

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 20 June 2017

Subject: **UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR
THE YEAR ENDED 30 APRIL 2017**

<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 - 9
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	10 - 15

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	30-4-2017	30-4-2016
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	214,659	217,226
Other investments	95,173	86,394
Investment properties	112,935	99,576
Investment in associated companies	67,565	44,231
Deferred tax assets	38,360	43,484
Intangible assets	776,826	777,803
	1,305,518	1,268,714
Current assets		
Inventories	373,592	467,013
Receivables	471,888	370,474
Tax recoverable	22,011	4,713
Deposits, cash and bank balances	387,076	533,462
	1,254,567	1,375,662
TOTAL ASSETS	2,560,085	2,644,376
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves:		
Available-For-Sale ("AFS") reserve	3,759	3,991
Capital reserve	285,306	21,327
Consolidation reserve	(57,822)	-
Exchange reserve	123,352	85,129
Retained earnings	292,797	531,412
	647,392	641,859
Equity funds	782,495	776,962
Less : Treasury shares	(10,061)	(10,061)
Net equity funds	772,434	766,901
Non-controlling interests	44,213	73,956
Total equity	816,647	840,857
Non-current liabilities		
Retirement benefit obligations	3,088	3,385
Borrowings	551,974	695,000
Deferred tax liabilities	4,937	4,907
Other long term liability	928	1,283
	560,927	704,575
Current liabilities		
Provisions	2,359	1,418
Borrowings	309,905	135,978
Payables	865,121	958,255
Tax payable	5,126	3,293
Total current liabilities	1,182,511	1,098,944
Total liabilities	1,743,438	1,803,519
TOTAL EQUITY AND LIABILITIES	2,560,085	2,644,376
Net assets per share (RM)	0.57	0.57

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 (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			12 months ended		
	30-4-2017 RM'000	30-4-2016 RM'000	Variance %	30-4-2017 RM'000	30-4-2016 RM'000	Variance %
REVENUE	1,477,077	1,484,146	(0.5)	5,734,546	5,563,227	3.1
PROFIT FROM OPERATIONS	101,449	152,442	(33.5)	409,301	476,951	(14.2)
Investment related income	7,360	8,968	(17.9)	24,356	21,587	12.8
Investment related expenses	(375)	(7,350)	94.9	(8,953)	(9,818)	8.8
Finance costs	(13,304)	(12,732)	(4.5)	(50,951)	(47,842)	(6.5)
Share of results of associated companies	7,035	(1,648)	526.9	6,451	4,780	35.0
PROFIT BEFORE TAX	102,165	139,680	(26.9)	380,204	445,658	(14.7)
TAXATION	(26,315)	(32,689)	19.5	(129,393)	(127,566)	(1.4)
PROFIT FOR THE PERIOD / YEAR	75,850	106,991	(29.1)	250,811	318,092	(21.2)
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	72,488	104,714	(30.8)	241,313	308,640	(21.8)
Non-controlling interests	3,362	2,277	47.7	9,498	9,452	0.5
	75,850	106,991	(29.1)	250,811	318,092	(21.2)
EARNINGS PER SHARE (SEN)						
-Basic	5.38	7.77		17.90	22.88	
-Diluted	5.38	7.77		17.90	22.88	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		4.00	2.50	
- First interim - Share dividend	-	-		-	2.50	
- Second interim	-	-		4.00	5.00	
- Third interim	-	-		3.00	4.00	
- Fourth interim	3.00	5.00		3.00	5.00	

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended			12 months ended		
	30-4-2017 RM'000	30-4-2016 RM'000	Variance %	30-4-2017 RM'000	30-4-2016 RM'000	Variance %
PROFIT AFTER TAXATION	75,850	106,991	(29.1)	250,811	318,092	(21.2)
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	18,968	14,275	32.9	(447)	(14,213)	96.9
- Disposal of AFS investments transferred to profit or loss	22	122	(82.0)	(141)	1,191	(111.8)
- Effects of foreign exchange differences	(10,658)	(37,304)	71.4	26,820	20,024	33.9
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>						
Actuarial gain/(loss) recognised in defined benefit pension scheme	(441)	658	(167.0)	(441)	658	(167.0)
Tax effect relating to components of other comprehensive income	132	(132)	200.0	132	(132)	200.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	83,873	84,610	(0.9)	276,734	325,620	(15.0)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	77,936	78,833	(1.1)	279,031	322,734	(13.5)
Non-controlling interests	5,937	5,777	2.8	(2,297)	2,886	(179.6)
	83,873	84,610	(0.9)	276,734	325,620	(15.0)

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						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	Non-distributable			Distributable				
			AFS reserve RM'000	Capital reserve RM'000	Consolidation reserve RM'000	Exchange reserve RM'000				Retained earnings RM'000
At 1 May 2016	135,103	(10,061)	3,991	21,327	-	85,129	531,412	766,901	73,956	840,857
Total comprehensive income for the year	-	-	(232)	-	-	38,223	241,040	279,031	(2,297)	276,734
Transactions with owners:										
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	263,979	-	-	(263,979)	-	-	-
Arising from increase in equity interest in a subsidiary company	-	-	-	-	(57,822)	-	-	(57,822)	(27,446)	(85,268)
Distribution of dividends	-	-	-	-	-	-	(215,676)	(215,676)	-	(215,676)
	-	-	-	263,979	(57,822)	-	(479,655)	(273,498)	(27,446)	(300,944)
At 30 April 2017	135,103	(10,061)	3,759	285,306	(57,822)	123,352	292,797	772,434	44,213	816,647
At 1 May 2015	135,103	(24,712)	15,560	21,327	-	59,800	477,419	684,497	71,070	755,567
Total comprehensive income for the year	-	-	(11,569)	-	-	25,329	308,974	322,734	2,886	325,620
	135,103	(24,712)	3,991	21,327	-	85,129	786,393	1,007,231	73,956	1,081,187
Transactions with owners:										
Distribution of dividends	-	-	-	-	-	-	(222,079)	(222,079)	-	(222,079)
Purchase of treasury shares	-	(18,251)	-	-	-	-	-	(18,251)	-	(18,251)
Distribution of treasury shares as share dividend	-	32,902	-	-	-	-	(32,902)	-	-	-
	-	14,651	-	-	-	-	(254,981)	(240,330)	-	(240,330)
At 30 April 2016	135,103	(10,061)	3,991	21,327	-	85,129	531,412	766,901	73,956	840,857

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 30-4-2017 RM'000	12 months ended 30-4-2016 RM'000
OPERATING ACTIVITIES		
Receipts from customers	6,130,499	5,940,890
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(5,885,908)	(5,543,311)
Other receipts	280	175
Net cash generated from operating activities	244,871	397,754
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	1,769	1,143
Net proceeds from disposal of long term investments	10,612	2,269
Acquisition of investment in associated company	(23,603)	(20,281)
Acquisition of property, plant and equipment	(29,535)	(76,470)
Acquisition of investment properties	(12,324)	(2,806)
Acquisition of investments	(16,077)	(1,571)
Acquisition of additional interest in a subsidiary company	(85,268)	-
Acquisition of investments in a subsidiary company	(22)	(13,714)
Dividend received	1,425	1,183
Interest received	13,559	15,451
Other receipts arising from investments	960	6,139
Other payments arising from investing activities	(23,558)	(53,154)
Net cash used in investing activities	(162,062)	(141,811)
FINANCING ACTIVITIES		
Issuance of medium term notes/drawdown of borrowings	156,475	344,274
Repayment of medium term notes/borrowings	(125,575)	(208,296)
Payment of hire purchase liabilities	(681)	(597)
Treasury shares acquired	-	(18,251)
Dividends paid to shareholders of the Company	(215,869)	(222,882)
Dividends paid to non-controlling interests of a subsidiary company	-	(62)
Interest paid	(51,559)	(47,011)
Net cash used in financing activities	(237,209)	(152,825)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(154,400)	103,118
CASH & CASH EQUIVALENTS AT 1 MAY	530,453	427,299
Effects of exchange rate changes	8,060	36
CASH & CASH EQUIVALENTS AT 30 APRIL	384,113	530,453

	12 months ended 30-4-2017 RM'000	12 months ended 30-4-2016 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	134,683	130,865
Deposits with financial institutions	252,393	402,597
	387,076	533,462
Less : Cash and cash equivalents restricted for use - Deposits with financial institutions	(2,963)	(3,009)
	384,113	530,453

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017
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, International Accounting Standards 34 - Interim Financial Reporting, the Companies Act 2016 in Malaysia (that became effective 31 January 2017) 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 April 2016. 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 April 2016.

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 April 2016.

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 2016.

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 impacts 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 (a) 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 year ended 30 April 2017 other than as disclosed below:

(i) Transfer of distributable retained earnings to capital reserve arising from a foreign subsidiary company's bonus issue of shares as disclosed in the consolidated statement of changes in equity; and

(ii) Recognised directly in statement of profit or loss:

Included under investment related expenses

	Current Quarter RM'000	Financial year ended 30 April 2017 RM'000
Loss on deemed partial disposal arising from dilution of equity interest in an associated company as disclosed in A8 (ii)	-	<u>8,578</u>

(b) There were no changes in estimates reported in the prior financial year that had a material effect in the current quarter and year ended 30 April 2017.

- A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the quarter and year ended 30 April 2017.

The number of treasury shares held in hand as at 30 April 2017 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 30 April 2017	3.29	3,057,772	10,061

As at 30 April 2017, the number of outstanding shares in issue and fully paid with voting rights was 1,347,972,300 ordinary shares (30 April 2016 : 1,347,972,300 ordinary shares).

- A5 During the financial year ended 30 April 2017, the Company paid the following dividends:
- Fourth interim single tier dividend on 9 August 2016, in respect of financial year ended 30 April 2016, of 5 sen per share on 1,347,972,300 ordinary shares with voting rights amounting to RM67,399,000;
 - First interim single tier dividend on 18 October 2016, in respect of financial year ended 30 April 2017, of 4 sen per share on 1,347,972,300 ordinary shares with voting rights amounting to RM53,919,000;
 - Second interim single tier dividend on 25 January 2017, in respect of financial year ended 30 April 2017, of 4 sen per share on 1,347,972,300 ordinary shares with voting rights amounting to RM53,919,000; and
 - Third interim single tier dividend on 28 April 2017, in respect of financial year ended 30 April 2017, of 3 sen per share on 1,347,972,300 ordinary shares with voting rights amounting to RM40,439,000.

- A6 Segmental revenue and results for the financial year ended 30 April 2017 were as follows:

<u>REVENUE</u>	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting and leasing of lottery equipment	3,261,228	-	3,261,228
Motor dealership	2,348,590	-	2,348,590
Others	124,728	9,602	134,330
Elimination : Intersegment Revenue	-	(9,602)	(9,602)
Total revenue	5,734,546	-	5,734,546

RESULTS

Toto betting and leasing of lottery equipment	403,613
Motor dealership	26,953
Others	(4,339)
	426,227
Unallocated corporate expenses	(16,926)
Profit from operations	409,301
Finance costs	(50,951)
Interest income	21,756
Investment related income	2,600
Investment related expenses	(8,953)
Share of results of associated companies	6,451
Profit before tax	380,204
Taxation	(129,393)
Profit for the year	250,811

A7 There were no material subsequent events for the financial year ended 30 April 2017 up to the date of this announcement other than as disclosed below:

On 15 June 2017, the Company announced that its wholly-owned subsidiary company namely Sports Toto Malaysia Sdn Bhd had on even date lodged with the Securities Commission Malaysia its proposal to establish a Medium Term Notes ("MTN") Programme of up to RM800.0 million in nominal value. The MTN Programme shall have a tenure of up to fifteen (15) years and the first issuance under the MTN Programme will be made within sixty (60) business days from the lodgement date. The MTN Programme has been accorded a preliminary rating of AA-/Stable by Malaysian Rating Corporation Berhad. CIMB Investment Bank Berhad and Maybank Investment Berhad have been appointed as the Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers for the MTN Programme.

A8 There were no changes in the composition of the Group for the current quarter and year ended 30 April 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:

- (i) On 6 May 2016, BPI completed the subscription of 42,500 new ordinary shares in Neptune Properties Inc. ("Neptune") for a total consideration of Peso82.3 million (equivalent to RM7.1 million), representing 41.5% equity interests in Neptune;
- (ii) the deemed partial disposal in July 2016 arising from the dilution of the BPI's equity interest in an associated company, Bermaz Auto Philippines Inc. (formerly known as Berjaya Auto Philippines Inc.) ("B.Auto Philippines") from 35% to 33.25% following B.Auto Philippines enlarged its issued and paid up share capital from Peso209.0 million to Peso220.0 million arising from new placement of shares. On 18 August 2016, BPI's equity interest in B. Auto Philippines has further diluted from 33.25% to 25.48% following B.Auto Philippines further enlarged its issued and paid up share capital from Peso220.0 million to Peso287.1 million through additional new placement of shares. Subsequently on 15 September 2016, B.Auto Philippines issued stock dividend amounting to Peso623.0 million to its existing shareholders via issuance of B.Auto Philippines shares and its issued and paid up share capital has further increased to Peso910.1 million while BPI's equity interest in B.Auto Philippines remains unchanged, at 25.48%;
- (iii) On 5 August 2016, BPI completed the subscription of 35,000,000 new ordinary shares in Berjaya Pizza Philippines Inc. ("B. Pizza Philippines") for a total consideration of Peso35.0 million (equivalent to RM3.0 million) and the equity interests in B. Pizza Philippines increased from 41.43% to 45.76%. Subsequently on 1 February 2017, BPI further subscribed 28,000,000 new ordinary shares in B. Pizza Philippines for a total consideration of Peso28.0 million (equivalent to RM2.4 million) and the equity interests in B. Pizza Philippines increased further to 48.38%;
- (iv) On 9 December 2016, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of the Company listed on the Philippine Stock Exchange ("PSE") released an announcement to PSE that it had on 8 December 2016 executed a Share Sale Agreement to purchase from Bentley Motors Limited 6,589,934 shares of H.R. Owen Plc ("H.R. Owen"), an existing subsidiary company of BPI for a total consideration of £14.8 million (equivalent to RM85.3 million), or £2.25 per share ("Share Purchase"). The Share Purchase was completed in the quarter ended 31 January 2017 and BPI's equity interests in H.R. Owen had increased from 72.03% to 98.38%;
- (v) H.R. Owen, a direct subsidiary company of BPI, acquired 60 ordinary shares of GBP1.00 each, representing 60% equity interest in H R Owen Insurance Services Limited ("HRO Insurance Services") for a total consideration of GBP60 (equivalent to RM330) during the financial year ended 30 April 2017. HRO Insurance Services, incorporated in the United Kingdom, is a private company limited by shares. The principal activities are providing services as insurance agents and brokers;

- A8 (vi) H.R. Owen incorporated a wholly-owned subsidiary company during the year namely Upbrook Mews Limited, a private company limited by shares which is incorporated in the United Kingdom. The principal activities are letting and operating of own or leased real estate; and
- (vii) On 7 April 2017, BPI has incorporated a wholly-owned subsidiary company namely Berjaya Enviro Philippines Inc., a company incorporated in the Philippines. The principal activities are providing sanitary landfill facilities of protecting and cleaning the environment.
- A9 There were no changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2016.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2016.

**UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2017
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, illegal gaming operations 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.

Review of Results for the quarter

As compared to the previous year corresponding quarter ended 30 April 2016, the Group registered a marginal drop in revenue of 0.5% mainly due to results of 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") as explained in the ensuing paragraph. The Group registered a decrease in pre-tax profit of 26.9% mainly due to results of Sports Toto and PGMC in the current quarter under review as explained in the ensuing paragraph.

Sports Toto, the principal subsidiary, reported a drop in revenue and pre-tax profit of 4.1% and 43.0% respectively as the current quarter had lower number of draws compared to previous year corresponding quarter. The higher decrease in pre-tax profit was mainly due to exceptionally lower prize payout in the previous year corresponding quarter.

As compared to the previous year corresponding quarter, PGMC registered an increase in revenue of 19.4% mainly due to higher lease rental income earned as a result of higher sales reported by the Philippine Charity Sweepstakes Office ("PCSO") in the current quarter under review. However, it recorded a drop in pre-tax profit of 8.5% mainly due to higher operating expenses incurred in the current quarter under review.

H.R. Owen (in its functional currency, Great Britain Pound) reported an increase in revenue and pre-tax profit mainly attributable to improved revenue contributed by higher new car sales volume coupled with revenue contribution from additional outlet in the current quarter under review. However, the improved performance of H.R. Owen was partly offset by the unfavourable foreign exchange effect in the conversion into Ringgit Malaysia (the reporting currency of the Berjaya Sports Toto Berhad's Group) in the current quarter under review. It reported an increase in revenue to RM640.6 million from RM623.6 million in the previous year corresponding quarter whilst pre-tax profit increased to RM5.5 million from RM3.9 million in the last year same quarter.

For the financial year

For the current financial year under review, the Group reported higher revenue of 3.1% whilst pre-tax profit dropped by 14.7% as compared to the previous financial year. The increase in revenue in the current financial year was mainly attributed to the higher revenue reported by H.R. Owen. The drop in pre-tax profit was mainly due to the results of Sports Toto and was partly mitigated by improved results reported by H.R. Owen as explained in the ensuing paragraph as well as the improved results from International Lottery & Totalizator Systems Inc. arising from higher project contract sales in the current year under review.

Sports Toto registered a drop in revenue of 1.7% as compared to previous financial year. In the current year, Sports Toto made an additional GST adjustment of RM15.6 million against its revenue due to different interpretation on the Value of Gaming Supply which is subject to a review by the Royal Malaysian Customs Department. Excluding the GST adjustment, the drop in revenue would have been 1.2%. As compared to previous financial year, the pre-tax profit was lower by 19.9% mainly due to aforesaid GST adjustment, higher prize payout as well as higher operating expenses incurred in the current financial year under review.

PGMC registered an increase in revenue of 1.3% as compared to previous financial year mainly attributable to higher lease rental income earned resulted from higher sales reported by PCSO in the current financial year. However, it reported a drop in pre-tax profit of 7.3% mainly due to higher operating expenses incurred during the current financial year under review.

H.R. Owen registered an increase in revenue and pre-tax profit as compared to previous financial year mainly attributable to higher revenue boosted by higher sales volume of new cars, certain new models available for sale as well as contribution from additional outlets during the current year under review. The improved performance of H.R. Owen was partly offset by the unfavourable foreign exchange effect in the conversion into Ringgit Malaysia in the current year. During the financial year under review, it reported an increase in revenue to RM2.35 billion from RM2.17 billion and pre-tax profit increased to RM15.9 million from RM10.0 million.

B2 Review of 4th Quarter's Results Vs 3rd Quarter's Results of financial year ended 30 April 2017

As compared to the preceding quarter ended 31 January 2017, the Group registered an increase in revenue of 8.0% mainly due to higher revenue contributed by H.R. Owen and was partly offset by lower revenue reported by Sports Toto as explained in the ensuing paragraph. The Group registered an increase in pre-tax profit of 18.4% mainly attributable to improved results reported by H.R. Owen coupled with higher share of results of associated companies in the current quarter under review.

As compared to the preceding quarter ended 31 January 2017, Sports Toto recorded a drop in revenue and pre-tax profit of 4.7% and 1.6% respectively mainly due to the current quarter having lower number of draws.

PGMC recorded an increase in revenue of 3.6% as compared to preceding quarter mainly attributable to higher lease rental income earned as a result of higher sales reported by PCSO and partly offset by the unfavourable foreign exchange effect in the current quarter under review. It reported a drop in pre-tax profit of 8.1% mainly due to higher operating expenses incurred as well as the unfavourable foreign exchange effect in conversion to Ringgit Malaysia in the current quarter.

B2 Review of 4th Quarter's Results Vs 3rd Quarter's Results of financial year ended 30 April 2017 (Cont'd)

As compared to the preceding quarter, H.R. Owen recorded an increase in revenue in the current quarter to RM640.6 million from RM494.4 million in the preceding quarter, whilst pre-tax profit was at RM5.5 million in the current quarter as compared to pre-tax loss of RM1.6 million in the preceding quarter. The improved results was attributable to higher revenue boosted by both new and used cars sales volume in the current quarter.

B3 Future Prospects

With the intense competition from the illegal gaming activities coupled with rising costs and weaker consumer sentiments, the Directors expect the NFO business to be challenging for the financial year ending 30 April 2018. However, it is expected that the Group will continue 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 year ended 30 April 2017.

B5 Taxation

	Current quarter RM'000	Current year ended 30 April 2017 RM'000
Based on the results for the quarter:		
- Malaysian income tax	23,279	94,768
- Foreign countries income tax	7,604	26,994
- (Over)/under provision in prior years	(1)	1,072
Deferred tax:		
- Origination and reversal of temporary differences	(4,567)	6,559
	26,315	129,393

The effective tax rate on the Group's profit for the quarter and financial year ended 30 April 2017 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.

B7 The Group's borrowings as at 30 April 2017 were as follows:

<u>Long term borrowings</u>	At end of current quarter RM'000
Secured	
Denominated in	Foreign currency amount
- Ringgit Malaysia (Medium Term Notes)	'000
- Great Britain Pound	520,000
- Philippine Peso	2,100 *
	233,333 *
	551,974
<u>Short term borrowings</u>	
Secured	
Denominated in	
- Ringgit Malaysia (Medium Term Notes)	255,000
- Great Britain Pound	4,400 *
- Philippine Peso	350,000 *
	309,905
	861,879
Total bank borrowings	

* Converted at the respective exchange rate prevailing as at 30 April 2017

B8 There is no pending material litigation since the last annual reporting date up to the date of this announcement other than as below:

Philippine Gaming Management Corporation ("PGMC") commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim agreement between PGMC and the PCSO whereby the parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings. The arbitration proceedings is still on-going.

B9 The Board has declared a fourth interim single tier dividend of 3 sen per share (previous year corresponding quarter ended 30 April 2016 : fourth interim single tier dividend of 5 sen per share) in respect of the financial year ended 30 April 2017 and payable on 9 August 2017. The entitlement date has been fixed on 20 July 2017.

The first interim single tier dividend of 4 sen per share was paid on 18 October 2016, the second interim single tier dividend of 4 sen per share was paid on 25 January 2017, the third interim dividend of 3 sen was paid on 28 April 2017. This will bring the total dividend distribution per share in respect of financial year ended 30 April 2017 to 14 sen per share (previous financial year ended 30 April 2016 : cash dividend of 16.5 sen per share and share dividend equivalent to 2.5 sen per share).

Based on the number of ordinary shares in issue and with voting rights as at 18 June 2017 of 1.348 billion, the fourth interim dividend distribution for the financial year ended 30 April 2017 will amount to RM40.4 million. The total dividend distribution for the financial year ended 30 April 2017 is approximately RM188.7 million, **representing about 78.2% of the attributable profit of the Group for the financial year ended 30 April 2017.**

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)	
	30-4-17	30-4-16
Profit attributable to equity holders of the Company (RM'000)	72,488	104,714
Weighted average number of shares with voting rights ('000)	1,347,972	1,347,972
Basic earnings per share (sen)	5.38	7.77
	Group (12-month period)	
	30-4-17	30-4-16
Profit attributable to equity holders of the Company (RM'000)	241,313	308,640
Weighted average number of shares with voting rights ('000)	1,347,972	1,348,754
Basic earnings per share (sen)	17.90	22.88

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 year ended 30 April 2017 RM'000
Interest income	(5,839)	(21,756)
Dividend income included in investment related income	(508)	(1,424)
Other income excluding dividend and interest income	(405)	(1,587)
Depreciation of property, plant and equipment	8,682	31,761
Impairment in value of available-for-sale quoted and unquoted investments	375	375
Foreign exchange (gain) / loss	(2,501)	6,277
Provision for and write off/(write back) of receivables	7	(81)
Provision for and write off/(write back) of inventories	16	4,758
Loss on deemed partial disposal arising from dilution of equity interest in an associated company	-	8,578
Loss/(gain) on disposal of quoted or unquoted investment or properties	22	(141)
Gain or loss on derivatives	-	-
	-	-

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

	As at 30-4-17 RM'000	As at 30-4-16 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	543,081	762,916
- unrealised	82,808	49,850
	<u>625,889</u>	<u>812,766</u>
Share of results from associated companies	10,395	3,944
Less: Consolidation adjustments	(343,487)	(285,298)
Total group retained earnings as per consolidated accounts	<u><u>292,797</u></u>	<u><u>531,412</u></u>

cc: Securities Commission