



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended		6 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	326,487	50,554	710,368	660,098
Cost of sales	(278,129)	(47,662)	(614,710)	(540,675)
Gross profit	48,358	2,892	95,658	119,423
Other income	1,288	1,555	2,571	4,390
Administrative expenses	(9,977)	(9,757)	(20,012)	(19,081)
Other expenses	(14,383)	(7,230)	(29,502)	(27,610)
<b>Operating profit/(loss)</b>	25,286	(12,540)	48,715	77,122
Finance costs	(10,818)	(12,192)	(21,602)	(24,321)
<b>Profit/(loss) before tax</b>	14,468	(24,732)	27,113	52,801
Income tax expense	(12,521)	636	(17,827)	(20,833)
<b>Profit/(loss) for the financial period</b>	<b>1,947</b>	<b>(24,096)</b>	<b>9,286</b>	<b>31,968</b>
<b>Other comprehensive income/(loss)</b>				
Foreign currency translation	(1)	(13)	(8)	(13)
Change in fair value of financial assets at fair-value-through-other comprehensive income	(16)	(157)	(151)	(98)
	(17)	(170)	(159)	(111)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>1,930</b>	<b>(24,266)</b>	<b>9,127</b>	<b>31,857</b>
<b>Profit/(loss) for the financial period attributable to:</b>				
Owners of the Company	2,051	(23,665)	9,568	31,928
Non-controlling interests	(104)	(431)	(282)	40
	<b>1,947</b>	<b>(24,096)</b>	<b>9,286</b>	<b>31,968</b>
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>				
Owners of the Company	2,034	(23,835)	9,409	31,817
Non-controlling interests	(104)	(431)	(282)	40
	<b>1,930</b>	<b>(24,266)</b>	<b>9,127</b>	<b>31,857</b>
<b>Earnings/(loss) per share attributable to owners of the Company (sen per share) :</b>				
Basic	0.14	(1.67)	0.66	2.24

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 30 JUNE 2021

	(UNAUDITED) AS AT 30.6.2021 RM'000	(AUDITED) AS AT 31.12.2020 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,978	65,743
Right-of-use assets	16,988	17,731
Investment properties	530	533
Investment securities	413,834	398,985
Intangible assets	2,738,309	2,738,317
Deferred tax assets	5,536	5,536
	<u>3,238,175</u>	<u>3,226,845</u>
<b>Current assets</b>		
Inventories	1,726	2,071
Investment securities	21,778	23,094
Receivables	32,941	44,289
Tax recoverable	17,050	7,125
Deposits, cash and bank balances	219,307	272,517
	<u>292,802</u>	<u>349,096</u>
<b>Total Assets</b>	<b><u>3,530,977</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	219,215	238,549
<b>Shareholders' equity</b>	<u>2,372,409</u>	<u>2,391,743</u>
<b>Non-controlling interests</b>	22,580	22,862
<b>Total equity</b>	<u>2,394,989</u>	<u>2,414,605</u>
<b>Non-current liabilities</b>		
Borrowings	758,780	758,517
Lease liabilities	5,540	6,022
Deferred tax liabilities	1,031	1,031
	<u>765,351</u>	<u>765,570</u>
<b>Current liabilities</b>		
Borrowings	189,982	189,996
Lease liabilities	1,282	1,334
Payables	179,361	198,245
Tax payable	12	6,191
	<u>370,637</u>	<u>395,766</u>
<b>Total liabilities</b>	<u>1,135,988</u>	<u>1,161,336</u>
<b>Total equity and liabilities</b>	<b><u>3,530,977</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 30 JUNE 2021**

|----- Attributable to Owners of the Company -----|  
|-----Non-distributable -----|

	SHARE CAPITAL RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY 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	-	(111)	-	31,928	40	31,857
Dividends paid	-	-	-	(78,263)	-	(78,263)
<b>At 30 June 2020</b>	<b>2,154,357</b>	<b>(567,230)</b>	<b>(30,205)</b>	<b>873,896</b>	<b>22,685</b>	<b>2,453,503</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	-	(159)	-	9,568	(282)	9,127
Dividends paid	-	-	-	(28,743)	-	(28,743)
<b>At 30 June 2021</b>	<b>2,154,357</b>	<b>(567,020)</b>	<b>(1,163)</b>	<b>786,235</b>	<b>22,580</b>	<b>2,394,989</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 30 JUNE 2021

	6 months ended	
	30.6.2021 RM'000	30.6.2020 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	27,113	52,801
Adjustments for:		
Non-cash items	5,996	5,621
Non-operating items	20,784	22,846
Operating cash flows before working capital changes	53,893	81,268
Changes in working capital:		
Inventories	345	(528)
Receivables	11,348	2,878
Payables	(17,244)	(60,318)
Cash flows generated from operations	48,342	23,300
Income tax refund	4,499	579
Income tax paid	(38,430)	(28,860)
<b>Net cash flows generated from/(used in) operating activities</b>	14,411	(4,981)
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
- property, plant and equipment	86	-
Purchase of :		
- property, plant and equipment	(2,361)	(2,986)
- investment securities	(15,000)	-
Movement in cash deposits pledged	(20)	(32)
Interest paid	(22,801)	(23,852)
Interest received	2,036	3,873
<b>Net cash flows used in investing activities</b>	(38,060)	(22,997)
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(28,743)	(78,263)
Prepayment of lease liabilities	(838)	(540)
<b>Net cash flows used in financing activities</b>	(29,581)	(78,803)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(53,230)	(106,781)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	244,745	279,484
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>191,515</b>	<b>172,703</b>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	219,307	200,111
Cash deposits pledged	(27,792)	(27,408)
	<b>191,515</b>	<b>172,703</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 period ended 30 June 2021, except for the Second Movement Control Order ("MCO 2.0") from 13 January 2021 to 18 February 2021, Third MCO ("MCO 3.0") starting from 6 May 2021 which subsequently turned into nationwide total lockdown [Full Movement Control Order 3.0 ("FMCO 3.0")] with effect from 1 June 2021 and was further extended to a later date until Malaysia records fewer than 4,000 COVID-19 cases. During the MCO 2.0 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 whole of Malaysia, except Sarawak. Although our gaming business has resumed in all states on 16 February 2021 as approved by the Ministry of Finance, all our selling outlets were closed again from 1 June 2021 following the total lockdown as a result of FMCO 3.0.

**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 30 June 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**

	6 months ended	
	30.6.2021 RM'000	30.6.2020 RM'000
<b>Segmental Revenue</b>		
Gaming	710,325	660,051
Investment holdings & others	43	73,184
	<u>710,368</u>	<u>733,235</u>
Eliminations	-	(73,137)
Total	<u>710,368</u>	<u>660,098</u>
<b>Segmental Results</b>		
Gaming	30,688	57,215
Investment holdings & others	(3,575)	68,723
	<u>27,113</u>	<u>125,938</u>
Eliminations	-	(73,137)
Profit Before Tax	<u>27,113</u>	<u>52,801</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 30 June 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:

		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 June 2021</b>					
Current	FVTPL	21,778	-	-	21,778
Non-current	FVOCI	28,405	-	-	28,405
Non-current	FVOCI	-	-	385,429	385,429
		<u>50,183</u>	<u>-</u>	<u>385,429</u>	<u>435,612</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 30 June 2021 versus the same quarter in 2020**

	3 months ended		Changes	
	30.06.2021 RM'000	30.06.2020 RM'000	RM'000	%
Revenue				
- Gaming	326,467	50,512	275,955	546.3%
- Investment holdings and others	20	42	(22)	-52.4%
	326,487	50,554	275,933	545.8%
Profit/(Loss) before tax				
- Gaming	16,972	(23,843)	40,815	171.2%
- Investment holdings and others	(2,504)	(889)	(1,615)	-181.7%
	14,468	(24,732)	39,200	158.5%

**Overview**

The Group registered a total revenue of RM326.5 million for the current quarter, which is RM275.9 million higher than the previous year's corresponding quarter of RM50.6 million. In line with higher revenue, the Group has registered a profit before tax of RM14.5 million as compared to RM24.7 million loss before tax recorded in the previous year's corresponding quarter. The higher Group revenue and pre-tax profit is mainly due to the Gaming division.

**Gaming**

Gaming sales for the current quarter at RM326.5 million is higher than the previous year's corresponding quarter by 546.3% or RM275.9 million. Following the announced total lockdown known as FMCO 3.0 with effect from 1 June 2021 by the Government of Malaysia, 15 draws were cancelled resulting in 28 draws being conducted in the current quarter as opposed to only 6 draws in the previous year's corresponding quarter following the resumption of the gaming business on 17 June 2020 during the RMCO period.

In line with the higher gaming sales, Gaming division recorded a pre-tax profit of RM17.0 million as compared to pre-tax loss of RM23.8 million recorded in the previous year's corresponding quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded an unfavourable variance by RM1.6 million mainly due to higher fair value loss on investments in the current quarter.

**6 months ended 30 June 2021 versus the same period in 2020**

	6 months ended		Changes	
	30.06.2021 RM'000	30.06.2020 RM'000	RM'000	%
Revenue				
- Gaming	710,325	660,051	50,274	7.6%
- Investment holdings and others	43	47	(4)	-8.5%
	710,368	660,098	50,270	7.6%
Profit/(Loss) before tax				
- Gaming	30,688	57,200	(26,512)	-46.3%
- Investment holdings and others	(3,575)	(4,399)	824	18.7%
	27,113	52,801	(25,688)	-48.7%

**Overview**

The Group registered a total revenue of RM710.4 million for the current 6 months period, which is RM50.3 million higher than the previous year's corresponding period of RM660.1 million. Despite the higher revenue, the profit before tax has decreased by RM25.7 million to RM27.1 million when compared to RM52.8 million achieved in the previous year's corresponding period. The higher Group revenue and lower pre-tax profit is mainly due to the Gaming division.

**Gaming**

Gaming sales for the current 6 months period at RM710.3 million is higher than the previous year's corresponding period by 7.6% or RM50.3 million. This increase was achieved as the number of draws conducted in the current 6 months period are higher (2021:73 draws ; 2020:42 draws) due to less draws being cancelled in the current 6 months period (2021:15 cancelled draws ; 2020:40 cancelled draws) as compared to previous year's corresponding period. Out of 73 draws conducted in the first 6 months in FY2021, 18 draws were affected by MCO 2.0 during the first quarter of FY2021 where only Sarawak's sales outlets were allowed to operate.

Despite the higher gaming sales for the current 6 months period, gaming pre-tax profit decreased by RM26.5 million from RM57.2 million recorded in the previous year's corresponding period to RM30.7 million achieved in the current 6 months period as a result of the higher prizes payout.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a favourable variance of RM0.8 million in the current 6 months period mainly due to lower fair value loss on investments recorded in the current 6 months period.

**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 30 June 2021 versus 31 March 2021**

	3 months ended		Changes	
	30.06.2021	31.03.2021	RM'000	%
Revenue				
- Gaming	326,467	383,858	(57,391)	-15.0%
- Investment holdings and others	20	23	(3)	-13.0%
	326,487	383,881	(57,394)	-15.0%
Profit/(Loss) before tax				
- Gaming	16,972	13,716	3,256	23.7%
- Investment holdings and others	(2,504)	(1,071)	(1,433)	-133.8%
	14,468	12,645	1,823	14.4%

**Overview**

The Group reported a lower revenue by RM57.4 million when compared to the immediate preceding quarter. Despite the lower revenue, the Group recorded a pre-tax profit of RM14.5 million for the current quarter as compared to pre-tax profit of RM12.6 million recorded in the immediate preceding quarter. The lower Group revenue and higher pre-tax profit is mainly due to the Gaming division.

**Gaming**

Despite the lower gaming sales by RM57.4 million in the current quarter, Gaming division recorded a higher pre-tax profit of RM17.0 million in the current quarter mainly due to lower prizes payout. The lower revenue is mainly due to cancellation of 15 draws in the current quarter following the closure of selling outlets nationwide starting from 1 June 2021 following the announced total lockdown under FMCO 3.0 by the Government of Malaysia as compared to the 18 draws affected by MCO 2.0 during the first quarter of FY2021 where only Sarawak's outlets are allowed to operate.

**Investment Holdings and Others**

Investment Holdings and Others division recorded an unfavourable variance of RM1.4 million in the current quarter mainly due to higher fair value loss on investments in the current quarter.

**B3 Prospects**

FMCO 3.0 was imposed on the whole nation from 1 June 2021 and was subsequently extended to unspecified later dates until Malaysia records fewer than 4,000 COVID-19 cases. This has resulted in the closure of all our selling outlets nationwide till to-date.

With the National COVID-19 Immunisation Programme gaining momentum, certain states have been upgraded to Phase 2 or Phase 3 and finally under Phase 4, when most business and social activities shall return to normal under the National Recovery Plan. However, the exact timing and pace of our outlets' reopening is still uncertain at this point in time.



**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****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		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current income tax	12,521	(636)	18,457	20,833
Over provision in prior year	-	-	(630)	-
<b>Total income tax expense</b>	<b>12,521</b>	<b>(636)</b>	<b>17,827</b>	<b>20,833</b>

The effective tax rate of the Group for the current 6 months period and the previous corresponding period were 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 30 June 2021 are as follows:

	Secured RM'000
<b>Long term</b>	
Medium term notes	758,780
<b>Short term</b>	
Medium term notes	189,982
<b>Total</b>	<b>948,762</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 : cash and share dividend of 4.54 sen per share).

**B11 Basic Earnings/(Loss) Per Share**

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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

	3 months ended		6 months ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
Profit/(loss) for the financial period attributable to owners of the Company (RM'000)	2,051	(23,665)	9,568	31,928
Weighted average number of ordinary shares in issue ('000)	1,437,179	1,422,955	1,437,179	1,422,955
<b>Basic earnings/(loss) per share (sen)</b>	<b>0.14</b>	<b>(1.67)</b>	<b>0.66</b>	<b>2.24</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/(loss) before tax**

	3 months	6 months ended
	30.6.2021	30.6.2021
	RM'000	RM'000
<b>The profit/(loss) before taxation for the financial period is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	4	8
Changes in fair value of investment securities	974	1,316
Depreciation of property, plant and equipment	2,621	5,113
Depreciation of investment properties	1	3
Depreciation of right-of-use assets	431	859
Gain on disposal of property, plant and equipment	(64)	(86)
Interest expense	10,818	21,602
Interest income	(1,110)	(2,048)
Property, plant and equipment written off	11	13
Rental rebates	-	(8)

**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**  
26 August 2021