compared to the previous year corresponding period, STM Lottery's revenue and pre-tax profit increased by 119.7% and 325.7% respectively. The significant increase in revenue and pre-tax profit were mainly attributed to the full resumption of business operation in the current period ended 31 December 2022 whilst the previous corresponding period business operations were disrupted by the imposition of nationwide lockdown from 1 June 2021 to 13 September 2021 resulting in the cancellation of thirty seven (37) draws during that period.

H.R. Owen's revenue was higher by 4.5% in the current period as compared to the previous year corresponding period. However, when converted to Ringgit Malaysia, the revenue dropped by 2.4% mainly due to the unfavourable foreign exchange effect. In spite of the increase in revenue, H.R. Owen reported a 73.0% drop in pre-tax profit to RM10.9 million from RM40.1 million recorded in the previous year corresponding period. This was mainly due to the first half of previous year benefitted from the exceptional performance of the used car sector arising from the supply shortage in the new car market as well as government relief received in last year. The higher operating costs as well as higher interest expenses incurred partly due to interest rate hike in the current period under review have also negatively impacted the profit generated by HR Owen.

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ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B2 Review of 2nd Quarter's Results Vs 1st Quarter's Results of financial year ending 30 June 2023**

	3-month		+/<-> %
	1-10-2022 to 31-12-2022 RM'000	1-7-2022 to 30-9-2022 RM'000	
Revenue	<u>1,408,159</u>	<u>1,419,102</u>	(0.8)
Profit from operations	<u>95,043</u>	<u>109,324</u>	(13.1)
Profit before tax	<u>95,969</u>	<u>106,195</u>	(9.6)

The Group recorded a marginal drop in revenue by 0.8% compared to the preceding quarter mainly due to lower revenue reported by H.R. Owen but mitigated by higher revenue contributed by STM Lottery in the current quarter ended 31 December 2022. The Group's pre-tax profit decreased by 9.6% mainly due to lower results reported by both STM Lottery and H.R. Owen as explained in the ensuing paragraphs.

As compared to the preceding quarter, STM Lottery recorded an increase in revenue of 7.9%, mainly driven by higher number of draws conducted as well as higher accumulated jackpot prizes. There were forty eight (48) draws in the current quarter as opposed to forty six (46) draws in the preceding quarter. In spite of the increase in revenue, STM Lottery registered a drop in pre-tax profit of 4.1% mainly due to higher prize payout in the current quarter.

H.R. Owen's revenue decreased by 10.1% to RM622.5 million in the current quarter from RM692.3 million as reported in the preceding quarter. The drop in revenue was mainly due to lower number of units of car sold from both new and used car sectors, partly resulted from delay in supply of certain car models and the gap pending new models launches in the coming periods. H.R. Owen incurred a pre-tax loss of RM0.8 million as opposed to pre-tax profit of RM11.7 million in the preceding quarter. The pre-tax loss incurred in the current quarter was in tandem with the drop in revenue as well as lower profit margin earned particularly from the used car sector.

SPORTS TOTO BERHAD**(Formerly known as BERJAYA SPORTS TOTO BERHAD)**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B3 Future Prospects**

Stepping into 2023, Malaysia's economy is expected to moderate as the growth environment faces more global headwinds arising from inflationary pressures, rising interest rates, and lingering geo-political tensions. The NFO industry in Malaysia continues to be vigilant amidst the new political landscape and to carefully navigate through changes in the local government policies. Nevertheless, the management is cautiously optimistic that the recovery in consumer spending, influx of tourism-related activities and rebound of export trade will continue to support economic growth. The Group will remain vigilant and continue to monitor the resultant financial impact to operations from the global and local political and economic development particularly in these countries that the Group has operations.

The Directors cautiously anticipate that the Group's businesses will remain encouraging and steadfast, particularly with the resilient nature of the NFO business as noted in the past economic crises and turbulent periods. Barring any unforeseen circumstances, the Directors are confident that it will continue its lead in terms of market share in the NFO business for the financial year ending 30 June 2023.

B4 There was no profit forecast or profit guarantee given by the Group for the financial year under review.

B5 Taxation

	Current quarter RM'000	Period ended 31 December 2022 RM'000
<u>Based on the results for the current quarter</u>		
- Malaysian income tax	26,143	63,750
- Foreign country income tax	19	4,279
Deferred tax		
- Origination and reversal of temporary differences	4,472	(4,180)
	<u>30,634</u>	<u>63,849</u>

The disproportionate tax charge of the Group for the current period ended 31 December 2022 was mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

B6 There were no corporate proposals announced but not completed as at the date of this announcement.

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B7 The Group's borrowings as at 31 December 2022 were as follows:

	Foreign currency amount	At end of current period
<u>Secured</u>	'000	RM'000
<u>Long term borrowings</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		798,902
Term loan - Denominated in Ringgit Malaysia		3,780
Term loans - Denominated in Philippine Peso	57,292 *	4,533
Term loans - Denominated in Great Britain Pound	20,658 *	110,254
Revolving credit - Denominated in Ringgit Malaysia		50,000
Hire purchase payable - Denominated in Ringgit Malaysia		530
Total long term borrowings		<u>967,999</u>
<u>Short term borrowings</u>		
Term loan - Denominated in Ringgit Malaysia		1,890
Term loans - Denominated in Philippine Peso	132,500 *	10,488
Term loan - Denominated in Great Britain Pound	927 *	4,948
Vehicle stocking loans - Denominated in Great Britain Pound	60,629 *	323,590
Hire purchase payable - Denominated in Ringgit Malaysia		276
Total short term borrowings		<u>341,192</u>
Total borrowings		<u>1,309,191</u>

* Converted at the respective exchange rates prevailing as at 31 December 2022

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

B9 The Board has declared a second interim dividend of 2.5 sen per share (Financial year 2022 : second interim dividend of 1 sen per share) in respect of financial year ending 30 June 2023 and payable on 21 April 2023. The entitlement date has been fixed on 5 April 2023.

Based on 1.35 billion fully paid ordinary shares in issue with voting rights as at 20 February 2023, the second interim dividend distribution for the financial year ending 30 June 2023 will amount to RM33.74 million. With this, the total dividend distribution for the financial period ended 31 December 2022 is approximately RM60.7 million.

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B10 The earnings per share is calculated by dividing profit attributable to owners of the parent of the Company by the weighted average number of ordinary shares with voting rights as follows:

	Group	
	<u>3-month period</u>	<u>3-month period</u>
	1-10-2022 to 31-12-2022	1-10-2021 to 31-12-2021
Profit attributable to owners of the parent (RM'000)	64,855	53,261
Weighted average number of shares with voting rights ('000)	1,347,396	1,341,900
Basic earnings per share (sen)	4.81	3.97

	Group	
	<u>6-month period</u>	<u>6-month period</u>
	1-7-2022 to 31-12-2022	1-7-2021 to 31-12-2021
Profit attributable to owners of the parent (RM'000)	136,354	35,594
Weighted average number of shares with voting rights ('000)	1,343,384	1,341,900
Basic earnings per share (sen)	10.15	2.65

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

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

	Current quarter RM'000	Financial period ended 31 December 2022 RM'000
Interest income	(5,476)	(10,018)
Other income excluding dividend and interest income	(3,942)	(6,621)
Depreciation of property, plant and equipment	6,260	13,732
Depreciation of right-of-use assets	10,355	20,389
Amortisation of intangible assets	198	389
Fair value gain on investments at FVTPL	(9,015)	(13,361)
Foreign exchange gain (net)	(1,130)	(54)
Reversal of allowance for impairment on receivables (net)	(36)	(279)
Provision for write down of inventories (net)	2,073	4,923