

# **Berjaya Sports Toto Berhad**

(Company no: 9109-K)

Date: 18 March 2016

Subject: **UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JANUARY 2016**

<u>Table of contents</u>	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated 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 Quarterly Financial Report	6 - 8
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	9 - 14

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group</b>	
	<b>31-1-2016</b>	<b>30-4-2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	202,858	166,478
Other investments	83,763	106,240
Investment properties	98,766	95,966
Investment in associated companies	26,664	18,797
Deferred tax assets	23,903	23,692
Intangible assets	786,658	763,756
	1,222,612	1,174,929
<b>Current assets</b>		
Inventories	491,977	364,042
Receivables	401,661	278,312
Tax recoverable	27,031	2,210
Deposits, cash and bank balances	410,862	430,205
	1,331,531	1,074,769
<b>TOTAL ASSETS</b>	2,554,143	2,249,698
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital (par value per share : RM0.10)	135,103	135,103
Capital reserve	21,327	21,327
Exchange reserve	123,741	59,800
Available-For-Sale reserve	(9,064)	15,560
Retained earnings	477,826	477,419
Equity funds	748,933	709,209
Less : Treasury shares	(10,061)	(24,712)
Net equity funds	738,872	684,497
Non-controlling interests	67,900	71,070
<b>Total equity</b>	806,772	755,567
<b>Non-current liabilities</b>		
Retirement benefit obligations	4,111	3,818
Borrowings	625,000	495,000
Deferred tax liabilities	4,133	3,664
Other long term liabilities	1,700	1,551
	634,944	504,033
<b>Current liabilities</b>		
Provisions	1,437	1,095
Borrowings	141,992	200,000
Payables	962,400	782,536
Tax payable	6,598	6,467
<b>Total current liabilities</b>	1,112,427	990,098
<b>Total liabilities</b>	1,747,371	1,494,131
<b>TOTAL EQUITY AND LIABILITIES</b>	2,554,143	2,249,698
Net assets per share (RM)	0.55	0.51

**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 quarterly financial report.**

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	3 months ended			9 months ended		
	31-1-2016	31-1-2015	+/<->	31-1-2016	31-1-2015	+/<->
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	1,323,029	1,328,127	(0.4)	4,079,083	3,826,151	6.6
PROFIT FROM OPERATIONS	84,586	138,549	(38.9)	324,236	412,224	(21.3)
Investment related income	4,055	23,000	(82.4)	12,604	33,521	(62.4)
Investment related expenses	-	-	-	(1,568)	(446)	251.6
Finance costs	(12,121)	(11,626)	4.3	(35,110)	(33,960)	3.4
Share of results of associated companies	2,150	1,411	52.4	6,422	3,918	63.9
PROFIT BEFORE TAX	78,670	151,334	(48.0)	306,584	415,257	(26.2)
TAXATION	(20,849)	(44,680)	(53.3)	(98,155)	(126,492)	(22.4)
PROFIT FOR THE PERIOD	57,821	106,654	(45.8)	208,429	288,765	(27.8)
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	58,353	104,615	(44.2)	201,469	282,642	(28.7)
Non-controlling interests	(532)	2,039	N/A	6,960	6,123	13.7
	57,821	106,654	(45.8)	208,429	288,765	(27.8)
EARNINGS PER SHARE (SEN)						
-Basic	4.33	7.78		14.93	20.98	
-Diluted	4.33	7.78		14.93	20.98	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		2.50	5.50	
- First interim - Share dividend	-	-		2.50	-	
- Second interim	-	-		5.00	6.00	
- Third interim	4.00	5.00		4.00	5.00	

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

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended			9 months ended		
	31-1-2016 RM'000	31-1-2015 RM'000	+/-> %	31-1-2016 RM'000	31-1-2015 RM'000	+/-> %
PROFIT AFTER TAXATION	57,821	106,654	(45.8)	208,429	288,765	(27.8)
OTHER COMPREHENSIVE INCOME:						
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>						
Net changes on available-for-sale ("AFS") financial assets						
- Changes in fair value of AFS investments	(6,521)	(13,655)	(52.2)	(28,965)	(8,957)	223.4
- Disposal of AFS investments transferred to profit or loss	-	-	-	1,069	(537)	N/A
- Effects of foreign exchange differences	(47,294)	58,820	N/A	57,083	54,486	4.8
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>						
Actuarial loss recognised in defined benefit pension scheme	-	3,528	(100.0)	-	(159)	(100.0)
Tax effect relating to components of other comprehensive income	-	(705)	(100.0)	-	32	(100.0)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,006</b>	<b>154,642</b>	<b>(97.4)</b>	<b>237,616</b>	<b>333,630</b>	<b>(28.8)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>						
Owners of the parent	8,488	157,412	(94.6)	240,786	331,537	(27.4)
Non-controlling interests	(4,482)	(2,770)	61.8	(3,170)	2,093	N/A
	<b>4,006</b>	<b>154,642</b>	<b>(97.4)</b>	<b>237,616</b>	<b>333,630</b>	<b>(28.8)</b>

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

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the parent								
	Share capital RM'000	Treasury shares RM'000	Reserves				Total to owners of parent company RM'000	Non- controlling interests RM'000	Total equity RM'000
			Non-distributable		Distributable				
			AFS reserve RM'000	Other reserves RM'000	Retained earnings RM'000				
<b>At 1 May 2015</b>	135,103	(24,712)	15,560	81,127	477,419	684,497	71,070	755,567	
Total comprehensive income for the period	-	-	(24,624)	63,941	201,469	240,786	(3,170)	237,616	
	135,103	(24,712)	(9,064)	145,068	678,888	925,283	67,900	993,183	
<b>Transactions with owners:</b>									
Distribution of dividends	-	-	-	-	(168,160)	(168,160)	-	(168,160)	
Purchase of treasury shares	-	(18,251)	-	-	-	(18,251)	-	(18,251)	
Distribution of treasury shares as share dividend	-	32,902	-	-	(32,902)	-	-	-	
	-	14,651	-	-	(201,062)	(186,411)	-	(186,411)	
<b>At 31 January 2016</b>	135,103	(10,061)	(9,064)	145,068	477,826	738,872	67,900	806,772	
<b>At 1 May 2014</b>	135,103	(11,860)	18,667	40,215	439,196	621,321	74,173	695,494	
Total comprehensive income for the period	-	-	(8,241)	57,216	282,562	331,537	2,093	333,630	
	135,103	(11,860)	10,426	97,431	721,758	952,858	76,266	1,029,124	
<b>Transactions with owners:</b>									
Distribution of dividends	-	-	-	-	(249,179)	(249,179)	-	(249,179)	
Treasury shares acquired	-	(12,852)	-	-	-	(12,852)	-	(12,852)	
Arising from increase in equity interest in a subsidiary company	-	-	-	-	(6,658)	(6,658)	(10,704)	(17,362)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	(756)	(756)	
	-	(12,852)	-	-	(255,837)	(268,689)	(11,460)	(280,149)	
<b>At 31 January 2015</b>	135,103	(24,712)	10,426	97,431	465,921	684,169	64,806	748,975	

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

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 months ended 31-1-2016 RM'000</b>	<b>9 months ended 31-1-2015 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	4,330,299	4,055,582
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(4,162,078)	(3,741,937)
Other receipts	43	102
<b>Net cash generated from operating activities</b>	<b>168,264</b>	<b>313,747</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from disposal of property, plant and equipment	709	399
Net proceeds from disposal of investment properties	-	4,740
Net proceeds from disposal of long term investments	1,815	1,782
Acquisition of investment in associated company	-	(1,029)
Acquisition of property, plant and equipment	(47,820)	(11,073)
Acquisition/improvement cost of investment properties	(2,806)	(164)
Acquisition of investments	(1,650)	(6,629)
Acquisition of investment in a subsidiary company	(12,351)	-
Acquisition of treasury shares by a foreign subsidiary company	-	(17,967)
Dividend received	1,189	1,432
Interest received	8,303	10,110
Other receipts arising from investments	321	907
Other payments from investing activities	(60,396)	(26,028)
<b>Net cash used in investing activities</b>	<b>(112,686)</b>	<b>(43,520)</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown of borrowings	279,655	295,000
Repayment of borrowings	(204,355)	(321,351)
Payment of hire purchase liabilities	(434)	(564)
Treasury shares acquired	(18,251)	(12,852)
Dividends paid to shareholders of the Company	(101,743)	(168,442)
Dividends paid to non-controlling interests of a subsidiary company	(60)	(756)
Interest paid	(43,229)	(39,287)
<b>Net cash used in financing activities</b>	<b>(88,417)</b>	<b>(248,252)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(32,839)</b>	<b>21,975</b>
<b>CASH &amp; CASH EQUIVALENTS AT 1 MAY</b>	<b>427,299</b>	<b>489,778</b>
Effects of exchange rate changes	13,237	5,119
<b>CASH &amp; CASH EQUIVALENTS AT 31 JANUARY</b>	<b>407,697</b>	<b>516,872</b>
	<b>9 months ended 31-1-2016 RM'000</b>	<b>9 months ended 31-1-2015 RM'000</b>
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	113,303	114,161
Deposits with financial institutions	297,559	402,711
	410,862	516,872
Less : Cash and cash equivalents restricted for use		
- Deposits with financial institutions	(3,165)	-
	<b>407,697</b>	<b>516,872</b>

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

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016**  
**NOTES TO THE QUARTERLY FINANCIAL REPORT**

A1 The quarterly financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia and paragraph 9.22 of the Main Market 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 year ended 30 April 2015. 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 year ended 30 April 2015.

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 year ended 30 April 2015.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2015.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, 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 quarter and period ended 31 January 2016.

There were no changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 January 2016.

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the third quarter ended 31 January 2016.

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		
August 2015	3.00	3.14	3.09	3,994,100	12,338
September 2015	2.98	3.02	2.99	900,000	2,690
January 2016	2.99	3.04	3.00	1,073,761	3,223
<b>TOTAL</b>				<b>5,967,861</b>	<b>18,251</b>

The number of treasury shares held in hand as at 31 January 2016 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2015	3.72	6,635,972	24,712
Increase in treasury shares	3.06	5,967,861	18,251
Distribution as share dividend	3.41	12,603,833	42,963
		(9,546,061)	(32,902)
<b>Total treasury shares as at 31 January 2016</b>	<b>3.29</b>	<b>3,057,772</b>	<b>10,061</b>

- A4 As at 31 January 2016, the number of outstanding shares in issue and fully paid with voting rights was 1,347,972,300 ordinary shares of RM0.10 each (31 January 2015 : 1,344,394,100 ordinary shares of RM0.10 each).
- A5 During the financial period ended 31 January 2016, the Company paid the following dividends:
- (i) Fourth interim single tier dividend on 6 August 2015, in respect of financial year ended 30 April 2015, of 5 sen per share on 1,344,394,100 ordinary shares with voting rights amounting to RM67,220,000; and
  - (ii) First interim dividend in respect of financial year ending 30 April 2016 consists the following:
    - a) single tier cash dividend of 2.5 sen per share on 1,339,500,000 ordinary shares with voting rights amounting to RM33,488,000 paid on 23 October 2015; and
    - b) share dividend via distribution 9,546,061 treasury shares on the basis of 1 treasury share for every 140 existing ordinary shares held, credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 23 October 2015; and
  - (iii) Second interim single tier dividend on 3 February 2016, in respect of financial year ending 30 April 2016, of 5 sen per share on 1,349,046,000 ordinary shares with voting rights amounting to RM67,452,000.
- A6 Segmental revenue and results for the financial period ended 31 January 2016 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	2,471,062	-	2,471,062
Motor dealership	1,551,342	-	1,551,342
Others	56,679	3,283	59,962
Elimination : Intersegment Revenue	-	(3,283)	(3,283)
<b>Total revenue</b>	<b>4,079,083</b>	<b>-</b>	<b>4,079,083</b>

RESULTS

Toto betting and leasing of lottery equipment	335,792
Motor dealership	14,119
Others	(10,963)
	<u>338,948</u>
Unallocated corporate expenses	(14,712)
Profit from operations	324,236
Finance costs	(35,110)
Interest income	11,415
Investment related income	1,189
Investment related expenses	(1,568)
Share of results of associated companies	6,422
Profit before tax	<u>306,584</u>
Taxation	(98,155)
<b>Profit for the period</b>	<b><u>208,429</u></b>

- A7 There were no material subsequent events for the financial period ended 31 January 2016 up to the date of this announcement.



- A8 There were no changes in the composition of the Group for the current quarter ended 31 January 2016 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:
- (i) H.R. Owen Plc, a subsidiary company of the Group, had on 4 December 2015 completed the acquisition of 50,000 ordinary share of GBP1.00 each representing 100% equity interest in Bodytechnics Limited, for a total cash consideration of GBP2.6 million (equivalent to approximately RM15.6 million). Bodytechnics Limited is a private company limited by shares incorporated in United Kingdom and the principal activities are maintenance and repair of motor vehicles.
  - (ii) On 26 January 2016, the Company announced that Sports Toto Malaysia Management Pte Ltd, a dormant subsidiary, had on 26 January 2016 received a notification from the Accounting and Corporate Regulatory Authority of Singapore that its name has been struck off from the Register pursuant to Section 344 of the Singapore Companies Act, Cap. 50. with effect from 14 January 2016.
- A9 There were no material changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2015.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2015.

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2016  
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The Group is primarily engaged in the number forecast operation ("NFO") business. The main operating businesses of the Group are toto betting, leasing of lottery equipment, motor retailing and provision of aftersales services. The key factors (other than general economic conditions) affecting the main performance of the main operating businesses in the Group are disposable income of the general public, Jackpot cycles, luck factor and the number of draws in the financial period as well as the trend in prestige and specialist cars predominantly in the London area of United Kingdom.

In the previous quarters, revenue from toto betting was recognised based on ticket sales net of gaming tax but inclusive of Malaysian Goods and Services Tax ("GST"). With effect from the current quarter, revenue from toto betting has been adjusted to net of gaming tax as well as GST on gaming supply which was previously classified under Cost of Sales.

Review of results for the quarter

As compared to the previous year corresponding quarter ended 31 January 2015, the Group registered a drop in revenue and pre-tax profit of 0.4% and 48.0% respectively. The decrease in revenue was mainly attributable to lower revenue contribution from Sports Toto Malaysia Sdn Bhd ("Sports Toto") mitigated by higher revenue reported by Philippine Gaming Management Corporation ("PGMC") and H.R. Owen Plc ("H.R. Owen"). The drop in pre-tax profit in the current quarter was mainly due to the lower results of Sports Toto, PGMC and H.R. Owen as explained in the ensuing paragraphs and that the previous year corresponding quarter had included the refund of RM18.0 million stamp duty paid pursuant to the rescission of the share purchase agreement (resulted from the aborted listing of Sports Toto Malaysia Trust on the Singapore Exchange Securities Trading Limited). The drop in the Group's pre-tax profit would have been 41.0% if the aforesaid refund of RM18.0 million stamp duty in the previous year corresponding quarter was excluded.

Sports Toto, the principal subsidiary, registered a drop in revenue of 2.4% as compared to previous year corresponding quarter due to the effect of GST as revenue is currently presented net of GST on gaming supply. The drop in Sports Toto's revenue would be 0.8% if the effect of GST was excluded. As compared to the previous year corresponding quarter, Sports Toto recorded a decrease in pre-tax profit of 35.3% mainly due to higher prize payout and the impact of GST in the current quarter under review.

PGMC (in its functional currency, Philippine Peso), registered a decrease in revenue mainly due to lower lease rental income earned from the Philippine Charity Sweepstakes Office whilst the higher percentage drop in pre-tax profit reported was mainly due to higher operating expenses incurred as compared to previous year corresponding quarter. PGMC, however, reported an increase in revenue of 12.7% while it reported a lower percentage in its drop in pre-tax profit of 12.2% upon the translation to Ringgit Malaysia (reporting currency of the Berjaya Sports Toto Berhad's Group) as a result of favourable foreign exchange effect during the current quarter under review.

Review of results for the quarter (Cont'd)

H.R. Owen reported a lower revenue as compared to previous year corresponding quarter, and reported pre-tax loss as compared to pre-tax profit in the previous year corresponding quarter mainly due to the drop in new cars sales volume resulting from soft market and lower supply of new model cars by certain manufacturers in the current quarter under review. Upon translation to Ringgit Malaysia, H.R. Owen however reported an increase in revenue to RM456.1 million from RM451.1 million in the previous year corresponding quarter. It reported pre-tax loss of RM6.3 million as compared to pre-tax profit of RM5.1 million in the previous year corresponding quarter.

For the 9-month period

For the 9-month period under review, the Group reported an increase in revenue of 6.6% whilst pre-tax profit dropped by 26.2%. The increase in revenue in the current period was mainly attributable to higher revenue contribution from PGMC and H.R. Owen while the drop in pre-tax profit was mainly due to the lower results of Sports Toto and H.R. Owen as explained in the ensuing paragraphs and the refund of RM18.0 million stamp duty recorded in the previous year corresponding period. The drop in the Group's pre-tax profit would have been 22.8% if the aforesaid refund of RM18.0 million stamp duty had been excluded.

As compared to the previous year corresponding period, Sports Toto registered a drop in revenue of 1.1% due to the effect of GST as revenue is currently presented net of GST on gaming supply. Sports Toto's revenue would have been higher by 0.5% compared to previous year corresponding period if the effect of GST was excluded. It registered a decrease in pre-tax profit of 28.3% as compared to previous year corresponding period mainly due to higher prize payout and the impact of GST in the current period under review.

PGMC reported lower revenue and pre-tax profit (in its functional currency, Philippine Peso) mainly due to lower lease rental income earned from the Philippine Charity Sweepstakes Office as compared to previous year corresponding period as well as higher operating expenses incurred in the current period. However, with the favourable foreign exchange effect during the current period under review on translation to Ringgit Malaysia, it reported an increase in revenue and pre-tax profit of 16.5% and 2.2% respectively.

H.R. Owen reported an increase in revenue mainly attributable to the revenue contribution from additional outlets whilst it reported a drop in pre-tax profit mainly due to higher operating expenses incurred as compared to previous year corresponding period. The favourable foreign exchange effect during the current period has enhanced the sales performance of H.R. Owen with the increase in revenue to RM1.55 billion from RM1.31 billion in previous year corresponding period while it reported a decrease in pre-tax profit to RM6.5 million from RM10.6 million in the last year same period.

**B2** Review of 3rd Quarter Results Vs 2nd Quarter Results of financial year ending 30 April 2016

As compared to the preceding quarter ended 31 October 2015, the Group registered a drop in revenue of 7.4% mainly due to lower contribution from H.R. Owen while the decrease in pre-tax profit of 31.6% was mainly due to the results of Sports Toto, H.R. Owen and PGMC as explained in the ensuing paragraphs.

Sports Toto registered slight increase in revenue of 0.3% whereas pre-tax profit dropped by 17.9% as compared to the preceding quarter. The drop in pre-tax profit was mainly due to higher prize payout in the current quarter under review.

**B2 Review of 3rd Quarter Results Vs 2nd Quarter Results of financial year ending 30 April 2016 (Cont'd)**

PGMC recorded an increase in revenue of 0.2% mainly attributed to higher lease rental income earned as a result of higher sales reported by Philippine Charity Sweepstakes Office. However, it reported lower pre-tax profit of 9.6% mainly due to higher operating expenses incurred as well as unfavourable foreign exchange in the current quarter under review.

As compared to the preceding quarter, H.R. Owen registered a higher drop in revenue in the current quarter to RM456.1 million from RM562.3 million in the preceding quarter. It also reported pre-tax loss of RM6.3 million as compared to pre-tax profit of RM1.9 million in the preceding quarter upon translation to Ringgit Malaysia. The above results was mainly due to the decreased in new car sales volume resulting from lower supply of new model cars by certain manufacturers as well as unfavourable foreign exchange effect in the current quarter under review.

**B3 Future Prospects**

With the rising costs resulting from the challenging economic conditions which continue to dampen consumer spending and the impact of GST, the Directors expect the NFO business to be challenging for the remaining quarter of the financial year ending 30 April 2016. In spite of the above, the Directors expect the Group to maintain its market share in the NFO business.

**B4** There was no profit forecast or profit guarantee given by the Group for the financial period ended 31 January 2016.

**B5 Taxation**

	Current quarter RM'000	Current period ended 31 January 2016 RM'000
Based on the results for the quarter:		
- Malaysian income tax	8,691	79,175
- Under/(over) provision in prior year	1	(3)
- Foreign countries income tax	4,125	19,006
Deferred tax:		
- Origination and reversal of temporary differences	7,933	694
- Under/(over) provision in prior year	99	(717)
	20,849	98,155

The effective tax rate on the Group's profit for the quarter and financial period ended 31 January 2016 was higher than the statutory tax rate 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 other corporate proposals announced but not completed as at the date of this announcement other than as disclosed below:

- (i) The Company and the ultimate holding company, Berjaya Corporation Berhad ("BCorp") had on 12 May 2014 jointly announced that following a bidding process, BCorp has been selected as the most suitable party to undertake the investment, procurement, installation of equipment and operation of a computerized lottery system for the whole of Vietnam in cooperation with Vietnam Computerized Lottery One Member Limited Liability Company ("Vietlott") under a business cooperation contract to be entered into.

On 20 January 2016, the Company jointly announced with BCorp that the Investment Registration Certificate was issued on 20 January 2016 to BCorp and Vietlott, from the Hanoi Department of Planning and Investment pursuant to the Business Cooperation Contract, certifying that they have been awarded an exclusive 18-year contract to invest in and operate a nationwide computerized lottery in Vietnam ("Project").

The Project will be carried out by the indirect subsidiary of BCorp namely Berjaya Gia Think Investment Technology Joint Stock Company ("Berjaya GTI"). Berjaya GTI is a Vietnamese company which is 51% owned by Berjaya Lottery Vietnam Limited ("BLV"), a company incorporated in Labuan, which in turn is 80% owned by BCorp and 20% owned by the Company.

B7 The Group's borrowings as at 31 January 2016 were as follows:

<u>Long term borrowings</u>	Foreign currency amount	At end of current quarter RM'000
Secured		
Denominated in	'000	
- Ringgit Malaysia (Medium Term Notes)		625,000
<u>Short term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)		105,000
- Philippine Peso	150,000 *	13,067
Unsecured		
Denominated in		
- Great Britain Pound	4,000 *	23,925
		141,992
 Total bank borrowings		 766,992

\* Converted at the respective exchange rate prevailing as at 31 January 2016

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 third interim single tier dividend of 4 sen per share (previous year corresponding quarter ended 31 January 2015 : third interim single tier dividend of 5 sen per share) in respect of the financial year ending 30 April 2016 and payable on 28 April 2016. The entitlement date has been fixed on 13 April 2016.

The first interim dividend consists of single tier cash dividend of 2.5 sen per share and a share dividend distribution of 9,546,061 treasury shares on the basis of 1 treasury share for every 140 ordinary shares held. Based on the treasury share book cost of RM32.98 million (equivalent to approximately RM3.45 per share), the share dividend is equivalent to 2.5 sen per share. The first interim cash dividend and share dividend were paid and distributed on 23 October 2015, the second interim single tier dividend of 5 sen per share was paid on 3 February 2016. This will bring the total dividend distribution per share in respect of financial year ending 30 April 2016 to 14 sen per share (previous year corresponding financial period ended 31 January 2015 : 16.5 sen per share).

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 17 March 2016 of 1.348 billion, the third interim dividend distribution for the financial year ending 30 April 2016 will amount to RM53.9 million. The total dividend distribution for the financial period ended 31 January 2016 is approximately RM187.7 million, **representing about 93.2% of the attributable profit of the Group for the financial period ended 31 January 2016.**

B10 The earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue and fully paid with voting rights as follows:

	Group (3-month period)	
	31-1-16	31-1-15
Profit attributable to equity holders of the Company (RM'000)	58,353	104,615
Weighted average number of shares with voting rights ('000)	1,348,935	1,345,291
Basic earnings per share (sen)	4.33	7.78
	Group (9-month period)	
	31-1-16	31-1-15
Profit attributable to equity holders of the Company (RM'000)	201,469	282,642
Weighted average number of shares with voting rights ('000)	1,349,009	1,347,176
Basic earnings per share (sen)	14.93	20.98

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares during the financial period.

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

	Current quarter RM'000	Financial period ended 31 January 2016 RM'000
Interest income	(3,676)	(11,415)
Dividend income included in investment related income	(379)	(1,189)
Other income excluding dividend and interest income	(314)	(915)
Depreciation of property, plant and equipment	7,445	23,744
Impairment in value of available-for-sale quoted and unquoted investments	-	59
Foreign exchange (gain) / loss	3,980	1,352
Provision for and write off of receivables	99	275
Provision for and write off/(write back) of inventories	953	(961)
(Gain)/loss on disposal of quoted or unquoted investment or properties	-	1,509
Gain or loss on derivatives	-	-
	-	-

B12 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31-1-16 RM'000	As at 30-4-15 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	760,619	731,433
- unrealised	36,187	49,056
	796,806	780,489
Share of results from associated companies	5,586	(836)
Less: Consolidation adjustments	(324,566)	(302,234)
Total group retained earnings as per consolidated accounts	477,826	477,419

cc: Securities Commission