

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 18 March 2019

Subject: **UNAUDITED QUARTERLY INTERIM (Q3) FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JANUARY 2019**

<u>Table of contents</u>	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Profit or Loss	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Quarterly Financial Report	6 - 10
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	11 - 16

BERJAYA SPORTS TOTO BERHAD
(Company No: 9109-K)

UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	31-1-2019	30-4-2018
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	178,155	183,036
Other investments	127,527	104,912
Investment properties	138,704	136,719
Investment in associated companies	73,560	83,133
Retirement benefit assets	3,428	3,506
Deferred tax assets	26,141	30,913
Intangible assets	768,256	768,916
	1,315,771	1,311,135
Current assets		
Inventories	467,889	406,768
Receivables	509,254	489,161
Tax recoverable	77	5,814
Deposits, cash and bank balances	394,103	418,179
	1,371,323	1,319,922
TOTAL ASSETS	2,687,094	2,631,057
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Exchange reserve	68,405	49,227
Fair value reserve	(34,854)	-
Available-For-Sale reserve	-	12,264
Other reserves	228,056	228,583
Retained earnings	413,665	318,449
Equity funds	810,375	743,626
Less : Treasury shares	(12,320)	(12,320)
Net equity funds	798,055	731,306
Non-controlling interests	57,495	55,091
Total equity	855,550	786,397
Non-current liabilities		
Retirement benefit obligations	2,007	1,774
Borrowings	176,262	530,415
Deferred tax liabilities	16,503	16,687
Other long term liabilities	7,120	7,317
	201,892	556,193
Current liabilities		
Provisions	1,838	2,593
Borrowings	953,344	626,256
Payables	655,507	651,915
Tax payable	18,963	7,703
Total current liabilities	1,629,652	1,288,467
Total liabilities	1,831,544	1,844,660
TOTAL EQUITY AND LIABILITIES	2,687,094	2,631,057
Net assets per share (RM)	0.59	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 quarterly financial report.

BERJAYA SPORTS TOTO BERHAD
(Company No: 9109-K)

UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			9 months ended		
	31-1-2019 RM'000	31-1-2018 RM'000	+/<-> %	31-1-2019 RM'000	31-1-2018 RM'000	+/<-> %
REVENUE	1,361,567	1,404,303	(3.0)	4,214,880	4,259,844	(1.1)
PROFIT FROM OPERATIONS	103,804	111,468	(6.9)	350,552	341,536	2.6
Investment related income	4,695	5,464	(14.1)	15,767	16,401	(3.9)
Investment related expenses	-	(4,253)	(100.0)	-	(4,953)	(100.0)
Finance costs	(12,830)	(12,970)	(1.1)	(37,388)	(38,278)	(2.3)
Share of results of associated companies	(1,242)	(936)	32.7	(7,171)	(2,334)	207.2
PROFIT BEFORE TAX	94,427	98,773	(4.4)	321,760	312,372	3.0
TAXATION	(34,018)	(37,574)	(9.5)	(108,523)	(110,330)	(1.6)
PROFIT FOR THE PERIOD	60,409	61,199	(1.3)	213,237	202,042	5.5
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	59,071	59,233	(0.3)	206,248	195,277	5.6
Non-controlling interests	1,338	1,966	(31.9)	6,989	6,765	3.3
	60,409	61,199	(1.3)	213,237	202,042	5.5
EARNINGS PER SHARE (SEN)						
-Basic	4.39	4.40		15.31	14.49	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		4.00	4.00	
- Second interim	-	-		4.00	4.00	
- Third interim	3.50	4.00		3.50	4.00	

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

**UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended			9 months ended		
	31-1-2019 RM'000	31-1-2018 RM'000	+/-> %	31-1-2019 RM'000	31-1-2018 RM'000	+/-> %
PROFIT AFTER TAXATION	60,409	61,199	(1.3)	213,237	202,042	5.5
OTHER COMPREHENSIVE INCOME:						
<u>Items that may be subsequently reclassified to profit or loss</u>						
Net changes on available-for-sale ("AFS") financial assets						
- Changes in fair value of AFS investments	-	(5,020)	(100.0)	-	(6,320)	(100.0)
- Transferred to profit or loss due to:						
- Disposal of AFS investments	-	3,918	(100.0)	-	3,918	(100.0)
- Impairment of AFS investments	-	350	(100.0)	-	350	(100.0)
Effects of foreign exchange differences	(384)	(44,310)	(99.1)	17,056	(71,236)	N/A
<u>Items that will not be subsequently reclassified to profit or loss</u>						
Net changes in fair value of investments at fair value through other comprehensive income ("FVOCI")	353	-	100.0	(15,754)	-	100.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	60,378	16,137	274.2	214,539	128,754	66.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	56,696	11,370	398.6	211,114	119,991	75.9
Non-controlling interests	3,682	4,767	(22.8)	3,425	8,763	(60.9)
	60,378	16,137	274.2	214,539	128,754	66.6

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent											
	Share capital	Treasury shares	Exchange reserve	AFS reserve	Fair value reserve	Other reserves			Distributable	Total	Non-controlling interests	Total equity
						Capital reserve	Consolidation reserve	Revaluation reserve	Retained earnings	net equity funds		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2018 (as previously reported)	135,103	(12,320)	49,227	12,264	-	285,306	(58,870)	2,147	318,449	731,306	55,091	786,397
Effects of adopting MFRS 9	-	-	-	(12,264)	(20,722)	-	-	-	32,986	-	-	-
Effects of adopting MFRS 15	-	-	-	-	-	-	-	-	17,802	17,802	-	17,802
At 1 May 2018 (as restated)	135,103	(12,320)	49,227	-	(20,722)	285,306	(58,870)	2,147	369,237	749,108	55,091	804,199
Profit for the year	-	-	-	-	-	-	-	-	206,248	206,248	6,989	213,237
Other comprehensive income for the period	-	-	19,178	-	(14,312)	-	-	-	-	4,866	(3,564)	1,302
Effects arising from disposal of investments at FVOCI	-	-	-	-	180	-	-	-	(180)	-	-	-
	-	-	19,178	-	(14,132)	-	-	-	206,068	211,114	3,425	214,539
Transaction with owners:												
Distribution of dividends	-	-	-	-	-	-	-	-	(161,640)	(161,640)	-	(161,640)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(527)	-	-	(527)	(1,021)	(1,548)
	-	-	-	-	-	-	(527)	-	(161,640)	(162,167)	(1,021)	(163,188)
At 31 January 2019	135,103	(12,320)	68,405	-	(34,854)	285,306	(59,397)	2,147	413,665	798,055	57,495	855,550
At 1 May 2017	135,103	(10,061)	123,301	3,759	-	285,306	(57,822)	-	288,434	768,020	44,232	812,252
Profit for the year	-	-	-	-	-	-	-	-	195,277	195,277	6,765	202,042
Other comprehensive income for the period	-	-	(73,262)	(2,024)	-	-	-	-	-	(75,286)	1,998	(73,288)
	-	-	(73,262)	(2,024)	-	-	-	-	195,277	119,991	8,763	128,754
Transactions with owners:												
Distribution of dividends	-	-	-	-	-	-	-	-	(148,199)	(148,199)	-	(148,199)
Treasury shares acquired	-	(2,259)	-	-	-	-	-	-	-	(2,259)	-	(2,259)
	-	(2,259)	-	-	-	-	-	-	(148,199)	(150,458)	-	(150,458)
At 31 January 2018	135,103	(12,320)	50,039	1,735	-	285,306	(57,822)	-	335,512	737,553	52,995	790,548

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

**UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended 31-1-2019 RM'000	9 months ended 31-1-2018 RM'000 Restated
OPERATING ACTIVITIES		
Receipts from customers	4,409,569	4,542,201
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(4,222,190)	(4,359,948)
Other receipts	465	171
Net cash generated from operating activities	187,844	182,424
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	11,025	788
Net proceeds from disposal of long term investments	510	11,504
Acquisition of investment in associated company	(1,138)	(12,575)
Acquisition of an investment property	(2,368)	-
Acquisition of property, plant and equipment	(28,777)	(13,836)
Acquisition of additional equity interest in a subsidiary company	(1,548)	-
Acquisition of long term investments	(35,159)	(42,157)
Dividend received	1,505	1,296
Interest received	9,794	15,269
Other receipts arising from investments	318	398
Other payments from investing activities	(5,673)	(5,663)
Withdrawn placements with fund managers	67,572	53,415
Net cash generated from investing activities	16,061	8,439
FINANCING ACTIVITIES		
Treasury shares acquired	-	(2,259)
Drawdown of borrowings	302,345	336,153
Repayment of borrowings	(312,028)	(332,048)
Movements of vehicle stocking loans	(14,894)	28,699
Payment of hire purchase liabilities	(475)	(587)
Dividends paid to shareholders of the Company	(161,631)	(94,748)
Interest paid	(45,578)	(45,507)
Net cash used in financing activities	(232,261)	(110,297)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(28,356)	80,566
CASH & CASH EQUIVALENTS AT 1 MAY	415,272	384,052
Effects of exchange rate changes	4,310	(15,277)
CASH & CASH EQUIVALENTS AT 31 JANUARY	391,226	449,341
	9 months ended 31-1-2019 RM'000	9 months ended 31-1-2018 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	93,470	99,588
Deposits with financial institutions	300,633	352,699
	394,103	452,287
Less : Cash and cash equivalents restricted for use	(2,877)	(2,946)
	391,226	449,341

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019 NOTES TO THE QUARTERLY FINANCIAL REPORT

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the financial year ended 30 April 2018.

Changes in Accounting Policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 April 2018. 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 May 2018.

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 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

(i) Classification and measurement

There is no significant impact on the statements of financial position on applying the classification and measurement requirements of MFRS 9. All financial assets will continue to be held at fair value, quoted equity shares as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income ("OCI"). The equity shares in non-quoted companies are intended to be held for the foreseeable future and the Group will apply the option to present its fair value changes in OCI.

On the date of the Group first adoption of MFRS 9 i.e. 1 May 2018, the Group had a total investment in quoted and non-quoted equity instruments at fair value of RM104,721,000 that were classified as available-for-sale investments. The total impairment losses and cumulative gains that were recognised through other comprehensive income (which is attributable to the owners of parent) to available-for-sale reserve for these investments amounted to RM32,986,000 and RM12,264,000 respectively. These amounts were transferred to a fair value reserve upon initial adoption of MFRS 9 on 1 May 2018.

UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 (a) MFRS 9: Financial Instruments (Continued)

(i) Classification and measurement (continued)

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(ii) Impairment

Under MFRS 9, the Group is required to record expected credit loss on its trade and other receivables either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected credit losses on its trade receivables.

The trade receivables mainly consist of creditworthy debtors with good payment records and debtors with no concerns on the credit worthiness. The Group minimises credit risk by dealing with high credit rating counterparties, application of credit approval limits and continuous monitoring procedures. There is no significant impact to the Group's financial statements from the impairment based on the expected credit loss model on its trade receivables.

For other non-trade receivables, there is no significant impact to the Group's financial statements.

(iii) Hedge accounting

There is no impact on the Group's accounting for hedge accounting as the Group does not have any hedges.

A1 (b) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supercede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when control of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has adopted the new standard on the required effective date using the full retrospective method and has applied all the practical expedients available for full retrospective approach.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019****NOTES TO THE QUARTERLY FINANCIAL REPORT**A1 (b) MFRS 15: Revenue from Contracts with Customers (Continued)

The Group had assessed that there are impacts on the revenue from the wagering and voting systems business of which revenue is derived from long term contracts. Some of these contracts have multiple performance obligations and the Group allocates the contracts' transaction price to each performance obligation and recognise the revenue when the respective performance obligation is satisfied. The Group had reassessed the total financial impact on the Group's financial statements upon adoption of MFRS 15 on 1 May 2018 which have been summarised in the table below.

The Group evaluated and concluded that there is no element of financing present as the Group's sale of goods and services are either on cash terms or on credit terms of up to 60 days.

Financial impact

The financial impact from initial adoption of MFRS 9 and MFRS 15 as at 1 May 2018 are as follows:

	As previously stated RM'000	Effects of adoption MFRS 9 RM'000	Effects of adoption MFRS 15 RM'000	As restated RM'000
Increase/(decrease):				
Available-for-sale reserve	12,264	(12,264)	-	-
Fair value reserve	-	(20,722)	-	(20,722)
Retained earnings	318,449	32,986	17,802	369,237
Receivables	489,161	-	4,227	493,388
Payables	651,915	-	(13,665)	638,250
Provisions	2,593	-	90	2,683

A2 Our business operations are not significantly affected by seasonal or cyclical factors except for our toto betting operations that may be positively impacted by the festive seasons.

A3 There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the financial period ended 31 January 2019.

There were no changes in estimates reported in the prior financial year that had a material effect in the current financial period ended 31 January 2019.

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 2019.

The number of treasury shares held in hand as at 31 January 2019 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2018 / 31 January 2019	3.06	4,030,072	12,320

As at 31 January 2019, the number of outstanding shares in issue with voting rights was 1,347,000,000 ordinary shares (31 January 2018 : 1,347,000,000 ordinary shares).

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019****NOTES TO THE QUARTERLY FINANCIAL REPORT**

A5 During the financial period ended 31 January 2019 and up to the date of this report, the Company paid the following dividends:

- (i) Third interim single tier dividend on 3 May 2018, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000;
- (ii) Fourth interim single tier dividend on 9 August 2018, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000; and
- (iii) First interim single tier dividend on 23 October 2018, in respect of financial year ending 30 April 2019, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000.

Subsequently on 12 February 2019, the Company paid the second interim single tier dividend of 4 sen per share, in respect of financial year ending 30 April 2019 on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000.

A6 Segmental revenue and results for the financial period ended 31 January 2019 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	2,401,404	-	2,401,404
Motor dealership	1,754,052	433	1,754,485
Others	59,424	13,001	72,425
Elimination : Intersegment Revenue	-	(13,434)	(13,434)
Total revenue	<u>4,214,880</u>	<u>-</u>	<u>4,214,880</u>

RESULTS

Toto betting and leasing of lottery equipment	325,290
Motor dealership	44,936
Others	<u>(7,088)</u>
	363,138
Unallocated corporate expenses	<u>(12,586)</u>
Profit from operations	350,552
Finance costs	(37,388)
Interest income	14,262
Investment related income	1,505
Share of results of associated companies	<u>(7,171)</u>
Profit before tax	321,760
Taxation	<u>(108,523)</u>
Profit for the period	<u>213,237</u>

A7 There were no material subsequent events for the financial period ended 31 January 2019 up to the date of this announcement other than those disclosed in note B8.

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019

NOTES TO THE QUARTERLY FINANCIAL REPORT

A8 There were no changes in the composition of the Group for the current financial period ended 31 January 2019 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed below:

On 14 August 2018, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of the Company acquired additional 174,180 ordinary shares at GBP1.70 each in H.R. Owen Plc ("H.R. Owen"), representing 0.7% equity interest in H.R. Owen, for a total cash consideration of GBP297,681 (equivalent to approximately RM1.548 million). Consequently, H.R. Owen became a wholly-owned subsidiary company of BPI.

Subsequent to the financial period ended 31 January 2019, on 11 February 2019, the Company announced that its wholly-owned subsidiary, FEAB Equities Sdn Bhd has on even date entered into a shareholders' agreement with PP Cylabs (M) Sdn Bhd on a 50:50 joint venture basis to set up a joint-venture company to explore business opportunities as well as undertake projects in Sri Lanka.

On 15 March 2019, the Company announced that H.R. Owen has incorporated the following 100%-owned subsidiary companies in England and Wales:

- (i) Hatfield 6939 Limited ("Hatfield")
Hatfield was incorporated on 6 March 2019 and its intended principal activity is to engage in letting and operating owned or leased real estates.
- (ii) Pangbourne 6939 Limited ("Pangbourne")
Pangbourne was incorporated on 6 March 2019 and its intended principal activity is to engage in letting and operating owned or leased real estates.
- (iii) Shepperton 6939 Limited ("Shepperton")
Shepperton was incorporated on 7 March 2019 and its intended principal activities are property investment and investment holding.

A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2018.

A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2018.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
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 main performance of the core operating businesses in the Group are disposable income of the general public, Jackpot cycles, luck factor, illegal gaming operations and the number of draws in the financial period whilst auto retailing business is affected by the trend in prestige and specialist cars predominantly in the London area of United Kingdom and the ultimate impact of Brexit.

The summary results of the Group are as follows:

	3 months ended		+/<-> %
	31-1-2019 RM'000	31-1-2018 RM'000	
Revenue	<u>1,361,567</u>	<u>1,404,303</u>	(3.0)
Profit from operations	<u>103,804</u>	<u>111,468</u>	(6.9)
Profit before tax	<u>94,427</u>	<u>98,773</u>	(4.4)

Review of Results for the quarter

As compared to the previous year corresponding quarter ended 31 January 2018, the Group registered a drop in revenue and pre-tax profit of 3.0% and 4.4% respectively. The drop in revenue was mainly due to lower revenue reported by H.R. Owen Plc ("H.R. Owen") and Philippine Gaming Management Corporation ("PGMC"). Group's pre-tax profit decreased mainly due to lower results of PGMC and Sports Toto Malaysia Sdn Bhd ("Sports Toto") but mitigated by the improved results attained by H.R. Owen in the current quarter under review.

Sports Toto recorded a marginal drop in revenue of 0.5% as the previous year corresponding quarter had more draws than the current quarter. Pre-tax profit was lower by 6.2% primarily due to higher prize payout in the current quarter under review.

PGMC reported a drop in revenue of 41.6% to RM19.4 million from RM33.3 million in the previous year corresponding quarter while pre-tax profit decreased by 65.8% to RM5.2 million from RM15.1 million as reported in the previous year corresponding quarter. The lower results reported was mainly due to lower lease rental income earned from the Philippine Charity Sweepstakes Office ("PCSO").

H.R. Owen's revenue decreased by 5.6% to RM532.1 million from RM563.5 million in the previous year corresponding quarter mainly due to lower sales from the used car sector but mitigated by improved sales from the new car sector. Nevertheless, it recorded an increase in pre-tax profit of 36.4% to RM13.7 million from RM10.1 million in the previous year corresponding quarter mainly contributed by higher profit attained from higher sales in the new car sector.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the 9-month period**

The summary results of the Group are as follows:

	9 months ended		+/<-> %
	31-1-2019 RM'000	31-1-2018 RM'000	
Revenue	<u>4,214,880</u>	<u>4,259,844</u>	(1.1)
Profit from operations	<u>350,552</u>	<u>341,536</u>	2.6
Profit before tax	<u>321,760</u>	<u>312,372</u>	3.0

The Group's revenue decreased by 1.1% in the current period mainly due to lower revenue reported by H.R. Owen, PGMC and Sports Toto in the ensuing paragraphs. In spite of the drop in revenue, the Group recorded an increase in pre-tax profit of 3.0% mainly attributed to the improved results of H.R. Owen but was partly offset by lower results registered by Sports Toto and PGMC in the current period under review.

As compared to the previous year corresponding period, Sports Toto recorded a marginal drop in revenue of 0.6% while pre-tax profit decreased by 2.0% mainly due to higher prize payout in the current period under review.

PGMC registered a drop in revenue of 17.3% to RM85.7 million from RM103.6 million in the previous year corresponding period mainly due to lower lease rental income earned from PCSO during the current period under review. It reported a lower percentage decrease in pre-tax profit of 7.6% to RM43.3 million from RM46.8 million mainly due to lower operating expenses incurred in the current period under review.

H.R. Owen (in its functional currency, Great Britain Pound) registered a growth in both revenue and pre-tax profit. Revenue increased by 2.7% whilst pre-tax profit increased to GBP7.3 million from GBP3.9 million reported in the previous year corresponding period. The improved results was attributed to higher sales from the new car sector due to the delivery of certain new models as well as lower operating expenses incurred following the closure and disposal of certain loss making sectors in the current period under review. Upon translation into Ringgit Malaysia, H.R. Owen registered a drop in revenue of 1.1% due to the unfavourable foreign exchange effect, and the pre-tax profit increased to RM39.2 million in the current period from RM21.5 million reported in the previous year corresponding period ended 31 January 2018.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B2 Review of 3rd Quarter's Results Vs 2nd Quarter's Results of financial year ending 30 April 2019**

	3 months ended		+/<->
	31-1-2019	31-10-2018	
	RM'000	RM'000	%
Revenue	<u>1,361,567</u>	<u>1,352,483</u>	0.7
Profit from operations	<u>103,804</u>	<u>102,576</u>	1.2
Profit before tax	<u>94,427</u>	<u>94,287</u>	0.1

The Group's revenue and pre-tax profit increased by 0.7% and 0.1% respectively as compared to the preceding quarter.

Sports Toto recorded an increase in revenue of 0.5% despite it had a lower number of draws in the current quarter under review. Its pre-tax profit was higher by 5.1% as compared to the preceding quarter mainly attributed to lower prize payout in the current quarter.

PGMC reported a drop in both revenue and pre-tax profit as compared to the preceding quarter primarily due to lower lease rental income earned from lower sales reported by PCSO. Revenue decreased by 45.2% to RM19.4 million from RM35.4 million as reported in the preceding quarter, while pre-tax profit dropped by 77.2% to RM5.2 million from RM22.7 million in the preceding quarter.

H.R. Owen registered revenue growth of 1.6% to RM532.1 million from RM523.6 million in the preceding quarter, while pre-tax profit increased to RM13.7 million from RM4.5 million as reported in the preceding quarter. The improved results was boosted by higher sales in new car sector in the current quarter following the catch up on vehicles delivery that were delayed in the preceding quarter affected by the changes on the emission testing of all new vehicles under the Worldwide Harmonised Light Vehicle Test Procedure.

B3 Future Prospects

The Directors anticipate that the performance of the NFO business of Sports Toto will be satisfactory and are confident that the Group will continue to maintain its market share in the NFO business for the remaining quarter for the financial year ending 30 April 2019.

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

**UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B5 Taxation

	Current quarter RM'000	Current period ended 31 January 2019 RM'000
Based on the results for the quarter:		
- Malaysian income tax	19,318	75,650
- Over provision in prior year	564	537
- Foreign country income tax	7,548	27,151
Deferred tax		
- Origination and reversal of temporary differences	6,588	5,185
	<u>34,018</u>	<u>108,523</u>

The effective tax rate on the Group's profit for the financial quarter and period ended 31 January 2019 was higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

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

B7 The Group's borrowings as at 31 January 2019 were as follows:

	Foreign currency amount '000	At end of current period RM'000
<u>Long term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)		155,000
- Philippine Peso (Term loan)	150,000 *	11,750
- Great Britain Pound (Term loan)	1,770 *	9,512
		<u>176,262</u>
<u>Short term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)	#	645,000
- Philippine Peso (Term loan)	150,000 *	11,750
- Great Britain Pound (Term loan)	215 *	1,156
- Great Britain Pound (Vehicle stocking loans)	54,967 *	295,438
		<u>953,344</u>
Total bank borrowings		<u>1,129,606</u>

* Converted at the respective exchange rate prevailing as at 31 January 2019

A total of RM645.0 million Secured Medium Term Notes issued by a subsidiary company will be refinanced by the new issuance from the 15-year Medium Term Notes Programme that was established on 15 June 2017.

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

**UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

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

PGMC, an indirect subsidiary of the Company, commenced arbitration proceedings against PCSO at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby the parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines.

On 1 March 2018, Berjaya Philippines Inc. ("BPI"), the immediate holding company of PGMC, released an announcement to Philippine Stock Exchange ("PSE") that the Arbitral Tribunal Court had ruled in favour of PCSO. PGMC has filed a petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award issued by the Arbitral Tribunal Court. The appeal process is still on-going. In spite of the above, on 28 September 2018, BPI announced the execution of a Supplemental Equipment Lease Agreement ("ELA") between PGMC and PCSO for an extension of the ELA for a period of one (1) year to August 2019.

B9 The Board has declared a third interim dividend of 3.5 sen per share (previous year corresponding quarter ended 31 January 2018 : third interim dividend of 4 sen per share) in respect of the financial year ending 30 April 2019 and payable on 10 May 2019. The entitlement date has been fixed on 12 April 2019.

The first interim dividend of 4 sen per share was paid on 23 October 2018, the second interim dividend of 4 sen per share was paid on 12 February 2019. This will bring the total dividend distribution per share in respect of financial year ending 30 April 2019 to 11.5 sen per share (previous year corresponding financial period ended 31 January 2018 : 12 sen per share).

Based on the number of ordinary shares in issue and with voting rights as at 17 March 2019 of 1.347 billion, the third interim dividend distribution for the financial year ending 30 April 2019 will amount to RM47.1 million. The total dividend distribution for the financial period ended 31 January 2019 is approximately RM154.9 million, **representing about 75.1% of the attributable profit of the Group for the financial period ended 31 January 2019.**

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q3) FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2019
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

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 with voting rights as follows:

	Group (3-month period)	
	31-1-19	31-1-18
Profit attributable to owners of the parent (RM'000)	59,071	59,233
Weighted average number of shares with voting rights ('000)	1,347,000	1,347,000
Basic earnings per share (sen)	4.39	4.40
	Group (9-month period)	
	31-1-19	31-1-18
Profit attributable to equity holders of the Company (RM'000)	206,248	195,277
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	1,347,000	1,347,417
Basic earnings per share (sen)	15.31	14.49

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 2019 RM'000
Interest income	(4,569)	(14,262)
Dividend income included in investment related income	(167)	(1,505)
Other income excluding dividend and interest income	(521)	(1,387)
Depreciation of property, plant and equipment	7,512	23,280
Amortisation of intangible assets	117	348
Impairment in value of quoted and unquoted investments	-	-
Foreign exchange (gain)/loss	507	1,728
(Reversal)/provision for and write off of receivables	(82)	(443)
(Reversal)/provision for and write off of inventories	1,095	590
Gain on disposal of quoted or unquoted investment or properties	-	-
Gain or loss on derivatives	-	-