

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 17 March 2014

Subject: **UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2014**

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UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	31-1-2014	30-4-2013
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	170,589	121,864
Other investments	81,539	58,987
Investment properties	99,641	99,023
Investment in associated companies	7,936	7,793
Deferred tax assets	15,716	18,417
Intangible assets	750,028	644,485
	<u>1,125,449</u>	<u>950,569</u>
Current assets		
Inventories	253,120	16,878
Receivables	247,959	142,105
Tax recoverable	95	121
Short term investments	833	3,771
Deposits, cash and bank balances	441,440	429,626
	<u>943,447</u>	<u>592,501</u>
TOTAL ASSETS	<u>2,068,896</u>	<u>1,543,070</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital (par value per share : RM0.10)	135,103	135,103
Capital reserve	21,327	21,327
Exchange reserve	20,575	12,997
Available-For-Sale ("AFS") reserve	12,400	10,424
Retained earnings	491,002	423,221
Equity funds	680,407	603,072
Less : Treasury shares	(103,764)	(32,907)
Net equity funds	576,643	570,165
Non-controlling interests	71,664	43,049
Total equity	<u>648,307</u>	<u>613,214</u>
Non-current liabilities		
Retirement benefit obligations	2,313	2,406
Long term borrowings	407,392	400,000
Deferred tax liabilities	3,958	364
Other long term liabilities	1,265	927
	<u>414,928</u>	<u>403,697</u>
Current liabilities		
Provisions	1,030	421
Short term borrowings	337,764	150,000
Payables	638,345	348,186
Tax payable	28,522	27,552
Total current liabilities	<u>1,005,661</u>	<u>526,159</u>
Total liabilities	<u>1,420,589</u>	<u>929,856</u>
TOTAL EQUITY AND LIABILITIES	<u>2,068,896</u>	<u>1,543,070</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.43	0.42

Note:

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

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

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended			9 months ended		
	31-1-2014	31-1-2013	+/->	31-1-2014	31-1-2013	+/->
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	1,228,026	888,727	38.2	2,982,014	2,697,341	10.6
PROFIT FROM OPERATIONS	142,178	136,126	4.4	434,072	450,882	(3.7)
Investment related income	4,780	3,649	31.0	31,646	29,621	6.8
Investment related expenses	(10,156)	-	100.0	(33,647)	-	100.0
Finance costs	(12,262)	(8,662)	41.6	(29,607)	(24,050)	23.1
Share of results of associated companies	(61)	(620)	(90.2)	(1,789)	(3,634)	(50.8)
PROFIT BEFORE TAX	124,479	130,493	(4.6)	400,675	452,819	(11.5)
INCOME TAX EXPENSE	(48,919)	(42,635)	14.7	(136,105)	(134,884)	0.9
PROFIT FOR THE PERIOD	75,560	87,858	(14.0)	264,570	317,935	(16.8)
PROFIT ATTRIBUTABLE TO:						
Equity holders of the parent	73,159	86,069	(15.0)	254,581	309,350	(17.7)
Non-controlling interests	2,401	1,789	34.2	9,989	8,585	16.4
	75,560	87,858	(14.0)	264,570	317,935	(16.8)
EARNINGS PER SHARE (SEN)						
-Basic	5.49	6.49		19.05	23.39	
-Diluted	5.49	6.49		19.05	23.39	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		4.0	6.5	
- Second interim	-	-		6.0	-	
- Third interim	-	8.0		-	8.0	
- Second interim - share dividend	-	-		-	9.5	
- Third interim - share dividend	9.5	-		9.5	-	

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended			9 months ended		
	31-1-2014 RM'000	31-1-2013 RM'000	+/-<-> %	31-1-2014 RM'000	31-1-2013 RM'000	+/-<-> %
PROFIT AFTER TAXATION	75,560	87,858	(14.0)	264,570	317,935	(16.8)
OTHER COMPREHENSIVE INCOME						
Gain/(loss) on changes in fair value of available-for-sale investments	(8,308)	2,451	N/A	19,975	3,182	527.7
Transfer to profit or loss upon disposal/derecognition	(325)	(312)	4.2	(17,762)	(11,737)	51.3
Effects of foreign exchange differences	5,159	9,541	(45.9)	3,218	17,930	(82.1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	72,086	99,538	(27.6)	270,001	327,310	(17.5)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Equity holders of the parent	73,062	95,840	(23.8)	264,135	318,141	(17.0)
Non-controlling interests	(976)	3,698	N/A	5,866	9,169	(36.0)
	72,086	99,538	(27.6)	270,001	327,310	(17.5)

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent							
	Share capital RM'000	Treasury shares RM'000	Reserves			Total to holders of parent company RM'000	Non-controlling interests RM'000	Total equity RM'000
			Non-distributable		Distributable			
			AFS reserve RM'000	Other reserves RM'000	Retained earnings RM'000			
At 1 May 2013	135,103	(32,907)	10,424	34,324	423,221	570,165	43,049	613,214
Total comprehensive income for the period	-	-	1,976	7,578	254,581	264,135	5,866	270,001
	135,103	(32,907)	12,400	41,902	677,802	834,300	48,915	883,215
Transactions with owners:								
Treasury shares acquired	-	(70,857)	-	-	-	(70,857)	-	(70,857)
Acquisition of subsidiary company	-	-	-	-	-	-	22,749	22,749
Distribution of dividends	-	-	-	-	(186,800)	(186,800)	-	(186,800)
	-	(70,857)	-	-	(186,800)	(257,657)	22,749	(234,908)
At 31 January 2014	135,103	(103,764)	12,400	41,902	491,002	576,643	71,664	648,307
At 1 May 2012	135,103	(120,295)	17,504	29,575	412,303	474,190	31,399	505,589
Total comprehensive income for the period	-	-	(7,551)	16,342	309,350	318,141	9,169	327,310
	135,103	(120,295)	9,953	45,917	721,653	792,331	40,568	832,899
Transactions with owners:								
Treasury shares acquired	-	(9,953)	-	-	-	(9,953)	-	(9,953)
Distribution of treasury shares as share dividend	-	125,956	-	-	(125,956)	-	-	-
Distribution of dividends	-	-	-	-	(151,996)	(151,996)	-	(151,996)
	-	116,003	-	-	(277,952)	(161,949)	-	(161,949)
At 31 January 2013	135,103	(4,292)	9,953	45,917	443,701	630,382	40,568	670,950

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31-1-2014 RM'000	9 months ended 31-1-2013 RM'000
OPERATING ACTIVITIES		
Receipts from customers	3,185,901	2,934,270
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(2,897,939)	(2,601,056)
Other receipts	44	88
Net cash generated from operating activities	288,006	333,302
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	938	710
Net proceeds from disposal of short term investments	2,938	759
Net proceeds from disposal of long term investments	17,989	24,713
Acquisition of investment in subsidiary company	(75,180)	-
Acquisition of investment in associated company	(1,901)	(4,800)
Acquisition of property, plant and equipment	(24,262)	(9,063)
Acquisition of investment properties	(618)	(4,922)
Acquisition of investments	(33,776)	(13,621)
Dividend received	2,578	437
Interest received	8,720	10,555
Deposits placement with investment advisers	(50,546)	-
Other receipts from investing activities	1,722	550
Other payments from investing activities	(33,647)	(38,310)
Net cash used in investing activities	(185,045)	(32,992)
FINANCING ACTIVITIES		
Drawdown of borrowings	367,331	-
Repayment of borrowings	(172,175)	-
Payment of hire purchase liabilities	(402)	(217)
Treasury shares acquired	(70,473)	(11,925)
Dividends paid	(186,931)	(154,099)
Interest paid	(36,475)	(30,288)
Net cash used in financing activities	(99,125)	(196,529)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,836	103,781
CASH & CASH EQUIVALENTS AT 1 MAY	429,626	408,847
Exchange difference	7,978	6,247
CASH & CASH EQUIVALENTS AT 31 JANUARY	441,440	518,875

	9 months ended 31-1-2014 RM'000	9 months ended 31-1-2013 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	155,508	50,701
Deposits with financial institutions	285,932	468,174
	441,440	518,875

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 The quarterly financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the year ended 30 April 2013.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 April 2013.

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 2013.

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 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 period ended 31 January 2014 except as disclosed in Note A8 (c), B11 and investment related expenses as disclosed in income statements.

There were no changes in estimates reported in the prior financial year that had a material effect in the current period ended 31 January 2014.

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 January 2014.

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		
July 2013	4.16	4.26	4.23	5,690,000	24,088
August 2013	4.01	4.10	4.04	2,150,000	8,692
December 2013	3.97	4.00	3.99	4,950,000	19,758
January 2014	3.96	4.04	3.98	4,600,000	18,319
TOTAL				17,390,000	70,857

A4 The number of treasury shares held in hand as at 31 January 2014 are as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2013		7,840,072	32,907
Increase in treasury shares		17,390,000	70,857
Total treasury shares as at 31 January 2014	4.11	25,230,072	103,764

As at 31 January 2014, the number of outstanding shares in issue and fully paid with voting rights was 1,325,800,000 ordinary shares of RM0.10 each (31 January 2013 : 1,350,030,612 ordinary shares of RM0.10 each).

Subsequent to the financial period ended 31 January 2014, 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		
February 2014	3.90	4.01	3.98	5,370,200	21,373
March 2014	3.91	3.93	3.92	1,113,900	4,365
TOTAL				6,484,100	25,738

As at 16 March 2014, the number of outstanding shares in issue and fully paid with voting rights was 1,319,315,900 ordinary shares of RM0.10 each. Total number of treasury shares held in hand as at 16 March 2014 was 31,714,172 amounting to RM129.5 million valued at average price of RM4.08 per share.

A5 During the financial period ended 31 January 2014, the Company paid the following dividends:

- i) Fourth interim single tier exempt dividend on 1 August 2013, in respect of financial year ended 30 April 2013, of 4 sen per share on 1,339,040,000 ordinary shares with voting rights amounting to RM53,561,600; and
- ii) First interim single tier exempt dividend on 17 October 2013, in respect of financial year ending 30 April 2014, of 4 sen per share on 1,335,350,000 ordinary shares with voting rights amounting to RM53,414,000; and
- iii) Second interim single tier exempt dividend on 28 January 2014, in respect of financial year ending 30 April 2014, of 6 sen per share on 1,330,400,000 ordinary shares with voting rights amounting to RM79,824,000.

A6 Segmental revenue and results for the financial period ended 31 January 2014 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	2,593,609	-	2,593,609
Franchised motor vehicle dealer	344,748	-	344,748
Others	43,657	37,610	81,267
Elimination : Intersegment Revenue	-	(37,610)	(37,610)
Total revenue	<u>2,982,014</u>	<u>-</u>	<u>2,982,014</u>

RESULTS

Toto betting and leasing of lottery equipment	461,362
Franchised motor vehicle dealer	2,346
Others	<u>(15,469)</u>
	448,239
Unallocated corporate expenses	<u>(14,167)</u>
Operating profit	434,072
Finance costs	(29,607)
Interest income	8,720
Investment related income	22,926
Investment related expenses	(33,647)
Share of results of associated companies	<u>(1,789)</u>
Profit before tax	400,675
Income tax expense	<u>(136,105)</u>
Profit for the period	<u><u>264,570</u></u>

A7 There were no material subsequent events for the financial period ended 31 January 2014 and up to the date of this announcement other than as disclosed in Note B6(iii).

A8 There were no changes in the composition of the Group for the current period ended 31 January 2014 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the following:

- (a) On 4 June 2013, Berjaya Philippines Inc. ("BPI"), a subsidiary company of the Group completed the disposal of its entire equity interest of 0.68% comprising 1.0 million ordinary shares in RadioShack Corporation, USA for a consideration of about USD3.85 million (equivalent to RM11.73 million), thus realising a gain on disposal of RM4.94 million.
- (b) On 17 June 2013, the Company announced the constitution of Sports Toto Malaysia Trust ("STM Trust") under the Business Trust Act, Chapter 31A of Singapore by a declaration of trust by a wholly-owned subsidiary company, namely Sports Toto Malaysia Management Pte. Ltd., as trustee-manager of STM Trust under a trust deed dated 13 June 2013.

- A8 (c) On 30 July 2013, BPI made a cash offer to acquire the entire issued and to be issued share capital of H.R. Owen Plc ("H.R. Owen") at an offer price of 130 pence per share and subsequent increased the offer price to 170 pence per share. On 23 September 2013, the mandatory cash offer was declared wholly unconditional with BPI being the beneficial owner of over 50% equity interests in H.R. Owen. BPI's shareholdings in H.R. Owen further increased to 71.2% as at the mandatory cash offer closing and completion date on 11 October 2013 for a total cash consideration of approximately £25.7 million (equivalent to approximately RM129.2 million for the cash offer). Hence H.R. Owen is now a subsidiary company of BPI. The subsequent consolidation of H.R. Owen is regarded as a business combination in accordance with MFRS 3 : Business Combinations. The Group is now undertaking a purchase price allocation exercise to identify and measure intangible assets, if any, and the goodwill on acquisition which is now provisionally estimated to be RM91.4 million and included in the statement of financial position.
- (d) During the current period ended 31 January 2014, BPI further acquired Redtone International Berhad's ("Redtone") securities for a total cash consideration of approximately RM25.34 million. As at 31 January 2014, BPI's shareholdings in Redtone after certain disposals were 17.3 million shares of stock of RM0.10 each (representing 3.4% of the total outstanding stock) and 81.3 million units of convertible debts denominated at RM0.10 per unit (representing 38.4% of total convertible debt).
- (e) During the current period ended 31 January 2014, International Lottery & Totalizator System, Inc., a 71.32% wholly-owned subsidiary of Berjaya Lottery Management (HK) Limited ("BLM"), which in turn is a wholly-owned subsidiary of the Company has incorporated a 100% wholly-owned subsidiary company namely Delaware International Lottery & Totalizator Systems.
- A9 There were no changes in contingent liabilities or financial guarantee since the last audited reporting date as at 30 April 2013.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2013 other than that disclosed in Note A8 (c) and the commitment related to corporate proposals not completed as disclosed in Notes B6 (ii) and B6 (iii).

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2014
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The main business segment of the Group is toto betting and leasing of lottery equipment as the Group is primarily engaged in the number forecast operation ("NFO") business. The key factors affecting the performance of the Group include the disposable income of the general public, Jackpot cycles, luck factor and the number of draws in the financial period.

For the quarter

As compared to the previous year corresponding quarter ended 31 January 2013, the Group registered an increase in revenue of 38.2% while it recorded a drop in pre-tax profit of 4.6%. The increase in revenue was mainly attributed to the consolidation of H.R. Owen Plc's ("H.R. Owen") revenue in the current quarter. The drop in pre-tax profit was mainly due to results of Berjaya Philippines Inc. ("BPI") coupled with corporate exercise expenses incurred pursuant to the cash offer for H.R. Owen as disclosed in Note A8 (c), and residual costs incurred in the proposed listing of STM Trust (which was aborted). There would be an increase in pre-tax profit of 3.2% if the aforesaid corporate exercise expenses were excluded.

Sports Toto Malaysia Sdn Bhd ("Sports Toto"), the principal subsidiary, recorded a drop in revenue of 0.1%. As compared to the previous year corresponding quarter, Sports Toto recorded a decrease in pre-tax profit of 2.8% mainly due to marginally higher prize payout in the current quarter.

As compared to the previous year corresponding quarter, BPI recorded lower revenue and pre-tax profit of 9.5% and 37.1% respectively mainly due to lower lease rental income earned as a result of lower sales reported by Philippine Charity Sweepstakes Office. The higher percentage decrease in pre-tax profit was mainly due to the aforesaid corporate exercise expenses incurred in the current quarter under review. The drop in pre-tax profit would be a nominal 0.5% if the aforesaid corporate exercise expenses were excluded.

For the 9-month period

For the 9-month period under review, the Group registered an increase in revenue of 10.6% mainly attributed to the consolidation of H.R. Owen in the current period. The Group recorded a decrease in pre-tax profit of 11.5% despite an increase in revenue was mainly due to the previous year corresponding period benefiting from the gain on disposal of certain quoted investments coupled with corporate exercise expenses incurred in the current period. Excluding the corporate related expenses, the drop in the Group's pre-tax profit would have been 4.1%.

As compared to previous year corresponding period, Sports Toto recorded a drop in revenue and pre-tax profit of 2.3% and 0.8% respectively. The current period has lower number of draws compared to previous year corresponding period. The lower decrease in pre-tax profit was due to higher operating expenses incurred in the previous year corresponding period.

BPI recorded lower revenue and pre-tax profit of 15.9% and 20.0% respectively mainly due to lower lease rental income earned as a result of lower sales reported by the Philippine Charity Sweepstakes Office. The higher percentage decrease in pre-tax profit was mainly due to corporate expenses incurred but mitigated by the recognition of fair value gain arising from the business combination of H.R. Owen in the current period under review. BPI's drop in pre-tax profit would be 10.6% if the aforesaid corporate exercise expenses were excluded.

B2 Quarter 3 Vs Quarter 2 of financial year

As compared to the preceding quarter ended 31 October 2013, the Group registered an increase in revenue of 41.7% mainly attributed to the consolidation of H.R. Owen's revenue coupled with the results of Sports Toto as explained in the ensuing paragraph as well as higher revenue recorded by Berjaya Philippines Inc. in the current quarter. The Group recorded a decrease in pre-tax profit of 2.6% despite the increase in revenue mainly due to results of Sports Toto as explained in the ensuing paragraph.

Sports Toto registered an increase in revenue of 1.3% while pre-tax profit was down by 1.9% as compared to the preceding quarter. The decrease in pre-tax profit was mainly due to higher operating expenses incurred in the current quarter under review.

BPI registered an increase in revenue of 8.9% mainly due to higher lease rental income from higher sales reported by Philippine Charity Sweepstakes Office. In spite of the increase in revenue, BPI recorded a decrease in pre-tax profit of 56.6% mainly due to the preceding quarter benefited from the fair value gain arising from the business combination of H.R. Owen as well as the relevant corporate exercise expenses incurred in the current quarter. The decrease in pre-tax profit would be 31.4% if the aforesaid corporate exercise expenses were excluded.

B3 Future Prospects

The gaming sector in Malaysia is expected to remain resilient and the Directors expect the Group to maintain its market share in the NFO business.

B4 There was no profit forecast or profit guarantee given by the Group for the financial period ended 31 January 2014.

B5 Income tax expense

	Current quarter RM'000	Current period ended 31 January 2014 RM'000
Based on the results for the period:		
- Malaysian income tax	23,247	96,170
- Under provision in prior year	4,813	17,713
- Foreign countries income tax	9,057	19,205
Deferred tax:		
- Origination and reversal of temporary differences	11,802	3,017
	48,919	136,105

The effective tax rate on the Group's profit for the quarter and financial period ended 31 January 2014 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 The development for the corporate proposal disclosed in the Note 43 (ii) to the audited financial statements of the Company for the financial year ended 30 April 2013 are as follows:

- (i) Note 43 (ii) relates to the proposed transfer of the Company's 100% equity interest in Sports Toto to STM Trust, a business trust constituted in Singapore ("Transfer") and the proposed listing of up to 4.89 billion STM Trust units on the Mainboard of the Singapore Exchange Securities Trading Limited.

The Transfer was completed on 31 October 2013 following the issuance of 4,369,999,998 units in STM Trust at an issue price of SGD0.5001 each to Berjaya Sports Toto (Cayman) Limited and bill of exchange in favour of the Company amounting to RM571.32 million, which was subsequently indorsed in favour of Sports Toto.

On 2 December 2013, the Company announced that the Board decided not to proceed with the proposed listing after considering the challenging market conditions and the poor performances of the listed yield stocks such as real estate investment trusts ("REIT") and other business trusts in Singapore.

On 21 January 2014, the Company announced that following the abortion of the proposed listing, the relevant parties have unwound the Transfer that was completed on 31 October 2013 and STM has been reverted back as a 100% direct subsidiary of the Company.

Corporate proposals announced but not completed are as follows:

- (ii) On 10 January 2014, the Company announced that International Lottery & Totalizator System, Inc. ("ILTS California"), a 71.32% wholly-owned subsidiary of Berjaya Lottery Management (HK) Limited ("BLM"), which in turn is a wholly-owned subsidiary company of the Company has filed Form 8-K pursuant to the United States Securities Exchange Act of 1934, as amended ("the Act") that ILTS California will be merged with its present 100% wholly-owned subsidiary, Delaware International Lottery & Totalizator Systems, Inc. ("ILTS DE").

Thereafter, ILTS DE will carry out a reverse stock split of ILTS DE's common stock such that BLM will be the sole shareholder of ILTS DE. Each shareholder of ILTS DE holding less than one whole share of common stock would be paid USD1.33 in cash per pre-reverse stock split shares in lieu of fractional share interests.

ILTS DE (as the successor to ILTS California) will thereafter terminate its registration and reporting obligations under the Act. Upon completion of these transactions, ILTS DE will be wholly-owned by the Company via BLM and its shares will cease to be traded on the Over-The-Counter Markets. ILTS California has obtained the written consent of BLM, approving the merger and the reverse stock split.

ILTS California plans to file with the United States Securities and Exchange Commission an Information Statement on Schedule 14C and a statement on Schedule 13E-3 in connection with the merger and the reverse stock split. The merger and reverse stock split will be consummated promptly no earlier than 20 calendar days following the date on which the Information Statement is first mailed to shareholders of ILTS California.

- (iii) On 20 February 2014, the Company announced that H.R. Owen, an indirect subsidiary listed on the London Stock Exchange ("LSE"), has on 19 February 2014 announced the proposed cancellation of Admission to the Official List and to trading on the LSE's main market for listed securities (the "De-Listing") as a result of its shares in public hands are only 2.5% of H.R. Owen's issued share capital. In order to comply with the LSE listing requirements, a company must have at least 25% of its shares in public hands. The De-Listing will be effected with the offer for the qualifying shareholders to sell their shares to BPI at 170 pence per share.

The proposed De-Listing was approved at the general meeting convened on 14 March 2014 and the De-Listing is expected to take effect on 15 April 2014.

B7 The Group's borrowings as at 31 January 2014 were as follows:

<u>Long term borrowings</u>	At end of current period RM'000
Secured	Foreign currency amount
Denominated in	'000
- Ringgit Malaysia (Medium Term Notes)	400,000
- Philippine Peso	100,000 *
	7,392
	407,392
<u>Short term borrowings</u>	
Secured	
- Ringgit Malaysia	113,414
- Ringgit Malaysia (Medium Term Notes)	180,000
- Philippine Peso	600,000 *
	44,350
	337,764
Total borrowings	745,156

* Converted at the respective exchange rate prevailing as at 31 January 2014

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

B9 The Board has declared a third interim dividend via a share dividend distribution of approximately 30.68 million treasury shares on the basis of 1 treasury share for every 43 existing ordinary shares of RM0.10 each held. Based on the treasury shares book cost of RM125.3 million, the share dividend is equivalent to 9.5 sen per share based on the ordinary shares in issue with voting rights as at 16 March 2014 of 1.32 billion. The entitlement date has been fixed on 16 April 2014 and 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 8 market days from the entitlement date (previous year corresponding quarter ended 31 January 2013: 8 sen per share single tier exempt dividend).

The first interim single tier exempt dividend of 4.0 sen per share was paid on 17 October 2013, the second interim single tier exempt dividend of 6.0 sen per share was paid on 28 January 2014. This will bring the total dividend distribution per share in respect of financial year ending 30 April 2014 to 19.5 sen per share comprising 10.0 sen single tier exempt dividend and share dividend equivalent to 9.5 sen per share (previous year corresponding financial period ended 31 January 2013 : 24 sen per share which comprised 14.5 sen single tier exempt dividend and share dividend equivalent to 9.5 sen per share).

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 16 March 2014 of 1.32 billion, the third interim dividend distribution for the financial year ending 30 April 2014 will amount to RM125.3 million. The total dividend distribution with inclusion of the share dividend for the financial period ended 31 January 2014 is approximately RM258.5 million, **representing about 101.6% of the attributable profit of the Group for the 9 months period ended 31 January 2014.**

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

	<u>Group (3-month period)</u>	
	31-1-14	31-1-13
Profit attributable to equity holders of the Company (RM'000)	<u>73,159</u>	<u>86,069</u>
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	<u>1,332,459</u>	<u>1,325,482</u>
Basic earnings per share (sen)	<u>5.49</u>	<u>6.49</u>
	<u>Group (9-month period)</u>	
	31-1-14	31-1-13
Profit attributable to equity holders of the Company (RM'000)	<u>254,581</u>	<u>309,350</u>
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	<u>1,336,692</u>	<u>1,322,294</u>
Basic earnings per share (sen)	<u>19.05</u>	<u>23.39</u>

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

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

	Current quarter RM'000	Financial period ended 31 January 2014 RM'000
Interest income	(2,968)	(8,720)
Dividend income included in investment related income	(1,521)	(2,578)
Other income excluding dividend and interest income	(462)	(15,172)
Depreciation of property, plant and equipment	8,537	20,990
Impairment in value of available-for-sale quoted and unquoted investments	-	-
Foreign exchange (gain) / loss	157	(798)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investment or properties	(291)	(7,110)
Gain or loss on derivatives	<u>-</u>	<u>-</u>

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

	As at 31-1-14 RM'000	As at 30-4-13 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	745,509	618,344
- unrealised	41,671	47,870
	787,180	666,214
Share of results from associated companies	(7,124)	(5,335)
Less: Consolidation adjustments	(289,054)	(237,658)
Total group retained earnings as per consolidated accounts	491,002	423,221

cc: Securities Commission