



**MAGNUM BERHAD (24217-M)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Revenue	383,881	609,544
Cost of sales	<u>(336,581)</u>	<u>(493,013)</u>
Gross profit	47,300	116,531
Other income	1,283	2,835
Administrative expenses	(10,035)	(9,324)
Other expenses	<u>(15,119)</u>	<u>(20,380)</u>
<b>Operating profit</b>	23,429	89,662
Finance costs	<u>(10,784)</u>	<u>(12,129)</u>
<b>Profit before tax</b>	12,645	77,533
Income tax expense	<u>(5,306)</u>	<u>(21,469)</u>
<b>Profit for the financial period</b>	<u><b>7,339</b></u>	<u><b>56,064</b></u>
<b>Other comprehensive income</b>		
Foreign currency translation	(7)	-
Change in fair value of financial assets at fair-value-through-other comprehensive income	(135)	59
	(142)	59
<b>Total comprehensive income for the financial period</b>	<u><b>7,197</b></u>	<u><b>56,123</b></u>
<b>Profit for the financial period attributable to:</b>		
Owners of the Company	7,517	55,593
Non-controlling interests	<u>(178)</u>	<u>471</u>
	<u><b>7,339</b></u>	<u><b>56,064</b></u>
<b>Total comprehensive income for the financial period attributable to:</b>		
Owners of the Company	7,375	55,652
Non-controlling interests	<u>(178)</u>	<u>471</u>
	<u><b>7,197</b></u>	<u><b>56,123</b></u>
<b>Earnings per share attributable to owners of the Company (sen per share) :</b>		
Basic	<u>0.52</u>	<u>3.91</u>

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	(UNAUDITED) AS AT 31.03.2021 RM'000	(AUDITED) AS AT 31.12.2020 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	64,131	65,743
Right-of-use assets	17,419	17,731
Investment properties	531	533
Investment securities	413,850	398,985
Intangible assets	2,738,313	2,738,317
Deferred tax assets	5,536	5,536
	<u>3,239,780</u>	<u>3,226,845</u>
<b>Current assets</b>		
Inventories	1,704	2,071
Investment securities	22,752	23,094
Receivables	40,571	44,289
Tax recoverable	19,331	7,125
Deposits, cash and bank balances	208,741	272,517
	<u>293,099</u>	<u>349,096</u>
<b>Total Assets</b>	<b><u>3,532,879</u></b>	<b><u>3,575,941</u></b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	2,154,357	2,154,357
Treasury Shares	(1,163)	(1,163)
Reserves	217,181	238,549
<b>Shareholders' equity</b>	<u>2,370,375</u>	<u>2,391,743</u>
<b>Non-controlling interests</b>	22,684	22,862
<b>Total equity</b>	<u>2,393,059</u>	<u>2,414,605</u>
<b>Non-current liabilities</b>		
Borrowings	758,654	758,517
Lease liabilities	5,785	6,022
Deferred tax liabilities	1,031	1,031
	<u>765,470</u>	<u>765,570</u>
<b>Current liabilities</b>		
Borrowings	190,010	189,996
Lease liabilities	1,349	1,334
Payables	182,691	198,245
Tax payable	300	6,191
	<u>374,350</u>	<u>395,766</u>
<b>Total liabilities</b>	<u>1,139,820</u>	<u>1,161,336</u>
<b>Total equity and liabilities</b>	<b><u>3,532,879</u></b>	<b><u>3,575,941</u></b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b><u>1.65</u></b>	<b><u>1.66</u></b>

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2021**

	----- Attributable to Owners of the Company -----					TOTAL EQUITY RM'000
	---- Non-distributable ----					
	SHARE CAPITAL RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	NON- CONTROLLING INTERESTS RM'000	
<b>At 1 January 2020</b>	2,154,357	(567,119)	(30,205)	920,231	22,645	2,499,909
Total comprehensive income for the financial period	-	59	-	55,593	471	56,123
Dividends paid	-	-	-	(42,689)	-	(42,689)
<b>At 31 March 2020</b>	<b>2,154,357</b>	<b>(567,060)</b>	<b>(30,205)</b>	<b>933,135</b>	<b>23,116</b>	<b>2,513,343</b>
<b>At 1 January 2021</b>	2,154,357	(566,861)	(1,163)	805,410	22,862	2,414,605
Total comprehensive income for the financial period	-	(142)	-	7,517	(178)	7,197
Dividends paid	-	-	-	(28,743)	-	(28,743)
<b>At 31 March 2021</b>	<b>2,154,357</b>	<b>(567,003)</b>	<b>(1,163)</b>	<b>784,184</b>	<b>22,684</b>	<b>2,393,059</b>

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	12,645	77,533
Adjustments for:		
Non-cash items	2,920	5,434
Non-operating items	10,166	9,691
Operating cash flows before working capital changes	<u>25,731</u>	<u>92,658</u>
Changes in working capital:		
Inventories	367	167
Receivables	3,707	2,486
Payables	(4,860)	(33,502)
Cash flows generated from operations	<u>24,945</u>	<u>61,809</u>
Income tax refund	630	-
Income tax paid	<u>(24,033)</u>	<u>(26,270)</u>
<b>Net cash flows generated from operating activities</b>	<b>1,542</b>	<b>35,539</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
- property, plant and equipment	22	-
Purchase of :		
- property, plant and equipment	(882)	(1,574)
- investment securities	(15,000)	-
Movement in cash deposits pledged	(10)	(17)
Interest paid	(21,239)	(23,768)
Interest received	949	2,463
<b>Net cash flows used in investing activities</b>	<b>(36,160)</b>	<b>(22,896)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(28,743)	(42,689)
Repayment of lease liabilities	(425)	(416)
<b>Net cash flows used in financing activities</b>	<b>(29,168)</b>	<b>(43,105)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(63,786)</b>	<b>(30,462)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>244,745</b>	<b>279,484</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b><u>180,959</u></b>	<b><u>249,022</u></b>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	208,741	276,416
Cash deposits pledged	(27,782)	(27,394)
	<b><u>180,959</u></b>	<b><u>249,022</u></b>

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

## A EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

### A2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statement for the year ended 31 December 2020, except for the adoption of the following amendments to MFRSs during the current financial period :

#### Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 & MFRS 16	Interest Rate Benchmark Reform - Phase 2
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The adoption of the above does not have a material impact on the financial statements of the Group in the period of initial application.

At the date of authorisation of this unaudited interim financial statements, the following amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group :

#### Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Annual Improvements to MFRSs 2018-2020	

#### Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
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#### Amendments to MFRSs effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The directors expect that the adoption of the above standards will have no material impact on the financial statements of the Group upon their initial application.

### A3 Seasonal or Cyclical Factors

The business operations of the Group are generally dependent on the state of the overall economic environment.

### A4 Unusual Items Affecting Interim Financial Report

There was no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 31 March 2021, except for the second Movement Control Order ("MCO 2.0") was imposed by the Government of Malaysia from 13 to 26 January 2021 which covered various states namely, Selangor, Penang, Melaka, Johor, Sabah and Willayah Persekutuan, and later extended to the whole of Malaysia, except Sarawak until 18 February 2021. During this period, gaming revenue were significantly affected as we were not allowed to conduct sales for 18 draws (from 13 January 2021 to 14 February 2021) in total in the above states. Nevertheless, our gaming business has resumed in all states on 16 February 2021 as approved by the Ministry of Finance.

### A5 Accounting Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

**A EXPLANATORY NOTES PURSUANT TO MFRS 134****A6 Changes in Debt and Equity Securities**

There were no changes in debt and equity securities in the current financial period.

**A7 Dividends Paid**

During the financial period ended 31 March 2021, the Company has paid a fourth interim single tier dividend of 2.0 sen per share in respect of financial year ended 31 December 2020, amounting to RM28.743 million on 26 March 2021.

**A8 Segmental Information**

	<b>3 months ended</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segmental Revenue</b>		
Gaming	383,858	609,539
Investment holdings & others	23	73,155
	<u>383,881</u>	<u>682,694</u>
Eliminations	-	(73,150)
Total	<u>383,881</u>	<u>609,544</u>
<b>Segmental Results</b>		
Gaming	13,716	81,043
Investment holdings & others	(1,071)	69,627
	<u>12,645</u>	<u>150,670</u>
Eliminations	-	(73,137)
Profit Before Tax	<u>12,645</u>	<u>77,533</u>

**A9 Material Subsequent Events**

There were no material subsequent events since the end of the current financial period.

**A10 Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 31 March 2021.

**A11 Fair Value Hierarchy**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value :

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at the reporting date, the Group held the following financial assets that are measured at fair value:

		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 March 2021</b>					
Current	FVTPL	22,752	-	-	22,752
Non-current	FVOCI	13,421	-	-	13,421
Non-current	FVOCI	-	-	400,429	400,429
		<u>36,173</u>	<u>-</u>	<u>400,429</u>	<u>436,602</u>
<b>31 December 2020</b>					
Current	FVTPL	23,094	-	-	23,094
Non-current	FVOCI	13,556	-	-	13,556
Non-current	FVOCI	-	-	385,429	385,429
		<u>36,650</u>	<u>-</u>	<u>385,429</u>	<u>422,079</u>

**A12 Contingent Liabilities**

There were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2020.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1 Review of Performance of the Group****Quarter ended 31 March 2021 versus the same quarter in 2020**

	3 months ended		Changes	
	31.03.2021 RM'000	31.03.2020 RM'000	RM'000	%
Revenue				
- Gaming	383,858	609,539	(225,681)	-37.0%
- Investment holdings and others	23	5	18	360.0%
	383,881	609,544	(225,663)	-37.0%
Profit/(Loss) before tax				
- Gaming	13,716	81,043	(67,327)	-83.1%
- Investment holdings and others	(1,071)	(3,510)	2,439	-69.5%
	12,645	77,533	(64,888)	-83.7%

**Overview**

The Group registered a total revenue of RM383.9 million for the current quarter, which is RM225.6 million lower than the previous year's corresponding quarter of RM609.5 million. In line with lower revenue, the profit before tax dropped by RM64.9 million to RM12.6 million when compared to RM77.5 million recorded in the previous year's corresponding quarter. The lower Group revenue and pre-tax profit is mainly attributable to the Gaming division.

**Gaming**

Gaming sales for the current quarter at RM383.9 million is lower than the previous year's corresponding quarter by 37.0% or RM225.6 million. The main factors affecting the gaming sales in the current quarter were as follows :

- (i) There were 45 draws in the current quarter as opposed to 36 draws in the previous year's corresponding quarter due to no total lockdown of our outlets in this quarter;
- (ii) Despite the higher number of draws as per (i) above, a total of 18 draws (from 13 January 2021 to 14 February 2021) were affected by the announced MCO 2.0 by the Government of Malaysia where only sales outlets in Sarawak are allowed to operate as oppose to cancellation of 6 draws nationwide in the previous year's corresponding quarter arising from the imposition of MCO 1.0 (from 18 March 2020 to 31 March 2020);
- (iii) The current quarter's MCO 2.0 also coincided with our highest sales period during Chinese New Year;
- (iv) The imposition of tight Standard Operating Procedures on the sales outlets pursuant to the MCO/CMCO; and
- (v) Lower disposable income of our players affected by the prolonged pandemic.

In line with the lower gaming sales, gaming pre-tax profit decreased by RM67.3 million to RM13.7 million in the current quarter compared to RM81.0 million recorded in the previous year's corresponding quarter. The lower gaming profit was also due to a higher prizes payout for current quarter as compared to the previous year's corresponding quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a lower loss of RM1.1 million in the current quarter mainly due to lower fair value loss on investments in the current quarter.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B2 Material change in Profit Before Tax for the current quarter compared with the immediate preceding quarter****Quarter ended 31 March 2021 versus 31 December 2020**

	3 months ended		Changes	
	31.03.2021 RM'000	31.12.2020 RM'000	RM'000	%
Revenue				
- Gaming	383,858	527,195	(143,337)	-27.2%
- Investment holdings and others	23	155	(132)	-85.2%
	383,881	527,350	(143,469)	-27.2%
Profit/(Loss) before tax				
- Gaming	13,716	56,510	(42,794)	-75.7%
- Investment holdings and others	(1,071)	(12,614)	11,543	-91.5%
	12,645	43,896	(31,251)	-71.2%

**Overview**

The Group reported a revenue of RM383.9 million in the current quarter, which is RM143.4 million lower when compared to the immediate preceding quarter of RM527.3 million. In line with the lower revenue, the pre-tax profit for the current quarter at RM12.6 million was lower as compared to RM43.9 million recorded in the immediate preceding quarter. The lower pre-tax profit by RM31.3 million is mainly due to lower pre-tax profit recorded by Gaming division, mitigated by the lower pre-tax loss recorded by Investment Holdings and Others division.

**Gaming**

Despite a higher number of draws in the current quarter when compared to the immediate preceding quarter, the gaming sales is lower as 18 draws were affected by the announced MCO 2.0 by the Government of Malaysia where only sales outlets in Sarawak were allowed to operate (from 13 January 2021 to 14 February 2021).

In line with the lower gaming sales, gaming pre-tax profit decreased by RM42.8 million from RM56.5 million recorded in the immediate preceding quarter to RM13.7 million in the current quarter. The lower gaming profit was also due to a higher prizes payout for current quarter as compared to the immediate preceding quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a favourable variance of RM11.5 million in the current quarter mainly due to provision of tax penalty in the immediate preceding quarter, offsetted by the higher fair value loss on investments and lower interest income in the current quarter.



**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B3 Prospects**

The Third Movement Control Order ("MCO 3.0") was announced by the Government of Malaysia for various districts and states with high number of confirmed cases of Covid-19, i.e. from 6 May 2021 to 17 May 2021 for six districts in Selangor, from 7 May 2021 to 20 May 2021 for the whole Kuala Lumpur and some districts in Perak, Johor and Terengganu and from 10 May 2021 to 23 May 2021 for some districts in Penang.

During this MCO 3.0's period, with the implementation of the tight Standard Operating Procedures, economic activities are allowed to continue, but social activities are not allowed. Hence, our gaming sales outlets are allowed to operate as usual, although we anticipate that players may be more apprehensive about visiting our outlets.

For the business environment to return to normalcy, it would be conditional on the success of various MCO implementations to curtail the spread of the infection, the timely rollout of the National COVID-19 Immunisation Programme and there shall not be a MCO being imposed on a nationwide basis.

**B4 Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced**

Not applicable.

**B5 Profit Forecast and Profit Guarantee**

There was no profit forecast or profit guarantee issued by the Company.

**B6 Income Tax Expense**

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Current income tax	5,936	21,469
Over provision in prior year	(630)	-
<b>Total income tax expense</b>	<b>5,306</b>	<b>21,469</b>

The effective tax rate of the Group for the current and the previous corresponding quarter was higher than the statutory tax rate mainly due to non-deductibility of certain expenses.

**B7 Corporate Proposals**

There is no corporate proposal announced but not completed as at the date of this announcement.

**B8 Borrowings**

The Group's borrowings as at 31 March 2021 are as follows:

	Secured RM'000
<b>Long term</b>	
Medium term notes	758,654
<b>Short term</b>	
Medium term notes	190,010
<b>Total</b>	<b>948,664</b>

The borrowings are denominated in Ringgit Malaysia.

**B9 Material Litigation**

There is no pending material litigation as at the date of this announcement.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B10 Dividends**

The Board of Directors do not propose the payment of any dividend for the current financial period under review (2020 : 2.5 sen per share).

**B11 Basic Earnings Per Share**

Basic earnings per share ("EPS") is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>3 months ended</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
Profit for the financial period attributable to owners of the Company (RM'000)	7,517	55,593
Weighted average number of ordinary shares in issue ('000)	1,437,179	1,422,955
<b>Basic EPS (sen)</b>	<b>0.52</b>	<b>3.91</b>

**B12 Auditor's Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2020 was not qualified.

**B13 Profit before tax**

	<b>3 months ended</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>The profit before taxation for the financial period is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	4	4
Changes in fair value of investment securities	342	2,662
Depreciation of property, plant and equipment	2,492	2,435
Depreciation of investment properties	2	2
Depreciation of right-of-use assets	428	332
Gain on disposal of property, plant and equipment	(22)	-
Interest expense	10,784	12,129
Interest income	(938)	(2,439)
Property, plant and equipment written off	2	1
Rental rebates	(8)	-
Unrealised gain on foreign exchange	-	(286)

**B14 Derivatives**

Not applicable.

**B15 Fair value changes of financial liabilities**

The carrying amounts of the Group's financial liabilities at amortised cost are reasonable approximations of fair values.

**By Order Of The Board**

**Company Secretary**  
19 May 2021