

Sports Toto Berhad

Company Registration No. : 196901000688 (9109-K)

Date: 23 August 2023

Subject: **UNAUDITED (Q4) INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 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 - 10
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	11 - 16

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group	
	30-06-2023	(Audited) 30-6-2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	577,801	398,261
Right-of-use assets	268,510	297,176
Other investments	124,230	80,868
Investment properties	117,419	116,766
Investment in associated companies	124,918	103,591
Deferred tax assets	31,029	18,284
Retirement benefit assets	38,082	25,294
Intangible assets	727,595	696,603
	2,009,584	1,736,843
Current assets		
Inventories	644,196	401,848
Receivables	588,298	535,966
Contract assets	15,789	4,740
Tax recoverable	12,044	15,596
Deposits, cash and bank balances	621,021	558,830
	1,881,348	1,516,980
Non-current asset classified as held for sale	-	6,986
	1,881,348	1,523,966
TOTAL ASSETS	3,890,932	3,260,809
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves	364,555	275,904
Retained earnings	584,666	507,585
Equity funds	1,084,324	918,592
Less : Treasury shares	(15,864)	(23,626)
Net equity funds	1,068,460	894,966
Non-controlling interests	70,603	61,926
Total equity	1,139,063	956,892
Non-current liabilities		
Retirement benefit obligations	439	455
Borrowings	959,002	963,534
Deferred tax liabilities	37,494	29,762
Lease liabilities	185,044	212,722
Contract liabilities	-	84
Other long term liabilities	47,932	36,031
	1,229,911	1,242,588
Current liabilities		
Provisions	7,583	15,205
Borrowings	562,207	274,212
Payables	545,927	420,099
Contract liabilities	357,182	292,069
Lease liabilities	30,329	36,410
Tax payable	18,730	23,334
	1,521,958	1,061,329
Total liabilities	2,751,869	2,303,917
TOTAL EQUITY AND LIABILITIES	3,890,932	3,260,809
Net assets per share (RM)	0.80	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.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period			Cumulative Period		
	3-Month 1-4-2023 to 30-06-2023 RM'000	3-Month 1-4-2022 to 30-06-2022 RM'000	+/<-> %	12-Month 1-7-2022 to 30-06-2023 RM'000	12-Month 1-7-2021 to 30-06-2022 RM'000 (Audited)	+/<-> %
Revenue	1,617,181	1,461,134	10.7	6,099,660	5,229,328	16.6
Profit from operations	106,701	95,168	12.1	360,754	313,492	15.1
Investment related income	6,460	4,615	40.0	37,244	18,633	99.9
Investment related expenses	(2,056)	(2,088)	(1.5)	(2,056)	(2,630)	(21.8)
Finance costs	(22,915)	(18,405)	24.5	(79,810)	(64,972)	22.8
Share of results of associated companies	6,829	3,291	107.5	21,004	8,741	140.3
Profit before tax	95,019	82,581	15.1	337,136	273,264	23.4
Income tax expenses	(29,903)	(34,967)	(14.5)	(109,527)	(103,049)	6.3
Profit for the period/year	65,116	47,614	36.8	227,609	170,215	33.7
Profit attributable to:						
Owners of the parent	62,348	46,413	34.3	221,924	160,885	37.9
Non-controlling interests	2,768	1,201	130.5	5,685	9,330	(39.1)
	65,116	47,614	36.8	227,609	170,215	33.7
Earnings per share (sen)						
Attributable to owners of the parent						
- Basic	4.63	3.46		16.49	11.99	
Dividend per share (sen)						
- First interim	-	-		2.0	1.0	
- Second interim	-	-		2.5	1.0	
- Third interim	-	-		2.0	2.0	
- Fourth interim - cash dividend	2.5	3.0		2.5	3.0	
- Fourth interim - share dividend	-	1.7		-	1.7	

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period			Cumulative Period		
	3-Month 1-4-2023 to 30-06-2023 RM'000	3-Month 1-4-2022 to 30-06-2022 RM'000	+/<-> %	12-Month 1-7-2022 to 30-06-2023 RM'000	12-Month 1-7-2021 to 30-06-2022 RM'000 (Audited)	+/<-> %
Profit for the period/year	65,116	47,614	36.8	227,609	170,215	33.7
Other comprehensive items:						
<u>Items that may be reclassified subsequently to profit or loss</u>						
Foreign currency translation	69,664	(6,646)	N/A	87,055	(45,169)	N/A
Share of an associated company's currency translation differences	(505)	(239)	111.3	(445)	(416)	7.0
<u>Items 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")	(4,280)	1,051	N/A	3,853	11,648	(66.9)
Share of associated companies' changes in fair values of FVTOCI investments	19	-	100.0	19	26	(26.9)
Actuarial gain recognised in defined benefit pension scheme	8,741	14,871	(41.2)	8,741	14,848	(41.1)
Tax effect relating to defined benefit pension scheme	(2,185)	(3,717)	(41.2)	(2,185)	(3,712)	(41.1)
Share of other comprehensive items of associated companies	25	17	47.1	25	177	(85.9)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	136,595	52,951	158.0	324,672	147,617	119.9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	133,549	56,885	134.8	315,995	147,423	114.3
Non-controlling interests	3,046	(3,934)	N/A	8,677	194	4,372.7
	136,595	52,951	158.0	324,672	147,617	119.9

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the parent									Total to owners of company RM'000	Non-controlling interests RM'000	Total equity RM'000		
	Non-distributable						Distributable		Total to owners of 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 year	-	-	-	-	-	-	221,924	221,924	5,685	227,609				
Other comprehensive income for the year	-	-	84,975	3,287	-	-	5,809	94,071	2,992	97,063				
Total comprehensive income for the year	-	-	84,975	3,287	-	-	227,733	315,995	8,677	324,672				
Effects arising from disposal of investments at FVTOCI	-	-	-	389	-	-	(389)	-	-	-				
Transactions with owners:														
Dividends	-	-	-	-	-	-	(127,691)	(127,691)	-	(127,691)				
Purchase of treasury shares	-	(14,810)	-	-	-	-	-	(14,810)	-	(14,810)				
Distribution of share dividend	-	22,572	-	-	-	-	(22,572)	-	-	-				
	-	7,762	-	-	-	-	(150,263)	(142,501)	-	(142,501)				
As at 30 June 2023	135,103	(15,864)	177,491	(33,686)	285,306	(64,556)	584,666	1,068,460	70,603	1,139,063				
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 year	-	-	-	-	-	-	160,885	160,885	9,330	170,215				
Other comprehensive income for the year	-	-	(34,144)	10,697	-	-	9,985	(13,462)	(9,136)	(22,598)				
Total comprehensive income for the year	-	-	(34,144)	10,697	-	-	170,870	147,423	194	147,617				
Effects arising from disposal of investments at FVTOCI	-	-	-	2,766	-	-	(2,766)	-	-	-				
Transactions with owners:														
Dividends	-	-	-	-	-	-	(53,625)	(53,625)	-	(53,625)				
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	(5,159)	-	(5,159)	(2,051)	(7,210)				
Purchase of treasury shares	-	(4,995)	-	-	-	-	-	(4,995)	-	(4,995)				
	-	(4,995)	-	-	-	(5,159)	(53,625)	(63,779)	(2,051)	(65,830)				
As at 30 June 2022	135,103	(23,626)	92,516	(37,362)	285,306	(64,556)	507,585	894,966	61,926	956,892				

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12-Month Financial year ended 30-06-2023 RM'000	12-Month Financial year ended 30-06-2022 RM'000 (Audited)
OPERATING ACTIVITIES		
Receipts from customers	6,445,157	5,597,395
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(6,245,479)	(5,326,749)
Other receipts	6,545	9,492
Net cash from operating activities	206,223	280,138
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	8,827	1,202
Proceeds from disposal of long term investments	5,064	23,346
Proceeds from disposal of short term investments	54,133	-
Acquisition of property, plant and equipment	(178,054)	(131,228)
Acquisition of additional equity interest in a subsidiary company	-	(7,210)
Acquisition of additional equity interest in an associated company	-	(2,789)
Acquisition of investments in subsidiary companies	(3,891)	-
Acquisition of long term investments	(39,128)	(274)
Acquisition of short term investments	(40,000)	-
Payment for other intangible assets	-	(79)
Dividend received	6,809	6,919
Interest received	23,623	3,634
Net repayment from associated companies by a foreign subsidiary company	1,244	3,171
Other receipts arising from investments	617	795
Net cash used in investing activities	(160,756)	(102,513)
FINANCING ACTIVITIES		
Treasury shares acquired	(14,810)	(4,995)
Issuance of medium term notes	-	330,000
Repayment of medium term notes	-	(330,000)
Drawdown of borrowings	265,817	206,388
Repayment of borrowings	(21,894)	(8,616)
Payment of hire purchase liabilities	(377)	(463)
Payment of lease liabilities	(44,405)	(35,502)
Net advances from/(repayment to) an associated company by a foreign subsidiary company	9,039	(10,197)
Withdrawals from/(Deposits in) debt service reserve accounts	369	(1,755)
Dividends paid to shareholders of the Company	(127,667)	(46,973)
Interest paid	(79,844)	(68,529)
Net cash (used in)/from financing activities	(13,772)	29,358
NET CHANGE IN CASH AND CASH EQUIVALENTS	31,695	206,983
CASH & CASH EQUIVALENTS AT 1 JULY	556,942	363,624
Effects of exchange rate changes	30,865	(13,665)
CASH & CASH EQUIVALENTS AT 30 JUNE	619,502	556,942
	Financial year ended 30-06-2023 RM'000	Financial year ended 30-06-2022 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	230,715	190,313
Deposits with financial institutions	390,306	368,517
	621,021	558,830
Excluding : Cash and cash equivalents restricted for use	(1,519)	(1,888)
	619,502	556,942

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

SPORTS TOTO BERHAD

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UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 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 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 year 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 year ended 30 June 2023 other than those disclosed below:

Statement of Profit or Loss

	Current quarter RM'000	Year ended 30 June 2023 RM'000
<u>Included under investment related income/(expenses):</u>		
- Fair value changes of investments at fair value through profit or loss ("FVTPL")	(1,070)	13,819
- Fair value adjustments on investment properties	(400)	(400)
- Allowance for impairment in amount due from an associated company	(1,656)	(1,656)

There were no changes in estimates reported in the prior financial year that had a material effect in the current financial year ended 30 June 2023.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**NOTES TO THE INTERIM FINANCIAL REPORT**

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial year ended 30 June 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		
November 2022	1.77	1.80	1.80	1,100,000	1,975
March 2023	1.40	1.46	1.43	1,252,000	1,788
April 2023	1.43	1.43	1.44	50,000	72
June 2023	1.27	1.42	1.38	7,953,000	10,975
TOTAL			1.43	10,355,000	14,810

The number of treasury shares held in hand as at 30 June 2023 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	1.43	10,355,000	14,810
Total treasury shares as at 30 June 2023	1.46	10,875,202	15,864

As at 30 June 2023, the number of outstanding shares in issue with voting rights was 1,340,154,870 ordinary shares (30 June 2022 : 1,339,372,000 ordinary shares).

Subsequent to the financial year ended 30 June 2023 and up to the date of this report, the Company bought back additional shares with details 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
TOTAL			1.51	8,430,000	12,751

The number of treasury shares held in hand as at 22 August 2023 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 30 June 2023	1.46	10,875,202	15,864
Increase in treasury shares	1.51	8,430,000	12,751
Total treasury shares as at 21 August 2023	1.48	19,305,202	28,615

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**NOTES TO THE INTERIM FINANCIAL REPORT**

A5 During the current year ended 30 June 2023 and up to the date of this report, the Company distributed and paid 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 RM26.79 million.
- (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 RM40.18 million; and
- (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 RM22.57 million.
- (c) first interim dividend on 20 January 2023, in respect of financial year ended 30 June 2023, of 2.0 sen per share on 1,349,409,870 ordinary shares with voting rights amounting to RM26.99 million;
- (d) second interim dividend on 21 April 2023, in respect of financial year ended 30 June 2023, of 2.5 sen per share on 1,348,157,870 ordinary shares with voting rights amounting to RM33.70 million; and
- (e) 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.

A6 Segmental revenue and results for the current financial year ended 30 June 2023 were as follows:

REVENUE

	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting	2,831,551	-	2,831,551
Motor dealership	3,092,735	275	3,093,010
Others	175,374	6,395	181,769
Elimination : Intersegment Revenue	-	(6,670)	(6,670)
	<u>6,099,660</u>	<u>-</u>	<u>6,099,660</u>

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**NOTES TO THE INTERIM FINANCIAL REPORT****A6 RESULTS**

	Total RM'000
Toto betting	298,137
Motor dealership	63,177
Others	13,740
	<hr/>
	375,054
Unallocated corporate expenses	(14,300)
	<hr/>
Profit from operations	360,754
Interest income	22,414
Investment related income (other than interest income)	14,830
Investment related expenses	(2,056)
Finance costs	(79,810)
Share of results of associated companies	21,004
	<hr/>
Profit before tax	337,136
Income tax expenses	(109,527)
	<hr/>
Profit for the year	<u>227,609</u>

A7 There were no significant events since the end of the financial year up to the date of this announcement.

A8 There were no changes in the composition of the Group for the current year ended 30 June 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) The Group has struck off the following wholly-owned dormant subsidiary companies from Registrar of Companies of the respective countries 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 year 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. Subsequently on 17 July 2023, the Company further announced that the winding-up of both STA and STP was completed.

SPORTS TOTO BERHAD

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UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023 NOTES TO THE INTERIM FINANCIAL REPORT

A8 (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, the Group retains 15.83 million REDtone shares, representing 2.05% equity interests in REDtone.

(e) On 23 June 2023, the Company announced that Magna Mahsuri Sdn Bhd, a subsidiary company of the Group acquired the following shares:

(i) 17,525,300 ordinary shares representing about 1.58% equity interest in 7-Eleven Malaysia Holdings Berhad ("SEM") for a total cash consideration of about RM34.53 million; and

(ii) 7,463,600 ordinary shares representing about 0.43% equity interest in Berjaya Food Berhad ("BFood") for a total cash consideration of about RM4.25 million.

Following the acquisition, the Group holds a total of about 25.42 million SEM shares representing 2.29% equity interest in SEM and a total of about 7.46 million BFood shares representing about 0.43% equity interest in BFood.

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.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 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 year whilst auto retailing business is affected by the trend as well as supply chain in prestige and specialist cars in the United Kingdom ("UK").

The summary results of the Group are as follows:

	3-Month		+/-<-> %
	1-4-2023 to 30-06-2023 RM'000	1-4-2022 to 30-06-2022 RM'000	
Revenue	<u>1,617,181</u>	<u>1,461,134</u>	10.7
Profit from operations	<u>106,701</u>	<u>95,168</u>	12.1
Profit before tax	<u>95,019</u>	<u>82,581</u>	15.1

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

The Group's revenue and pre-tax profit increased by 10.7% and 15.1% respectively, as compared to the previous year corresponding quarter ended 30 June 2022. This was mainly due to the better performance reported by H.R. Owen Plc ("H.R. Owen") but partially set off by lower results from STM Lottery Sdn Bhd ("STM Lottery").

For the current quarter ended 30 June 2023, STM Lottery reported higher average revenue per draw as compared to the previous year corresponding quarter. However, the total revenue in the current quarter was lower by 2.5% mainly attributed to lesser number of draws conducted in the current quarter (40 draws versus 42 draws in last year corresponding quarter). It reported a drop in pre-tax profit of 16.0% which is in line with the lower revenue attained coupled with higher operating expenses incurred in the current quarter under review.

H.R. Owen achieved revenue growth of 18.1% due to improved sales from both new and used car sectors coupled with favourable foreign exchange effect during the current quarter under review. The 105.9% increase in H.R. Owen's pre-tax profit to RM22.8 million from RM11.1 million reported in the previous year corresponding quarter was due to lower restoration costs incurred as compared to the amounts that had been provided for as well as lower lease related expenses incurred in the current quarter following the relocation of certain showrooms and aftersales service sites to the Hatfield Centre.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the Year ended 30 June 2023**

The summary results of the Group are as follows:

	12-Month		
	1-7-2022 to 30-06-2023 RM'000	1-7-2021 to 30-06-2022 RM'000	
Revenue	<u>6,099,660</u>	<u>5,229,328</u>	16.6
Profit from operations	<u>360,754</u>	<u>313,492</u>	15.1
Profit before tax	<u>337,136</u>	<u>273,264</u>	23.4

For the current year ended 30 June 2023, the Group's revenue increased by 16.6% mainly contributed from improved sales from STM Lottery. The Group registered a pre-tax profit growth of 23.4% mainly attributed to better performance attained by STM Lottery and higher share of associated companies' profits but partially set off by H.R. Owen's lower results recorded in the current year under review as explained in the ensuing paragraphs.

STM Lottery registered increase in revenue and pre-tax profit of 32.1% and 30.7% respectively as compared to the previous year. The improved sales was primarily attributed to the full resumption of business operation in the current year ended 30 June 2023 whilst the previous year business operations were adversely affected following the cancellation of thirty seven (37) draws with the imposition of nationwide lockdown from 1 June 2021 to 13 September 2021. In addition, the strong sales achieved was also driven by higher accumulated jackpot prizes from jackpot games during the current year under review. The higher pre-tax profit in the current year was in line with improved revenue achieved.

H.R. Owen reported revenue growth of 2.7% in the current year ended 30 June 2023 as compared to the previous year. In spite of the increase in revenue, H.R. Owen's pre-tax profit dropped by 56.3% to RM38.6 million in the current year from RM88.3 million in the previous year. The outstanding performance recorded in the previous year benefitted from the exceptionally strong demand in used car leading to strong used car profit margin as a result of new car supply constraints. Its current year pre-tax profit was impacted by higher operating costs as a result of inflationary pressures and higher finance costs arising from interest rate hike during the current year under review.

SPORTS TOTO BERHAD

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OF BURSA MALAYSIA SECURITIES BERHAD****B2 Review of 4th Quarter Results Vs 3rd Quarter Results of financial year ended 30 June 2023**

	3-month		
	1-4-2023 to 30-06-2023 RM'000	1-1-2023 31-03-2023 RM'000	
Revenue	<u>1,617,181</u>	<u>1,655,218</u>	(2.3)
Profit from operations	<u>106,701</u>	<u>49,686</u>	114.8
Profit before tax	<u>95,019</u>	<u>39,953</u>	137.8

The Group registered a drop in revenue of 2.3% compared to the preceding quarter mainly due to lower sales reported by STM Lottery but partially mitigated by improved revenue contributed by H.R. Owen. The Group's pre-tax profit increased by 137.8% primarily attributed to improved results reported by STM Lottery and H.R. Owen as explained in the ensuing paragraphs.

As compared to the preceding quarter ended 31 March 2023, STM Lottery's revenue declined 10.6% as a result of lower number of draws conducted during the current quarter. The preceding quarter also benefitted from stronger sales arose from stronger customer sentiment during the festive period in the month of January 2023. Its pre-tax profit increased by 132.8% mainly attributed to lower prize payout during the current quarter under review.

H.R. Owen's revenue was on par with the preceding quarter. With the favourable foreign exchange effect when converted into Ringgit Malaysia, revenue was higher by 5.9% as compared to the preceding quarter. Its pre-tax profit increased by 364.6% to RM22.8 million in the current quarter from RM4.9 million as reported in the preceding quarter, attributed to growth in profit margin from new car sector coupled with lower operating expenses incurred resulted from lower restoration costs incurred as compared to the amounts that had been provided for as well as lower lease related expenses in the current quarter following the relocation of certain showrooms and aftersales service sites to the Hatfield Centre.

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OF BURSA MALAYSIA SECURITIES BERHAD****B3 Future Prospects**

The management is cautiously optimistic that the NFO business in Malaysia will continue to improve the per draw sales growth driven by stronger consumer spending, amidst easing inflation rates and positive momentum in the labour market. Nevertheless, the management continues to be vigilant on mitigating any potential local political risk. On the Group basis, the management will remain cautious and continue to monitor the resultant financial impact to operations from the global and local political and economic development particularly in the countries that the Group has operations.

The Directors 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 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	Year ended 30 June 2023 RM'000
<u>Based on the results for the current quarter/year</u>		
- Malaysian income tax	31,697	105,649
- Foreign country income tax	8,480	16,720
Deferred tax		
- Origination and reversal of temporary differences	(10,274)	(12,842)
	<u>29,903</u>	<u>109,527</u>

The disproportionate tax charge of the Group for the current year ended 30 June 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.

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ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B7 The Group's borrowings as at 30 June 2023 were as follows:

	Foreign currency amount '000	At end of current year RM'000
<u>Secured</u>		
<u>Long term borrowings</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		709,060
Term loans - Denominated in Philippine Peso	26,042 *	2,204
Term loans - Denominated in Great Britain Pound	27,857 *	164,625
Revolving credit - Denominated in Ringgit Malaysia		82,500
Hire purchase payable - Denominated in Ringgit Malaysia		613
Total long term borrowings		<u>959,002</u>
<u>Short term borrowings</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		89,959
Revolving credit - Denominated in Ringgit Malaysia		12,500
Term loans - Denominated in Philippine Peso	102,500 *	8,675
Term loan - Denominated in Great Britain Pound	1,382 *	8,168
Vehicle stocking loans - Denominated in Great Britain Pound	74,894 *	442,599
Hire purchase payable - Denominated in Ringgit Malaysia		306
Total short term borrowings		<u>562,207</u>
Total borrowings		<u>1,521,209</u>

* Converted at the respective exchange rates prevailing as at 30 June 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 fourth interim dividend of 2.5 sen per share (Financial year 2022 : fourth interim cash dividend of 3.0 sen per share and share dividend equivalent to 1.7 sen per share, total equivalent to 4.7 sen per share) in respect of financial year ended 30 June 2023 and payable on 20 October 2023. The entitlement date has been fixed on 2 October 2023.

Based on 1.33 billion fully paid ordinary shares in issue with voting rights as at 22 August 2023, the fourth interim dividend distribution for the financial year ended 30 June 2023 will amount to RM33.29 million. With this, the total dividend distribution for the financial year ended 30 June 2023 is 9.0 sen per share, amounting to approximately RM120.80 million.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
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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> 1-4-2023 to 30-6-2023	<u>3-month period</u> 1-4-2022 to 30-6-2022
Profit attributable to owners of the parent (RM'000)	62,348	46,413
Weighted average number of shares with voting rights ('000)	1,346,207	1,339,668
Basic earnings per share (sen)	4.63	3.46

	Group	
	<u>12-month period</u> 1-7-2022 to 30-6-2023	<u>12-month period</u> 1-7-2021 to 30-6-2022
Profit attributable to owners of the parent (RM'000)	221,924	160,885
Weighted average number of shares with voting rights ('000)	1,345,529	1,341,343
Basic earnings per share (sen)	16.49	11.99

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 year.

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

	Current quarter RM'000	Financial year ended 30 June 2023 RM'000
Interest income	(7,106)	(22,414)
Other income excluding dividend and interest income	(8,735)	(17,536)
Depreciation of property, plant and equipment	11,015	31,618
Depreciation of right-of-use assets	9,746	40,165
Amortisation of intangible assets	204	781
Fair value loss/(gain) on investments at FVTPL	1,070	(13,819)
Gain on disposal of non-current asset classified as held for sale	-	(493)
Foreign exchange gain (net)	(212)	(629)
Allowance for impairment on receivables (net)	2,084	1,876
Provision for write down of inventories (net)	1,386	4,596