

SPORTS TOTO BERHAD

Registration No. 196901000688 (9109-K)

(Incorporated in Malaysia)

An Extract of Minutes of the Annual General Meeting of the Company held on a virtual basis from the Broadcast Venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur (“Broadcast Venue”) on Wednesday, 6 December 2023 at 10.00 a.m.

CHAIRMAN: Mr Poh Ying Loo

PRESENT: As per Appendix “I” attached

IN ATTENDANCE: Tham Lai Heng Michelle } Company Secretaries
Wong Siew Guek }

QUORUM: The Secretary confirmed that a quorum was present for the Meeting.

NOTICE OF MEETING: The Notice of Annual General Meeting (“AGM”) dated 25 October 2023 as contained on Pages 238 to 243 of the Company's Annual Report was taken as read by the Secretary.

CHAIRMAN WELCOME SPEECH

Before the meeting proceeded, the Company Secretary informed that Dato’ Sri Robin Tan Yeong Ching, the Chairman of Sports Toto Berhad (“SPToto” or “Company”) was unable to attend and participate in this virtual AGM and he extended his apologies to all members present.

Pursuant to Section 327(2) of the Companies Act 2016 and Clause 70 of the Company’s Constitution, the Chairman of the Meeting shall be present at the main venue of the General Meeting. In view thereof, Mr Poh Ying Loo, an Independent Non-Executive Director of the Company was elected to preside as the Chairman of the Meeting. The Chairman, on behalf of the Board of Directors (“Board”) of the Company, welcomed the shareholders and proxies for their participation at the virtual AGM of the Company.

The Chairman then proceeded to introduce all the Board members present, the Company Secretary, the Chief Financial Officer, Mr John Cheong Tuck Kong, the Management Team and the representative of the Company’s External Auditors, Messrs Ernst & Young PLT (“EY”) who were present at the Broadcast Venue. The Chairman also welcomed Datuk Seri Wong Chun Wai, who participated at this Meeting remotely through live streaming.

At this juncture, the Chairman announced that the Board of Directors has decided to give e-vouchers worth RM70.00 to the shareholders who participated at this AGM.

PROCEEDINGS OF MEETING AND VOTING MANNER

The Chairman informed the shareholders that in compliance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting for all the resolutions to be considered at the AGM would be conducted by poll electronically.

The Chairman further informed that the Company has appointed SS E Solutions Sdn Bhd (“SS E Solutions”) as the Poll Administrator to conduct the polling process and Commercial Quest Sdn Bhd (“CQSB”) as the Independent Scrutineer to validate the votes cast for all resolutions put to vote at this Meeting using the Remote Participation and Voting (“RPV”) facilities provided by SS E Solutions.

The Chairman further informed the shareholders that for expediency, the Meeting would proceed according to the sequence of the agenda and the Board would deal with questions from the shareholders during the Questions and Answers (“Q&A”) session only after all the businesses at the AGM have been transacted.

The Chairman reminded the shareholders and proxies to submit their questions or remarks in relation to the agenda items by using the text box below the live stream player within the same e-Portal page.

The Chairman also informed that shareholders and proxies can proceed to vote on the resolutions and submit their votes via the RPV facilities at any time from the start of this Meeting and before the closure of the voting session which would be announced later after the Q&A session. The Independent Scrutineer would then verify and announce the poll results.

For the benefit of the shareholders and proxies participating remotely, SS E Solutions presented a short video clip on the procedure for remote voting via the RPV facilities which was shown on the screen.

After the short presentation by SS E Solutions, the Chairman proceeded with Item 1 on the Agenda which is to receive and adopt the Company’s audited financial statements for the financial year ended 30 June 2023 together with the Directors’ and Auditors’ Report thereon.

AUDITED FINANCIAL STATEMENTS

The Chairman informed that under the provisions of Section 340(1)(a) of the Companies Act 2016, the Company is required to lay before the Meeting the audited financial statements and the reports thereon for the financial year ended 30 June 2023. This agenda does not require the approval of the shareholders and hence, it would not be put forward for voting. However, shareholders present would be able to ask questions and give comments on the Company’s audited financial statements during the Q&A session.

The Chairman then invited Mr Desmond Tseu (“Mr Desmond Tseu”) of EY, the external auditors of the Company, to present the Independent Auditors’ Report on the financial statements for the financial year ended 30 June 2023 to the shareholders.

Mr Desmond Tseu informed the shareholders that EY had audited the financial statements of the Company which comprises the Statement of financial position as at 30 June 2023 of the Group and of the Company. Based on their audit, Mr Desmond Tseu opined that the financial statements gave a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the financial year ended was in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016.

Thus, EY had issued a clean opinion on the audited financial statements of the Group and the Company for the financial year ended 30 June 2023.

Mr Desmond Tseu further informed that the Independent Auditors Report also comprises relevant information which are as follows:-

- (i) Directors’ responsibility on the preparation of audited financial statements for the year;
- (ii) Auditors’ independence and ethic responsibilities of the current financial year of audit; and
- (iii) Key Audit Matters (“KAM”) reported during the financial year.

Mr Desmond Tseu added that they have identified three (3) KAM of the Group and the Company for the financial year ended 30 June 2023 which are as follows:-

- (a) KAM in respect of the financial statements of the Group
 - (i) Toto betting revenue and related cost of sales; and
 - (ii) Impairment of goodwill and intangible assets.
- (b) KAM in respect of the financial statements of the Company
 - (i) Impairment assessment on investment in subsidiary companies.

The Chairman thanked Mr Desmond Tseu on his presentation of the Auditors' Report.

A slide presentation via an audio clip on the Group's financial performance for the financial year ended 30 June 2023 was presented to the shareholders covering, inter-alia, the following areas:-

- 1) Corporate Structure of core subsidiaries;
- 2) Group statement of profit or loss;
- 3) Group statement of financial position;
- 4) Dividend payout for the financial years from 2019 to 2023; and
- 5) Renewal of mandate on share buyback.

After the presentation, it was recorded that the Company's audited financial statements for the financial year ended 30 June 2023 together with the Directors' and Auditors' Reports were duly adopted.

ORDINARY RESOLUTIONS

1. DIRECTORS' FEES

The Chairman proceeded with Ordinary Resolution 1 under item 2 of the agenda which was to approve the payment of Directors' fees amounting to RM393,425.00 for the financial year ended 30 June 2023.

Since the voting for the above resolution would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting, the Chairman proceeded with the next item on the agenda.

2. DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 7 DECEMBER 2023 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The Chairman then proceeded with Ordinary Resolution 2 under item 3 of the agenda which was to approve the payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM387,600.00 for the period from 7 December 2023 until the next Annual General Meeting of the Company to be held in 2024.

The voting for the above resolution would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting.

3. RE-ELECTION OF DIRECTORS

Pursuant to Clause 117 of the Company's Constitution, one third (1/3) of the Directors shall retire by rotation and they are eligible to seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years.

(a) The Chairman proceeded with Ordinary Resolution 3 under item 4(a) of the agenda in relation to the re-election of Dato' Sri Robin Tan Yeong Ching, who retires pursuant to Clause 117 of the Company's Constitution and being eligible has offered himself for re-election as a Director of the Company.

(b) The Chairman then proceeded with Ordinary Resolution 4 under item 4(b) of the agenda in relation to the re-election of Nerine Tan Sheik Ping, who retires pursuant to Clause 117 of the Company's Constitution and being eligible has offered herself for re-election as a Director of the Company.

Since the voting for the above resolutions would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting, the Chairman proceeded with the next item on the agenda.

4. RE-APPOINTMENT OF AUDITORS

The Chairman moved on and proceeded with Ordinary Resolution 5 under item 5 of the agenda which was to approve the re-appointment of Messrs EY as Auditors of the Company for the ensuing year until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

The Chairman informed that EY has indicated their willingness to continue in office.

Since the voting for the above resolution would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting, the Chairman proceeded with the next item on the Agenda.

5. SPECIAL BUSINESS

5.1 Ordinary Resolution - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Chairman proceeded with Ordinary Resolution 6 under item 6(i) of the agenda as special business, which was to seek the shareholders' approval on the renewal of a general mandate, which if passed, would empower the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are hereby empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.

The Chairman informed that this proposed resolution if passed, will also exclude shareholder's pre-emptive right to be offered such new share and/or convertible securities to be issued by the Company pursuant to the proposed resolution.

The Chairman informed that as at the date of the AGM, the Company did not issue any new shares pursuant to the mandate granted to the Directors at the last AGM held on 7 December 2022.

Since the voting for the above resolution would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting, the Chairman proceeded with the next item on the agenda.

5.2 Ordinary Resolution - Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Chairman informed the shareholders that Resolution 7 under item 6(ii) of the agenda in relation to the proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman added that the following persons who are interested Directors and major shareholders of the Company as well as the persons connected with them would abstain from voting on Resolution 7, in respect of their direct and/or indirect shareholdings in the Company namely:-

- (a) Dato' Sri Robin Tan Yeong Ching
- (b) Nerine Tan Sheik Ping
- (c) Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT")
- (d) Berjaya Corporation Berhad
- (e) Berjaya Land Berhad

The Chairman further informed that the other Director of the Company namely, Mr Derek Chin Chee Seng, is also a Director of certain companies which are under separate listed groups in which TSVT is deemed to have an interest. Although he is not deemed to be interested, he has however voluntarily abstained from voting on Resolution 7 in respect of his direct and/or indirect shareholdings in the Company.

Since the voting for the above resolution would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting, the Chairman proceeded with the next item on the agenda.

5.3 Ordinary Resolution - Proposed Renewal of Authority for the Company to purchase its own shares

The Chairman proceeded with Ordinary Resolution 8 under item 6(iii) in relation to the proposed renewal of authority for the Company to purchase its own shares.

The Chairman informed the shareholders that the Company has bought back 26.5 million of its own shares from the open market pursuant to the mandate granted to the Company at the last AGM held on 7 December 2022. The cumulative total number of shares bought back as at to-date is 28.2 million shares.

Since the voting for the above resolution would be conducted by way of a poll to be taken upon completion of the remaining business of the Meeting, the Chairman proceeded with the Q&A session.

Q&A SESSION

Following the tabling of all resolutions in the agenda, the Chairman then proceeded with the Q&A session and he began with addressing questions submitted by the remote shareholders or proxies at the AGM via the e-Portal. The Chairman informed that the Board will endeavour to answer as many questions posed which were related to the business of the AGM. The questions with the Company's responses thereto were set out in Appendix "II" attached herewith.

VOTING ON THE RESOLUTIONS AND ANNOUNCEMENT OF POLL RESULTS

Upon the conclusion of the Q&A session, the Chairman advised the shareholders and proxies who have yet to submit their votes to proceed to cast and submit their votes via the RPV facilities, during which time, a short video clip on the procedure for remote voting via the RPV facilities was replayed by SS E Solutions to provide guidance for shareholders and proxies to cast their vote accordingly.

The Chairman informed that another 10 minutes would be allocated to the shareholders to submit their votes. Therefore, the voting session would be closed for the Independent Scrutineer verification and declaration of the Poll results.

The Chairman then declared the meeting adjourned at 10.55 a.m.

After the votes had been counted and verified by the Independent Scrutineer, CQSB, the Chairman called the Meeting to order at 11.14 a.m. and the representative from CQSB, Cik Nurhayati Binti Sapian reported the results of the poll as follows:-

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Payment of Directors' Fees	796,718,321	99.68	2,534,786	0.32
2.	Payment of Directors' Benefits (excluding Directors' Fees) for the period from 7 December 2023 until the next Annual General Meeting of the Company in 2024	796,406,351	99.68	2,579,813	0.32
3.	Re-election of Dato' Sri Robin Tan Yeong Ching as Director	768,270,804	96.14	30,882,252	3.86
4.	Re-election of Nerine Tan Sheik Ping as Director	794,657,745	99.43	4,533,495	0.57
5.	Re-appointment of Ernst & Young PLT as Auditors	797,060,605	99.72	2,241,044	0.28
6.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	760,109,733	95.08	39,358,856	4.92
7.	Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	128,279,984	98.10	2,487,890	1.90
8.	Renewal of authority for the Company to purchase its own shares	760,373,170	95.11	39,090,423	4.89

The Chairman then declared that all the resolutions, that is Resolution 1 to Resolution 8 were duly carried as follows:-

- (1) “THAT the payment of Directors' fees amounting to RM393,425.00 for the financial year ended 30 June 2023 be and is hereby approved.”
- (2) “THAT the payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM387,600.00 for the period from 7 December 2023 until the next Annual General Meeting of the Company to be held in 2024 be and is hereby approved.”
- (3) “THAT Dato' Sri Robin Tan Yeong Ching, being the Director retiring pursuant to Clause 117 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”
- (4) “THAT Nerine Tan Sheik Ping, being the Director retiring pursuant to Clause 117 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”
- (5) “THAT Messrs Ernst & Young PLT be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”
- (6) “THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 60 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Company to be offered new shares ranking pari passu in all respects with the existing ordinary shares arising from the issuance and allotment of the shares pursuant to Sections 75 and 76 of the Companies Act 2016.”

- (7) “THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders 25 October 2023 (“Proposed Mandate”) which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.”

- (8) “THAT, subject always to the Companies Act 2016, (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“SPToto Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-
 1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
 2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
 3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the SPToto Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any SPToto Shares so purchased by the Company in the following manner:-

- (a) cancel all the SPToto Shares so purchased; or
- (b) retain all the SPToto Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

The duly re-elected Director, namely Ms Nerine Tan Sheik Ping thanked the shareholders for re-electing her and for their support and confidence in her.

Mr Desmond Tseu, the representative from EY, also thanked the members present for their re-appointment as Auditors of the Company for the ensuring year until the conclusion of the next AGM.

6. CONCLUSION

Before the conclusion of the Meeting, the Chairman announced once again that the Board of Directors has decided to give e-vouchers worth RM70.00 to the shareholders who participated at this AGM as a token of appreciation. He further informed that the notification for e-vouchers entitlement would be sent by B-Infinite via email to the shareholders and can be redeemed via B-infinite mobile app.

There being no other business to be transacted, the Chairman closed the meeting at 11.20 a.m. and thanked the shareholders for their presence and participation at the Meeting.

Confirmed,

CHAIRMAN

Dated: 15 December 2023

SPORTS TOTO BERHAD
 Registration No. 196901000688 (9109-K)
 (Incorporated in Malaysia)

ANNUAL GENERAL MEETING HELD ON 6 DECEMBER 2023

Present:

Poh Ying Loo	-	Chairman/ Independent Non-Executive Director
Nerine Tan Sheik Ping	-	Chief Executive Officer
Derek Chin Chee Seng	-	Executive Director
Dato' Oon Weng Boon	-	Non-Independent Non-Executive Director
Premshangar A/L Venugopal	-	Independent Non-Executive Director

Present via Live Streaming:

Datuk Seri Wong Chun Wai	-	Independent Non-Executive Director
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Absent with apology:

Dato' Sri Robin Tan Yeong Ching	-	Non-Independent Executive Director
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In Attendance:

Tham Lai Heng Michelle	}	Company Secretaries
Wong Siew Guek		

Management Team and By Invitation:

John Cheong Tuck Kong	-	Chief Financial Officer
Tan Thiam Chai	}	Representatives from Group Accounts and Budgets, Berjaya Corporation Berhad
Hen Jong Ren		
Amy Ng		
Wong Sow Chun	}	Representatives from Messrs Ernst & Young PLT
Desmond Tseu		
Lim Chee Phing		
Wendy Khor Jie Yi		
Ching Chun Keat	-	Representative from International Lottery & Totalizator Systems, Inc.
Giam Say Khoon	}	Representatives from Corporate Communications
Liew En Sern		
Wendy Yeong Wei Yee	-	Representative from STM Lottery Sdn Bhd
Yeow Sze Min	-	Representative from SS E Solutions Sdn Bhd
Nurhayati Binti Sopian	-	Representative from Commercial Quest Sdn Bhd

Members, Proxies and Corporate Representatives:

As per the attendance sheets.

SPORTS TOTO BERHAD
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Questions received via Securities Services e-Portal during the AGM

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company’s Response/Answer
Q1.	Which are the states that the Company is not allowed to operate at this moment?	<p>All the sales outlets were closed in the state of Kedah. The last outlet in Perlis will cease its operations effective as of 31 January 2024.</p> <p>STM Lottery Sdn Bhd (“STM Lottery”) does not have presence in Kelantan and Terengganu.</p>
Q2.	<p>The Kedah state government has stop renewing business licences in the state of Kedah.</p> <p>(1) How many outlets were closed due to the non-renewal of business licences?</p> <p>(2) What is the percentage of sales generated from the Kedah outlets from the overall sales in Malaysia?</p>	<p>(1) A total of 19 outlets were being closed down in Kedah due to non-renewal of business licences.</p> <p>(2) Kedah’s sales outlets contributed approximately 1.5% to the overall group’s revenue.</p>
Q3.	What is the status of outlets in Kedah and Perlis? What action have the Company taken?	<p>Kedah sales outlets were closed since 1 January 2023 due to non-renewal of the business licences by the state government. Perlis will shut down its final outlet when its business licence expires on 31 January 2024. These sales outlets were owned by the local residences from Kedah and Perlis. Thus, the affected sales agents had appealed to their local government respectively to allow them to operate as usual.</p> <p>The Management and the sales agents will engage with the local governments towards the business licences renewal in order to protect their income and also to make aware that only the illegal operators would benefit without the presence of legal number forecast operators (“NFOs”).</p>
Q4.	Do Malaysia government allow online gambling business? If yes, any chance the Board could explore on that?	<p>Currently, online gaming is not approved by the Ministry of Finance (“MOF”). However, the Company and the NFOs will make every endeavour to seek approval from the MOF on the possibility of implementation of e-betting platform as the economy is moving towards digitalization and cashless environment.</p> <p>The Management has proposed to the Federal Government to allow online gaming. In view of the illegal operators are operating online, it had resulted in an estimated loss of about RM5 billion annually in tax revenue by the Malaysia government.</p>

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q5.	What is the impact to the Group/Company due to increase of 2% SST to 8% from 6%?	As the Group has experienced in the past, any increase in government taxes will only benefit the illegal operators as they will revise their prize payout higher in order to attract more customers. The government may not significantly increase their tax income with the increase of SST to 8%. However, STM Lottery may be obliged to absorb the additional cost to maintain a low entry cost for punters. Nevertheless, the Company will evaluate all options to mitigate this impact.
Q6.	How would the uncertainty in Malaysia's politics affect the Company's business and what is the Board's strategic plan in reducing/diversify the risk? Any plan to expand overseas?	STM Lottery will continue to grow its gaming market share in Malaysia by understanding their customers preferences and to ensure their continue support. The Company will continuously explore various channels to offer better experience to the customers, subject to the approval form the government. The Company also will evaluate overseas opportunities when it arises.
Q7.	<p>H.R. Owen Plc ("H.R. Owen") reported an increase in revenue of GBP567.1 million in financial year ended 2023. However, H.R Owen's profit before tax has declined to GBP7.6 million giving a profit before tax margin of only 1.3%.</p> <p>(1) Please explain the consistently low profit margin and the reasons(s) for the high expenses resulting in low profits recorded?</p> <p>(2) Did H.R. Owen declare and paid any dividend in the last 3 financial years?</p>	<p>(1) During the MCO period in the prior year, H.R. Owen enjoyed rebates and support fees from car manufacturers which has since being removed. The higher profit recorded in the prior year was also driven by a demand surge in used cards sectors due to new car supply constraints. The UK's economy is undergoing many challenges which include geopolitical tensions. Fierce competition for customers amongst UK car dealers has also compressed the margins.</p> <p>UK has undergone tremendous economic challenges post-Brexit and coupled with onset of geopolitical tensions. Key changes in the economic policies have raised interest rates 12 times over the last 18 months leading to very high inflation in the UK.</p> <p>(2) No dividend declared by H.R. Owen in the past 3 years.</p>
Q8.	<p>(1) What are the steps taken to reach customers in view of the closures of sales outlets in the affected states?</p> <p>(2) What is the impact on the top and bottom lines of the Company?</p> <p>(3) When will the Company introduce online betting similar to Da Ma Cai?</p>	The Malaysia government currently doesn't allow any online gaming business for NFOs. Nevertheless, the Company and NFO industry will continue engage with MOF to seek for their approval on the possibility of the implementation of e-betting platform similar to Da Ma Cai.

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q9.	What is the impact to H.R. Owen's business due to economic slowdown in UK?	The UK continues to battle with high inflation and high interest rate with interest rate hikes 12 times over the last 18 months. The luxury automobile industry will face headwinds with longer lead-time from car manufacturers and consumers being more cautious on spending for luxury items. Moreover, fierce competition amongst dealers have also reduced the used car margins.
Q10.	What is the business outlook and future prospects for H.R. Owen?	H.R. Owen has successfully transformed its strategy from a lease-based model to an asset-based model with Hatfield site being homes to 4 luxurious brands, namely Ferrari, Lamborghini, Bentley and Maserati. It has also expanded its full-fledged after-sales service centres for these brands. In the course of this expansion, H.R. Owen has indeed incurred additional interest costs from the interest rate hike and higher vehicle stocking loans. However, H.R. Owen maintains a very healthy order bank ready to fuel its sales growth over the next 2 years. H.R. Owen remains optimistic on its prospects in the medium to longer term due to the respectable position as a preferred luxury car distributor and rides on its extensive relationships with the multi car brands it represents.
Q11.	How minimum wage will affect the Company?	The minimum wage policy is not expected to have any significant impact to the Company.
Q12.	<p>(1) How much is the cost for this virtual AGM?</p> <p>(2) Will the Board of Directors consider to give door gifts as a token of appreciation for attending the virtual AGM?</p> <p>(3) Would like to request a printed hard copy of the Company Annual Report.</p>	<p>(1) The total cost of holding the AGM physically or on a hybrid basis are definitely higher than the virtual meeting.</p> <p>(2) The Board of Directors will be giving e-vouchers worth RM70 to the shareholders who participated at this virtual AGM.</p> <p>(3) The printed copy of the Annual Report will be sent out by our share registrar, Berjaya Registration Sdn Bhd upon request by the shareholders. Please refer to the Notification to Shareholders for the contact details which was sent via post or email earlier.</p>
Q13.	<p>Trade receivables amounted to RM162.801 million were more than 90 days due in financial year ended 2023 as compared to RM123.183 million in financial year ended 2022.</p> <p>(1) What is the reason(s) for the increase of trade receivables more than 90 days due in financial year ended 2023?</p> <p>(2) Why are the receivables more than 90 days are not impaired?</p>	<p>(1) The increase in trade receivables was mainly due to increase orders from computerized wagering systems.</p> <p>(2) There is no recoverability issue on the outstanding amounts as these trade receivables are with viable businesses and are long-term counter parties.</p>

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q14.	<p>Will year 2024 be a better year as compared to year 2023 due to the new challenges? Any updates on the business outlook for the next 6 months as well as business strategy going forward for year 2024?</p>	<p>The Company believes that business will continue its strong sales growth in STM Lottery. The luxury automobile industry in the UK will face headwinds with longer lead-time from car manufacturers and consumers being more cautious on spending for luxury items. Going forward, the Company is cautiously optimistic that all businesses will remain encouraging and steadfast.</p>
Q15.	<p>The reason why STM Lottery has yet to launch its mobile betting apps analogous to Da Ma Cai's mobile apps?</p> <p>Mobile apps is a good opportunity for punters who wish to purchase lottery ticket in view of the closure of sales outlets in certain states.</p>	<p>STM Lottery's operations is governed by the Pool Betting Act 1967 whilst Da Ma Cai's operations is governed under the Racing (Totalizator Board) Act 1961. Currently, only Da Ma Cai is allowed to operate online betting at the moment as approved by the Malaysia government.</p>
Q16.	<p>(1) Can the Board and the Management provide an overview of the illegal 4D and related gaming operations in Malaysia?</p> <p>(2) What is the estimated market value of such illegal operations?</p> <p>(3) What action has been taken by the NFOs in engaging with the authorities in combating the illegal operators?</p>	<p>(1)&(2) The illegal operators' market is estimated to be twice the size of the legal NFOs.</p> <p>(3) The Company has proposed to the Federal Government to allow online gaming urgently as almost all the illegal operators are operating online. The Company and the NFO industry are in the midst of seeking the approval from MOF on the possibility of implementation of e-betting platform as the economy is moving towards digitalization and cashless environment.</p>
Q17.	<p>The reason why low dividend payout although the Company is making higher profit?</p>	<p>The Company will continuously review its dividend policy in view of the current economic challenges and the Group's capital requirements. The Company will endeavour its best efforts to pay dividends in line with the Company's performance.</p>
Q18.	<p>Will STM Lottery apply for licence to operate online gaming?</p>	<p>The Company and NFOs industry are trying their best to seek MOF's approval on the possibility of implementation of e-betting platform as the economy is moving towards digitalization and cashless environment.</p>

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q19.	<p>H.R. Owen has obtained vehicle stocking loans amounted to RM440.5 million in the financial year ended 2023 which is a substantial increase from RM256.7 million in the previous year. (Note 24-page 190 of the Annual Report)</p> <p>(1) What is the reason(s) for the huge increase in vehicle stocking loans?</p> <p>(2) Will H.R. Owen able to make a positive return from the sales of vehicles related to these loans as the loans incurred high floating interest rates ranging from 6.5% to 8.5% per annum?</p>	<p>(1) The increase in vehicles inventories as at financial year ended 2023 were mainly for the new operations in the 5.4 acres Hatfield site that commenced on June 2023. Hatfield site was not fully operating during financial year ended 2022. As compared to the current year under review, there were exceptional strong demand in used car as a result of supply constraint in the new car sector in the previous year.</p> <p>(2) H.R. Owen actively manages its inventories level for its new and used cars across all brands in line with market demand. The vehicle stocking loans are short term financing and the Management continuously reviews it for better interest rates. The Company is confident that Hatfield site will support H.R Owen's growth plan over the next 2 to 3 years with a very healthy order book in the pipeline and new car models.</p>
Q20.	<p>Any succession planning for retiring director instead of re-election again?</p>	<p>Pursuant to the Company's constitution, one third (1/3) of the Directors shall retire from office at least once in every 3 years. The Board and the Nomination Committee will undertake performance evaluation and fit and proper assessment on the retiring directors. The Board will recommend the directors' re-election for the shareholders' approval after their full consideration of their overall performance, fitness and propriety as well as contributions to the Group.</p>
Q21.	<p>The Company held 20% equity interests in Berjaya Lottery Vietnam Limited ("BLVL").</p> <p>(1) What is the current operational status and financial performance of BLVL?</p> <p>(2) How much is the total investment in BLVL as to-date?</p>	<p>(1) The business operation of Berjaya Gia Tinh Investment Technology Joint Stock Company ("BGT") is gradually improving in year 2023 as compared to year 2022 due to the Covid 19 pandemic. BGT, a 51% owned subsidiary of BLVL, is the exclusive partner to the Vietnam local operator that operates the nationwide computerized lottery business in Vietnam. SPToto Group reported a share of profit in BLVL in current year as compared to share of losses in the past years.</p> <p>(2) SPToto Group's investment cost to-date in BLVL is about RM30.0 million.</p>
Q22.	<p>How can the shareholder redeem the gift voucher?</p>	<p>The e-vouchers can be redeemed via B-Infinite mobile application and notification for e-vouchers entitlement would be sent by B-Infinite via email.</p>
Q23.	<p>When will STM Lottery introduce e-betting platform in view that government has instructed to ban 4D sales outlets in some states so that the punters able to support the company?</p>	<p>The Company has received many feedback from customers across the states and will work closely with MOF for approval on the possibility of implementation of e-betting.</p>

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q24.	<p>The Company had invested a huge amount in car dealership business. However, its profit contribution to SPToto Group seems to be far from satisfactory. Can the Management explain the amount invested in H.R. Owen and the total return thus far?</p>	<p>SPToto Group had invested approximately GBP45.0 million (equivalent to RM235.0 million) in acquiring H.R. Owen's car dealership business. Based on the 18 dealerships and 18 after-sales sites of H.R. Owen owns across the UK, H.R. Owen is worth approximately 3 times its historical costs of investment.</p>
Q25.	<p>The Company has recently purchased substantial amounts of shares in 7-Eleven Malaysia Holdings Berhad and Berjaya Food Berhad.</p> <p>(1) Why shareholders' approval is not obtained since it was related party transactions?</p> <p>(2) Can the Board refrain from purchase shares from related parties which might detriment the interest of minority shareholders for good corporate governance practice?</p>	<p>(1) The percentage ratio of both transactions only requires announcement to be made to Bursa Malaysia Securities Berhad ("Bursa Malaysia") and shareholders' approval is not required in accordance to the Main Market Listing Requirements of Bursa Malaysia.</p> <p>(2) Both transactions were made in the best interests of the Group with due care in process and the Board expects favourable return from these investments.</p>
Q26.	<p>(1) Will the Company implement online betting platform for business diversification?</p> <p>(2) In view of the closure of sales outlets in certain states, is it possible for the operating license to be allocated to other state?</p> <p>(3) Any plan to mitigate on the Company's business in view of the new regulatory requirements and also changes in business landscape?</p>	<p>STM Lottery will continue to grow its gaming market share in Malaysia by understanding its customers preferences and ensure that they are able to purchase the lottery tickets at their convenient. The Management will also continuously explore various channels including e-betting to offer better gaming experience to its customers. The matter on relocation of sales outlets shall be addressed with MOF at the appropriate time.</p>
Q27.	<p>On 30 June 2023, the Company subscribed for 75.0 million new ordinary shares issued by Magna Mahsuri Sdn Bhd ("MMSB") via capitalization of intercompany advances. (Note5 – Page 155 of Annual Report)</p> <p>(1) What is the core business of MMSB and properties held by MMSB?</p> <p>(2) What is the issued and paid-up capital of MMSB after the issuance of 75.0 million new ordinary shares?</p>	<p>(1) The principal activities of MMSB are property investment and investment holding with properties investment in Malaysia.</p> <p>(2) The enlarged issued and paid-up share capital of MMSB is RM755.0 million which comprising of 495.0 million number of ordinary shares.</p>

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q28.	Does the Company manage to relocate some of its sales outlets from Kedah due to discontinuing of premises licences for NFOs by the state government?	STM Lottery will work closely with MOF on this matter and currently is in the midst of engaging with the Kedah state government on the business licence renewal. The Company hopes that their efforts will prevail.
Q29.	Any plan to conduct physical AGM next year?	The Management will review the circumstances and will also take into consideration, amongst others, the costs and benefits before deciding whether to have the next AGM physically or virtually, moving forward.
Q30.	When to pay dividend?	The Board of Directors has declared a first interim share dividend on the basis of 1 treasury share for every 50 existing ordinary shares held, for the financial year ending 30 June 2024. The entitlement date has been fixed on 29 December 2023 and share dividend will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 19 January 2024.
Q31.	(1) Based on the latest government policies and law, can the Management estimate when will the Company be stable and to sustain its overall operation? (2) What action can be taken by the Company to increase year to year dividend payout ratio?	(1) The Company's operations in Malaysia, UK and Philippines are progressing well post-pandemic and is managing its best through the geo-political challenges and the weaker China economy. (2) The Management will endeavour their best efforts to pay dividends in line with the Company's performance.
Q32.	Please share the details of the top three states that generated the highest revenue and will this information be included in the Annual Report in the future?	Thank you for your interest in our company. Unfortunately, these data are private and confidential and it is sensitive to our company. The Company will not include the said information in the annual report for the same reason.
Q33.	Did the Company implement blockchain technology and cybersecurity to protect its network? Has it been updated from time to time?	STM Lottery's Information Technology ("IT") system and information security system are fully audited annually and validated by international standards auditor. The Company is confident that our IT system is fully compliant with cyber-security controls and practices. The Company will continue to adopt new technologies where relevant to its gaming operations.
Q34.	Hope the Board will continue to conduct its AGM virtually so that shareholders from different locations can attend the AGM too.	The Company take note on your valuable suggestion.

No.	Question from Shareholder/ Proxy/Corporate Representative	The Company's Response/Answer
Q35.	Appreciate if the Company could advise whether is it possible to claim for prize now for winning during MCO lockdown period?	The Company regret to inform that thus far, MOF stipulates that winning tickets are only valid for six (6) months from the draw date as stipulated under Section 29 of The Pool Betting Act 1967. Please also note that the condition and requirement to claim the relevant prize money is within 6 months from the date of draw as printed on the reverse of the lottery ticket and this condition must be complied with by all concerned.