

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

Date: 23 February 2021

Subject: **UNAUDITED (Q2) INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020**

<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 Interim Financial Report	6 - 8
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	9 - 14

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group	
	31-12-2020	(Audited)
	RM'000	30-6-2020
		RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	234,521	183,111
Right-of-use assets	323,288	335,466
Other investments	106,898	118,977
Investment properties	118,654	113,238
Investment in associated companies	107,412	119,269
Deferred tax assets	28,901	22,827
Intangible assets	694,527	691,292
	1,614,201	1,584,180
Current assets		
Inventories	347,412	438,681
Receivables	542,158	559,398
Contract assets	7,237	6,631
Tax recoverable	1,393	12,309
Deposits, cash and bank balances	432,074	307,768
	1,330,274	1,324,787
TOTAL ASSETS	2,944,475	2,908,967
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Reserves	278,755	289,300
Retained earnings	390,410	345,596
Equity funds	804,268	769,999
Less : Treasury shares	(15,407)	(32,165)
Net equity funds	788,861	737,834
Non-controlling interests	58,848	51,458
Total equity	847,709	789,292
Non-current liabilities		
Retirement benefit obligations	2,460	2,267
Borrowings	750,634	772,851
Deferred tax liabilities	17,303	18,159
Lease liabilities	234,906	242,691
Contract liabilities	157	248
Other long term liabilities	1,821	1,966
	1,007,281	1,038,182
Current liabilities		
Provisions	2,351	2,696
Borrowings	307,740	434,702
Payables	533,862	434,457
Contract liabilities	175,579	178,370
Lease liabilities	30,228	30,745
Tax payable	39,725	523
	1,089,485	1,081,493
Total liabilities	2,096,766	2,119,675
TOTAL EQUITY AND LIABILITIES	2,944,475	2,908,967
Net assets per share (RM)	0.59	0.55

Note:

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

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

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period			Cumulative Period		
	3-Month 1-10-2020 to 31-12-2020 RM'000	3-Month 1-10-2019 to 31-12-2019 RM'000	+/-> %	6-Month 1-7-2020 to 31-12-2020 RM'000	6-Month 1-7-2019 to 31-12-2019 RM'000	+/-> %
Revenue	1,233,940	1,408,017	(12.4)	2,579,804	2,844,915	(9.3)
Profit from operations	107,919	103,926	3.8	227,417	208,104	9.3
Investment related income	6,421	5,152	24.6	9,731	20,205	(51.8)
Investment related expenses	70	(111)	N/A	-	(272)	(100.0)
Finance costs	(15,231)	(15,753)	(3.3)	(30,897)	(31,164)	(0.9)
Share of results of associated companies	(3,767)	2,180	N/A	(9,392)	1,395	N/A
Profit before tax	95,412	95,394	0.0	196,859	198,268	(0.7)
Income tax expenses	(29,388)	(32,560)	(9.7)	(61,678)	(67,495)	(8.6)
Profit for the period	66,024	62,834	5.1	135,181	130,773	3.4
Profit attributable to:						
Owners of the parent	65,062	61,938	5.0	132,916	128,893	3.1
Non-controlling interests	962	896	7.4	2,265	1,880	20.5
	66,024	62,834	5.1	135,181	130,773	3.4
Earnings per share (sen)						
Attributable to owners of the parent						
- Basic	4.84	4.60		9.92	9.57	
Dividend per share (sen)						
- First interim	-	-		4.0	4.0	
- Second interim	2.5	4.0		2.5	4.0	

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period			Cumulative Period		
	3-Month 1-10-2020 to 31-12-2020 RM'000	3-Month 1-10-2019 to 31-12-2019 RM'000	+/-<-> %	6-Month 1-7-2020 to 31-12-2020 RM'000	6-Month 1-7-2019 to 31-12-2019 RM'000	+/-<-> %
Profit for the period	66,024	62,834	5.1	135,181	130,773	3.4
Other comprehensive income:						
<u>Items that may be subsequently reclassified to profit or loss</u>						
Effects of foreign exchange differences	(12,951)	3,744	N/A	(17,774)	70	N/A
Share of other comprehensive income item of an associated company	186	-	100.0	340	-	100.0
<u>Items that will not be subsequently reclassified to profit or loss</u>						
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	13,271	2,832	368.6	9,684	4,757	103.6
Share of other comprehensive income items of associated companies	6	-	100.0	(268)	-	100.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66,536	69,410	(4.1)	127,163	135,600	(6.2)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	62,695	66,067	(5.1)	119,773	132,361	(9.5)
Non-controlling interests	3,841	3,343	14.9	7,390	3,239	128.2
	66,536	69,410	(4.1)	127,163	135,600	(6.2)

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the parent							Distributable	Total to owners of parent company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Exchange reserve	FVTOCI reserve	Reserve of non-current asset held for sale	Capital reserve	Consolidation reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	135,103	(32,165)	115,834	(52,443)	-	285,306	(59,397)	345,596	737,834	51,458	789,292
Profit for the period	-	-	-	-	-	-	-	132,916	132,916	2,265	135,181
Other comprehensive income for the period	-	-	(21,825)	8,919	-	-	-	(237)	(13,143)	5,125	(8,018)
Effects arising from disposal of investments at FVTOCI	-	-	-	2,361	-	-	-	(2,361)	-	-	-
	-	-	(21,825)	11,280	-	-	-	130,318	119,773	7,390	127,163
Transactions with owners:											
Share dividend	-	31,764	-	-	-	-	-	(31,764)	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	(53,740)	(53,740)	-	(53,740)
Purchase of treasury shares	-	(15,006)	-	-	-	-	-	-	(15,006)	-	(15,006)
	-	16,758	-	-	-	-	-	(85,504)	(68,746)	-	(68,746)
At 31 December 2020	135,103	(15,407)	94,009	(41,163)	-	285,306	(59,397)	390,410	788,861	58,848	847,709
At 1 July 2019	135,103	(12,320)	80,140	(31,205)	2,147	285,306	(59,397)	321,658	721,432	53,531	774,963
Profit for the period	-	-	-	-	-	-	-	128,893	128,893	1,880	130,773
Other comprehensive income for the period	-	-	(732)	4,200	-	-	-	-	3,468	1,359	4,827
Effects arising from disposal											
- asset classified as held for sale	-	-	-	-	(2,147)	-	-	2,147	-	-	-
- investments at FVTOCI	-	-	-	(597)	-	-	-	597	-	-	-
	-	-	(732)	3,603	(2,147)	-	-	131,637	132,361	3,239	135,600
Transaction with owners:											
Distribution of dividends	-	-	-	-	-	-	-	(53,880)	(53,880)	-	(53,880)
At 31 December 2019	135,103	(12,320)	79,408	(27,602)	-	285,306	(59,397)	399,415	799,913	56,770	856,683

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6-Month Financial period ended 31-12-2020 RM'000	6-Month Financial period ended 31-12-2019 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,731,231	3,111,739
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(2,313,809)	(3,056,003)
Other receipts	755	124
Net cash generated from operating activities	418,177	55,860
INVESTING ACTIVITIES		
Sales of property, plant and equipment	170	194
Sales of investment property	-	29,917
Sales of long term investments	18,500	16,370
Acquisition of property, plant and equipment	(9,982)	(47,411)
Acquisition of investment properties	(4,644)	-
Acquisition of long term investments	-	(3,007)
Acquisition of right-of-use assets	(9,450)	-
Dividend received	1,223	962
Interest received	3,563	5,217
Net (repayment/advances to) associated companies by a foreign subsidiary company	(4,330)	(4,783)
Other receipts arising from investments	309	278
Other payments arising from investments	(4,198)	(66,831)
Placements with fund managers	(64,027)	-
Net cash used in investing activities	(72,866)	(69,094)
FINANCING ACTIVITIES		
Drawdown of borrowings	11,129	483,874
Repayment of borrowings	(169,232)	(406,875)
Payment of hire purchase liabilities	(188)	(244)
Payment of lease liabilities	(16,816)	(13,878)
Dividends paid to shareholders of the Company	-	(60,604)
Treasury shares acquired	(15,006)	-
Interest paid	(30,682)	(30,298)
Net cash used in financing activities	(220,795)	(28,025)
NET CHANGE IN CASH AND CASH EQUIVALENTS	124,516	(41,259)
CASH & CASH EQUIVALENTS AT 1 JULY	304,996	429,506
Effects of exchange rate changes	(279)	(2,787)
CASH & CASH EQUIVALENTS AT 31 DECEMBER	429,233	385,460
	Financial period ended 31-12-2020 RM'000	Financial period ended 31-12-2019 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	106,965	86,534
Deposits with financial institutions	325,109	301,790
	432,074	388,324
Excluding : Cash and cash equivalents restricted for use	(2,841)	(2,864)
	429,233	385,460

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
NOTES TO THE INTERIM FINANCIAL REPORT**

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

Changes in Accounting Policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020. The Group has neither early adopted nor applied any new MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs that are issued but not yet effective for the Group's accounting period beginning 1 July 2020 except for COVID-19 Related Rent Concessions (Amendments to MFRS 16 Leases) as disclosed in the audited financial statements of the Group for the financial year ended 30 June 2020.

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.

- 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 December 2020 except for the financial impact arising from the Coronavirus ("Covid-19") pandemic and multiple phases of recovery from the lockdown or restrictive measures implemented by the Malaysian Government as well as the governments of the respective countries where the Group has business operations as disclosed in Notes B1 and B2.

There were no changes in estimates reported in the prior financial year that had a material effect in the current financial period ended 31 December 2020.

- A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial period ended 31 December 2020.

The details of the share buy-back are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
September 2020	2.00	2.05	2.04	1,317,800	2,689
October 2020	2.00	2.05	2.04	6,043,366	12,317
TOTAL			2.04	7,361,166	15,006

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
NOTES TO THE INTERIM FINANCIAL REPORT**

A4 The number of treasury shares held in hand as at 31 December 2020 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2020	2.38	13,530,072	32,165
Increase in treasury shares	2.04	7,361,166	15,006
Distribution of treasury shares as share dividend	2.38	(13,361,166)	(31,764)
Total treasury shares as at 31 December 2020	2.05	7,530,072	15,407

As at 31 December 2020, the number of outstanding shares in issue with voting rights was 1,343,500,000 ordinary shares (31 December 2019 : 1,347,000,000 ordinary shares).

A5 During the current period ended 31 December 2020 and up to the date of this report, the Company distributed and paid the following dividends:

- (a) third interim dividend on 8 October 2020, in respect of financial year ended 30 June 2020, via distribution of 13,361,166 treasury shares on the basis of 1 treasury share for every 100 ordinary shares held. This is equivalent to a dividend of approximately 2.4 sen per share and the shares were credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd. The book cost of the share dividend was RM31,764,000; and
- (b) first interim dividend on 19 January 2021, in respect of financial year ending 30 June 2021, of 4.0 sen per share on 1,343,500,000 ordinary shares with voting rights amounting to RM53,740,000.

A6 Segmental revenue and results for the current period ended 31 December 2020 were as follows:

REVENUE

	External	Inter-segment	Total
	RM'000	RM'000	RM'000
Toto betting	1,335,488	-	1,335,488
Motor dealership	1,208,517	136	1,208,653
Others	35,799	3,695	39,494
Elimination : Intersegment Revenue	-	(3,831)	(3,831)
	<u>2,579,804</u>	<u>-</u>	<u>2,579,804</u>

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
NOTES TO THE INTERIM FINANCIAL REPORT****A6 RESULTS**

	Total RM'000
Toto betting	202,088
Motor dealership	36,076
Others	(2,660)
	<u>235,504</u>
Unallocated corporate expenses	(8,087)
Profit from operations	<u>227,417</u>
Interest income	7,684
Investment related income (other than interest income)	2,047
Investment related expenses	-
Finance costs	(30,897)
Share of results of associated companies	(9,392)
Profit before tax	<u>196,859</u>
Income tax expenses	(61,678)
Profit for the period	<u><u>135,181</u></u>

A7 There were no significant events since the end of the financial period up to the date of this announcement.

A8 There were no changes in the composition of the Group for the current period ended 31 December 2020 up to the date of this report including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the following:

(a) Following the application to strike off the companies by the Board of directors of the following dormant wholly-owned subsidiary companies of Berjaya Sports Toto Berhad, the de-registration process was completed as follows:

(i) On 8 September 2020, FEAB Realty Sdn Bhd had been de-registered by the Registrar of Companies Commission of Malaysia and dissolved accordingly; and

(ii) On 9 October 2020, Berjaya -ILTS Limited had been de-registered by the Registrar of Companies, Hong Kong and dissolved accordingly.

(b) On 16 October 2020, VideoDoc Limited, an associated company of the Group with equity interest owned of 20.15%, had been de-registered by the Companies House, United Kingdom and dissolved accordingly following the application for voluntary liquidation.

A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 June 2020.

A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2020.

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The Group's core business is in the number forecast operation ("NFO") which includes toto betting and other related ancillary businesses. The Group also has strategic investments in auto retailing and provision of aftersales services and hospitality sector. The key factors (other than general economic conditions) affecting the performance of the operations of the core business in the Group are disposable income of the general public, Jackpot cycles, luck factor, illegal gaming operations and the number of draws in the current period whilst auto retailing business is affected by the trend in prestige and specialist cars predominantly in the London area of the United Kingdom ("UK"). The Covid-19 pandemic has impacted the Group's performance during the current period ended 31 December 2020 and continues to evolve and the restrictive measures or certain periodic lockdown affect the economic recovery of the countries where the Group has business operations.

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

The summary results of the Group are as follows:

	3-Month		+/-<-> %
	1-10-2020 to 31-12-2020 RM'000	1-10-2019 to 31-12-2019 RM'000	
Revenue	<u>1,233,940</u>	<u>1,408,017</u>	(12.4)
Profit from operations	<u>107,919</u>	<u>103,926</u>	3.8
Profit before tax	<u>95,412</u>	<u>95,394</u>	0.0

As compared to the previous year corresponding quarter ended 31 December 2019, the Group registered a drop in revenue of 12.4% mainly due to lower revenue reported by Sports Toto Malaysia Sdn Bhd ("Sports Toto") as explained in the ensuing paragraphs. In spite of the drop in revenue, pre-tax profit was on par with the previous year corresponding quarter. This was mainly due to lower percentage drop in Sports Toto's pre-tax profit compared to its drop in revenue coupled with higher pre-tax profit contributed by H.R. Owen Plc ("H.R. Owen") but this was partly offset by higher share of losses in the Group's associated companies in the current quarter.

Sports Toto, the principal subsidiary, registered a decrease in revenue and pre-tax profit of 19.9% and 3.6% respectively. The lower revenue generated was mainly due to a third wave of the Covid-19 pandemic from late September 2020 and persisted throughout the current quarter, leading to the implementation of Enhanced Movement Control Order ("EMCO") and Conditional Movement Control Order ("CMCO") in certain areas and states in Malaysia. The selective EMCO and CMCO have dampened the recovery achieved during the Recovery Movement Control Order ("RMCO") period. The drop in its pre-tax profit, in line with lower sales, was mitigated by lower prize payout as well as lower operating expenses incurred in the current quarter under review.

H.R. Owen registered a marginal increase in revenue of 0.8% to RM541.4 million from RM537.1 million as reported in the previous year corresponding quarter while pre-tax profit for the current quarter was higher at RM11.1 million compared to RM2.4 million as reported in the previous year corresponding quarter. The higher pre-tax profit registered was mainly attributed to lower operating expenses incurred, resulting from certain austerity measures undertaken by the company, coupled with support fee income received from franchises as well as certain business relief support from the UK government during the current quarter under review.

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the 6-month Period ended 31 December 2020**

The summary results of the Group are as follows:

	6-Month		+/<-> %
	1-7-2020 to 31-12-2020 RM'000	1-7-2019 to 31-12-2019 RM'000	
Revenue	<u>2,579,804</u>	<u>2,844,915</u>	(9.3)
Profit from operations	<u>227,417</u>	<u>208,104</u>	9.3
Profit before tax	<u>196,859</u>	<u>198,268</u>	(0.7)

The Group reported a drop in revenue of 9.3% in the current period mainly due to lower revenue reported by Sports Toto but it was mitigated by higher revenue contributed by H.R. Owen. The Group's pre-tax profit decreased marginally by 0.7% despite the drop in revenue and higher share of losses in the Group's associated companies. Sports Toto reported slightly lower contribution of pre-tax profit to the Group in the current period under review compared to the previous year corresponding period. However, H.R. Owen's improved results attained in the current period has mitigated the drop in Sports Toto's profits. The pre-tax profit in the previous year corresponding period also included the exceptional gains from disposal of an investment property and disposal of a former subsidiary company. The Group would have registered an increase in pre-tax profit of 4.9% had the said exceptional gains recognised in the previous year corresponding period been excluded.

For the current period under review, Sports Toto registered a drop in revenue and pre-tax profit of 19.0% and 1.2% respectively. It reported lower revenue mainly due to the prolonged Movement Control Order ("MCO") phases as Malaysia continues its battle to contain the Covid-19 pandemic. The drop in Sports Toto's pre-tax profit was mainly due to its drop in revenue but mitigated by lower prize payout and lower operating expenses incurred in the current period under review.

H.R. Owen registered revenue growth of 6.1% to RM1.21 billion from RM1.14 billion as reported in the previous year corresponding period. Its revenue growth attained was mainly attributed to higher sales generated from new car sector primarily due to backlog fulfilment after the earlier Covid-19 pandemic lockdown ended on 31 May 2020 in the UK. The increase in revenue was also attributed to the favourable foreign exchange effect in conversion into Ringgit Malaysia (the reporting currency of the Berjaya Sports Toto Berhad's Group) in the current period under review.

Its pre-tax profit increased to RM29.5 million from RM6.7 million (excluding RM8.6 million exceptional gain from disposal of investment property as reported in the previous year corresponding period). The improved result was mainly attributed to lower operating expenses incurred because of certain austerity measures undertaken by the company coupled with support fee income received from franchises as well as certain governmental business reliefs obtained from the lockdown order imposed by the UK Government.

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B2 Review of 2nd Quarter's Results Vs 1st Quarter Results of financial year ending 30 June 2021**

	3-month		+/-<-> %
	1-10-2020 to 31-12-2020 RM'000	1-7-2020 to 30-9-2020 RM'000	
Revenue	<u>1,233,940</u>	<u>1,345,864</u>	(8.3)
Profit from operations	<u>107,919</u>	<u>119,498</u>	(9.7)
Profit before tax	<u>95,412</u>	<u>101,447</u>	(5.9)

As compared to the preceding quarter, the Group's revenue and pre-tax profit decreased by 8.3% and 5.9% respectively. The drop in revenue and pre-tax profit was mainly due to lower results reported by H.R. Owen during the current quarter. However, the aforesaid drop in revenue and pre-tax profit was mitigated by higher revenue and pre-tax profit attained by Sports Toto.

Sports Toto registered a growth in revenue and pre-tax profit of 3.8% and 5.9% respectively as compared to the preceding quarter. The revenue growth was mainly attributed to higher sales generated from lotto games as well as longer jackpot lifespan that generated stronger punter interest. The increase in pre-tax profit was mainly due to lower operating expenses incurred in the current quarter under review.

H.R. Owen reported a drop in revenue of 18.9% to RM541.4 million from RM667.2 million as reported in the preceding quarter whilst its pre-tax profit decreased to RM11.1 million as compared to RM18.4 million reported in the preceding quarter. The drop in the current quarter results was mainly due to its showroom operations being shut down again for a period of 4 weeks during the current quarter in compliance with the UK government's second national lockdown order effective 5 November 2020.

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B3 Future Prospects**

The Covid-19 pandemic continues to evolve globally. The Group's principal subsidiary company in Malaysia and most of the other subsidiary companies were in full operation during the first quarter of the financial year ending 30 June 2021. However, part of the operations of these subsidiary companies were disrupted again with the respective governments' imposition of different stages of movement control order/lockdown, in the second quarter of the financial year, following the new wave of infection in the countries where the Group has business operations. The recovery of economy and consumer sentiment have been significantly impacted by the reintroduction of various degree of lockdown and restrictive measures.

The operation of Sports Toto, the principal subsidiary of the Group, is affected under the re-imposition of MCO by the Malaysian Government effective 13 January 2021, where its outlets in all states in Malaysia except Sarawak were closed due to the MCO restrictions and only resumed operations on 16 February 2021. In the UK, the operations of the subsidiary companies of the Group are also temporarily closed as the UK is currently under its third nationwide lockdown, which came into force on 5 January 2021. This posed further challenges to the business operations of the Group. Thus, it is extremely challenging to ascertain the full extent and duration of the impact to the Group's operations and financial performance from the government-imposed restrictions. The economy is expected to recover at a slower pace as the business environment and consumer sentiment remain weak until the vaccination programs are well underway in countries where the Group's subsidiary companies operate.

In spite of that, the Directors are cautiously optimistic that the Group's businesses will gradually recover with the fairly resilient nature of the NFO business as noted in the past economic crises and turbulent periods. The Directors are also confident that it will continue to maintain its market share in the NFO business for the remaining quarters of the financial year ending 30 June 2021.

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

B5 Taxation

	Current quarter RM'000	Period ended 31 December 2020 RM'000
<u>Based on the results for the current quarter and period</u>		
- Malaysian income tax	32,577	60,173
- Under provision in prior year	-	195
- Foreign country income tax	2,653	9,060
Deferred tax		
- Origination and reversal of temporary differences	(5,842)	(7,750)
	<u>29,388</u>	<u>61,678</u>

The disproportionate tax charge of the Group for the current quarter and period ended 31 December 2020 was mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

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

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B7 The Group's borrowings as at 31 December 2020 were as follows:

	Foreign currency amount '000	At end of current period RM'000
<u>Long term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		743,074
Term loan - Denominated in Ringgit Malaysia		7,560
		<u>750,634</u>
<u>Short term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		54,987
Term loan - Denominated in Ringgit Malaysia		1,890
Term loans - Denominated in Philippine Peso	412,500 *	34,635
Vehicle stocking loans - Denominated in Great Britain Pound	39,851 *	216,228
		<u>307,740</u>
Total bank borrowings		<u><u>1,058,374</u></u>

* Converted at the respective exchange rates prevailing as at 31 December 2020.

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

B9 The Board has declared a second interim dividend of 2.5 sen per share (previous year second quarter ended 31 December 2019 : second interim dividend of 4 sen per share) in respect of financial year ending 30 June 2021 and payable on 23 April 2021. The entitlement date has been fixed on 1 April 2021.

Based on the number of ordinary shares in issue and with voting rights as at 23 February 2021 of 1.344 billion, the second interim dividend distribution for the financial year ending 30 June 2021 will amount to RM33.59 million. The total dividend distribution for the financial period ended 31 December 2020 is approximately RM87.33 million, **representing about 65.7% of the attributable profit of the Group for the 6-month period ended 31 December 2020.**

B10 The earnings per share is calculated by dividing profit attributable to owners of the parent of the Company by the weighted average number of ordinary shares with voting rights as follows:

	Group	
	<u>3-month period</u>	<u>3-month period</u>
	1-10-2020 to 31-12-2020	1-10-2019 to 31-12-2019
Profit attributable to owners of the parent (RM'000)	<u>65,062</u>	<u>61,938</u>
Weighted average number of shares with voting rights ('000)	<u>1,343,205</u>	<u>1,347,000</u>
Basic earnings per share (sen)	<u>4.84</u>	<u>4.60</u>

BERJAYA SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q2) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B10

	Group	
	<u>6-month</u> <u>period</u> 1-7-2020 to 31-12-2020	<u>6-month</u> <u>period</u> 1-7-2019 to 31-12-2019
Profit attributable to owners of the parent (RM'000)	<u>132,916</u>	<u>128,893</u>
Weighted average number of shares with voting rights ('000)	<u>1,340,339</u>	<u>1,347,000</u>
Basic earnings per share (sen)	<u>9.92</u>	<u>9.57</u>

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

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

	Current quarter RM'000	Financial period ended 31 December 2020 RM'000
Interest income	(4,374)	(7,684)
Other income excluding dividend and interest income	(7,857)	(12,518)
Depreciation of property, plant and equipment	6,642	13,700
Depreciation of right-of-use assets	9,744	19,550
Amortisation of intangible assets	117	235
Impairment in value of quoted and unquoted investments	-	-
Foreign exchange (gain)/loss (net)	211	254
(Reversal)/provision for and write off of receivables	(1,276)	(2,447)
(Reversal)/provision for and write off of inventories	6,576	14,874
(Gain)/loss on disposal of properties	-	-
(Gain)/loss on derivatives	-	-