



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	538,894	483,010	2,031,100	1,259,556
Cost of sales	(457,425)	(412,616)	(1,710,657)	(1,093,190)
Gross profit	81,469	70,394	320,443	166,366
Other income	7,068	8,057	11,026	11,912
Administrative expenses	(9,013)	(4,179)	(40,382)	(31,777)
Other expenses	(13,379)	(33,721)	(85,392)	(74,670)
<b>Operating profit</b>	<b>66,145</b>	<b>40,551</b>	<b>205,695</b>	<b>71,831</b>
Finance costs	(9,678)	(11,323)	(45,777)	(46,593)
<b>Profit before tax</b>	<b>56,467</b>	<b>29,228</b>	<b>159,918</b>	<b>25,238</b>
Income tax expense	(19,222)	(9,419)	(58,782)	(26,587)
<b>Profit/(loss) for the financial year</b>	<b>37,245</b>	<b>19,809</b>	<b>101,136</b>	<b>(1,349)</b>
<b>Other comprehensive income</b>				
Foreign currency translation	15	1	(19)	(8)
Realization of revaluation reserves	45	-	45	-
Change in fair value of financial assets at fair-value-through-other comprehensive income	(27)	(77)	(324)	(312)
	33	(76)	(298)	(320)
<b>Total comprehensive income/(loss) for the financial year</b>	<b>37,278</b>	<b>19,733</b>	<b>100,838</b>	<b>(1,669)</b>
<b>Profit/(loss) for the financial year attributable to:</b>				
Owners of the Company	37,538	20,523	100,665	184
Non-controlling interests	(293)	(714)	471	(1,533)
	<b>37,245</b>	<b>19,809</b>	<b>101,136</b>	<b>(1,349)</b>
<b>Total comprehensive income/(loss) for the financial year attributable to:</b>				
Owners of the Company	37,571	20,447	100,367	(136)
Non-controlling interests	(293)	(714)	471	(1,533)
	<b>37,278</b>	<b>19,733</b>	<b>100,838</b>	<b>(1,669)</b>
<b>Earnings per share attributable to owners of the Company (sen per share) :</b>				
Basic	2.60	1.43	7.00	0.01

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	(UNAUDITED) AS AT 31.12.2022 RM'000	(AUDITED) AS AT 31.12.2021 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,223	60,341
Right-of-use assets	15,060	16,501
Investment properties	519	526
Investment securities	398,494	388,523
Intangible assets	2,738,285	2,738,302
Deferred tax assets	5,545	5,337
	<u>3,217,126</u>	<u>3,209,530</u>
<b>Current assets</b>		
Inventories	986	1,292
Investment securities	22,565	35,245
Receivables	72,977	47,117
Tax recoverable	9,264	24,463
Deposits, cash and bank balances	191,357	192,676
	<u>297,149</u>	<u>300,793</u>
<b>Total Assets</b>	<u><b>3,514,275</b></u>	<u><b>3,510,323</b></u>
<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	238,178	209,670
<b>Shareholders' equity</b>	<u>2,391,372</u>	<u>2,362,864</u>
<b>Non-controlling interests</b>	<u>20,266</u>	<u>21,329</u>
<b>Total equity</b>	<u>2,411,638</u>	<u>2,384,193</u>
<b>Non-current liabilities</b>		
Borrowings	704,119	774,006
Lease liabilities	4,005	5,150
Deferred tax liabilities	1,215	805
	<u>709,339</u>	<u>779,961</u>
<b>Current liabilities</b>		
Borrowings	189,925	174,982
Lease liabilities	1,394	1,329
Payables	200,937	168,538
Tax payable	1,042	1,320
	<u>393,298</u>	<u>346,169</u>
<b>Total liabilities</b>	<u>1,102,637</u>	<u>1,126,130</u>
<b>Total equity and liabilities</b>	<u><b>3,514,275</b></u>	<u><b>3,510,323</b></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u><b>1.66</b></u>	<u><b>1.64</b></u>

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	----- Attributable to Owners of the Company -----				NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000		
<b>At 1 January 2021</b>	2,154,357	(566,861)	(1,163)	805,410	22,862	2,414,605
Total comprehensive loss for the financial period	-	(320)	-	184	(1,533)	(1,669)
Dividends paid	-	-	-	(28,743)	-	(28,743)
<b>At 31 December 2021</b>	<b>2,154,357</b>	<b>(567,181)</b>	<b>(1,163)</b>	<b>776,851</b>	<b>21,329</b>	<b>2,384,193</b>
<b>At 1 January 2022</b>	2,154,357	(567,181)	(1,163)	776,851	21,329	2,384,193
Total comprehensive income for the financial period	-	(298)	-	100,665	471	100,838
Dividends paid	-	-	-	(71,859)	(1,532)	(73,391)
Acquisition of additional investment in a subsidiary company from non-controlling interests	-	-	-	-	(2)	(2)
<b>At 30 December 2022</b>	<b>2,154,357</b>	<b>(567,479)</b>	<b>(1,163)</b>	<b>805,657</b>	<b>20,266</b>	<b>2,411,638</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 2021 and the accompanying explanatory notes attached to these interim financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	12 months ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	159,918	25,238
Adjustments for:		
Non-cash items	12,399	24,874
Non-operating items	35,037	37,103
Operating cash flows before working capital changes	<u>207,354</u>	<u>87,215</u>
Changes in working capital:		
Inventories	306	779
Receivables	(20,393)	2,556
Payables	33,302	(29,729)
Cash flows generated from operations	<u>220,569</u>	<u>60,821</u>
Finance cost paid	(390)	(505)
Net Income tax paid	<u>(43,659)</u>	<u>(48,823)</u>
<b>Net cash flows generated from operating activities</b>	176,520	11,493
<b>INVESTING ACTIVITIES</b>		
Proceeds from :		
- disposal of property, plant and equipment	278	145
- redemption of other investments	10,000	-
Purchase of :		
- property, plant and equipment	(7,066)	(4,570)
- other investments	(10,145)	(15,000)
- additional shares in a subsidiary from non-controlling interests	(2)	-
Movement in cash deposits pledged	(84)	11,366
Dividend income	142	143
Interest received	4,928	3,794
<b>Net cash flows used in investing activities</b>	(1,949)	(4,122)
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(71,859)	(28,743)
Dividends paid to the non-controlling interests of subsidiaries	(1,532)	-
Prepayment of lease liabilities	(1,652)	(1,705)
Interest paid	(45,613)	(45,398)
Repayment of medium term notes	(55,000)	-
Transaction cost paid	(318)	-
<b>Net cash flows used in financing activities</b>	<u>(175,974)</u>	<u>(75,846)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,403)	(68,475)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<u>176,270</u>	<u>244,745</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u><b>174,867</b></u>	<u><b>176,270</b></u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	191,357	192,676
Cash deposits pledged	(16,490)	(16,406)
	<u><b>174,867</b></u>	<u><b>176,270</b></u>

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2021. 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 2021.

**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 2021, 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 2022**

Annual improvements to MFRS Standards 2018-2020 :

- Amendments to MFRS 1	Adoption of MFRSs
- Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds Before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

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 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**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 year ended 31 December 2022.

**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 year.

**A6 Changes in Debt and Equity Securities**

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

**A EXPLANATORY NOTES PURSUANT TO MFRS 134****A7 Dividends Paid**

During the financial year ended 31 December 2022, the Company has paid the following dividends:

- (i) a first interim single tier dividend of 1.5 sen per share in respect of financial year ended 31 December 2021, amounting to RM21.558 million on 25 March 2022;
- (ii) a first interim single tier dividend of 1.0 sen per share in respect of financial year ended 31 December 2022, amounting to RM14.372 million on 24 June 2022; and
- (iii) a second interim single tier dividend of 1.5 sen per share in respect of financial year ended 31 December 2022, amounting to RM21.558 million on 30 September 2022.
- (iv) a third interim single tier dividend of 1.0 sen per share in respect of financial year ended 31 December 2022, amounting to RM14.372 million on 30 December 2022.

**A8 Segmental Information**

	12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000
<b>Segmental Revenue</b>		
Gaming	2,030,871	1,259,328
Investment holdings & others	143,942	101,850
	2,174,813	1,361,178
Eliminations	(143,713)	(101,622)
Total	2,031,100	1,259,556
<b>Segmental Results</b>		
Gaming	159,749	35,686
Investment holdings & others	143,882	91,174
	303,631	126,860
Eliminations	(143,713)	(101,622)
Profit Before Tax	159,918	25,238

**A9 Material Subsequent Events**

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

**A10 Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial year ended 31 December 2022.

**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>31 December 2022</b>					
Non-current	FVOCI	13,065	-	385,429	398,494
Current	FVTPL	22,565	-	-	22,565
		35,630	-	385,429	421,059
<b>31 December 2021</b>					
Non-current	FVOCI	3,094	-	385,429	388,523
Current	FVOCI	10,151	-	-	10,151
Current	FVTPL	25,094	-	-	25,094
		38,339	-	385,429	423,768

**A12 Contingent Liabilities**

There were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2021.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1 Review of Performance of the Group****Quarter ended 31 December 2022 versus the same quarter in 2021**

	3 months ended		Changes	
	31.12.2022 RM'000	31.12.2021 RM'000	RM'000	%
Revenue				
- Gaming	538,871	482,989	55,882	11.6%
- Investment holdings and others	23	21	2	9.5%
	538,894	483,010	55,884	11.6%
Profit before tax				
- Gaming	45,028	34,653	10,375	29.9%
- Investment holdings and others	11,439	(5,425)	16,864	310.9%
	56,467	29,228	27,239	93.2%

**Overview**

The Group registered a total revenue of RM538.9 million for the current quarter, which was RM55.9 million higher than the previous year's corresponding quarter of RM483.0 million. In line with higher revenue, the Group profit before tax of RM56.5 million was RM27.3 million higher as compared to RM29.2 million recorded in last year corresponding quarter.

**Gaming**

Gaming sales for the current quarter at RM538.9 million was higher than the previous year's corresponding quarter by RM55.9 million. The higher sales recorded this year was due to higher number of draws conducted (2022 : 48 draws; 2021 : 45 draws) and higher sales per draw.

In tandem with the higher gaming sales in the current quarter, the Group reported a higher pre-tax profit of RM45.0 million compared to RM34.6 million in last year corresponding quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax profit of RM11.4 million in the current quarter compared to RM5.4 million pre-tax loss in last year corresponding period. This was mainly due to fair value gain on investment recognised in current quarter as opposed to fair value loss on investments in last year's corresponding period.

**12 months ended 31 December 2022 versus the same period in 2021**

	12 months ended		Changes	
	31.12.2022 RM'000	31.12.2021 RM'000	RM'000	%
Revenue				
- Gaming	2,030,871	1,259,328	771,543	61.3%
- Investment holdings and others	229	228	1	0.4%
	2,031,100	1,259,556	771,544	61.3%
Profit before tax				
- Gaming	159,749	35,686	124,063	347.7%
- Investment holdings and others	169	(10,448)	10,617	101.6%
	159,918	25,238	134,680	533.6%

**Overview**

The Group registered a total revenue of RM2.03 billion for the current financial year, which is RM771.5 million higher than previous year's revenue of RM1.26 billion. In line with the higher revenue, the Group reported a pre-tax profit of RM159.9 million in current financial year against RM25.2 million pre-tax profit in last financial year which was mainly contributed by Gaming division.

**Gaming**

During current financial year under review, the gaming division has recorded a gaming sales of RM2.03 billion, which is 61.3% increase compared to RM1.26 billion sales recorded in 2021. The higher gaming sales was mainly due to higher number of draws conducted in current financial year (2022 : 179 draws; 2021 : 126 draws ), where 52 draws were cancelled in 2021.

Gaming division recorded a pre-tax profit of RM159.7 million, which was RM124.1 million higher when compared to RM35.7 million pre-tax profit in 2021. The higher pre-tax profit was mainly due to higher gaming sales and lower prizes payout. However, this was offset by higher operating expenses incurred in current financial year. The higher operating expenses were mainly contributed by manpower cost and promotional and marketing expenses which resulted from the expansion of our talent pool and various sales and customer-centric initiatives carried out under the planned transformation programme.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax profit of RM0.2 million in the current financial year compared to last year's pre-tax loss of RM10.4 million. The improved performance was mainly due to lower fair value loss on investments recorded in the current financial year under review.

**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 December 2022 versus 30 September 2022**

	3 months ended		Changes	
	31.12.2022 RM'000	30.09.2022 RM'000	RM'000	%
Revenue				
- Gaming	538,871	508,999	29,872	5.9%
- Investment holdings and others	23	21	2	9.5%
	538,894	509,020	29,874	5.9%
Profit before tax				
- Gaming	45,028	34,280	10,748	31.4%
- Investment holdings and others	11,439	(1,416)	12,855	907.8%
	56,467	32,864	23,603	71.8%

**Overview**

Group revenue of RM538.9 million was reported in current quarter as compared to RM509.0 million in the immediate preceding quarter. In line with higher Group revenue, the Group pre-tax profit of RM56.5 million was higher by RM23.6 million when compared to preceding quarter's pre-tax profit of RM32.9 million.

**Gaming**

When compared to RM509.0 million in preceding quarter, the Group recorded a higher gaming sales of RM538.9 million which was due to higher number of draws conducted in the current quarter (Q4 : 48 draws; Q3 : 46 draws). In line with the higher gaming sales and coupled with lower prize payout ratio, the Group's reported a higher gaming pre-tax profit at RM45.0 million in the current quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax profit of RM11.4 million in the current quarter compared to RM1.4 million pre-tax loss in preceding quarter. The pre-tax profit was mainly from fair value gain on investments and investment income recognised in current quarter.

**B3 Prospects**

On the back of a year where the Group is still on the recovery path and, after extensive efforts and investments made in the past two to three years transforming the Group into a more resilient and sustainable entity, the road to a full recovery now appears to be on track in the coming Financial Year 2023 and onwards.

Looking ahead, the Malaysian economy is expected to expand by 4.0 – 5.0% in 2023. The Malaysian economy will continue to be supported by firm domestic demand amid continued improvements in the labour market with realisation of large infrastructure projects as well as higher tourist arrivals.

With our ongoing transformation initiatives, the Board is cautiously optimistic that the Group will be able to face future challenges with greater confidence for the benefits of all stakeholders.

**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		12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Current income tax	19,020	9,989	59,338	27,789
Over provision in prior year	-	(543)	(758)	(1,175)
	19,020	9,446	58,580	26,614
Deferred tax	202	(27)	202	(27)
<b>Total income tax expense</b>	<b>19,222</b>	<b>9,419</b>	<b>58,782</b>	<b>26,587</b>

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



**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****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 December 2022 are as follows:

	<b>Secured RM'000</b>
<b>Long term</b>	
Medium term notes	704,119
<b>Short term</b>	
Medium term notes	189,925
<b>Total</b>	<b>894,044</b>

The borrowings are denominated in Ringgit Malaysia.

**B9 Material Litigation**

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

**B10 Dividends**

The Board of Directors is pleased to declare a fourth interim single tier dividend of 1.5 sen per share (2021 : 1.5 sen) for the current financial period, bringing the total dividend declared to date for the financial year ended 31 December 2022 to 5.0 sen per share (2021 : 1.5 sen).

The fourth interim dividend to be paid on 31 March 2023 to shareholders registered on the Register of Depositors at the close of business on 15 March 2023.

**B11 Basic Earnings Per Share**

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

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Profit for the financial period attributable to owners of the Company (RM'000)	37,538	20,523	100,665	184
Weighted average number of ordinary shares in issue ('000)	1,437,179	1,437,179	1,437,179	1,437,179
<b>Basic earnings per share (sen)</b>	<b>2.60</b>	<b>1.43</b>	<b>7.00</b>	<b>0.01</b>

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

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.

**B13 Profit/(loss) before tax**

	<b>3 months ended 31.12.2022 RM'000</b>	<b>12 months ended 31.12.2022 RM'000</b>
<b>The profit before taxation for the financial year is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	3	15
Changes in fair value of investment securities	(6,679)	2,529
Depreciation of property, plant and equipment	1,998	8,092
Depreciation of investment properties	2	7
Depreciation of right-of-use assets	65	1,716
Gain on disposal of property, plant and equipment	(69)	(220)
Gain on termination of lease liabilities	-	(3)
Interest expense	9,678	45,777
Interest income	(6,932)	(10,413)
Property, plant and equipment written off	32	36
Realised fair value loss on AFS upon maturity	-	45

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

**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  
28 February 2023**