

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 18 March 2015

Subject: **UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2015**

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UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	31-1-2015	30-4-2014
	RM'000	RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	160,082	165,398
Other investments	91,381	88,139
Investment properties	95,474	95,506
Investment in associated companies	17,385	10,751
Deferred tax assets	23,915	16,991
Intangible assets	769,753	745,908
	<u>1,157,990</u>	<u>1,122,693</u>
Current assets		
Inventories	358,581	267,923
Receivables	291,807	261,313
Tax recoverable	608	563
Deposits, cash and bank balances	516,872	489,778
	<u>1,167,868</u>	<u>1,019,577</u>
Assets classified as held for sale	-	2,315
	<u>1,167,868</u>	<u>1,021,892</u>
TOTAL ASSETS	<u>2,325,858</u>	<u>2,144,585</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital (par value per share : RM0.10)	135,103	135,103
Capital reserve	21,327	21,327
Exchange reserve	76,104	18,888
Available-For-Sale reserve	10,426	18,667
Retained earnings	465,921	439,196
Equity funds	<u>708,881</u>	<u>633,181</u>
Less : Treasury shares	(24,712)	(11,860)
Net equity funds	<u>684,169</u>	<u>621,321</u>
Non-controlling interests	64,806	74,173
Total equity	<u>748,975</u>	<u>695,494</u>
Non-current liabilities		
Retirement benefit obligations	4,417	3,462
Borrowings	495,000	400,000
Deferred tax liabilities	4,942	4,765
Other long term liability	1,401	1,436
	<u>505,760</u>	<u>409,663</u>
Current liabilities		
Provisions	1,124	1,581
Borrowings	212,374	333,725
Payables	821,709	692,780
Tax payable	35,916	11,342
Total current liabilities	<u>1,071,123</u>	<u>1,039,428</u>
Total liabilities	<u>1,576,883</u>	<u>1,449,091</u>
TOTAL EQUITY AND LIABILITIES	<u>2,325,858</u>	<u>2,144,585</u>
Net assets per share (RM)	0.51	0.46

Note:

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

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

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			9 months ended		
	31-1-2015	31-1-2014	+/<->	31-1-2015	31-1-2014	+/<->
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	1,328,127	1,228,026	8.2	3,826,151	2,982,014	28.3
PROFIT FROM OPERATIONS	138,549	142,178	(2.6)	412,224	434,072	(5.0)
Investment related income	23,000	4,780	381.2	33,521	31,646	5.9
Investment related expenses	-	(10,156)	(100.0)	(446)	(33,647)	(98.7)
Finance costs	(11,626)	(12,262)	(5.2)	(33,960)	(29,607)	14.7
Share of results of associated companies	1,411	(61)	N/A	3,918	(1,789)	N/A
PROFIT BEFORE TAX	151,334	124,479	21.6	415,257	400,675	3.6
TAXATION	(44,680)	(48,919)	(8.7)	(126,492)	(136,105)	(7.1)
PROFIT FOR THE PERIOD	106,654	75,560	41.2	288,765	264,570	9.1
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	104,615	73,159	43.0	282,642	254,581	11.0
Non-controlling interests	2,039	2,401	(15.1)	6,123	9,989	(38.7)
	106,654	75,560	41.2	288,765	264,570	9.1
EARNINGS PER SHARE (SEN)						
-Basic	7.78	5.49		20.98	19.05	
-Diluted	7.78	5.49		20.98	19.05	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		5.50	4.00	
- Second interim	-	-		6.00	6.00	
- Third interim	5.00	-		5.00	-	
- Third interim - share dividend	-	9.50		-	9.50	

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended			9 months ended		
	31-1-2015 RM'000	31-1-2014 RM'000	+/-<-> %	31-1-2015 RM'000	31-1-2014 RM'000	+/-<-> %
PROFIT AFTER TAXATION	106,654	75,560	41.2	288,765	264,570	9.1
OTHER COMPREHENSIVE INCOME:						
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>						
Net changes on available-for-sale ("AFS") financial assets						
- Changes in fair value of AFS investments	(13,655)	(8,308)	64.4	(8,957)	19,975	N/A
- Disposal of AFS investments transferred to profit or loss	-	(325)	(100.0)	(537)	(17,762)	(97.0)
- Effects of foreign exchange differences	58,820	5,159	1,040.1	54,486	3,218	1,593.2
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>						
Actuarial gain/(loss) recognised in defined benefit pension scheme	3,528	-	100.0	(159)	-	100.0
Tax effect relating to components of other comprehensive income	(705)	-	100.0	32	-	100.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	154,642	72,086	114.5	333,630	270,001	23.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	157,412	73,062	115.4	331,537	264,135	25.5
Non-controlling interests	(2,770)	(976)	183.8	2,093	5,866	(64.3)
	154,642	72,086	114.5	333,630	270,001	23.6

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent							
	Share capital RM'000	Treasury shares RM'000	Reserves			Total to owners of parent company RM'000	Non- controlling interests RM'000	Total equity RM'000
			Non-distributable		Distributable			
			AFS reserve RM'000	Other reserves RM'000	Retained earnings RM'000			
At 1 May 2014 (as reported)	135,103	(11,860)	18,667	41,031	439,330	622,271	79,106	701,377
Adjustment arising from finalisation of initial provisional accounted estimate on acquisition of a subsidiary company (Note A3)	-	-	-	(816)	(134)	(950)	(4,933)	(5,883)
At 1 May 2014 (restated)	135,103	(11,860)	18,667	40,215	439,196	621,321	74,173	695,494
Total comprehensive income for the period	-	-	(8,241)	57,216	282,562	331,537	2,093	333,630
	135,103	(11,860)	10,426	97,431	721,758	952,858	76,266	1,029,124
Transactions with owners:								
Distribution of dividends	-	-	-	-	(249,179)	(249,179)	-	(249,179)
Treasury shares acquired	-	(12,852)	-	-	-	(12,852)	-	(12,852)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	(6,658)	(6,658)	(10,704)	(17,362)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(756)	(756)
	-	(12,852)	-	-	(255,837)	(268,689)	(11,460)	(280,149)
At 31 January 2015	135,103	(24,712)	10,426	97,431	465,921	684,169	64,806	748,975
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:								
Acquisition of subsidiary company	-	-	-	-	-	-	22,749	22,749
Treasury shares acquired	-	(70,857)	-	-	-	(70,857)	-	(70,857)
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

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31-1-2015 RM'000	9 months ended 31-1-2014 RM'000
OPERATING ACTIVITIES		
Receipts from customers	4,055,582	3,185,901
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(3,741,937)	(2,897,939)
Other receipts	102	44
Net cash generated from operating activities	313,747	288,006
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	399	938
Net proceeds from disposal of investment properties	4,740	-
Net proceeds from disposal of short term investments	-	2,938
Net proceeds from disposal of long term investments	1,782	17,989
Acquisition of investment in subsidiary company	-	(75,180)
Acquisition of investment in associated company	(1,029)	(1,901)
Acquisition of property, plant and equipment	(11,073)	(24,262)
Acquisition/improvement cost of investment properties	(164)	(618)
Acquisition of investments	(6,629)	(33,776)
Acquisition of treasury shares by a foreign subsidiary company	(17,967)	-
Dividend received	1,432	2,578
Interest received	10,110	8,720
Deposits placement with investment advisers	-	(50,546)
Other receipts arising from investments	907	1,722
Other payments from investing activities	(26,028)	(33,647)
Net cash used in investing activities	(43,520)	(185,045)
FINANCING ACTIVITIES		
Drawdown of borrowings	295,000	367,331
Repayment of borrowings	(321,351)	(172,175)
Payment of hire purchase liabilities	(564)	(402)
Treasury shares acquired	(12,852)	(70,473)
Dividends paid to shareholders of the Company	(168,442)	(186,931)
Dividends paid to non-controlling interests of a subsidiary company	(756)	-
Interest paid	(39,287)	(36,475)
Net cash used in financing activities	(248,252)	(99,125)
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,975	3,836
CASH & CASH EQUIVALENTS AT 1 MAY	489,778	429,626
Effects of exchange rate changes	5,119	7,978
CASH & CASH EQUIVALENTS AT 31 JANUARY	516,872	441,440
	9 months ended 31-1-2015 RM'000	9 months ended 31-1-2014 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	114,161	155,508
Deposits with financial institutions	402,711	285,932
	516,872	441,440

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

UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
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 2014. 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 2014.

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 2014.

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 2014.

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 quarter ended 31 January 2015 except as disclosed below and Note B6.

(i) In relation to the aborted listing of Sports Toto Malaysia Trust on the Singapore Exchange Securities Trading Limited as disclosed in Note 45 in the Company's audited financial statements for the financial year ended 30 April 2014, the relevant parties rescinded the sales purchase agreement signed for the transfer of the Company's entire 100% equity interest in Sports Toto Malaysia Sdn Bhd ("STM") to Sports Toto Malaysia Trust. With this, STM has been reverted back as a 100% direct subsidiary of the Company and an application for the refund of the RM18.0 million stamp duty previously paid was made. The application of the stamp duty refund had been approved and recorded as other income in the current quarter under review and the refund was subsequently received in February 2015.

There were no changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 January 2015 other than those changes that resulted from the prior year adjustments explained below:

(i) In the previous financial year ended 30 April 2014, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary company acquired additional shares in H.R. Owen Plc ("H.R. Owen") and as at 31 October 2013, BPI's equity interests in HRO was 71.19% and regarded the consolidation of HRO as a business combination in line with MFRS 3: Business Combinations. The Group had then undertaken a purchase price allocation exercise to identify and measure intangible assets. The goodwill on acquisition was then provisionally estimated at RM105.8 million and included in the statement of financial position. As permitted by MFRS 3: Business Combinations, the provisional goodwill estimated in the previous financial year was reviewed during the financial period, and the final allocation of purchase price was determined after completion of a final analysis. The identifiable intangible asset is now determined and identified as dealership rights and the fair value of the dealership rights is determined at RM52.5 million as at the date of acquisition and the goodwill on acquisition has been revised to RM48.7 million. This revision is accounted for retrospectively.

A3

Group	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
As at 30 April 2014			
Statement of Financial Position			
Intangible assets	-	52,529	52,529
Goodwill on consolidation	751,791	(58,412)	693,379
Exchange reserves	19,704	(816)	18,888
Retained earnings	439,330	(134)	439,196
Non-controlling interests	79,106	(4,933)	74,173
Statement of Comprehensive income			
<u>Items that may be reclassified</u>			
<u>subsequently to profit or loss</u>			
- Effects of foreign exchange differences	5,520	(1,284)	4,236
Total comprehensive income attributable to:			
Owners of the parent	343,669	(816)	342,853
Non-controlling interests	14,620	(468)	14,152

The aforesaid adjustments do not have any effect on the Group's statement of profit or loss and the Company's financial statements for the financial year ended 30 April 2014.

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the third quarter ended 31 January 2015.

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		
November 2014	3.44	3.50	3.45	3,724,786	12,852
TOTAL				3,724,786	12,852

The number of treasury shares held in hand as at 31 January 2015 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2014	4.07	2,911,186	11,860
Increase in treasury shares	3.45	3,724,786	12,852
Total treasury shares as at 31 January 2015	3.72	6,635,972	24,712

As at 31 January 2015, the number of outstanding shares in issue and fully paid with voting rights was 1,344,394,100 ordinary shares of RM0.10 each (31 January 2014 : 1,325,800,000 ordinary shares of RM0.10 each).

A5 During the financial period ended 31 January 2015, the Company paid the following dividends:

- (i) Fourth interim single tier exempt dividend on 8 August 2014, in respect of financial year ended 30 April 2014, of 7 sen per share on 1,348,118,886 ordinary shares with voting rights amounting to RM94,368,000;
- (ii) First interim single tier exempt dividend on 16 October 2014, in respect of financial year ending 30 April 2015, of 5.5 sen per share on 1,348,118,886 ordinary shares with voting rights amounting to RM74,147,000; and
- (iii) Second interim single tier exempt dividend on 13 February 2015, in respect of financial year ending 30 April 2015, of 6 sen per share on 1,344,394,100 ordinary shares with voting rights amounting to RM80,664,000.

A6 Segmental revenue and results for the financial period ended 31 January 2015 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	2,482,177	-	2,482,177
Motor dealership	1,315,466	-	1,315,466
Others	28,508	2,479	30,987
Elimination : Intersegment Revenue	-	(2,479)	(2,479)
Total revenue	<u>3,826,151</u>	<u>-</u>	<u>3,826,151</u>
 <u>RESULTS</u>			
Toto betting and leasing of lottery equipment			437,686
Motor dealership			15,369
Others			<u>(26,388)</u>
			426,667
Unallocated corporate expenses			<u>(14,443)</u>
Profit from operations			412,224
Finance costs			(33,960)
Interest income			12,529
Investment related income			20,992
Investment related expenses			(446)
Share of results of associated companies			<u>3,918</u>
Profit before tax			415,257
Taxation			<u>(126,492)</u>
Profit for the period			<u><u>288,765</u></u>

A7 There were no material subsequent events for the financial period ended 31 January 2015 up to the date of this announcement.

A8 There were no changes in the composition of the Group for the current quarter ended 31 January 2015 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed in Note B6.

A9 There were no changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2014.

A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2014.

**UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2015
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

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

Review of Results For the quarter

As compared to the previous year corresponding quarter ended 31 January 2014, the Group registered an increase in revenue and pre-tax profit of 8.2% and 21.6% respectively. The increase in revenue was mainly attributed to the results of H.R. Owen Plc ("H.R. Owen") as explained in the ensuing paragraph. The higher increase in pre-tax profit in the current quarter was mainly attributed to the refund of RM18.0 million stamp duty paid pursuant to the rescission of the share purchase agreement (resulted from the aborted listing of Sports Toto Malaysia Trust on the Singapore Exchange Securities Trading Limited) coupled with the results of Sports Toto Malaysia Sdn Bhd ("Sports Toto") and H.R. Owen as explained in the ensuing paragraphs.

Sports Toto, the principal subsidiary, recorded a decrease in revenue of 0.9% while pre-tax profit increased by 3.0% as compared to previous year corresponding quarter. The decrease in revenue was mainly due to previous year corresponding quarter benefited from seasonally higher sales during Chinese New Year festive period in January 2014. The increase in pre-tax profit was mainly attributable to lower prize payout in the current quarter under review.

The revenue of Philippine Gaming Management Corporation ("PGMC") in the current quarter was on par with previous year corresponding quarter. The pre-tax profit was marginally higher by 0.3% as compared to previous year corresponding quarter due to favourable foreign exchange differences.

In the current quarter, H.R. Owen registered higher revenue to RM451.1 million from RM344.7 million in the previous year corresponding quarter whilst pre-tax profit increased to RM5.1 million as compared to RM2.3 million as reported in the previous year corresponding quarter. The increase in revenue and pre-tax profit were mainly attributed to the increase in new car sales volume as a result of new model launches as well as increase in aftersales segment revenue.

B1 For the 9-month period

For the 9-month period under review, the Group registered an increase in revenue and pre-tax profit of 28.3% and 3.6% respectively. The increase in revenue was mainly attributed to the consolidation of H.R. Owen's 9-month results in the current period versus 3-month results consolidated in the previous year corresponding period. The increase in pre-tax profit was mainly attributed to the refund of RM18.0 million stamp duty paid pursuant to the rescission of the share purchase agreement (resulted from the aborted listing of Sports Toto Malaysia Trust on the Singapore Exchange Securities Trading Limited).

As compared to previous year corresponding period, Sports Toto recorded a drop in revenue and pre-tax profit of 4.3% and 5.3% respectively. The higher percentage drop in pre-tax profit was mainly due to higher operating expenses incurred in the current period.

PGMC recorded lower revenue of 3.2% mainly due to lower lease rental income earned as a result of lower sales reported by the Philippine Charity Sweepstakes Office. Despite the drop in revenue, the slight increase in pre-tax profit of 0.5% was mainly attributed to the previous year corresponding period having incurred higher charitable contributions.

B2 Review of 3rd Quarter's Results Vs 2nd Quarter's Results of financial year ending 30 April 2015

As compared to the preceding quarter ended 31 July 2014, the Group registered an increase in revenue and pre-tax profit of 5.9% and 5.7% respectively. The increase in revenue was mainly attributed to improved revenue in Sports Toto, H.R. Owen as well as PGMC as explained in the ensuing paragraph. The increase in pre-tax profit was mainly due to the aforesaid refund of RM18.0 million stamp duty paid coupled with better results reported by H.R. Owen and PGMC despite lower earnings reported by Sports Toto as explained in the ensuing paragraphs.

Sports Toto registered an increase in revenue of 4.9% as the current quarter had higher number of draws compared to the preceding quarter. The pre-tax profit dropped by 5.3% mainly due to higher prize payout incurred in the current quarter under review.

PGMC registered an increase in revenue and pre-tax profit of 4.1% and 3.2% respectively mainly due to favourable foreign exchange differences.

As compared to the preceding quarter, H.R. Owen registered an increase in revenue of 7.4% and pre-tax profit of RM5.05 million as compared to a pre-tax loss of RM0.95 million reported in the preceding quarter. This was mainly attributed to the increased new car sales volume resulting from launches of new models by a few manufacturers in the current quarter under review.

B3 Future Prospects

With rising costs weighing down on domestic consumer spending and the impending implementation of Malaysian Goods and Services Tax from 1 April 2015, the Directors are cautiously optimistic that the Group will perform satisfactorily for the remaining quarter of the current financial year.

B4 There was no profit forecast or profit guarantee given by the Group for the financial period ended 31 January 2015.

B5 Taxation

	Current quarter RM'000	Current period ended 31 January 2015 RM'000
Based on the results for the quarter:		
- Malaysian income tax	33,586	109,341
- Under provision in prior year	7,274	7,274
- Foreign countries income tax	6,216	16,741
Deferred tax assets (net):		
- Origination and reversal of temporary differences	5,754	1,232
- Under provision in prior year	(8,150)	(8,096)
	44,680	126,492

The effective tax rate on the Group's profit for the quarter and financial period ended 31 January 2015 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 as well as certain subsidiaries operating in different tax jurisdictions.

B6 There were no other corporate proposals announced but not completed as at the date of this announcement other than as disclosed in Note 45(iii) in the Company's audited financial statements for the financial year ended 30 April 2014 in relation to the following:

- (i) On 10 January 2014, the Company announced that International Lottery & Totalizator Systems, 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 had filed a Current Report on Form 8-K in which ILTS California announced that it had entered into an agreement and plan of merger pursuant to which 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 Securities Exchange Act of 1934, as amended. 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 ("OTC") Markets. ILTS California obtained the written consent of BLM, approving the merger and the reverse stock split.

On 5 January 2015, the Company announced that ILTS California had merged with and into ILTS DE effective 30 December 2014 and ILTS DE as the surviving corporation had changed its name to International Lottery & Totalizator Systems, Inc. ("ILTS"). Following the effectiveness of the merger, ILTS implemented a reverse stock split, of ILTS common stock effective 31 December 2014 such that BLM became the sole shareholder of ILTS. On 2 January 2015, ILTS (successor to ILTS California) filed a Form 15 with the United States Securities and Exchange Commission, pursuant to which ILTS terminated its registration and reporting obligations under the Act. ILTS is now a wholly-owned subsidiary of the Company via BLM and its shares have ceased to be traded on the OTC Markets.

B7 The Group's borrowings as at 31 January 2015 were as follows:

<u>Long term borrowings</u>	Foreign currency amount	At end of current quarter RM'000
Secured		
Denominated in	'000	
- Ringgit Malaysia (Medium Term Notes)		495,000
<u>Short term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)		200,000
- Philippine Peso	150,000 *	12,374
		212,374
Total bank borrowings		707,374

* Converted at the respective exchange rate prevailing as at 31 January 2015

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

B9 The Board has declared a third interim single tier exempt dividend of 5 sen per share (previous year corresponding quarter ended 31 January 2014 : third interim share dividend equivalent to 9.5 sen per share) in respect of the financial year ending 30 April 2015 and payable on 28 April 2015. The entitlement date has been fixed on 8 April 2015.

The first interim single tier exempt dividend of 5.5 sen per share was paid on 16 October 2014, the second interim single tier exempt dividend of 6 sen was paid on 13 February 2015. This will bring the total dividend distribution per share in respect of financial year ending 30 April 2015 to 16.5 sen per share (previous year corresponding financial period ended 31 January 2014 : 19.5 sen per share comprising 10 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 17 March 2015 of 1.344 billion, the third interim dividend distribution for the financial year ending 30 April 2015 will amount to RM67.2 million. The total dividend distribution for the financial period ended 31 January 2015 is approximately RM222.0 million, **representing about 78.6% of the attributable profit of the Group for the financial period ended 31 January 2015.**

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

	Group (3-month period)	
	31-1-15	31-1-14
Profit attributable to equity holders of the Company (RM'000)	104,615	73,159
Weighted average number of shares with voting rights ('000)	1,345,291	1,332,459
Basic earnings per share (sen)	7.78	5.49
	Group (9-month period)	
	31-1-15	31-1-14
Profit attributable to equity holders of the Company (RM'000)	282,642	254,581
Weighted average number of shares with voting rights ('000)	1,347,176	1,336,692
Basic earnings per share (sen)	20.98	19.05

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 2015 RM'000
Interest income	(4,456)	(12,529)
Dividend income included in investment related income	(540)	(1,433)
Other income excluding dividend and interest income	(380)	(1,177)
Depreciation of property, plant and equipment	8,318	24,151
Impairment in value of available-for-sale quoted and unquoted investments	-	-
Foreign exchange (gain) / loss	4,927	7,343
Provision for and write off of receivables	78	148
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investment or properties	-	(1,000)
Gain or loss on derivatives	-	-
	-	-

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

	As at 31-1-15	As at 30-4-14 (Restated)
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	709,882	681,072
- unrealised	44,983	47,651
	<u>754,865</u>	<u>728,723</u>
Share of results from associated companies	(2,152)	(6,070)
Less: Consolidation adjustments	<u>(286,792)</u>	<u>(283,457)</u>
Total group retained earnings as per consolidated accounts	<u><u>465,921</u></u>	<u><u>439,196</u></u>

cc: Securities Commission