

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

Date: 23 May 2022

Subject: **UNAUDITED (Q3) INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2022**

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SPORTS TOTO BERHAD

(Formerly known as BERJAYA SPORTS TOTO BERHAD)

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group	
	31-3-2022	(Audited) 30-6-2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	372,293	304,305
Right-of-use assets	288,070	324,735
Other investments	86,687	101,840
Investment properties	117,107	117,534
Investment in associated companies	101,783	104,708
Deferred tax assets	18,348	21,824
Retirement benefit assets	9,529	9,927
Intangible assets	700,701	706,742
	1,694,518	1,691,615
Current assets		
Inventories	419,478	325,873
Receivables	571,464	470,966
Contract assets	7,563	7,471
Tax recoverable	5,377	4,108
Deposits, cash and bank balances	602,335	363,755
	1,606,217	1,172,173
Non-current asset classified as held for sale	7,226	7,529
	1,613,443	1,179,702
TOTAL ASSETS	3,307,961	2,871,317
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves	271,568	301,744
Retained earnings	482,480	393,106
Equity funds	889,151	829,953
Less : Treasury shares	(18,631)	(18,631)
Net equity funds	870,520	811,322
Non-controlling interests	65,720	63,783
Total equity	936,240	875,105
Non-current liabilities		
Retirement benefit obligations	480	608
Borrowings	642,771	505,107
Deferred tax liabilities	26,284	28,383
Lease liabilities	204,440	232,991
Contract liabilities	80	162
Other long term liabilities	37,156	52,111
	911,211	819,362
Current liabilities		
Provisions	1,489	2,128
Borrowings	593,933	551,152
Payables	552,201	420,220
Contract liabilities	272,670	169,756
Lease liabilities	28,466	32,078
Tax payable	11,751	1,516
	1,460,510	1,176,850
Total liabilities	2,371,721	1,996,212
TOTAL EQUITY AND LIABILITIES	3,307,961	2,871,317
Net assets per share (RM)	0.65	0.60

Note:

The net assets per share is calculated based on net equity funds divided by the number of shares in issue with voting rights.

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

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Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period			Cumulative Period		
	3-Month 1-1-2022 to 31-3-2022 RM'000	3-Month 1-1-2021 to 31-3-2021 RM'000	+/<-> %	9-Month 1-7-2021 to 31-3-2022 RM'000	9-Month 1-7-2020 to 31-3-2021 RM'000	+/<-> %
Revenue	1,728,430	1,122,346	54.0	3,771,374	3,702,150	1.9
Profit from operations	132,154	45,661	189.4	217,272	273,078	(20.4)
Investment related income	4,492	6,058	(25.9)	14,006	15,789	(11.3)
Investment related expenses	-	-	-	(542)	-	100.0
Finance costs	(16,229)	(14,843)	9.3	(46,702)	(45,740)	2.1
Share of results of associated companies	1,977	(1,460)	N/A	5,749	(10,852)	N/A
Profit before tax	122,394	35,416	245.6	189,783	232,275	(18.3)
Income tax expenses	(39,402)	(14,573)	170.4	(66,503)	(76,251)	(12.8)
Profit for the period	82,992	20,843	298.2	123,280	156,024	(21.0)
Profit attributable to:						
Owners of the parent	79,561	18,678	326.0	115,155	151,594	(24.0)
Non-controlling interests	3,431	2,165	58.5	8,125	4,430	83.4
	82,992	20,843	298.2	123,280	156,024	(21.0)
Earnings per share (sen)						
Attributable to owners of the parent						
- Basic	5.93	1.39		8.58	11.30	
Dividend per share (sen)						
- First interim	-	-		1.0	4.0	
- Second interim	-	-		1.0	2.5	
- Third interim	2.0	1.5		2.0	1.5	

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

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period			Cumulative Period		
	3-Month 1-1-2022 to 31-3-2022 RM'000	3-Month 1-1-2021 to 31-3-2021 RM'000	+/<-> %	9-Month 1-7-2021 to 31-3-2022 RM'000	9-Month 1-7-2020 to 31-3-2021 RM'000	+/<-> %
Profit for the period	82,992	20,843	298.2	123,280	156,024	(21.0)
Other comprehensive items:						
<u>Items that may be subsequently reclassified to profit or loss</u>						
Effects of foreign exchange differences	(8,626)	29,572	N/A	(38,131)	11,798	N/A
Share of associated company's currency translation differences	326	(185)	N/A	(177)	155	N/A
<u>Items that will not be subsequently reclassified to profit or loss</u>						
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	1,782	3,792	(53.0)	10,597	13,476	(21.4)
Share of other comprehensive income item of associated companies	-	(5)	(100.0)	-	(273)	(100.0)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	76,474	54,017	41.6	95,569	181,180	(47.3)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	74,437	50,964	46.1	91,468	170,737	(46.4)
Non-controlling interests	2,037	3,053	(33.3)	4,101	10,443	(60.7)
	76,474	54,017	41.6	95,569	181,180	(47.3)

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Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the parent						Distributable	Total to owners of parent company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Exchange reserve	FVTOCI reserve	Capital reserve	Consolidation reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2021	135,103	(18,631)	126,660	(50,825)	285,306	(59,397)	393,106	811,322	63,783	875,105
Profit for the period	-	-	-	-	-	-	115,155	115,155	8,125	123,280
Other comprehensive income for the period	-	-	(33,392)	9,705	-	-	-	(23,687)	(4,024)	(27,711)
Effects arising from disposal of investments at FVTOCI	-	-	-	(1,057)	-	-	1,057	-	-	-
	-	-	(33,392)	8,648	-	-	116,212	91,468	4,101	95,569
Transactions with owners:										
Distribution of dividends	-	-	-	-	-	-	(26,838)	(26,838)	-	(26,838)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	(5,432)	-	(5,432)	(2,164)	(7,596)
	-	-	-	-	-	(5,432)	(26,838)	(32,270)	(2,164)	(34,434)
At 31 March 2022	135,103	(18,631)	93,268	(42,177)	285,306	(64,829)	482,480	870,520	65,720	936,240
At 1 July 2020	135,103	(32,165)	115,834	(52,443)	285,306	(59,397)	345,596	737,834	51,458	789,292
Profit for the period	-	-	-	-	-	-	151,594	151,594	4,430	156,024
Other comprehensive income for the period	-	-	7,071	12,313	-	-	(241)	19,143	6,013	25,156
Effects arising from disposal of investments at FVTOCI	-	-	-	2,361	-	-	(2,361)	-	-	-
	-	-	7,071	14,674	-	-	148,992	170,737	10,443	181,180
Transactions with owners:										
Share dividend	-	31,764	-	-	-	-	(31,764)	-	-	-
Distribution of dividends	-	-	-	-	-	-	(87,327)	(87,327)	-	(87,327)
Purchase of treasury shares	-	(15,006)	-	-	-	-	-	(15,006)	-	(15,006)
	-	16,758	-	-	-	-	(119,091)	(102,333)	-	(102,333)
At 31 March 2021	135,103	(15,407)	122,905	(37,769)	285,306	(59,397)	375,497	806,238	61,901	868,139

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

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UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9-Month Financial period ended 31-3-2022 RM'000	9-Month Financial period ended 31-3-2021 RM'000
OPERATING ACTIVITIES		
Receipts from customers	4,006,186	3,861,262
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(3,760,433)	(3,444,892)
Other receipts	7,925	10,637
Net cash generated from operating activities	253,678	427,007
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,270	229
Proceeds from disposal of long term investments	18,042	18,500
Acquisition of property, plant and equipment	(98,870)	(13,335)
Acquisition of investment properties	-	(4,644)
Acquisition of long term investments	(277)	(1,365)
Acquisition of additional equity interest in a subsidiary company	(7,596)	-
Acquisition of additional equity interest in an associated company	(2,848)	(1,014)
Payment for right-of-use assets	-	(9,450)
Dividend received	6,719	1,234
Interest received	2,177	5,521
Net (repayment to)/advances from foreign associated companies	(9,886)	549
Other receipts arising from investments	486	439
Other payments arising from investments	-	(5,479)
Net cash used in investing activities	(90,783)	(8,815)
FINANCING ACTIVITIES		
Drawdown of borrowings	226,774	11,161
Repayment of borrowings	(36,260)	(179,816)
Payment of hire purchase liabilities	(351)	(290)
Payment of lease liabilities	(26,318)	(26,635)
Dividends paid to shareholders of the Company	(33,564)	(53,745)
Treasury shares acquired	-	(15,006)
Interest paid	(47,407)	(47,178)
Net cash generated from/(used in) financing activities	82,874	(311,509)
NET CHANGE IN CASH AND CASH EQUIVALENTS	245,769	106,683
CASH & CASH EQUIVALENTS AT 1 JULY	363,624	304,996
Effects of exchange rate changes	(7,189)	8,864
CASH & CASH EQUIVALENTS AT 31 MARCH	602,204	420,543
	Financial period ended 31-3-2022 RM'000	Financial period ended 31-3-2021 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	283,805	211,385
Deposits with financial institutions	318,530	212,134
	602,335	423,519
Excluding : Cash and cash equivalents restricted for use	(131)	(2,976)
	602,204	420,543

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**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT**

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021. 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 2021.

Changes in Accounting Policies

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 2021. The Group has neither early adopted nor applied any new MFRSs, Amendments to MFRSs and Annual Improvements to MFRSs that are issued but not yet effective for the Group's accounting period beginning 1 July 2021.

The adoption of newly effective MFRSs, Amendments to MFRSs and Annual Improvements to MFRSs are not expected to have material impacts to the financial statements of the Group upon their initial application.

- A2 Our business operations are not significantly affected by seasonal or cyclical factors except for our toto betting operations that may be positively impacted by the festive seasons.
- A3 There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2022 except for the financial impact arising from the Coronavirus ("Covid-19") pandemic as disclosed in Notes B1 and B2.

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

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

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

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2021 / 31 March 2022	2.04	9,130,072	18,631

As at 31 March 2022, the number of outstanding shares in issue with voting rights was 1,341,900,000 ordinary shares (31 March 2021 : 1,343,500,000 ordinary shares).

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**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT**

A4 Subsequent to the financial period ended 31 March 2022 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		
April 2022	1.89	2.01	1.98	2,528,000	4,995
TOTAL			1.98	2,528,000	4,995

The number of treasury shares held in hand as at 22 May 2022 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 31 March 2022	2.04	9,130,072	18,631
Increase in treasury shares	1.98	2,528,000	4,995
Total treasury shares as at 22 May 2022	2.03	11,658,072	23,626

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

- (a) third interim dividend on 16 July 2021, in respect of financial year ended 30 June 2021, of 1.5 sen per share on 1,341,900,000 ordinary shares with voting rights amounting to RM20,128,500;
- (b) first interim dividend on 5 January 2022, in respect of financial year ending 30 June 2022, of 1.0 sen per share on 1,341,900,000 ordinary shares with voting rights amounting to RM13,419,000; and
- (c) second interim dividend on 22 April 2022, in respect of financial year ending 30 June 2022, of 1.0 sen per share on 1,341,900,000 ordinary shares with voting rights amounting to RM13,419,000.

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UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022**NOTES TO THE INTERIM FINANCIAL REPORT**

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

REVENUE

	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting	1,478,204	-	1,478,204
Motor dealership	2,241,498	213	2,241,711
Others	51,672	4,594	56,266
Elimination : Intersegment Revenue	-	(4,807)	(4,807)
	<u>3,771,374</u>	<u>-</u>	<u>3,771,374</u>

	Total RM'000
Toto betting	150,168
Motor dealership	84,572
Others	<u>(8,047)</u>
	226,693
Unallocated corporate expenses	<u>(9,421)</u>
Profit from operations	217,272
Interest income	13,073
Investment related income (other than interest income)	933
Investment related expenses	(542)
Finance costs	(46,702)
Share of results of associated companies	<u>5,749</u>
Profit before tax	189,783
Income tax expenses	<u>(66,503)</u>
Profit for the period	<u>123,280</u>

A7 There were no significant events subsequent to the end of this current quarter that have not been reflected in the financial statements for the current quarter under review.

A8 There were no changes in the composition of the Group for the current period ended 31 March 2022 up to the date of this report including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:

(a) On 30 July 2021, H.R. Owen Plc, acquired a further 35% equity interest in its subsidiary company namely H R Owen Insurance Services Limited ("HR Owen Insurance") for a total consideration of £1.35 million (equivalent to approximately RM7.6 million), and its total equity interests in HR Owen Insurance increased from 60% to 95%.

(b) Sports Toto Fitness Sdn Bhd, a wholly owned subsidiary company of the Group had ceased operation on 31 July 2021 and became dormant.

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NOTES TO THE INTERIM FINANCIAL REPORT

- A8 (c) On 17 January 2022, the Group's equity interest in an associated company namely, Berjaya Asia Auto Inc. ("BAAI") was diluted from 30% to 19.98%. The Group invested in BAAI through its foreign subsidiary company namely Berjaya Philippines Inc. ("BPI"). The dilution of equity interest in BAAI arose when BPI renounced its rights to subscribe for additional new shares issued by BAAI.
- A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 June 2021 except for the corporate guarantee provided by the Company to a wholly-owned subsidiary company for its credit facility up to RM100.0 million during the current financial period ended 31 March 2022.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2021.

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**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B1 The Group's core business is in the number forecast operation ("NFO") which includes toto betting and other related ancillary businesses. The Group also has strategic investments in auto retailing and provision of aftersales services and hospitality sector. The key factors (other than general economic conditions) affecting the performance of the operations of the core business in the Group are disposable income of the general public, Jackpot cycles, luck factor, illegal gaming operations and the number of draws in the current period whilst auto retailing business is affected by the trend as well as supply chain in prestige and specialist cars in United Kingdom ("UK"). Despite the substantial improved results of the Group's principal subsidiary company namely STM Lottery Sdn Bhd (formerly known as Sports Toto Malaysia Sdn Bhd) ("STM Lottery") in the current third quarter ended 31 March 2022, the imposition of the earlier total lockdown and subsequently the National Recovery Plan in phases by the Malaysian Government in combating Covid-19 pandemic has impacted the overall results for the current 9-month financial period ended 31 March 2022.

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

The summary results of the Group are as follows:

	3-Month		+/-<-> %
	1-1-2022 to 31-3-2022 RM'000	1-1-2021 to 31-3-2021 RM'000	
Revenue	1,728,430	1,122,346	54.0
Profit from operations	132,154	45,661	189.4
Profit before tax	122,394	35,416	245.6

For the current quarter ended 31 March 2022, the Group reported an increase in revenue and pre-tax profit by 54.0% and 245.6% respectively. The Group's growth in revenue and pre-tax profit was primarily attributed to higher results reported by STM Lottery, as well as from H.R. Owen Plc ("H.R. Owen").

In spite of having lower number of draws in the current quarter under review, STM Lottery, the principal subsidiary, registered revenue growth of 70.3% and its pre-tax profit soared 262.0% as compared to the previous year corresponding quarter. The increase in revenue was mainly due to better sales from lotto games resulted from higher accumulated jackpot prizes coupled with stronger sales during the festive period in the month of February 2022. Furthermore, the previous year corresponding quarter was also impacted by the Second Movement Control Order ("MCO 2.0"), implemented by the Malaysian Government from 13 January 2021 to 18 February 2021, in all states in Malaysia whereby all outlets were closed except for those in Sarawak. The significant increase in pre-tax profit in this current quarter under review was in line with the higher revenue achieved coupled with lower prize payout.

H.R. Owen recorded revenue growth of 41.6% in the current quarter to RM895.1 million from RM632.1 million reported in the previous year corresponding quarter, whilst its pre-tax profit increased by 64.3% to RM36.3 million in the current quarter as compared to RM22.1 million in the previous year corresponding quarter. With the business in full operation, the improved results attained was contributed by the higher sales from both new and used car sectors in the current quarter. The company's operations in the previous year corresponding quarter was negatively impacted by the UK third national lockdown from 5 January 2021 to 12 April 2021.

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ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B1 For the 9-month Period ended 31 March 2022**

The summary results of the Group are as follows:

	9-Month		+ / <-> %
	1-7-2021 to 31-3-2022 RM'000	1-7-2020 to 31-3-2021 RM'000	
Revenue	<u>3,771,374</u>	<u>3,702,150</u>	1.9
Profit from operations	<u>217,272</u>	<u>273,078</u>	(20.4)
Profit before tax	<u>189,783</u>	<u>232,275</u>	(18.3)

As compared to the previous year corresponding period, the Group reported an increase in revenue of 1.9%. The slight increase in revenue was mainly attributed to higher sales registered by H.R. Owen but offset by lower sales reported by STM Lottery. The 18.3% drop in pre-tax profit was mainly resulted from lower results reported by STM Lottery, but mitigated by improved results generated by H.R. Owen. The Group's share of profits in the associated companies in the current financial period, as opposed to share of losses in the previous year corresponding period, has also mitigated the effect of the drop in the Group's pre-tax profit.

For the current 9-month period under review, STM Lottery's revenue decreased by 18.5% with the cancellation of 37 draws. The lower revenue attained was mainly due to the nationwide lockdown / National Recovery Plan implemented by the Malaysian Government from 1 June 2021 to 13 September 2021, where STM Lottery only conducted ninety six (96) draws in the current period under review, as compared to one hundred and twenty nine (129) draws in the previous year corresponding period. The drop in pre-tax profit of 35.6% was in line with the lower revenue recorded as well as higher prize payout in the current period under review.

H.R. Owen marked a revenue growth of 21.8% to RM2.24 billion from RM1.84 billion in the previous year corresponding period. Its pre-tax profit was higher by 49.9% to RM77.4 million as compared to RM51.6 million in the previous year corresponding period. The strong demand in used car resulted from the continued supply chain disruptions in the new car sector had primarily contributed to the improved performance during the current period under review.

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ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B2 Review of 3rd Quarter's Results Vs 2nd Quarter Results of financial year ending 30 June 2022**

	3-month		+/<-> %
	1-1-2022 to 31-3-2022 RM'000	1-10-2021 to 31-12-2021 RM'000	
Revenue	<u>1,728,430</u>	<u>1,245,371</u>	38.8
Profit from operations	<u>132,154</u>	<u>87,275</u>	51.4
Profit before tax	<u>122,394</u>	<u>79,793</u>	53.4

The Group's revenue and pre-tax profit increased by 38.8% and 53.4% respectively in the current quarter as compared to the preceding quarter. The improved results was contributed by higher revenue and pre-tax profit reported by STM Lottery and H.R. Owen in the current quarter under review as explained in the ensuing paragraphs.

As compared to the preceding quarter, STM Lottery reported higher revenue and pre-tax profit by 38.2% and 31.2% respectively. In spite of having lower number of draws in the current quarter, the higher revenue reported was mainly driven by higher accumulated jackpot prizes and stronger sales during the festive period in the month of February 2022. The increase in pre-tax profit was attributable to the higher revenue achieved in the current quarter under review.

H.R. Owen reported an increase in revenue of 40.0% to RM895.1 million from RM639.5 million as reported in the preceding quarter, while pre-tax profit increased by 134.6% to RM36.3 million from RM15.5 million as reported in the preceding quarter. The improved results was mainly due to higher sales from both new car and used car sectors in the current quarter under review, while the preceding quarter performance was dampened by certain restrictions implemented by the UK Government due to concerns with rising Covid-19 cases caused by the new Omicron variant.

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

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B3 Future Prospects**

As Malaysia transitions towards Covid-19 endemicity stage on 1 April 2022 alongside with the reopening of its international borders and further relaxation of Covid-19 Standard Operating Procedures from 1 May 2022, the pace of the overall economic growth is expected to accelerate. However, the Russia-Ukraine war and certain supply chain disruptions following China's strict Covid-19 policy may continue to impact the global and domestic economies. The management will remain vigilant and continue to monitor the development of domestic and global economic issues and its resultant impact to the Group's operations as the world's population adapts to endemicity.

The Directors are cautiously optimistic that the Group's businesses will gradually recover 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 2022 in line with the recovery of the NFO industry when the overall economy improves.

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

B5 Taxation

	Current quarter RM'000	Period ended 31 March 2022 RM'000
<u>Based on the results for the current quarter and period</u>		
- Malaysian income tax	21,463	43,637
- Foreign country income tax	9,260	20,864
Deferred tax		
- Origination and reversal of temporary differences	8,679	2,002
	<u>39,402</u>	<u>66,503</u>

The disproportionate tax charge of the Group for the current quarter and period ended 31 March 2022 was mainly due to additional prosperity tax ("Cukai Makmur") as gazetted in the Malaysian Budget 2022 and certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

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

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

	Foreign currency amount '000	At end of current period RM'000
<u>Long term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		498,729
Term loan - Denominated in Ringgit Malaysia		4,725
Term loans - Denominated in Philippine Peso	102,917 *	8,329
Term loan - Denominated in Great Britain Pound	14,659 *	80,988
		<u>592,771</u>
<u>Long term borrowing (Unsecured)</u>		
Revolving credit - Denominated in Ringgit Malaysia		<u>50,000</u>
Total long term borrowings		<u>642,771</u>
<u>Short term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		299,930
Term loan - Denominated in Ringgit Malaysia		1,890
Term loans - Denominated in Philippine Peso	177,083 *	14,331
Term loan - Denominated in Great Britain Pound	341 *	1,884
Vehicle stocking loans - Denominated in Great Britain Pound	49,938 *	275,898
		<u>593,933</u>
Total borrowings		<u>1,236,704</u>

* Converted at the respective exchange rates prevailing as at 31 March 2022.

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

B9 The Board has declared a third interim dividend of 2.0 sen per share (previous year third quarter ended 31 March 2021 : third interim dividend of 1.5 sen per share) in respect of financial year ending 30 June 2022 and payable on 22 July 2022. The entitlement date has been fixed on 30 June 2022.

Based on 1.34 billion fully paid ordinary shares in issue with voting rights as at 22 May 2022, the third interim dividend distribution for the financial year ending 30 June 2022 will amount to RM26.8 million. With this, the total dividend distribution for the 9-month financial period ended 31 March 2022 is approximately RM53.6 million, representing about 46.6% of the attributable profit of the Group for the 9-month period ended 31 March 2022.

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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> 1-1-2022 to 31-3-2022	<u>3-month period</u> 1-1-2021 to 31-3-2021
Profit attributable to owners of the parent (RM'000)	79,561	18,678
Weighted average number of shares with voting rights ('000)	1,341,900	1,343,351
Basic earnings per share (sen)	5.93	1.39

	Group	
	<u>9-month period</u> 1-7-2021 to 31-3-2022	<u>9-month period</u> 1-7-2020 to 31-3-2021
Profit attributable to owners of the parent (RM'000)	115,155	151,594
Weighted average number of shares with voting rights ('000)	1,341,900	1,341,377
Basic earnings per share (sen)	8.58	11.30

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

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

	Current quarter RM'000	Financial period ended 31 March 2022 RM'000
Interest income	(4,336)	(13,073)
Other income excluding dividend and interest income	(4,162)	(13,538)
Depreciation of property, plant and equipment	5,474	18,741
Depreciation of right-of-use assets	10,534	29,826
Amortisation of intangible assets	187	436
Fair value gain of investments at FVTPL	-	542
Foreign exchange loss (net)	961	1,241
Reversal of allowance for impairment on receivables	(1,078)	(1,190)
Provision for write down of inventories	5,764	17,847