

Sports Toto Berhad

Company Registration No. : 196901000688 (9109-K)

Date: 24 May 2024

Subject: **UNAUDITED (Q3) INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2024**

| <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 |

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | Group | |
|--|------------------|--------------------------------|
| | 31-3-2024 | (Audited) 30-6-2023 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 622,561 | 622,911 |
| Right-of-use assets | 237,289 | 223,168 |
| Other investments | 143,350 | 124,230 |
| Investment properties | 117,571 | 117,419 |
| Investment in associated companies | 134,492 | 125,723 |
| Deferred tax assets | 36,721 | 33,030 |
| Retirement benefit assets | 38,610 | 38,082 |
| Intangible assets | 730,886 | 729,284 |
| | 2,061,480 | 2,013,847 |
| Current assets | | |
| Inventories | 557,084 | 652,067 |
| Receivables | 693,135 | 613,386 |
| Contract assets | 4,280 | 15,789 |
| Tax recoverable | 8,572 | 8,231 |
| Deposits, cash and bank balances | 617,605 | 632,827 |
| | 1,880,676 | 1,922,300 |
| TOTAL ASSETS | 3,942,156 | 3,936,147 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 135,103 | 135,103 |
| Reserves | 380,282 | 364,773 |
| Retained earnings | 642,258 | 588,097 |
| Equity funds | 1,157,643 | 1,087,973 |
| Less : Treasury shares | (2,568) | (15,864) |
| Net equity funds | 1,155,075 | 1,072,109 |
| Non-controlling interests | 71,244 | 70,925 |
| Total equity | 1,226,319 | 1,143,034 |
| Non-current liabilities | | |
| Retirement benefit obligations | 475 | 439 |
| Borrowings | 925,765 | 959,002 |
| Deferred tax liabilities | 40,262 | 39,738 |
| Lease liabilities | 195,551 | 184,833 |
| Other long term liabilities | 51,203 | 55,182 |
| | 1,213,256 | 1,239,194 |
| Current liabilities | | |
| Provisions | 2,130 | 12,130 |
| Borrowings | 545,247 | 560,128 |
| Payables | 590,816 | 575,775 |
| Contract liabilities | 294,991 | 357,182 |
| Lease liabilities | 32,076 | 30,609 |
| Tax payable | 37,321 | 18,095 |
| | 1,502,581 | 1,553,919 |
| Total liabilities | 2,715,837 | 2,793,113 |
| TOTAL EQUITY AND LIABILITIES | 3,942,156 | 3,936,147 |
| Net assets per share (RM) | 0.86 | 0.80 |

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.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

| | Current Interim Period | | | Cumulative Period | | |
|--|---|---|------------|---|---|------------|
| | 3-Month 1-1-2024 to 31-3-2024 RM'000 | 3-Month 1-1-2023 to 31-3-2023 RM'000 | +/<-> % | 9-Month 1-7-2023 to 31-3-2024 RM'000 | 9-Month 1-7-2022 to 31-3-2023 RM'000 | +/<-> % |
| Revenue | 1,694,263 | 1,655,218 | 2.4 | 4,657,198 | 4,482,479 | 3.9 |
| Profit from operations | 115,438 | 49,686 | 132.3 | 282,528 | 254,053 | 11.2 |
| Investment related income | 7,642 | 6,940 | 10.1 | 22,917 | 30,784 | (25.6) |
| Finance costs | (24,362) | (22,035) | 10.6 | (74,516) | (56,895) | 31.0 |
| Share of results of associated companies | 2,507 | 5,362 | (53.2) | 8,215 | 14,175 | (42.0) |
| Profit before tax | 101,225 | 39,953 | 153.4 | 239,144 | 242,117 | (1.2) |
| Income tax expenses | (31,097) | (15,775) | 97.1 | (85,325) | (79,624) | 7.2 |
| Profit for the period | 70,128 | 24,178 | 190.0 | 153,819 | 162,493 | (5.3) |
| Profit attributable to: | | | | | | |
| Owners of the parent | 68,451 | 23,222 | 194.8 | 152,833 | 159,576 | (4.2) |
| Non-controlling interests | 1,677 | 956 | 75.4 | 986 | 2,917 | (66.2) |
| | 70,128 | 24,178 | 190.0 | 153,819 | 162,493 | (5.3) |
| Earnings per share (sen) | | | | | | |
| Attributable to owners of the parent | | | | | | |
| - Basic | 5.09 | 1.72 | | 11.47 | 11.86 | |
| Dividend per share (sen) | | | | | | |
| - First interim - cash dividend | - | - | | - | 2.0 | |
| - First interim - share dividend | - | - | | 3.0 | - | |
| - Second interim - cash dividend | - | - | | 2.0 | 2.5 | |
| - Third interim - cash dividend | 3.0 | 2.0 | | 3.0 | 2.0 | |

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Current Interim Period | | | Cumulative Period | | |
|---|---|---|--------------|---|---|--------------|
| | 3-Month 1-1-2024 to 31-3-2024 RM'000 | 3-Month 1-1-2023 to 31-3-2023 RM'000 | +/<-> % | 9-Month 1-7-2023 to 31-3-2024 RM'000 | 9-Month 1-7-2022 to 31-3-2023 RM'000 | +/<-> % |
| Profit for the period | 70,128 | 24,178 | 190.0 | 153,819 | 162,493 | (5.3) |
| Other comprehensive items: | | | | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | | | | |
| Foreign currency translation | 29,610 | 22,103 | 34.0 | 8,330 | 17,391 | (52.1) |
| Share of an associated company's currency translation differences | 158 | (55) | N/A | 975 | 60 | 1,525.0 |
| <u>Item that will not be reclassified subsequently to profit or loss</u> | | | | | | |
| Net changes in fair value of investments classified as fair value through other comprehensive income ("FVTOCI") | 5,799 | (604) | N/A | 6,517 | 8,133 | (19.9) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 105,695 | 45,622 | 131.7 | 169,641 | 188,077 | (9.8) |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | | |
| Owners of the parent | 104,534 | 41,537 | 151.7 | 169,322 | 182,446 | (7.2) |
| Non-controlling interests | 1,161 | 4,085 | (71.6) | 319 | 5,631 | (94.3) |
| | 105,695 | 45,622 | 131.7 | 169,641 | 188,077 | (9.8) |

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | Attributable to owners of the parent | | | | | | | | | Total equity RM'000 |
|---|--------------------------------------|------------------------------|---|-----------------------------|------------------------------|------------------------------------|--------------------------------|--|--|------------------------|
| | Non-distributable | | | | | Distributable | | Total to owners of parent company RM'000 | Non- controlling interests RM'000 | |
| | Share capital RM'000 | Treasury shares RM'000 | Foreign currency translation reserve RM'000 | FVTOCI reserve RM'000 | Capital reserve RM'000 | Consolidation reserve RM'000 | Retained earnings RM'000 | | | |
| As at 1 July 2023 | 135,103 | (15,864) | 177,710 | (33,687) | 285,306 | (64,556) | 588,097 | 1,072,109 | 70,925 | 1,143,034 |
| Profit for the period | - | - | - | - | - | - | 152,833 | 152,833 | 986 | 153,819 |
| Other comprehensive income for the period | - | - | 10,086 | 6,403 | - | - | - | 16,489 | (667) | 15,822 |
| Total comprehensive income for the period | - | - | 10,086 | 6,403 | - | - | 152,833 | 169,322 | 319 | 169,641 |
| Effects arising from disposal of investments at FVTOCI | - | - | - | (980) | - | - | 980 | - | - | - |
| Transactions with owners: | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | (60,104) | (60,104) | - | (60,104) |
| Purchase of treasury shares | - | (26,252) | - | - | - | - | - | (26,252) | - | (26,252) |
| Distribution of share dividend | - | 39,548 | - | - | - | - | (39,548) | - | - | - |
| | - | 13,296 | - | - | - | - | (99,652) | (86,356) | - | (86,356) |
| As at 31 March 2024 | 135,103 | (2,568) | 187,796 | (28,264) | 285,306 | (64,556) | 642,258 | 1,155,075 | 71,244 | 1,226,319 |
| As at 1 July 2022 | 135,103 | (23,626) | 92,516 | (37,362) | 285,306 | (64,556) | 507,585 | 894,966 | 61,926 | 956,892 |
| Profit for the period | - | - | - | - | - | - | 159,576 | 159,576 | 2,917 | 162,493 |
| Other comprehensive income for the period | - | - | 15,706 | 7,164 | - | - | - | 22,870 | 2,714 | 25,584 |
| Total comprehensive income for the period | - | - | 15,706 | 7,164 | - | - | 159,576 | 182,446 | 5,631 | 188,077 |
| Effects arising from disposal of investments at FVTOCI | - | - | - | 365 | - | - | (365) | - | - | - |
| Transactions with owners: | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | (100,904) | (100,904) | - | (100,904) |
| Purchase of treasury shares | - | (3,763) | - | - | - | - | - | (3,763) | - | (3,763) |
| Distribution of share dividend | - | 22,572 | - | - | - | - | (22,572) | - | - | - |
| | - | 18,809 | - | - | - | - | (123,476) | (104,667) | - | (104,667) |
| As at 31 March 2023 | 135,103 | (4,817) | 108,222 | (29,833) | 285,306 | (64,556) | 543,320 | 972,745 | 67,557 | 1,040,302 |

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

| | 9-Month Financial period ended 31-3-2024 RM'000 | 9-Month Financial period ended 31-3-2023 RM'000 |
|---|--|--|
| OPERATING ACTIVITIES | | |
| Receipts from customers | 4,820,168 | 4,750,991 |
| Payments to prize winners, suppliers, duties, taxes and other operating expenses | (4,555,015) | (4,656,633) |
| Other receipts | 540 | 2,266 |
| Net cash from operating activities | 265,693 | 96,624 |
| INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 266 | 8,042 |
| Proceeds from disposal of long term investments | 15,920 | 4,861 |
| Partial payment for acquisition of subsidiary companies | (3,722) | (3,891) |
| Acquisition of property, plant and equipment | (28,812) | (115,623) |
| Acquisition of long term investments | (28,898) | (274) |
| Acquisition of short term investments | - | (40,000) |
| Payment for other intangible assets | (734) | - |
| Dividend received | 860 | 6,346 |
| Interest received | 7,773 | 12,914 |
| Net repayment from associated companies of a foreign subsidiary company | 337 | 1,682 |
| Other receipts arising from investments | 493 | 474 |
| Net cash used in investing activities | (36,517) | (125,469) |
| FINANCING ACTIVITIES | | |
| Treasury shares acquired | (26,252) | (3,763) |
| Drawdown of borrowings | 28,371 | 224,200 |
| Repayment of borrowings | (84,919) | (18,994) |
| Payment of hire purchase liabilities | (227) | (272) |
| Payment of lease liabilities | (34,119) | (31,444) |
| Net (repayment to)/advances from an associated company of a foreign subsidiary company | (779) | 2,212 |
| Dividends paid to shareholders of the Company | (59,939) | (93,964) |
| Interest paid | (71,828) | (53,805) |
| Net cash (used in)/from financing activities | (249,692) | 24,170 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (20,516) | (4,675) |
| CASH & CASH EQUIVALENTS AT 1 JULY | 632,691 | 558,697 |
| Effects of exchange rate changes | 5,355 | 4,766 |
| CASH & CASH EQUIVALENTS AT 31 MARCH | 617,530 | 558,788 |
| | Financial period ended 31-3-2024 RM'000 | Financial period ended 31-3-2023 RM'000 |
| Cash and cash equivalents carried forward comprise the following: | | |
| Cash and bank balances | 196,231 | 206,919 |
| Deposits with financial institutions | 421,374 | 352,002 |
| | 617,605 | 558,921 |
| Excluding : Cash and cash equivalents restricted for use | (75) | (133) |
| | 617,530 | 558,788 |

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

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 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 2023. 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 2023.

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 2023 except for the adoption of the new or revised standards and amendments to standards.

The Group has not early adopted new or revised standards or amendments to standards that have been issued but not yet effective for the accounting year beginning 1 July 2023.

The initial application of the MFRSs, Amendments to MFRSs and Annual Improvements to MFRSs, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

A2 The principal business operations of the Group are generally affected by overall seasonal business cycles of the countries where the Group operates.

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 March 2024.

There were no changes in estimates reported in the prior financial year that had a material effect in the current financial period ended 31 March 2024.

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 March 2024.

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

| Month | Price per share (RM) | | | Number of shares | Total consideration RM'000 |
|----------------|----------------------|---------|---------|------------------|----------------------------|
| | Lowest | Highest | Average | | |
| July 2023 | 1.42 | 1.55 | 1.51 | 8,430,000 | 12,751 |
| September 2023 | 1.47 | 1.58 | 1.54 | 7,160,000 | 11,024 |
| October 2023 | 1.42 | 1.50 | 1.47 | 1,685,500 | 2,477 |
| TOTAL | | | 1.52 | 17,275,500 | 26,252 |

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
NOTES TO THE INTERIM FINANCIAL REPORT**

A4 The number of treasury shares held in hand as at 31 March 2024 were as follows:

| | Average price per share (RM) | Number of shares | Amount RM'000 |
|---|------------------------------|------------------|---------------|
| Total treasury shares as at 1 July 2023 | 1.46 | 10,875,202 | 15,864 |
| Increase in treasury shares | 1.52 | 17,275,500 | 26,252 |
| Distribution of treasury shares as share dividend | 1.50 | (26,434,030) | (39,548) |
| Total treasury shares as at 31 March 2024 | 1.50 | 1,716,672 | 2,568 |

As at 31 March 2024, the number of outstanding shares in issue with voting rights was 1,349,313,400 ordinary shares (31 March 2023 : 1,348,157,870 ordinary shares).

A5 During the current period ended 31 March 2024 and up to the date of this report, the Company paid and distributed the following dividends:

- (a) third interim dividend on 21 July 2023, in respect of financial year ended 30 June 2023, of 2.0 sen per share on 1,340,924,870 ordinary shares with voting rights amounting to RM26.82 million;
- (b) fourth interim dividend on 20 October 2023, in respect of financial year ended 30 June 2023, of 2.5 sen per share on 1,324,714,870 ordinary shares with voting rights amounting to RM33.12 million;
- (c) first interim dividend on 19 January 2024, in respect of financial year ending 30 June 2024, of share dividend equivalent to approximately 3.0 sen per share, via distribution of 26,434,030 treasury shares on the basis of 1 treasury share for every 50 ordinary shares held, credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd. The book cost of the share dividend was RM39.55 million; and
- (d) second interim dividend on 19 April 2024, in respect of financial year ending 30 June 2024, of 2.0 sen per share on 1,349,313,400 ordinary shares with voting rights amounting to RM26.99 million.

A6 Segmental revenue and results for the current financial period ended 31 March 2024 were as follows:

REVENUE

| | External RM'000 | Inter- segment RM'000 | Total RM'000 |
|------------------------------------|--------------------|-----------------------------|------------------|
| Toto betting | 2,240,385 | - | 2,240,385 |
| Motor dealership | 2,332,746 | 221 | 2,332,967 |
| Others | 84,067 | 3,173 | 87,240 |
| Elimination : Intersegment Revenue | - | (3,394) | (3,394) |
| | <u>4,657,198</u> | <u>-</u> | <u>4,657,198</u> |

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
NOTES TO THE INTERIM FINANCIAL REPORT****A6 RESULTS**

| | Total RM'000 |
|--|-----------------------|
| Toto betting | 280,142 |
| Motor dealership | 22,865 |
| Others | (8,534) |
| | <u>294,473</u> |
| Unallocated corporate expenses | (11,945) |
| Profit from operations | <u>282,528</u> |
| Interest income | 22,023 |
| Investment related income (other than interest income) | 894 |
| Finance costs | (74,516) |
| Share of results of associated companies | 8,215 |
| Profit before tax | <u>239,144</u> |
| Income tax expenses | (85,325) |
| Profit for the period | <u><u>153,819</u></u> |

A7 There were no significant events subsequent to the end of this current quarter that have not been reflected in the financial statements for the current quarter under review.

A8 There were no changes in the composition of the Group for the current period ended 31 March 2024 up to the date of this report including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:

- (a) On 17 July 2023, the Company announced the voluntary winding-up of its wholly-owned subsidiary companies namely Sports Toto Apparel Sdn Bhd and Sports Toto Products Sdn Bhd were completed.
- (b) On 29 August 2023, the following dormant subsidiary companies of the Group were dissolved:
- Heathrow Limited;
 - H.R. Owen Investments Limited; and
 - Malaya Dealerships Limited.
- (c) On 27 March 2024, the Company announced that Magna Mahsuri Sdn Bhd, a subsidiary company of the Group had on 25 to 27 March 2024 acquired a total of 23,791,000 ordinary shares representing about 1.34% equity interest in Berjaya Food Berhad ("BFood"), for a total cash consideration of approximately RM13.24 million. Subsequently on 29 March 2024, the subsidiary company acquired further 410,000 ordinary shares of BFood for cash consideration of RM 0.24 million. For the 9-month period ended 31 March 2024, the Group acquired a total 24,201,000 ordinary shares in BFood with total cash consideration of approximately RM13.48 million, representing about 1.36% equity interest in BFood.

Following the acquisition as mentioned above, the Group holds a total of about 31.74 million ordinary shares in BFood, representing approximately 1.79% equity interest in BFood.

A9 There were no significant changes in contingent liabilities since the last annual reporting date as at 30 June 2023.

A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2023.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 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 automotive trend, supply chain in prestige and specialist cars in the United Kingdom ("UK").

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

The summary results of the Group are as follows:

| | 3-Month | | +/-<-> % |
|------------------------|------------------------------------|------------------------------------|-------------|
| | 1-1-2024 to 31-3-2024 RM'000 | 1-1-2023 to 31-3-2023 RM'000 | |
| Revenue | <u>1,694,263</u> | <u>1,655,218</u> | 2.4 |
| Profit from operations | <u>115,438</u> | <u>49,686</u> | 132.3 |
| Profit before tax | <u>101,225</u> | <u>39,953</u> | 153.4 |

The Group reported an increase in revenue and pre-tax profit of 2.4% and 153.4% respectively as compared to the previous year corresponding quarter, mainly attributed to the improved results reported by the Group's principal subsidiary company, STM Lottery Sdn Bhd ("STM Lottery") and also from H.R. Owen Plc ("H.R. Owen"), as explained in the ensuing paragraphs.

For the current quarter ended 31 March 2024, STM Lottery reported stronger revenue growth of 7.5% primarily due to higher sales per draw coupled with an additional draw conducted (42 draws versus 41 draws in last year corresponding quarter). As compared to the previous year corresponding quarter, its pre-tax profit rose 246.0% driven by the higher revenue achieved during the current quarter. In addition, the higher pre-tax profit recorded in the current quarter under review was due to lower prize payout.

As compared to the previous year corresponding quarter, H.R. Owen's revenue was down by 8.0% in the current quarter mainly due to lower used car sales but partially mitigated by higher aftersales revenue in the current quarter. The increase in aftersales revenue in the current quarter under review reflects a return to normalcy following the disruptions caused by the relocation of aftersales outlets in the previous year corresponding quarter. However, with the favourable foreign exchange effect, it reported an increase in revenue of 2.5% when converted into Ringgit Malaysia, being the reporting currency of the Group. The pre-tax profit was higher at RM11.3 million as compared to RM4.9 million in the last year same quarter. The increase in pre-tax profit was mainly attributed to better profit margin earned from new car sales as well as profit improvement from full resumption of its aftersales operations subsequent to the completion of aftersales outlets relocation.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the 9-month Period ended 31 March 2024**

The summary results of the Group are as follows:

| | 9-Month | | +/-<-> % |
|------------------------|---|---|-------------|
| | 1-7-2023 to 31-3-2024 RM'000 | 1-7-2022 to 31-3-2023 RM'000 | |
| Revenue | <u>4,657,198</u> | <u>4,482,479</u> | 3.9 |
| Profit from operations | <u>282,528</u> | <u>254,053</u> | 11.2 |
| Profit before tax | <u>239,144</u> | <u>242,117</u> | (1.2) |

For the current 9-month period ended 31 March 2024, the Group reported higher revenue by 3.9% primarily driven by stronger revenue contribution from both STM Lottery and H.R. Owen. Nevertheless, the Group's pre-tax profit dropped 1.2% mainly due to lower results reported by H.R. Owen but mitigated by improved performance from STM Lottery as explained in the ensuing paragraphs.

Despite conducting fewer number of draws in the current period (126 draws versus 135 draws in the previous year corresponding period), STM Lottery achieved a revenue and pre-tax profit growth of 2.6% and 23.5% respectively. The revenue growth was attributed to higher sales per draw driven by the higher accumulated jackpot prizes, whilst the increase in pre-tax profit was in line with its revenue growth coupled with lower prize payout during the current period under review.

H.R. Owen's revenue declined 2.6% in the current period as compared to the previous year corresponding period. However, with the favourable foreign exchange effect, it reported an increase in revenue of 7.1% when converted into Ringgit Malaysia, being the reporting currency of the Group. H.R. Owen reported a pre-tax loss of RM4.1 million as opposed to pre-tax profit of RM15.8 million in the last year same period. This was mainly attributed to higher operating costs incurred resulted from inflationary pressures coupled with higher depreciation following the completion and full operation of the Hatfield Centre, as well as the impact of UK interest rate hike in the current period under review.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
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 June 2024**

| | 3-month | | +/<-> % |
|------------------------|---|--|--------------------------|
| | 1-1-2024 to 31-3-2024 RM'000 | 1-10-2023 31-12-2023 RM'000 | |
| Revenue | <u>1,694,263</u> | <u>1,368,058</u> | 23.8 |
| Profit from operations | <u>115,438</u> | <u>64,152</u> | 79.9 |
| Profit before tax | <u>101,225</u> | <u>48,115</u> | 110.4 |

The Group achieved a growth in revenue and pre-tax profit of 23.8% and 110.4% respectively as compared to the preceding quarter, bolstered by higher performance attained by STM Lottery and H.R. Owen as explained in the ensuing paragraphs.

As compared to the preceding quarter, STM Lottery recorded an increase in revenue of 9.9% in the current quarter, benefitted from traditionally stronger sales during the festive period in the month of February 2024. Its pre-tax profit increased by 28.3% attributed to the higher revenue achieved as well as lower prize payout in the current quarter under review.

H.R. Owen's revenue increased by 38.8% and reported pre-tax profit of RM11.3 million during the current quarter whilst it registered a pre-tax loss of RM15.9 million in the preceding quarter. The improved results attained was mainly attributed to higher volume of car sold from both new and used car sectors that benefitted from the number plate change month, despite the backdrop of the on-going challenging economic conditions in the UK.

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Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
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The management is cautiously optimistic that the Group's business will remain stable. The closure of legal NFO outlets in the two Northern states (Kedah and Perlis) will result in the proliferation of illegal operators in these underserved areas. The management will endeavour to develop sustainable business models within legislative guidelines to meet the Group's economic, environmental and sustainable goals in serving the community and the nation.

The Directors are of the view that despite the dampened recovery of the global economy, the Group's business outlook will remain positive and stable for the remaining quarter of the financial year ending 30 June 2024 given the nature of its business.

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

B5 Taxation

| | Current quarter RM'000 | Period ended 31 March 2024 RM'000 |
|---|------------------------------|---|
| <u>Based on the results for the current quarter</u> | | |
| - Malaysian income tax | 38,348 | 84,854 |
| - Foreign country income tax | 2,488 | 4,169 |
| Deferred tax | | |
| - Origination and reversal of temporary differences | (9,739) | (3,698) |
| | <u>31,097</u> | <u>85,325</u> |

The disproportionate tax charge of the Group for the current period ended 31 March 2024 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.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B7 The Group's borrowings as at 31 March 2024 were as follows:

| | Foreign currency amount '000 | At end of current period RM'000 |
|---|---------------------------------|---------------------------------------|
| <u>Secured</u> | | |
| <u>Long term borrowings</u> | | |
| Medium Term Notes - Denominated in Ringgit Malaysia | | 704,216 |
| Term loans - Denominated in Great Britain Pound | 26,477 * | 158,636 |
| Revolving credit - Denominated in Ringgit Malaysia | | 62,500 |
| Hire purchase payable - Denominated in Ringgit Malaysia | | 413 |
| Total long term borrowings | | <u>925,765</u> |
| <u>Short term borrowings</u> | | |
| Medium Term Notes - Denominated in Ringgit Malaysia | | 94,989 |
| Revolving credit - Denominated in Ringgit Malaysia | | 20,000 |
| Term loans - Denominated in Philippine Peso | 91,667 * | 7,725 |
| Term loans - Denominated in Great Britain Pound | 1,726 * | 10,343 |
| Vehicle stocking loans - Denominated in Great Britain Pound | 68,747 * | 411,911 |
| Hire purchase payable - Denominated in Ringgit Malaysia | | 279 |
| Total short term borrowings | | <u>545,247</u> |
| Total borrowings | | <u><u>1,471,012</u></u> |

* Converted at the respective exchange rates prevailing as at 31 March 2024

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

B9 The Board has declared a third interim dividend of 3.0 sen per share (Financial year 2023 : third interim dividend of 2.0 sen per share) in respect of financial year ending 30 June 2024 and payable on 19 July 2024. The entitlement date has been fixed on 28 June 2024.

Based on 1.35 billion fully paid ordinary shares in issue and with voting rights as at 23 May 2024, the third interim dividend distribution for the financial year ending 30 June 2024 will amount to RM40.5 million. With this, the total dividend distribution for the financial period ended 31 March 2024 is approximately RM107.0 million.

SPORTS TOTO BERHAD

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024
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 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> 1-1-2024 to 31-3-2024 | <u>3-month period</u> 1-1-2023 to 31-3-2023 |
| Profit attributable to owners of the parent (RM'000) | <u>68,451</u> | <u>23,222</u> |
| Weighted average number of shares with voting rights ('000) | <u>1,344,085</u> | <u>1,349,227</u> |
| Basic earnings per share (sen) | <u>5.09</u> | <u>1.72</u> |

| | Group | |
|---|---|---|
| | <u>9-month period</u> 1-7-2023 to 31-3-2024 | <u>9-month period</u> 1-7-2022 to 31-3-2023 |
| Profit attributable to owners of the parent (RM'000) | <u>152,833</u> | <u>159,576</u> |
| Weighted average number of shares with voting rights ('000) | <u>1,333,035</u> | <u>1,345,303</u> |
| Basic earnings per share (sen) | <u>11.47</u> | <u>11.86</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 March 2024 RM'000 |
|--|------------------------------|--|
| Interest income | (7,517) | (22,023) |
| Other income excluding dividend and interest income | (2,251) | (6,165) |
| Depreciation of property, plant and equipment | 11,986 | 34,443 |
| Depreciation of right-of-use assets | 9,684 | 28,119 |
| Amortisation of intangible assets | 558 | 1,598 |
| Foreign exchange loss (net) | 77 | 153 |
| Reversal for impairment on receivables (net) | (1,559) | (1,406) |
| (Reversal)/provision for write down of inventories (net) | <u>(1,318)</u> | <u>4,530</u> |