The Star - BTOTO Profit Lower Due To Additional GST Adjustment

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PETALING JAYA: Berjaya Sports Toto Bhd's (BToto) net profit for the third quarter ended Jan 31 was down by 17.8% to RM47.9mil from a year ago, mainly due to an adjustment arising from the implementation of the goods and services tax (GST) and higher operating expenses.

Revenue increased by 3.3% year-on-year to RM1.36bil attributed to higher revenue contributed by HR Owen Plc and the principal subsidiary, Sports Toto Malaysia Sdn Bhd.

HR Owen is Britain's leading luxury motor dealer and the marques it handles include Rolls Royce and Lamborghini.

BToto has declared a third interim single-tier dividend of three sen per share in respect of the financial year 2017 ending April 30 (FY17) and payable on April 28.

This will bring the total dividend distribution per share in respect of FY17 to 11 sen per share compared with a cash dividend of 11.5 sen per share and share dividend equivalent to 2.5 sen per share in the corresponding period last year.

The total dividend distribution for the nine months ended Jan 31, 2017 is RM148.3mil, representing about 87.8% of the attributable profit of the group.

"In the current quarter, Sports Toto made an additional GST adjustment of RM15.6mil against its revenue pursuant to a notification from the Customs department due to different interpretation on the value of gaming supply under the GST Act 2014," said BToto in a statement yesterday.

Sports Toto had submitted an application for the review of the department's decision in February.

The company said its Philippine Gaming Management Corp registered a drop in revenue and pre-tax profit of 2.6% and 0.2%, respectively, compared with the previous corresponding quarter mainly due to lower lease rental income earned as a result of lower sales reported by the Philippine charity sweepstakes office in the current quarter under review.

HR Owen registered an increase in revenue to RM494.4mil from RM456.1mil in the previous year's corresponding quarter,.

The company reported a lower pre-tax loss of RM1.6mil compared with the pre-tax loss of RM6.3mil in the previous year's corresponding quarter.

For the nine-month period, BToto's net profit was also down to RM168.8mil from RM201.5mil a year ago.