

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

Date: 18 August 2020

Subject: **UNAUDITED (Q4) INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group	
	30-6-2020	(Audited) 30-6-2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	515,198	191,538
Other investments	118,977	146,620
Investment properties	113,238	114,230
Investment in associated companies	119,447	70,580
Retirement benefit assets	2,177	2,667
Deferred tax assets	23,360	27,433
Intangible assets	690,199	688,601
	1,582,596	1,241,669
Current assets		
Inventories	440,523	486,267
Receivables	506,556	458,635
Contract assets	6,631	8,599
Tax recoverable	12,065	36
Deposits, cash and bank balances	307,735	422,385
	1,273,510	1,375,922
Assets of disposal group / Non-current assets classified as held for sale	-	49,080
	1,273,510	1,425,002
TOTAL ASSETS	2,856,106	2,666,671
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves	289,633	276,991
Retained earnings	349,705	321,658
Equity funds	774,441	733,752
Less : Treasury shares	(32,165)	(12,320)
Net equity funds	742,276	721,432
Non-controlling interests	51,624	53,531
Total equity	793,900	774,963
Non-current liabilities		
Retirement benefit obligations	1,648	413
Borrowings	772,826	754,716
Deferred tax liabilities	16,875	19,244
Lease liabilities	240,879	-
Other long term liabilities	1,737	2,021
	1,033,965	776,394
Current liabilities		
Provisions	2,012	1,771
Borrowings	417,249	366,157
Payables	437,038	567,132
Contract liabilities	141,538	152,295
Lease liabilities	29,868	-
Tax payable	536	15,866
	1,028,241	1,103,221
Liabilities directly associated with disposal group	-	12,093
Total current liabilities	1,028,241	1,115,314
Total liabilities	2,062,206	1,891,708
TOTAL EQUITY AND LIABILITIES	2,856,106	2,666,671
Net assets per share (RM)	0.55	0.54

Note:

The net assets per share is calculated based on the following:

Net equity funds divided by the number of shares in issue with voting rights.

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period		Current Cumulative Period	
	3-Month 1-4-2020 to 30-6-2020 RM'000	3-Month * 1-4-2019 to 30-6-2019 RM'000	12-Month 1-7-2019 to 30-6-2020 RM'000	14-Month 1-5-2018 to 30-6-2019 RM'000
Revenue	475,059	N/A	4,653,465	6,693,389
Less: Revenue from discontinued operation	-	N/A	-	(113,734)
Revenue from continuing operations	475,059	N/A	4,653,465	6,579,655
(Loss)/profit from operations	(27,727)	N/A	266,489	477,343
Investment related income	4,491	N/A	28,801	26,069
Investment related expenses	(1,708)	N/A	(2,445)	(14,703)
Finance costs	(16,018)	N/A	(63,832)	(59,167)
Share of results of associated companies	(4,516)	N/A	(1,882)	(10,156)
(Loss)/profit before tax	(45,478)	N/A	227,131	419,386
Taxation	327	N/A	(91,907)	(148,721)
(Loss)/profit for the period/year from continuing operations	(45,151)	N/A	135,224	270,665
Discontinued operation				
(Loss)/Profit for the period from discontinued operation	-	N/A	-	(40,702)
(Loss)/profit for the period/year	(45,151)	N/A	135,224	229,963
(Loss)/profit attributable to:				
Owners of the parent				
- from continuing operations	(43,265)	N/A	134,239	268,023
- from discontinued operation	-	N/A	-	(41,175)
	(43,265)	N/A	134,239	226,848
Non-controlling interests	(1,886)	N/A	985	3,115
	(45,151)	N/A	135,224	229,963
(Loss)/earnings per share (sen)				
Attributable to owners of the parent				
- Basic				
- from continuing operations	(3.23)	N/A	9.99	19.90
- from discontinued operation	-	N/A	-	(3.06)
	(3.23)	N/A	9.99	16.84
Dividend per share (sen)				
- First interim	-	N/A	4.0	4.0
- Second interim	-	N/A	4.0	4.0
- Third interim	-	N/A	-	3.5
- Third interim - Share dividend	2.4	N/A	2.4	-
- Fourth interim	-	N/A	-	4.5

* There are no comparative figures disclosed for the current quarter following the Company's change of its financial year end from 30 April 2019 to 30 June 2019.

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period		Current Cumulative Period	
	3-Month 1-4-2020 to 30-6-2020 RM'000	3-Month * 1-4-2019 to 30-6-2019 RM'000	12-Month 1-7-2019 to 30-6-2020 RM'000	14-Month 1-5-2018 to 30-6-2019 RM'000
(Loss)/profit for the period/year	(45,151)	N/A	135,224	229,963
Other comprehensive income				
Continuing operations:				
<u>Item that may be subsequently reclassified to profit or loss</u>				
Effects of foreign exchange differences	(554)	N/A	35,772	28,412
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Actuarial loss recognised in defined benefit pension scheme	(1,648)	N/A	(1,648)	(1,002)
Tax effect relating to defined benefit pension scheme	330	N/A	330	154
Share of associated company's other comprehensive income	(13)	N/A	(13)	3
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(6,075)	N/A	(23,123)	(13,398)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD/YEAR	(53,111)	N/A	146,542	244,132
TOTAL COMPREHENSIVE (LOSS)/ INCOME ATTRIBUTABLE TO:				
Owners of the parent	(51,345)	N/A	148,449	244,671
Non-controlling interests	(1,766)	N/A	(1,907)	(539)
	(53,111)	N/A	146,542	244,132

* There are no comparative figures disclosed for the current quarter following the Company's change of its financial year end from 30 April 2019 to 30 June 2019.

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the parent								Distributable			
	Share capital RM'000	Treasury shares RM'000	Exchange reserve RM'000	FVTOCI reserve RM'000	Reserve of disposal asset classified as held for sale RM'000	Capital reserve RM'000	Consolidation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total to owners of parent RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2019	135,103	(12,320)	80,140	(31,205)	2,147	285,306	(59,397)	-	321,658	721,432	53,531	774,963
Profit for the year	-	-	-	-	-	-	-	-	134,239	134,239	985	135,224
Other comprehensive income for the year	-	-	36,029	(20,643)	-	-	-	-	(1,176)	14,210	(2,892)	11,318
Effects arising from disposal:												
- asset classified as held for sale	-	-	-	-	(2,147)	-	-	-	2,147	-	-	-
- investments at FVTOCI	-	-	-	(597)	-	-	-	-	597	-	-	-
	-	-	36,029	(21,240)	(2,147)	-	-	-	135,807	148,449	(1,907)	146,542
Transactions with owners:												
Distribution of dividends	-	-	-	-	-	-	-	-	(107,760)	(107,760)	-	(107,760)
Treasury shares acquired	-	(19,845)	-	-	-	-	-	-	-	(19,845)	-	(19,845)
	-	(19,845)	-	-	-	-	-	-	(107,760)	(127,605)	-	(127,605)
At 30 June 2020	135,103	(32,165)	116,169	(52,445)	-	285,306	(59,397)	-	349,705	742,276	51,624	793,900
At 1 July 2018	135,103	(12,320)	49,227	(20,070)	-	285,306	(58,870)	2,147	366,165	746,688	55,091	801,779
Profit for the period	-	-	-	-	-	-	-	-	226,848	226,848	3,115	229,963
Other comprehensive income for the period	-	-	30,913	(12,344)	-	-	-	-	(746)	17,823	(3,654)	14,169
Effects arising from disposal of investments at FVTOCI	-	-	-	1,209	-	-	-	-	(1,209)	-	-	-
	-	-	30,913	(11,135)	-	-	-	-	224,893	244,671	(539)	244,132
Transactions with owners:												
Distribution of dividends	-	-	-	-	-	-	-	-	(269,400)	(269,400)	-	(269,400)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(527)	-	-	(527)	(1,021)	(1,548)
Transfer of reserves	-	-	-	-	2,147	-	-	(2,147)	-	-	-	-
	-	-	-	-	2,147	-	(527)	(2,147)	(269,400)	(269,927)	(1,021)	(270,948)
At 30 June 2019	135,103	(12,320)	80,140	(31,205)	2,147	285,306	(59,397)	-	321,658	721,432	53,531	774,963

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12-Month Financial year ended 30-6-2020 RM'000	14-Month Financial period ended 30-6-2019 RM'000
OPERATING ACTIVITIES		
Receipts from customers	4,969,071	6,998,446
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(4,784,805)	(6,641,774)
Other receipts	250	491
Net cash generated from operating activities	184,516	357,163
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	421	11,245
Net proceeds from disposal of an investment property	29,917	-
Net proceeds from disposal of long term investments	16,370	2,883
Acquisition of additional equity interest in a subsidiary company	-	(1,548)
Acquisition of investment in associated companies	(2,997)	(4,485)
Acquisition of property, plant and equipment	(76,365)	(55,766)
Acquisition of an investment property	-	(2,300)
Acquisition of long term investments	(3,007)	(50,350)
Payment for other intangible assets	(1,170)	(16)
Dividend received	1,874	8,759
Interest received	9,287	15,005
Other receipts arising from investments	531	572
Other payments arising from investments	(80,894)	(9,901)
Net withdrawals with fund managers	-	86,642
Net cash (used in)/generated from investing activities	(106,033)	740
FINANCING ACTIVITIES		
Drawdown of borrowings	92,987	562,773
Repayment of borrowings	(80,483)	(573,014)
Movements of vehicle stocking loans	55,242	(18,026)
Payment of lease liabilities	(28,081)	(701)
Dividends paid to shareholders of the Company	(168,356)	(262,665)
Treasury shares acquired	(19,845)	-
Interest paid	(63,094)	(60,557)
Net cash used in financing activities	(211,630)	(352,190)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(133,147)	5,713
CASH & CASH EQUIVALENTS AT 1 JULY / 1 MAY	429,506	415,272
Effects of exchange rate changes	8,527	8,521
CASH & CASH EQUIVALENTS AT 30 JUNE	304,886	429,506
	Financial year ended 30-6-2020 RM'000	Financial period ended 30-6-2019 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	187,561	145,546
Deposits with financial institutions	120,174	276,839
	307,735	422,385
Excluding : Cash and cash equivalents restricted for use	(2,849)	(2,834)
	304,886	419,551
Including : Cash and cash equivalents classified as disposal group	-	9,955
	304,886	429,506

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020 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 period ended 30 June 2019. 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 period ended 30 June 2019.

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 period ended 30 June 2019. The Group has neither early adopted nor applied any new MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs that are issued but not yet effective for the Group's accounting period beginning 1 July 2019.

Unless otherwise described below, the adoption of newly effective MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs are expected to have no significant financial impacts to the financial statements of the Group upon their initial application except for changes in presentation and additional disclosures of financial information.

(a) MFRS 16: Leases

MFRS 16 has replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have impact for leases where the Group is the lessor. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

The Group adopted MFRS 16 using the modified retrospective approach with the date of initial application as at 1 July 2019. Under this standard, the Group initially measured its right-of-use assets to be equal to the lease liability, which is the present value of the remaining total lease payments (adjusted for any prepaid or accrued lease payments) discounted at the date of initial application (i.e. 1 July 2019). The Group does not restate the comparative information, which continues to be reported under MFRS 117.

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**NOTES TO THE INTERIM FINANCIAL REPORT**A1 (a) MFRS 16: Leases (Cont'd)Financial impact

The financial impact from the initial adoption of MFRS 16 as at 1 July 2019 are as follows:

Consolidated Statement of Financial Position	Increase/ (Decrease) RM'000
Assets	
Property, plant and equipment: Right-of-use asset	213,497
Liabilities	
Lease liabilities	213,497

Significant accounting policies

The standard requires the Group to recognise an asset representing the right to use of the underlying asset and a liability to make lease payments during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the total lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. Subsequently, the lease liability is increased by the interest cost and reduced by the lease payments made accordingly. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- A2 Our business operations are not significantly affected by seasonal or cyclical factors except for our toto betting operations that may be positively impacted by the festive seasons.
- A3 There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the financial year ended 30 June 2020 except for the financial impact arising from the current novel Coronavirus ("Covid-19") pandemic and the nationwide Movement Control Order ("MCO") imposed by the Malaysian Government as well as the lockdown measures implemented in countries where the Group has business operations as disclosed in Notes B1 and B2.

There were no changes in estimates reported in the prior financial period that had a material effect in the current financial year ended 30 June 2020.

- A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial year ended 30 June 2020.

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		
March 2020	1.94	2.20	2.09	9,500,000	19,845
TOTAL				9,500,000	19,845

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**NOTES TO THE INTERIM FINANCIAL REPORT**

A4 The number of treasury shares held in hand as at 30 June 2020 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2019	3.06	4,030,072	12,320
Increase in treasury shares	2.09	9,500,000	19,845
Total treasury shares as at 30 June 2020	2.38	13,530,072	32,165

As at 30 June 2020, the number of outstanding shares in issue with voting rights was 1,337,500,000 ordinary shares (30 June 2019 : 1,347,000,000 ordinary shares).

A5 During the current year ended 30 June 2020 and up to the date of this report, the Company paid the following dividends:

- fourth interim dividend on 16 August 2019, in respect of financial period ended 30 June 2019, of 4.5 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM60,615,000;
- first interim dividend on 9 January 2020, in respect of financial year ended 30 June 2020, of 4.0 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000; and
- second interim dividend on 9 April 2020, in respect of financial year ended 30 June 2020, of 4.0 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000.

A6 Segmental revenue and results for the financial year ended 30 June 2020 were as follows:

REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting	2,466,573	-	2,466,573
Motor dealership	2,083,693	-	2,083,693
Others	103,199	4,511	107,710
Elimination : Intersegment Revenue	-	(4,511)	(4,511)
	<u>4,653,465</u>	<u>-</u>	<u>4,653,465</u>

BERJAYA SPORTS TOTO BERHAD

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UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**NOTES TO THE INTERIM FINANCIAL REPORT**A6 RESULTS

	Total RM'000
Toto betting	259,816
Motor dealership	19,960
Others	2,376
	<hr/>
	282,152
Unallocated corporate expenses	(15,663)
	<hr/>
Profit from operations	266,489
Interest income	16,349
Investment related income (other than interest income)	12,452
Investment related expenses	(2,445)
Finance costs	(63,832)
Share of results of associated companies	(1,882)
	<hr/>
Profit before tax	227,131
Taxation	(91,907)
	<hr/>
Profit for the year	<u>135,224</u>

- A7 There were no significant events since the end of the 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 financial year ended 30 June 2020 up to the date of this report including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed below:
- (a) On 1 July 2019, BPI disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of Philippine Peso ("Php") 117.15 million (equivalent to approximately RM9.49 million). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of Php100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. BPI's equity interest in PGMC was thus further diluted to 39.99% from 79.99%, and PGMC ceased as a subsidiary and became an associated company of BPI.
- (b) On 23 July 2019, BPI acquired 29,998 ordinary shares in Berjaya Auto Asia Inc. ("Berjaya Auto Asia"), a company incorporated in the Philippines for a total consideration of Php29,998 (equivalent to RM3,000), representing 30% equity interest in Berjaya Auto Asia. The principal activity of Berjaya Auto Asia is distribution of China brand vehicles through appointed dealers in the Philippines.
- A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 June 2019.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2019 except for the payments incurred for the approved capital expenditures amounting to RM85.3 million in the current year under review.

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
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 financial period whilst auto retailing business is affected by the trend in prestige and specialist cars predominantly in the London area of United Kingdom ("UK") and the ultimate impact of Brexit. The Covid-19 pandemic has negatively impacted the Group's performance for the current quarter and year ended 30 June 2020 due to the lockdown measures implemented by countries where the Group has business operations.

The summary results of the Group are as follows:

	3-Month	
	1-4-2020 to 30-6-2020 RM'000	1-4-2019 to 30-6-2019 RM'000
Revenue	<u>475,059</u>	<u>N/A</u>
Loss from operations	<u>(27,727)</u>	<u>N/A</u>
Loss before tax	<u>(45,478)</u>	<u>N/A</u>

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

The Group reported revenue of RM475.1 million and loss before tax of RM45.5 million in the current quarter. As its business operations had been adversely affected by the Covid-19 pandemic, the Group's financial performance dropped significantly. In view of the adverse impact caused by the lockdown measures, the Group has undertaken certain austerity measures to mitigate the operating losses.

Many countries have implemented various lockdown measures as a preventive response to control and curtail the outbreak of the Covid-19 pandemic. The Malaysian Government, in response to the Covid-19 outbreak in the country, has imposed the MCO with effect from 18 March 2020, subsequently a Conditional MCO from 4 May 2020, and followed by the Recovery MCO from 10 June until 31 August 2020. Sports Toto Malaysia Sdn Bhd ("Sports Toto"), the Group's principal subsidiary, was only allowed to resume its operation on 17 June 2020 after all non-essential businesses, including Sports Toto, were ordered to close since 18 March 2020. Hence, Sports Toto's operations had been negatively impacted as thirty four (34) draws had been cancelled during the current quarter and it only conducted six (6) draws for the current quarter under review. In the UK, the Group's auto retailing business operated by H.R. Owen Plc ("H.R. Owen") had shut down its operations from 23 March 2020 to 31 May 2020, in compliance with the UK's lockdown order and only resumed business operation on 1 June 2020.

BERJAYA SPORTS TOTO BERHAD

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**UNAUDITED (Q4) INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the Year Ended 30 June 2020**

The summary results of the Group are as follows:

	<u>12-Month</u> <u>1-7-2019 to</u> <u>30-6-2020</u> <u>RM'000</u>	<u>14-Month</u> <u>1-5-2018 to</u> <u>30-6-2019</u> <u>RM'000</u>
Revenue		
- from continuing operations	4,653,465	6,579,655
- from discontinued operation	-	113,734
	<u>4,653,465</u>	<u>6,693,389</u>
Profit from operations		
- from continuing operations	266,489	477,343
- from discontinued operation	-	50,787
	<u>266,489</u>	<u>528,130</u>
Profit/(loss) before tax		
- from continuing operations	227,131	419,386
- from discontinued operation	-	(25,124)
	<u>227,131</u>	<u>394,262</u>

The Group reported revenue and profit before tax of RM4.65 billion and RM227.1 million respectively for the year ended 30 June 2020. The Group's revenue was mainly contributed by sales from Sports Toto and H.R. Owen whilst the Group profit before tax was mainly attributed to profit reported by Sports Toto.

The Group's results were negatively impacted by the implementation of the lockdown measures by the various countries and these measures have affected the operations of the main subsidiaries. Sports Toto cancelled forty (40) draws from 18 March 2020 (the commencement of the MCO) to 16 June 2020 upon the imposition of the MCO by the Malaysian government. It only resumed operation on 17 June 2020. As for H.R. Owen, its operation was shut down for more than 2 months in compliance with the UK government's lockdown order during the period from 23 March 2020 to 31 May 2020.

For the previous 14-month period ended 30 June 2019, the Group registered revenue of RM6.69 billion and pre-tax profit of RM394.3 million. The revenue and pre-tax profit registered was mainly attributed to revenue and profits achieved by Sports Toto and H.R. Owen. However, the pre-tax profit was partly offset by impairment of goodwill and assets of the disposal group namely Philippine Gaming Management Corporation ("PGMC"). PGMC was classified as discontinued operation in the previous 14-month period ended 30 June 2019 and PGMC is now a 39.9% associated company of the Group.

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OF BURSA MALAYSIA SECURITIES BERHAD****B2 Review of 4th Quarter's Results Vs 3rd Quarter Results of financial year ended 30 June 2020**

	3-month		+/-<-> %
	1-4-2020 to 30-6-2020 RM'000	1-1-2020 to 31-3-2020 RM'000	
Revenue	<u>475,059</u>	<u>1,333,491</u>	(64.4)
(Loss)/profit from operations	<u>(27,727)</u>	<u>86,112</u>	N/A
(Loss)/profit before tax	<u>(45,478)</u>	<u>74,341</u>	N/A

For the current quarter ended 30 June 2020, the Group reported a significant drop in revenue of 64.4% and incurred loss before tax of RM45.5 million as compared to profit before tax of RM74.3 million in the preceding quarter. The significant drop in the Group's revenue and results in the current quarter under review was mainly attributed to the shut down of business operations, which resulted from various lockdown measures implemented by the respective countries where the main subsidiary companies operate.

Sports Toto reported a drop in revenue of 90.9% as compared to the preceding quarter mainly due to the cancellation of thirty four (34) draws in the current quarter during the MCO period till 16 June 2020. The preceding quarter reported higher revenue with the traditionally higher sales from the Chinese New Year festive season in the month of January 2020, despite the cancellation of six (6) draws when the MCO was imposed effective 18 March 2020. Operations resumed on 17 June 2020 with a shortfall of thirty (30) draws as compared to the preceding quarter. Sports Toto incurred loss before tax during the current quarter as compared to profit before tax in the preceding quarter mainly due to the loss of revenue from the cancelled draws and fixed operating expenses incurred during the MCO periods.

H.R. Owen reported a decrease in revenue of 31.6% to RM383.6 million from RM560.6 million as reported in the preceding quarter whilst it reported loss before tax of RM13.6 million in the current quarter as compared to RM8.0 million profit before tax reported in the preceding quarter. The lower results reported was mainly due to operations being shut down for 2 months in the current quarter under review during the lockdown period in the UK.

B3 Future Prospects

The Covid-19 pandemic has taken a toll on the Malaysian and global economy with most countries still in different phases of their unprecedented lockdown measures as at to date to curb the Covid-19 pandemic. These various lockdown measures undertaken by countries where the subsidiary companies operate have significantly impacted the operations of the Group's main businesses.

The economy is expected to recover at a slower pace as the business environment has been significantly impacted by the lockdown and the new social distancing rules as well as guidelines in compliance with the Standard Operating Procedures issued by the National Security Council. In spite of the above, the Directors are cautiously optimistic that the Group's businesses will gradually recover with the fairly resilient nature of the NFO business as was noted in the past economic crises and turbulent periods. The Directors are also confident that it will continue to maintain its market share in the NFO business for the financial year ending 30 June 2021.

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

B5 Taxation

	Current quarter RM'000	Current year ended 30 June 2020 RM'000
<u>Based on the results for the quarter/year:</u>		
- Malaysian income tax	1,387	78,526
- Under provision in prior year	425	442
- Foreign country income tax	1,034	13,507
Deferred tax		
- Origination and reversal of temporary differences	(3,173)	(568)
	<u>(327)</u>	<u>91,907</u>

The disproportionate tax charge of the Group for the current quarter and current year ended 30 June 2020 was mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

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

B7 The Group's borrowings as at 30 June 2020 were as follows:

	Foreign currency amount '000	At end of current year RM'000
<u>Long term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		<u>772,826</u>
<u>Short term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		25,000
Bank borrowings - Denominated in Philippine Peso	455,000 *	39,220
Bank borrowings - Denominated in Great Britain Pound	2,000 *	10,575
Vehicle stocking loans - Denominated in Great Britain Pound	64,767 *	<u>342,454</u>
		<u>417,249</u>
Total bank borrowings		<u>1,190,075</u>

* Converted at the respective exchange rate prevailing as at 30 June 2020.

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 with share distribution of approximately 13.375 million treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held in respect of financial year ended 30 June 2020. Based on the treasury share book cost of RM31.8 million, the share dividend is equivalent to approximately 2.4 sen per share based on the ordinary shares in issue with voting rights as at 17 August 2020 of 1.34 billion (previous year fourth quarter ended 30 April 2019 : fourth interim cash dividend of 4.5 sen per share).

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B9 The entitlement date has been fixed on 24 September 2020. The treasury shares to be distributed as share dividend will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd within 10 market days from the entitlement date.

The first interim dividend of 4 sen per share was paid on 9 January 2020 and the second interim dividend of 4 sen per share was paid on 9 April 2020. This will bring the total cash and share dividend distribution in respect of financial year ended 30 June 2020 to 10.4 sen per share (previous year corresponding financial period ended 30 June 2019 : 16 sen per share).

Based on 1.34 billion fully paid ordinary shares in issue and with voting rights as at 17 August 2020, the third interim share dividend distribution for the financial year ended 30 June 2020 will amount to RM31.8 million. The total cash and share dividend distribution for the financial year ended 30 June 2020 is approximately RM139.6 million, representing about 104.0% of the attributable profit of the Group for the financial year ended 30 June 2020.

B10 The (loss)/earnings per share is calculated by dividing (loss)/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>	<u>3-month period</u>
	1-4-2020 to 30-6-2020	1-4-2019 to 30-6-2019
Loss attributable to owners of the parent (RM'000)	(43,265)	N/A
Weighted average number of shares with voting rights ('000)	1,337,500	N/A
Basic loss per share (sen)	(3.23)	N/A
	Group	
	<u>12-month period</u>	<u>14-month period</u>
	1-7-2019 to 30-6-2020	1-5-2018 to 30-6-2019
Attributable to owners of the parent (RM'000)		
- Profit from continuing operations	134,239	268,023
- Loss from discontinued operation	-	(41,175)
	<u>134,239</u>	<u>226,848</u>
Weighted average number of shares with voting rights ('000)	<u>1,344,264</u>	<u>1,347,000</u>
Basic earnings/(loss) per share (sen) for:		
Profit from continuing operations	9.99	19.90
Loss from discontinued operation	-	(3.06)
	<u>9.99</u>	<u>16.84</u>

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there were no potentially dilutive ordinary shares during the financial year.

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

	Current quarter RM'000	Financial year ended 30 June 2020 RM'000
Interest income	(3,615)	(16,349)
Dividend income included in investment related income	(876)	(1,874)
Other income excluding dividend and interest income	(654)	(3,314)
Depreciation of property, plant and equipment	16,384	64,240
Amortisation of intangible assets	123	474
Impairment in value of quoted and unquoted investments	-	-
Foreign exchange (gain)/loss (net)	(369)	(286)
(Reversal)/provision for and write off of receivables	1,203	1,143
(Reversal)/provision for and write off of inventories	1,955	4,037
Gain on disposal of an investment property	-	(8,578)
(Gain)/loss on derivatives	-	-