

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 18 June 2018

Subject: **UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR
THE YEAR ENDED 30 APRIL 2018**

<u>Table of contents</u>	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Profit or Loss	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Quarterly Financial Report	6 - 9
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	10 - 15

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	30-4-2018	30-4-2017
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	183,037	214,658
Other investments	104,911	95,173
Investment properties	136,719	112,935
Investment in associated companies	83,130	66,596
Deferred tax assets	30,913	38,348
Intangible assets	769,716	788,150
	1,308,426	1,315,860
Current assets		
Inventories	406,767	382,909
Receivables	495,121	496,656
Tax recoverable	5,810	22,012
Deposits, cash and bank balances	418,176	387,015
	1,325,874	1,288,592
TOTAL ASSETS	2,634,300	2,604,452
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Exchange reserve	49,226	123,301
Available-For-Sale reserve	12,264	3,759
Other reserves	229,023	227,484
Retained earnings	319,243	288,434
Equity funds	744,859	778,081
Less : Treasury shares	(12,320)	(10,061)
Net equity funds	732,539	768,020
Non-controlling interests	55,153	44,232
Total equity	787,692	812,252
Non-current liabilities		
Provisions	3,163	3,231
Borrowings	530,415	551,974
Deferred tax liabilities	16,712	16,314
Other long term liability	1,101	928
	551,391	572,447
Current liabilities		
Provisions	2,593	2,359
Borrowings	626,256	591,026
Payables	657,181	619,241
Tax payable	9,187	7,127
Total current liabilities	1,295,217	1,219,753
Total liabilities	1,846,608	1,792,200
TOTAL EQUITY AND LIABILITIES	2,634,300	2,604,452
Net assets per share (RM)	0.54	0.57

Note:

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

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

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			12 months ended		
	30-4-2018	30-4-2017	+/->	30-4-2018	30-4-2017	+/->
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	1,400,743	1,477,077	(5.2)	5,660,587	5,731,396	(1.2)
PROFIT FROM OPERATIONS	88,677	101,449	(12.6)	430,213	406,121	5.9
Investment related income	7,840	7,360	6.5	24,241	24,356	(0.5)
Investment related expenses	(27,680)	(375)	7,281.3	(32,633)	(8,953)	264.5
Finance costs	(12,695)	(13,304)	(4.6)	(50,973)	(50,946)	0.1
Share of results of associated companies	9,390	7,035	33.5	7,056	5,563	26.8
PROFIT BEFORE TAX	65,532	102,165	(35.9)	377,904	376,141	0.5
TAXATION	(28,834)	(26,315)	9.6	(139,164)	(129,434)	7.5
PROFIT FOR THE PERIOD / YEAR	36,698	75,850	(51.6)	238,740	246,707	(3.2)
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	35,177	72,488	(51.5)	230,454	237,131	(2.8)
Non-controlling interests	1,521	3,362	(54.8)	8,286	9,576	(13.5)
	36,698	75,850	(51.6)	238,740	246,707	(3.2)
EARNINGS PER SHARE (SEN)						
-Basic	2.61	5.38		17.11	17.59	
-Diluted	2.61	5.38		17.11	17.59	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		4.00	4.00	
- Second interim	-	-		4.00	4.00	
- Third interim	-	-		4.00	3.00	
- Fourth interim	4.00	3.00		4.00	3.00	

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended			12 months ended		
	30-4-2018 RM'000	30-4-2017 RM'000	+/-<-> %	30-4-2018 RM'000	30-4-2017 RM'000	+/-<-> %
PROFIT AFTER TAXATION	36,698	75,850	(51.6)	238,740	246,707	(3.2)
OTHER COMPREHENSIVE INCOME:						
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>						
Net changes on available-for-sale ("AFS") financial assets						
- Changes in fair value of AFS investments	(5,199)	18,968	N/A	(11,519)	(447)	2,477.0
- Transfer to profit or loss due to:						
- Disposal of AFS investments	222	22	909.1	4,140	(141)	N/A
- Impairment of AFS investments	17,143	-	100.0	17,493	-	100.0
- Effects of foreign exchange differences	(1,385)	(10,658)	(87.0)	(72,621)	26,739	N/A
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>						
Revaluation of land and buildings	2,952	-	100.0	2,952	-	100.0
Actuarial gain/(loss) recognised in defined benefit pension scheme	3,378	(441)	N/A	3,378	(699)	N/A
Tax effect relating to components of other comprehensive income	(603)	132	N/A	(603)	180	N/A
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	53,206	83,873	(36.6)	181,960	272,339	(33.2)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	49,914	77,936	(36.0)	169,905	274,617	(38.1)
Non-controlling interests	3,292	5,937	(44.6)	12,055	(2,278)	N/A
	53,206	83,873	(36.6)	181,960	272,339	(33.2)

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent							Distributable	Total to owners of parent	Non-controlling interests	Total equity	
	Share capital	Treasury shares	Exchange reserve	AFS reserve	Other reserves		Consolidation reserve					Retained earnings
					Capital reserve	Fair value 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 May 2017	135,103	(10,061)	123,301	3,759	285,306	-	(57,822)	288,434	768,020	44,232	812,252	
Profit for the year	-	-	-	-	-	-	-	230,454	230,454	8,286	238,740	
Other comprehensive income for the year	-	-	(74,075)	8,505	-	2,587	-	2,434	(60,549)	3,769	(56,780)	
	-	-	(74,075)	8,505	-	2,587	-	232,888	169,905	12,055	181,960	
Transaction with owners:												
Distribution of dividends	-	-	-	-	-	-	-	(202,079)	(202,079)	-	(202,079)	
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(1,048)	-	(1,048)	(1,134)	(2,182)	
Treasury shares acquired	-	(2,259)	-	-	-	-	-	-	(2,259)	-	(2,259)	
	-	(2,259)	-	-	-	-	(1,048)	(202,079)	(205,386)	(1,134)	(206,520)	
At 30 April 2018	135,103	(12,320)	49,226	12,264	285,306	2,587	(58,870)	319,243	732,539	55,153	787,692	
At 1 May 2016	135,103	(10,061)	85,129	3,991	21,327	-	-	531,412	766,901	73,956	840,857	
Profit for the year	-	-	-	-	-	-	-	237,131	237,131	9,576	246,707	
Other comprehensive income for the year	-	-	38,172	(232)	-	-	-	(454)	37,486	(11,854)	25,632	
	-	-	38,172	(232)	-	-	-	236,677	274,617	(2,278)	272,339	
Transactions with owners:												
Distribution of dividends	-	-	-	-	-	-	-	(215,676)	(215,676)	-	(215,676)	
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	263,979	-	-	(263,979)	-	-	-	
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(57,822)	-	(57,822)	(27,446)	(85,268)	
	-	-	-	-	263,979	-	(57,822)	(479,655)	(273,498)	(27,446)	(300,944)	
At 30 April 2017	135,103	(10,061)	123,301	3,759	285,306	-	(57,822)	288,434	768,020	44,232	812,252	

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 30-4-2018 RM'000	12 months ended 30-4-2017 RM'000
OPERATING ACTIVITIES		
Receipts from customers	6,109,289	6,000,209
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(5,826,501)	(5,716,718)
Other receipts	299	280
Net cash generated from operating activities	283,087	283,771
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	915	1,830
Net proceeds from disposal of long term investments	15,043	10,316
Additional cost/Acquisition of investment properties	(469)	(12,324)
Acquisition of investment in associated companies	(20,005)	(23,603)
Acquisition of property, plant and equipment	(31,470)	(29,606)
Acquisition of long term investments	(47,008)	(16,076)
Acquisition of additional interest in a subsidiary company	-	(85,268)
Subscription of shares in subsidiaries	-	(22)
Dividend received	1,886	1,424
Interest received	20,343	13,559
Other receipts arising from investments	417	960
Other payments from investing activities	(7,439)	(1,336)
Withdrawn/(placements) with fund managers (net)	26,060	(22,223)
Net cash used in investing activities	(41,727)	(162,369)
FINANCING ACTIVITIES		
Issuance of medium term notes	280,000	80,000
Repayment of medium term notes	(255,000)	(105,000)
Drawdown of borrowings	94,674	76,475
Repayment of borrowings	(105,829)	(59,766)
Payment of hire purchase liabilities	(810)	(681)
Treasury shares acquired	(2,259)	-
Dividends paid to shareholders of the Company	(148,659)	(215,869)
Interest paid	(50,829)	(51,382)
Net cash used in financing activities	(188,712)	(276,223)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	52,648	(154,821)
CASH & CASH EQUIVALENTS AT 1 MAY	384,052	530,453
Effects of exchange rate changes	(21,431)	8,420
CASH & CASH EQUIVALENTS AT 30 APRIL	415,269	384,052
	12 months ended 30-4-2018 RM'000	12 months ended 30-4-2017 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	128,146	134,622
Deposits with financial institutions	290,030	252,393
	418,176	387,015
Less : Cash and cash equivalents restricted for use		
- Deposits with financial institutions	(2,907)	(2,963)
	415,269	384,052

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

UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 The quarterly financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia, International Accounting Standards 34 - Interim Financial Reporting, the Companies Act 2016 in Malaysia (that became effective 31 January 2017) and applicable disclosure provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the financial year ended 30 April 2017.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 April 2017.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2017.

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

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

A3 (a) There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the quarter and year ended 30 April 2018 other than as disclosed below:

Recognised directly in statement of profit or loss:
Included under investment related expenses (as disclosed in B11)

	Current Quarter RM'000	Financial year ended 30 April 2018 RM'000
Impairment of goodwill on leasing of lottery equipment business in the Philippines	11,000	11,000
Impairment in value of available-for-sales quoted investments	16,458	17,493
	16,458	17,493

(b) There were no changes in estimates reported in the prior financial year that had a material effect in the current quarter and year ended 30 April 2018.

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the quarter and year ended 30 April 2018.

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 2017	2.32	2.32	2.32	972,300	2,259
TOTAL				972,300	2,259

The number of treasury shares held in hand as at 30 April 2018 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2017	3.29	3,057,772	10,061
Increase in treasury shares	2.32	972,300	2,259
Total treasury shares as at 30 April 2018	3.06	4,030,072	12,320

As at 30 April 2018, the number of outstanding shares in issue with voting rights was 1,347,000,000 ordinary shares (30 April 2017 : 1,347,972,300 ordinary shares).

A5 During the financial year ended 30 April 2018, the Company paid the following dividends:

- (i) Fourth interim single tier dividend on 9 August 2017, in respect of financial year ended 30 April 2017, of 3 sen per share on 1,347,972,300 ordinary shares with voting rights amounting to RM40,439,000;
- (ii) First interim single tier dividend on 24 October 2017, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000;
- (iii) Second interim single tier dividend on 13 February 2018, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000; and
- (iv) Third interim single tier dividend on 3 May 2018, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000.

A6 Segmental revenue and results for the financial year ended 30 April 2018 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	3,251,961	-	3,251,961
Motor dealership	2,341,470	1,024	2,342,494
Others	67,156	19,572	86,728
Elimination : Intersegment Revenue	-	(20,596)	(20,596)
Total revenue	5,660,587	-	5,660,587

RESULTS

Toto betting and leasing of lottery equipment	423,945
Motor dealership	45,670
Others	(22,881)
	<u>446,734</u>
Unallocated corporate expenses	(16,521)
Profit from operations	430,213
Finance costs	(50,973)
Interest income	21,180
Investment related income	3,061
Investment related expenses	(32,633)
Share of results of associated companies	7,056
Profit before tax	<u>377,904</u>
Taxation	(139,164)
Profit for the year	<u><u>238,740</u></u>

A7 There were no material subsequent events for the financial period ended 30 April 2018 up to the date of this announcement other than those disclosed in note B8.

A8 There were no changes in the composition of the Group for the current quarter and financial year ended 30 April 2018 up to the date of this announcement including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:

- (i) On 28 June 2017, the Company announced that an indirect subsidiary owned by its 88.26%-owned Philippine listed subsidiary, Berjaya Philippines Inc. ("BPI"), namely H.R. Owen Finance Limited ("HROF") was dissolved on 27 June 2017. HROF, a private limited company registered in England and Wales, was a dormant company;
- (ii) On 10 August 2017, the Company announced that its indirect 98.38%-owned subsidiary company, H.R. Owen Plc., has incorporated a wholly-owned subsidiary company in England and Wales known as EDOC Holdings Limited ("EDOC") with subscription of 1 ordinary share for consideration of GBP1.00. The intended principal activity of EDOC is investment holding. Subsequently on 30 August 2017, EDOC acquired and subscribed a total of 2,743,161 ordinary shares representing 20.15% equity interest in VIDEODOC Ltd ("VideoDoc") for a total cash consideration of GBP1.85 million (equivalent to RM10.3 million). VideoDoc is a private limited company registered in England and Wales and the principal activities are providing general and specialists medical practice services;

- A8 (iii) On 24 November 2017, the Company announced that its wholly-owned subsidiary company, International Lottery & Totalizator Systems, Inc. had on 21 November 2017 incorporated a wholly-owned subsidiary in Vietnam namely ILTS Vietnam Company Limited ("ILTS VN"). The intended principal activity of ILTS VN is the provision of lottery technical support services in Vietnam;
- (iv) On 5 January 2018, the BPI acquired 25,561,453 ordinary shares of Php1.00 each, representing 2.8% equity interest in Bermaz Auto Philippines Inc. ("B. Auto") for a total cash consideration of Php25.56 million (equivalent to approximately RM1.9 million). Consequently, the Group's equity interest in B. Auto has increased from 25.48% to 28.28%;
- (v) On 14 February 2018, BPI acquired additional 230,516 ordinary shares of GBP0.50 each in a direct subsidiary company, namely H.R. Owen Plc ("H.R. Owen"), representing additional 0.92% equity interest in H.R. Owen, for a total cash consideration of GBP394,000 (equivalent to approximately RM2.18 million). Consequently, BPI's equity interests in H.R. Owen increased from 98.38% to 99.3%; and
- (vi) On 30 April 2018, BPI acquired 62,500,000 ordinary shares of Php1.00 each, representing 25% equity interest in Chailease Berjaya Finance Corporation ("CBFC") for a total cash consideration of Php62.5 million (equivalent to approximately RM4.7 million). CBFC is a private limited company registered in the Philippines with principal activities in providing hire purchase and loan financing services.
- A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2017.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2017.

**UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2018
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The Group's core business is in the number forecast operation ("NFO") which includes toto betting and other related ancillary businesses. The Group also has strategic investments in auto retailing and provision of aftersales services and hospitality sector. The key factors (other than general economic conditions) affecting the main performance of the core operating businesses in the Group are disposable income of the general public, Jackpot cycles, luck factor, illegal gaming operations and the number of draws in the financial period whilst auto retailing business is affected by the trend in prestige and specialist cars predominantly in the London area of United Kingdom and the ultimate impact of Brexit.

The summary results of the Group are as follows:

	3 months ended			12 months ended		
	30-4-2018	30-4-2017	+/->	30-4-2018	30-4-2017	+/->
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1,400,743	1,477,077	(5.2)	5,660,587	5,731,396	(1.2)
Profit from operations	88,677	101,449	(12.6)	430,213	406,121	5.9
Profit before tax	65,532	102,165	(35.9)	377,904	376,141	0.5

Review of Results for the quarter

As compared to the previous year corresponding quarter ended 30 April 2017, the Group registered a drop in revenue and pre-tax profit of 5.2% and 35.9% respectively. The decrease in revenue was mainly due to lower revenue reported by H.R. Owen Plc ("H.R. Owen") and Philippine Gaming Corporation Management ("PGMC") but mitigated by higher revenue recorded by Sports Toto Malaysia Sdn Bhd ("Sports Toto") in the current quarter under review. The higher percentage drop in pre-tax profit in the current quarter was mainly due to impairment in value for certain available-for-sale investments and goodwill relating to leasing of lottery equipment business in the Philippines as disclosed in Note A3.

Sports Toto, the principal subsidiary, registered an increase in revenue of 1.5% whilst pre-tax profit decreased by 4.5% as compared to the previous year corresponding quarter. The increase in revenue was mainly attributable to the seasonally higher sales during the Chinese New Year festive season in February 2018 whilst the drop in pre-tax profit was mainly due to higher prize payout in the current quarter under review.

PGMC (in its functional currency, Philippine Peso), recorded a drop in revenue by 7.4% mainly attributed to lower lease rental income earned as a result of lower sales reported by PCSO in the current quarter. Pre-tax profit was slightly higher by 2.6% as the previous year corresponding quarter incurred higher operating expenses.

Consequent to the unfavourable foreign exchange effect, upon conversion to Ringgit Malaysia (reporting currency of the Berjaya Sports Toto Berhad's Group), it registered a higher decrease in revenue of 21.5% and drop in pre-tax profit of 12.6%.

- B1 H.R. Owen recorded a drop in revenue of 11.3% mainly due to drop in sales volume of new car sector in the current quarter under review. In spite of the drop in revenue, H.R. Owen reported an increase in pre-tax profit to RM13.0 million as compared to RM5.5 million in the previous year corresponding quarter. The improved profit margin earned from certain used car sales had in turn contributed to the improved pre-tax profit in the current quarter under review.

For the financial year

For the current financial year, the Group's revenue dropped by 1.2% as compared to the previous financial year. The decline in revenue was mainly due to the higher revenue contribution arising from higher project contract sales reported by International Lottery & Totalizator Systems Inc. in the previous financial year. Group's pre-tax profit increased marginally by 0.5% mainly attributed to improved results reported by Sports Toto and H.R. Owen but was offset by impairment in value for certain available-for-sale investments and goodwill for leasing of lottery equipment business in the Philippines as well as the lower results reported by PGMC.

Sports Toto achieved a revenue of RM3.12 billion which is on par with the previous financial year despite having a lower number of draws in the current financial year. Notwithstanding that, Sports Toto recorded an increase in pre-tax profit of 9.2% as compared to the previous financial year mainly attributed to lower prize payout in the current financial year under review.

PGMC (in its functional currency, Philippine Peso), recorded an increase in revenue of 2.5% as compared to the previous financial year mainly attributed to higher lease rental income earned as a result of higher sales reported by PCSO. However, pre-tax profit was lower by 4.9% mainly due to higher operating expenses incurred in the current financial year. Consequent to the unfavourable foreign exchange effect upon conversion to Ringgit Malaysia, it reported a drop in revenue and pre-tax profit of 5.8% and 12.7% respectively.

H.R. Owen recorded a marginal drop in revenue of 0.3% mainly due to drop in sales volume of its new car sector in the current financial year under review. Its substantial improvement in pre-tax profit to RM34.5 million as compared to RM16.0 million in the previous financial year was mainly contributed by the improved profit margin earned from certain used car sales.

- B2 Review of 4th Quarter's Results Vs 3rd Quarter's Results of financial year ended 30 April 2018

	3 months ended		+/<->
	30-4-2018	31-1-2018	
	RM'000	RM'000	%
Revenue	<u>1,400,743</u>	<u>1,404,303</u>	(0.3)
Profit from operations	<u>88,677</u>	<u>111,468</u>	(20.4)
Profit before tax	<u>65,532</u>	<u>98,773</u>	(33.7)

B2 The Group's revenue was on par with the preceding quarter ended 31 January 2018 whilst pre-tax profit decreased by 33.7%. This was mainly due to higher investment related expenses incurred in the current quarter arising from impairment in value for certain available-for-sale investments and goodwill for leasing of lottery equipment business in the Philippines as well as lower results reported by Sports Toto as explained in the ensuing paragraph.

As compared to the preceding quarter, Sports Toto's revenue increased marginally despite having less number of draws in the current quarter. This was primarily due to contribution from the seasonally higher sales during the Chinese New Year festive season. However, pre-tax profit decreased by 21.5% mainly due to higher prize payout in the current quarter under review.

PGMC (in its functional currency, Philippine Peso) recorded a drop in revenue and pre-tax profit of 7.7% and 1.5% respectively as compared to the preceding quarter. This was mainly attributed to lower lease rental income earned from PCSO. However, upon conversion to Ringgit Malaysia, it registered a drop in revenue and pre-tax profit of 13.4% and 7.1% respectively due to the unfavourable foreign exchange effect in the current quarter under review.

H.R. Owen registered a marginal increase in revenue of 0.8% as compared to the preceding quarter while pre-tax profit was higher by 29.2%. This was attributed to better performance achieved from new and used cars sales in the current quarter under review.

B3 Future Prospects

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

B4 There was no profit forecast or profit guarantee given by the Group for the financial year ended 30 April 2018.

B5 Taxation

	Current quarter RM'000	Current year ended 30 April 2018 RM'000
Based on the results for the quarter/year:		
- Malaysian income tax	18,503	104,114
- Foreign countries income tax	9,267	29,057
- Underprovision in prior year	3	164
Deferred tax:		
- Origination and reversal of temporary differences	1,061	5,829
	28,834	139,164

B5 The effective tax rate on the Group's profit for the quarter and financial year ended 30 April 2018 was higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

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

B7 The Group's borrowings as at 30 April 2018 were as follows:

	Foreign currency amount '000	At end of current quarter RM'000
<u>Long term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)		500,000
- Philippine Peso (Term loan)	262,500 *	19,928
- Great Britain Pound (Term loan)	1,930 *	10,487
		530,415
<u>Short term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)		300,000
- Philippine Peso (Term loan)	150,000 *	11,386
- Great Britain Pound (Term loan)	215 *	1,167
- Great Britain Pound (Vehicle stocking loans)	57,738 *	313,703
		626,256
Total bank borrowings		1,156,671

* Converted at the respective exchange rate prevailing as at 30 April 2018.

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

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary of the Company, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018.

B8 On 1 March 2018, the Company announced that its 88.26%-owned subsidiary, Berjaya Philippines Inc. ("BPI"), the immediate holding company of PGMC, which is listed on the Philippine Stock Exchange ("PSE") has on even date released an announcement to PSE that PGMC had received the Final Award issued by the Arbitral Tribunal which ruled that PGMC "does not have an exclusive contractual right to supply an online lottery system for Luzon" because the 1995 Equipment Lease Agreement and the 2004 Amendments to the Equipment Lease Agreement" do not grant such exclusivity in their terms. The Arbitral Tribunal also ordered PGMC to pay all of PCSO's reasonable costs and expenses in the arbitration, which amount to Php53.4 million (equivalent to approximately RM4.1 million), and to reimburse PCSO the amount of USD200,000 (equivalent to approximately RM778,000), which PCSO paid as advance on costs.

PGMC will appeal all aspects of the Final Award and argue that more than 10 years of exclusivity as acknowledged by PCSO should prevail in determining the award, and that the compensation structure which accords PGMC with a share of all lottery revenue from Luzon does not permit any third party supplier of lottery equipment to reduce or share in the revenue arising from Luzon that is contractually provided for PGMC.

B9 The Board has declared a fourth interim dividend of 4 sen per share (previous year corresponding quarter ended 30 April 2017 : fourth interim dividend of 3 sen per share) in respect of the financial year ended 30 April 2018 and payable on 9 August 2018. The entitlement date has been fixed on 18 July 2018.

The first interim dividend of 4 sen per share was paid on 24 October 2017, the second interim dividend of 4 sen was paid on 13 February 2018, the third interim dividend of 4 sen was paid on 3 May 2018. This will bring the total dividend distribution per share in respect of the financial year ended 30 April 2018 to 16 sen per share (previous financial year ended 30 April 2017 : 14 sen per share).

Based on the number of ordinary shares in issue and with voting rights as at 18 June 2018 of 1.347 billion, the fourth interim dividend distribution for the financial year ended 30 April 2018 will amount to RM53.9 million. The total dividend distribution for the financial year ended 30 April 2018 is approximately RM215.5 million, **representing about 93.5% of the attributable profit of the Group for the financial year ended 30 April 2018.**

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

	Group (3-month period)	
	30-4-18	30-4-17
Profit attributable to equity holders of the Company (RM'000)	35,177	72,488
Weighted average number of shares with voting rights ('000)	1,347,000	1,347,972
Basic earnings per share (sen)	2.61	5.38

B10

	Group (12-month period)	
	30-4-18	30-4-17
Profit attributable to equity holders of the Company (RM'000)	230,454	237,131
Weighted average number of shares with voting rights ('000)	1,347,210	1,347,972
Basic earnings per share (sen)	17.11	17.59

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares during the financial period.

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

	Current quarter RM'000	Financial year ended 30 April 2018 RM'000
Interest income	(6,075)	(21,180)
Dividend income included in investment related income	(584)	(1,880)
Other income excluding dividend and interest income	(280)	(1,055)
Depreciation of property, plant and equipment	9,738	33,715
Impairment in value of available-for-sale quoted and unquoted investments	16,458	17,493
Impairment of goodwill	11,000	11,000
Foreign exchange (gain)/loss	1,827	(2,936)
Provision for and write off /(write back) of receivables	8	(101)
Provision for and write off/(write back) of inventories	807	296
Loss on disposal of quoted or unquoted investment or properties	222	4,140
Gain or loss on derivatives	-	-

cc: Securities Commission