

Sports Toto Berhad

Company Registration No. : 196901000688 (9109-K)

Date: 23 February 2024

Subject: **UNAUDITED (Q2) INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2023**

<u>Table of contents</u>	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Profit or Loss	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Interim Financial Report	6 - 8
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	9 - 14

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group	
	31-12-2023	(Audited) 30-6-2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	606,149	622,911
Right-of-use assets	203,509	223,168
Other investments	122,190	124,230
Investment properties	117,304	117,419
Investment in associated companies	129,334	125,723
Deferred tax assets	26,771	33,030
Retirement benefit assets	37,682	38,082
Intangible assets	726,955	729,284
	<u>1,969,894</u>	<u>2,013,847</u>
Current assets		
Inventories	596,099	652,067
Receivables	711,741	613,386
Contract assets	4,148	15,789
Tax recoverable	8,692	8,231
Deposits, cash and bank balances	524,982	632,827
	<u>1,845,662</u>	<u>1,922,300</u>
TOTAL ASSETS	<u>3,815,556</u>	<u>3,936,147</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves	344,199	364,773
Retained earnings	600,793	588,097
Equity funds	<u>1,080,095</u>	<u>1,087,973</u>
Less : Treasury shares	(42,116)	(15,864)
Net equity funds	<u>1,037,979</u>	<u>1,072,109</u>
Non-controlling interests	<u>70,083</u>	<u>70,925</u>
Total equity	<u>1,108,062</u>	<u>1,143,034</u>
Non-current liabilities		
Retirement benefit obligations	454	439
Borrowings	912,148	959,002
Deferred tax liabilities	39,339	39,738
Lease liabilities	167,281	184,833
Other long term liabilities	46,650	55,182
	<u>1,165,872</u>	<u>1,239,194</u>
Current liabilities		
Provisions	4,367	12,130
Borrowings	599,345	560,128
Payables	563,293	575,775
Contract liabilities	319,390	357,182
Lease liabilities	29,525	30,609
Tax payable	25,702	18,095
	<u>1,541,622</u>	<u>1,553,919</u>
Total liabilities	<u>2,707,494</u>	<u>2,793,113</u>
TOTAL EQUITY AND LIABILITIES	<u>3,815,556</u>	<u>3,936,147</u>
Net assets per share (RM)	0.78	0.80

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.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period			Cumulative Period		
	3-Month 1-10-2023 to 31-12-2023 RM'000	3-Month 1-10-2022 to 31-12-2022 RM'000	+/<-> %	6-Month 1-7-2023 to 31-12-2023 RM'000	6-Month 1-7-2022 to 31-12-2022 RM'000	+/<-> %
Revenue	1,368,058	1,408,159	(2.8)	2,962,935	2,827,261	4.8
Profit from operations	64,152	95,043	(32.5)	167,090	204,367	(18.2)
Investment related income	7,794	14,956	(47.9)	15,275	23,844	(35.9)
Finance costs	(24,783)	(18,628)	33.0	(50,154)	(34,860)	43.9
Share of results of associated companies	952	4,598	(79.3)	5,708	8,813	(35.2)
Profit before tax	48,115	95,969	(49.9)	137,919	202,164	(31.8)
Income tax expenses	(25,407)	(30,634)	(17.1)	(54,228)	(63,849)	(15.1)
Profit for the period	22,708	65,335	(65.2)	83,691	138,315	(39.5)
Profit attributable to:						
Owners of the parent	24,217	64,855	(62.7)	84,382	136,354	(38.1)
Non-controlling interests	(1,509)	480	N/A	(691)	1,961	N/A
	22,708	65,335	(65.2)	83,691	138,315	(39.5)
Earnings per share (sen)						
Attributable to owners of the parent						
- Basic	1.83	4.81		6.36	10.15	
Dividend per share (sen)						
- First interim - cash dividend	-	-		-	2.0	
- First interim - share dividend	-	-		3.0	-	
- Second interim - cash dividend	2.0	2.5		2.0	2.5	

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period			Cumulative Period		
	3-Month 1-10-2023 to 31-12-2023 RM'000	3-Month 1-10-2022 to 31-12-2022 RM'000	+/<-> %	6-Month 1-7-2023 to 31-12-2023 RM'000	6-Month 1-7-2022 to 31-12-2022 RM'000	+/<-> %
Profit for the period	22,708	65,335	(65.2)	83,691	138,315	(39.5)
Other comprehensive items:						
<u>Items that may be reclassified subsequently to profit or loss</u>						
Foreign currency translation	(46)	(1,251)	(96.3)	(21,280)	(4,712)	351.6
Share of an associated company's currency translation differences	16	416	(96.2)	817	115	610.4
<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")	(2,135)	5,443	N/A	718	8,737	(91.8)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20,543	69,943	(70.6)	63,946	142,455	(55.1)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	19,411	63,395	(69.4)	64,788	140,909	(54.0)
Non-controlling interests	1,132	6,548	(82.7)	(842)	1,546	N/A
	20,543	69,943	(70.6)	63,946	142,455	(55.1)

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

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 2023	135,103	(15,864)	177,710	(33,687)	285,306	(64,556)	588,097	1,072,109	70,925	1,143,034
Profit for the period	-	-	-	-	-	-	84,382	84,382	(691)	83,691
Other comprehensive income for the period	-	-	(20,399)	805	-	-	-	(19,594)	(151)	(19,745)
Total comprehensive income for the period	-	-	(20,399)	805	-	-	84,382	64,788	(842)	63,946
Effects arising from disposal of investments at FVTOCI	-	-	-	(980)	-	-	980	-	-	-
Transactions with owners:										
Dividends	-	-	-	-	-	-	(72,666)	(72,666)	-	(72,666)
Purchase of treasury shares	-	(26,252)	-	-	-	-	-	(26,252)	-	(26,252)
	-	(26,252)	-	-	-	-	(72,666)	(98,918)	-	(98,918)
As at 31 December 2023	135,103	(42,116)	157,311	(33,862)	285,306	(64,556)	600,793	1,037,979	70,083	1,108,062
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:										
Dividends	-	-	-	-	-	-	(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

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6-Month Financial period ended 31-12-2023 RM'000	6-Month Financial period ended 31-12-2022 RM'000
OPERATING ACTIVITIES		
Receipts from customers	3,085,548	3,029,025
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(3,017,456)	(2,889,262)
Other (payments)/receipts	185	2,052
Net cash from operating activities	68,277	141,815
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	86	328
Proceeds from disposal of long term investments	15,732	4,737
Partial payment for acquisition of subsidiary companies	(3,722)	(3,891)
Acquisition of property, plant and equipment	(13,604)	(85,089)
Acquisition of long term investments	(15,331)	-
Acquisition of short term investments	-	(40,000)
Payment for other intangible assets	(712)	-
Dividend received	736	3,342
Interest received	5,694	10,915
Net repayment from associated companies by a foreign subsidiary company	331	198
Other receipts arising from investments	328	552
Net cash used in investing activities	(10,462)	(108,908)
FINANCING ACTIVITIES		
Treasury shares acquired	(26,252)	(1,975)
Drawdown of borrowings	13,199	77,717
Repayment of borrowings	(14,105)	(5,710)
Payment of hire purchase liabilities	(150)	(199)
Payment of lease liabilities	(20,826)	(20,783)
Net repayment to an associated company by a foreign subsidiary company	(4,346)	(892)
Dividends paid to shareholders of the Company	(59,933)	(66,965)
Interest paid	(50,520)	(34,706)
Net cash used in financing activities	(162,933)	(53,513)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(105,118)	(20,606)
CASH & CASH EQUIVALENTS AT 1 JULY	632,691	558,710
Effects of exchange rate changes	(2,620)	331
CASH & CASH EQUIVALENTS AT 31 DECEMBER	524,953	538,435
	Financial period ended 31-12-2023 RM'000	Financial period ended 31-12-2022 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	125,048	157,766
Deposits with financial institutions	399,934	380,802
	524,982	538,568
Excluding : Cash and cash equivalents restricted for use	(29)	(133)
	524,953	538,435

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
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 2023. 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 2023.

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 2023 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 year beginning 1 July 2023.

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 2023.

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 2023.

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 2023.

The details of the share buy-back are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
July 2023	1.42	1.55	1.51	8,430,000	12,751
September 2023	1.47	1.58	1.54	7,160,000	11,024
October 2023	1.42	1.50	1.47	1,685,500	2,477
TOTAL			1.52	17,275,500	26,252

The number of treasury shares held in hand as at 31 December 2023 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2023	1.46	10,875,202	15,864
Increase in treasury shares	1.52	17,275,500	26,252
Total treasury shares as at 31 December 2023	1.50	28,150,702	42,116

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
NOTES TO THE INTERIM FINANCIAL REPORT**

A4 As at 31 December 2023, the number of outstanding shares in issue with voting rights was 1,322,879,370 ordinary shares (31 December 2022 : 1,349,409,870 ordinary shares). Subsequent to the financial period ended 31 December 2023, the Company had on 19 January 2024 distributed 26,434,030 treasury shares as share dividend with details as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 31 December 2023	1.50	28,150,702	42,116
Distribution of treasury shares as share dividend	(1.50)	(26,434,030)	(39,548)
Total treasury shares as at 22 February 2024	1.50	1,716,672	2,568

The number of outstanding shares in issue with voting rights as at the date of this report is 1,349,313,400 ordinary shares.

A5 During the current period ended 31 December 2023 and up to the date of this report, the Company paid and distributed the following dividends:

- (a) third interim dividend on 21 July 2023, in respect of financial year ended 30 June 2023, of 2.0 sen per share on 1,340,924,870 ordinary shares with voting rights amounting to RM26.82 million;
- (b) fourth interim dividend on 20 October 2023, in respect of financial year ended 30 June 2023, of 2.5 sen per share on 1,324,714,870 ordinary shares with voting rights amounting to RM33.12 million; and
- (c) first interim dividend on 19 January 2024, in respect of financial year ending 30 June 2024, of share dividend equivalent to approximately 3.0 sen per share, via distribution of 26,434,030 treasury shares on the basis of 1 treasury share for every 50 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 RM39.55 million.

A6 Segmental revenue and results for the current financial period ended 31 December 2023 were as follows:

REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting	1,461,204	-	1,461,204
Motor dealership	1,447,856	147	1,448,003
Others	53,875	2,393	56,268
Elimination : Intersegment Revenue	-	(2,540)	(2,540)
	<u>2,962,935</u>	<u>-</u>	<u>2,962,935</u>

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
NOTES TO THE INTERIM FINANCIAL REPORT****A6 RESULTS**

	Total RM'000
Toto betting	177,062
Motor dealership	2,978
Others	(6,264)
	<u>173,776</u>
Unallocated corporate expenses	(6,686)
Profit from operations	<u>167,090</u>
Interest income	14,506
Investment related income (other than interest income)	769
Finance costs	(50,154)
Share of results of associated companies	5,708
Profit before tax	<u>137,919</u>
Income tax expenses	(54,228)
Profit for the period	<u><u>83,691</u></u>

- A7 There were no significant events subsequent to the end of this current quarter that have not been reflected in the financial statements for the current quarter under review.
- A8 There were no changes in the composition of the Group for the current period ended 31 December 2023 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) On 17 July 2023, the Company announced the voluntary winding-up of its wholly-owned subsidiary companies namely Sports Toto Apparel Sdn Bhd and Sports Toto Products Sdn Bhd were completed.
- (b) On 29 August 2023, the following dormant subsidiary companies of the Group were dissolved:
- Heathrow Limited;
 - H.R. Owen Investments Limited; and
 - Malaya Dealerships Limited.
- A9 There were no significant changes in contingent liabilities since the last annual reporting date as at 30 June 2023.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2023.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023 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 period whilst auto retailing business is affected by the automotive trend, supply chain in prestige and specialist cars as well as economic conditions in the United Kingdom ("UK").

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

The summary results of the Group are as follows:

	3-Month		+/-<-> %
	1-10-2023 to 31-12-2023 RM'000	1-10-2022 to 31-12-2022 RM'000	
Revenue	<u>1,368,058</u>	<u>1,408,159</u>	(2.8)
Profit from operations	<u>64,152</u>	<u>95,043</u>	(32.5)
Profit before tax	<u>48,115</u>	<u>95,969</u>	(49.9)

The Group reported a decrease in revenue and pre-tax profit of 2.8% and 49.9% respectively as compared to the previous year corresponding quarter. This was mainly due to the results reported by STM Lottery Sdn Bhd ("STM Lottery") and H.R. Owen Plc ("H.R. Owen") as explained in the ensuing paragraphs.

For the current quarter ended 31 December 2023, STM Lottery reported a drop in revenue of 6.3% primarily due to lesser number of draws conducted (42 draws versus 48 draws in last year corresponding quarter). Its pre-tax profit decreased by 16.5%, mainly attributed to lower sales achieved, higher prize payout coupled with higher operating expenses in the current quarter under review.

H.R. Owen's revenue was down by 4.8% in the current quarter as compared to the previous year corresponding quarter. However, with the favourable foreign exchange effect, it reported an increase in revenue of 2.4% when converted into Ringgit Malaysia, being the reporting currency of the Group. It reported a pre-tax loss of RM15.8 million as compared to RM0.8 million in the last year same quarter. This was mainly due to lower revenue coupled with higher operating expenses incurred resulted from inflationary pressures as well as higher depreciation following the completion and full operation of the Hatfield Centre. Its results were also negatively impacted by higher finance costs incurred arising from interest rate hike and higher stocking loans in the current quarter.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the 6-month Period ended 31 December 2023**

The summary results of the Group are as follows:

	6-Month		+/-<-> %
	1-7-2023 to 31-12-2023 RM'000	1-7-2022 to 31-12-2022 RM'000	
Revenue	<u>2,962,935</u>	<u>2,827,261</u>	4.8
Profit from operations	<u>167,090</u>	<u>204,367</u>	(18.2)
Profit before tax	<u>137,919</u>	<u>202,164</u>	(31.8)

For the current 6-month period ended 31 December 2023, the Group achieved revenue growth of 4.8% mainly contributed by H.R. Owen. However, the Group registered lower pre-tax profit by 31.8% in the current period under review mainly due to lower results reported by H.R. Owen and STM Lottery as explained in the ensuing paragraphs.

Despite conducting fewer draws in the current period (84 draws versus 94 draws in the previous year corresponding period), STM Lottery managed to achieve a slight revenue increase of 0.2%. This growth was attributed to higher sales per draw, driven by improved sales from the higher accumulated jackpot prizes. However, STM Lottery's pre-tax profit decreased by 10.2%, resulted from higher prize payout coupled with higher operating expenses incurred in the current period under review.

H.R. Owen's revenue in the current period was on par with the previous year corresponding period. However, with the favourable foreign exchange effect, revenue was up by 10.1% when converted to Ringgit Malaysia. H.R. Owen reported a pre-tax loss of RM15.5 million as opposed to pre-tax profit of RM10.9 million in the last year same period. This was mainly attributed to higher operating costs incurred resulted from inflationary pressures coupled with higher depreciation following the completion and full operation of the Hatfield Centre, as well as the impact of UK interest rate hike on the higher stocking loans drawdown in the current period under review.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
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 2024**

	3-month		+/-<-> %
	1-10-2023 to 31-12-2023 RM'000	1-7-2023 30-9-2023 RM'000	
Revenue	<u>1,368,058</u>	<u>1,594,877</u>	(14.2)
Profit from operations	<u>64,152</u>	<u>102,938</u>	(37.7)
Profit before tax	<u>48,115</u>	<u>89,804</u>	(46.4)

The Group registered a drop in revenue and pre-tax profit of 14.2% and 46.4% respectively as compared to the preceding quarter. This was mainly due to lower performance reported by STM Lottery and H.R. Owen as explained in the ensuing paragraphs.

As compared to the preceding quarter, STM Lottery recorded a drop in revenue of 5.7% in the current quarter. The higher sales in the preceding quarter benefitted from the higher accumulated jackpot prizes. With the drop in revenue coupled with higher prize payout and higher operating expenses incurred, it registered lower pre-tax profit by 16.4% in the current quarter under review.

H.R. Owen reported lower revenue by 21.4% and a pre-tax loss of RM15.8 million in the current quarter whilst it registered pre-tax profit of RM0.4 million in the preceding quarter. This was mainly due to lower volume of car sold from both new and used car sectors, partly caused by reduced luxury spending against the backdrop of challenging economic conditions in the UK with higher financing cost and also the preceding quarter benefitted from the number plate change month.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023 ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3 Future Prospects

The management is cautiously optimistic that the NFO business in Malaysia will continue its upward trajectory of per draw sales growth driven by favourable consumer spending during the festive period and continued consumer interest in the jackpot games. With the complete closure of our outlets in the following two Northern states, i.e. Kedah and Perlis, we are disheartened by the encroachment of illegal operators in these underserved areas due to absence of legal NFO operators. The management will strive to develop sustainable business models within legislative guidelines to meet the Group's economic, environmental and sustainable goals in serving the communities and nation.

The Directors anticipate that the Group's businesses will remain encouraging and steadfast amid the resilient nature of the NFO business well noted in the past economic crises and turbulent periods. Barring any unforeseen circumstances, the Directors are confident that it will continue to lead in terms of market share in the NFO business for the financial year ending 30 June 2024.

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 2023 RM'000
<u>Based on the results for the current quarter</u>		
- Malaysian income tax	18,388	46,506
- Foreign country income tax	(132)	1,681
Deferred tax		
- Origination and reversal of temporary differences	7,151	6,041
	<u>25,407</u>	<u>54,228</u>

The disproportionate tax charge of the Group for the current period ended 31 December 2023 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.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B7 The Group's borrowings as at 31 December 2023 were as follows:

	Foreign currency amount '000	At end of current period RM'000
<u>Secured</u>		
<u>Long term borrowings</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		679,164
Term loans - Denominated in Great Britain Pound	26,937 *	157,510
Revolving credit - Denominated in Ringgit Malaysia		75,000
Hire purchase payable - Denominated in Ringgit Malaysia		474
Total long term borrowings		<u>912,148</u>
<u>Short term borrowings</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		119,979
Revolving credit - Denominated in Ringgit Malaysia		15,000
Term loans - Denominated in Philippine Peso	107,292 *	8,867
Term loan - Denominated in Great Britain Pound	1,611 *	9,424
Vehicle stocking loans - Denominated in Great Britain Pound	76,235 *	445,780
Hire purchase payable - Denominated in Ringgit Malaysia		295
Total short term borrowings		<u>599,345</u>
Total borrowings		<u><u>1,511,493</u></u>

* Converted at the respective exchange rates prevailing as at 31 December 2023

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 sen per share (Financial year 2023 : second interim dividend of 2.5 sen per share) in respect of financial year ending 30 June 2024 and payable on 19 April 2024. The entitlement date has been fixed on 29 March 2024.

Based on 1.35 billion fully paid ordinary shares in issue and with voting rights as at 22 February 2024, the second interim dividend distribution for the financial year ending 30 June 2024 will amount to RM27.0 million. With this, the total dividend distribution for the financial period ended 31 December 2023 is approximately RM66.6 million.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

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> 1-10-2023 to 31-12-2023	<u>3-month period</u> 1-10-2022 to 31-12-2022
Profit attributable to owners of the parent (RM'000)	<u>24,217</u>	<u>64,855</u>
Weighted average number of shares with voting rights ('000)	<u>1,323,125</u>	<u>1,347,396</u>
Basic earnings per share (sen)	<u>1.83</u>	<u>4.81</u>

	Group	
	<u>6-month period</u> 1-7-2023 to 31-12-2023	<u>6-month period</u> 1-7-2022 to 31-12-2022
Profit attributable to owners of the parent (RM'000)	<u>84,382</u>	<u>136,354</u>
Weighted average number of shares with voting rights ('000)	<u>1,327,571</u>	<u>1,343,384</u>
Basic earnings per share (sen)	<u>6.36</u>	<u>10.15</u>

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 2023 RM'000
Interest income	(7,062)	(14,506)
Other income excluding dividend and interest income	(1,733)	(3,914)
Depreciation of property, plant and equipment	11,340	22,457
Depreciation of right-of-use assets	9,131	18,435
Amortisation of intangible assets	532	1,040
Foreign exchange (gain)/loss (net)	(211)	76
(Reversal)/allowance for impairment on receivables (net)	(295)	153
Provision for write down of inventories (net)	<u>5,319</u>	<u>5,848</u>