



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended		6 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	537,108	482,144	1,083,109	983,186
Cost of sales	(441,100)	(400,023)	(918,896)	(820,927)
Gross profit	96,008	82,121	164,213	162,259
Other income	1,894	1,154	3,536	2,388
Administrative expenses	(11,040)	(12,127)	(22,486)	(23,819)
Other expenses	(13,496)	(21,450)	(33,747)	(47,138)
<b>Operating profit</b>	<b>73,366</b>	<b>49,698</b>	<b>111,516</b>	<b>93,690</b>
Finance costs	(11,035)	(11,560)	(22,091)	(23,103)
<b>Profit before tax</b>	<b>62,331</b>	<b>38,138</b>	<b>89,425</b>	<b>70,587</b>
Income tax expense	(18,351)	(11,539)	(29,318)	(27,123)
<b>Profit for the financial period</b>	<b>43,980</b>	<b>26,599</b>	<b>60,107</b>	<b>43,464</b>
<b>Other comprehensive income</b>				
Foreign currency translation	(23)	(15)	(21)	(16)
Change in fair value of financial assets at fair-value-through-other comprehensive income	(76)	(92)	28	(161)
	(99)	(107)	7	(177)
<b>Total comprehensive income for the financial period</b>	<b>43,881</b>	<b>26,492</b>	<b>60,114</b>	<b>43,287</b>
<b>Profit for the financial period attributable to:</b>				
Owners of the Company	43,639	26,402	59,417	43,059
Non-controlling interests	341	197	690	405
	<b>43,980</b>	<b>26,599</b>	<b>60,107</b>	<b>43,464</b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the Company	43,540	26,295	59,424	42,882
Non-controlling interests	341	197	690	405
	<b>43,881</b>	<b>26,492</b>	<b>60,114</b>	<b>43,287</b>
<b>Earnings per share attributable to owners of the Company (sen per share) :</b>				
Basic	3.04	1.84	4.13	3.00

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

	(UNAUDITED) AS AT 30.6.2023 RM'000	(AUDITED) AS AT 31.12.2022 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,755	59,164
Right-of-use assets	14,649	15,061
Investment properties	516	519
Investment securities	398,523	398,494
Intangible assets	2,738,280	2,738,287
Deferred tax assets	5,545	5,545
	<u>3,215,268</u>	<u>3,217,070</u>
<b>Current assets</b>		
Inventories	826	985
Investment securities	19,843	22,565
Receivables	52,747	72,957
Tax recoverable	12,547	9,264
Deposits, cash and bank balances	242,620	191,357
	<u>328,583</u>	<u>297,128</u>
<b>Total Assets</b>	<b><u>3,543,851</u></b>	<b><u>3,514,198</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	261,612	238,117
<b>Shareholders' equity</b>	<u>2,414,806</u>	<u>2,391,311</u>
<b>Non-controlling interests</b>	<u>20,956</u>	<u>20,266</u>
<b>Total equity</b>	<u>2,435,762</u>	<u>2,411,577</u>
<b>Non-current liabilities</b>		
Borrowings	828,663	704,114
Lease liabilities	3,656	4,005
Deferred tax liabilities	1,215	1,215
	<u>833,534</u>	<u>709,334</u>
<b>Current liabilities</b>		
Borrowings	64,923	189,930
Lease liabilities	1,522	1,394
Payables	207,352	200,921
Tax payable	758	1,042
	<u>274,555</u>	<u>393,287</u>
<b>Total liabilities</b>	<u>1,108,089</u>	<u>1,102,621</u>
<b>Total equity and liabilities</b>	<b><u>3,543,851</u></b>	<b><u>3,514,198</u></b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b><u>1.68</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023**

	----- Attributable to Owners of the Company -----					NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	----- Non-distributable -----						
	SHARE CAPITAL RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000			
<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	-	(177)	-	43,059		405	43,287
Dividends paid	-	-	-	(35,929)		-	(35,929)
Acquisition of additional investment in a subsidiary company from non-controlling interests	-	-	-	-		(2)	(2)
<b>At 30 June 2022</b>	<b>2,154,357</b>	<b>(567,358)</b>	<b>(1,163)</b>	<b>783,981</b>		<b>21,732</b>	<b>2,391,549</b>
<b>At 1 January 2023</b>	2,154,357	(567,479)	(1,163)	805,596		20,266	2,411,577
Total comprehensive income for the financial period	-	7	-	59,417		690	60,114
Dividends paid	-	-	-	(35,929)		-	(35,929)
<b>At 30 June 2023</b>	<b>2,154,357</b>	<b>(567,472)</b>	<b>(1,163)</b>	<b>829,084</b>		<b>20,956</b>	<b>2,435,762</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	6 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	89,425	70,587
Adjustments for:		
Non-cash items	7,567	13,757
Non-operating items	19,250	20,758
Operating cash flows before working capital changes	<u>116,242</u>	<u>105,102</u>
Changes in working capital:		
Inventories	160	329
Receivables	20,197	3,411
Payables	6,007	27,556
Cash flows generated from operations	<u>142,606</u>	<u>136,398</u>
Finance cost paid	(183)	(130)
Income tax refund	491	31
Income tax paid	(33,376)	(6,005)
<b>Net cash flows generated from operating activities</b>	<u>109,538</u>	<u>130,294</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
- property, plant and equipment	25	129
- investment securities	2,040	-
Purchase of :		
- property, plant and equipment	(2,659)	(2,223)
- investment securities	(1,995)	-
- additional shares in a subsidiary	-	(2)
Movement in cash deposits pledged	(31)	(14)
Dividend income	-	142
Interest received	2,902	2,094
<b>Net cash flows generated from investing activities</b>	<u>282</u>	<u>126</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(35,929)	(35,929)
Prepayment of lease liabilities	(826)	(778)
Interest paid	(21,171)	(22,702)
Transaction cost paid	(662)	-
<b>Net cash flows used in financing activities</b>	<u>(58,588)</u>	<u>(59,409)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	51,232	71,011
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	174,877	176,270
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u><b>226,109</b></u>	<u><b>247,281</b></u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	242,620	263,701
Cash deposits pledged	(16,511)	(16,420)
	<u><b>226,109</b></u>	<u><b>247,281</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 2022 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 2022. 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 2022.

**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 2022, 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 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17
Amendments to MFRS 9	Comparative Information
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

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 2024**

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback

**Amendments to MFRSs effective for a date yet to be confirmed**

Amendments to MFRS 10 and MRFS 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 30 June 2023.

**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.

**A6 Changes in Debt and Equity Securities**

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

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

During the financial period ended 30 June 2023, the Company has paid the following dividends:

- (i) a fourth interim dividend of 1.5 sen per share in respect of financial year ended 31 December 2022, amounting to RM21.558 million on 31 March 2023; and
- (ii) a first interim dividend of 1.0 sen per share in respect of financial year ending 31 December 2023, amounting to RM14.372 million on 30 May 2023.

**A8 Segmental Information**

	6 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000
<b>Segmental Revenue</b>		
Gaming	1,083,068	983,001
Investment holdings & others	15,391	37,094
	<u>1,098,459</u>	<u>1,020,095</u>
Eliminations	(15,350)	(36,909)
Total	<u>1,083,109</u>	<u>983,186</u>
<b>Segmental Results</b>		
Gaming	93,901	80,441
Investment holdings & others	10,832	27,055
	<u>104,733</u>	<u>107,496</u>
Eliminations	(15,308)	(36,909)
Profit Before Tax	<u>89,425</u>	<u>70,587</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 2023.

**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 2023</b>					
Current	FVTPL	19,843	-	-	19,843
Non-current	FVOCI	13,094	-	-	13,094
Non-current	FVOCI	-	-	385,429	385,429
		<u>32,937</u>	<u>-</u>	<u>385,429</u>	<u>418,366</u>
<b>31 December 2022</b>					
Current	FVTPL	22,565	-	-	22,565
Non-current	FVOCI	13,065	-	-	13,065
Non-current	FVOCI	-	-	385,429	385,429
		<u>35,630</u>	<u>-</u>	<u>385,429</u>	<u>421,059</u>

**A12 Contingent Liabilities**

There were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2022.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1 Review of Performance of the Group****Quarter ended 30 June 2023 versus the same quarter in 2022**

	3 months ended		Changes	
	30.06.2023 RM'000	30.6.2022 RM'000	RM'000	%
Revenue				
- Gaming	537,088	481,981	55,107	11.4%
- Investment holdings and others	20	163	(143)	(87.7%)
	537,108	482,144	54,964	11.4%
Profit/(Loss) before tax				
- Gaming	60,470	39,758	20,712	52.1%
- Investment holdings and others	1,861	(1,620)	3,481	214.9%
	62,331	38,138	24,193	63.4%

**Overview**

The Group registered a total revenue of RM537.1 million for the current quarter, which was RM55.0 million or 11.4% higher than that in previous year's corresponding quarter. In line with the higher revenue, the current quarter's profit before tax at RM62.3 million which was RM24.2 million or 63.4% higher when compared to RM38.1 million recorded in previous year's corresponding quarter. The higher Group revenue was mainly contributed by the Gaming division, which also contributed to the higher pre-tax profit.

**Gaming**

Despite lower number of draws in the current quarter (2023 : 40 draws; 2022 : 42 draws), Gaming revenue of RM537.1 million was higher than previous year's corresponding quarter by RM55.1 million or 11.4%. The increase was due to improved net sales per draw, especially the 4D Jackpot game, where there was a strong jackpot run during the current quarter.

The Gaming division recorded a pre-tax profit at RM60.5 million which was RM20.7 million higher when compared to RM39.8 million recorded in previous year's corresponding quarter. The higher gaming pre-tax profit was mainly due to higher gaming sales and coupled with lower prizes payout and operating expenses recorded in the current quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax profit of RM1.9 million, compared to RM1.6 million pre-tax loss in previous year's corresponding quarter. The pre-tax profit in the current quarter is mainly due to fair value gain on investments.

**6 months ended 30 June 2023 versus the same period in 2022**

	6 months ended		Changes	
	30.06.2023 RM'000	30.06.2022 RM'000	RM'000	%
Revenue				
- Gaming	1,083,068	983,001	100,067	10.2%
- Investment holdings and others	41	185	(144)	(77.8%)
	1,083,109	983,186	99,923	10.2%
Profit/(Loss) before tax				
- Gaming	93,901	80,441	13,460	16.7%
- Investment holdings and others	(4,476)	(9,854)	5,378	54.6%
	89,425	70,587	18,838	26.7%

**Overview**

The Group registered a total revenue of RM1.08 billion for the current 6 months period, which is RM99.9 million higher than the previous year's corresponding period of RM983.2 million. In line with the higher revenue, the profit before tax has increased by RM18.8 million to RM89.4 million when compared to RM70.6 million achieved in the previous year's corresponding period.

**Gaming**

Despite lower number of draws (2023 : 81 draws; 2022 : 85 draws ) conducted in the first half of 2023, the gaming sales of RM1.08 billion recorded was higher than last year's corresponding period by RM100.1 million or an increase of 10.2%.

In line with higher gaming sales, gaming pre-tax profit increased by RM13.5 million from RM80.4 million recorded in the previous year's corresponding period to RM93.9 million.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax loss of RM4.5 million in the current 6 months period compared to RM9.8 million pre-tax losses in the previous year's corresponding period. The lower pre-tax loss was mainly due to lower fair value loss on investments recorded in the current 6 months under review.

**B2 Material change in Profit Before Tax for the current quarter compared with the immediate preceding quarter****Quarter ended 30 June 2023 versus 31 March 2023**

	3 months ended		Changes	
	30.06.2023 RM'000	31.3.2023 RM'000	RM'000	%
Revenue				
- Gaming	537,088	545,980	(8,892)	(1.6%)
- Investment holdings and others	20	21	(1)	(4.8%)
	537,108	546,001	(8,893)	(1.6%)
Profit/(Loss) before tax				
- Gaming	60,470	33,431	27,039	80.9%
- Investment holdings and others	1,861	(6,337)	8,198	(129.4%)
	62,331	27,094	35,237	130.1%

**Overview**

The Group reported a revenue of RM537.1 million, which was RM8.9 million lower when compared to the immediate preceding quarter of RM546.0 million. The lower revenue was mainly attributed to the Gaming division. Despite the lower revenue, the Group's pre-tax profit for the current quarter at RM62.3 million was significantly higher as compared to RM27.1 million recorded in the immediate preceding quarter. The higher pre-tax profit in the current quarter was contributed by both Gaming division and Investment Holdings and Others division.

**Gaming**

The Group recorded a lower gaming sales by RM8.9 million which was due to seasonal variances and the lower number of draws in the current quarter (Q2 : 40 draws; Q1: 41 draws).

Despite the lower gaming sales, the Gaming division's pre-tax profit for the current quarter at RM 60.5 million was higher by RM27.0 million when compared to RM33.4 million pre-tax profit achieved in immediate preceding quarter. The higher pre-tax profit was due mainly to lower prizes payout in the current quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a profit before tax of RM1.9 million in the current quarter which was mainly due to fair value gain on investments of RM2.7 million, whereas the RM6.3 million pre-tax loss in the immediate preceding quarter was mainly due to RM5.4 million fair value loss on investment and other operating expenses.

**B3 Prospects**

Based on the continued growth trend of all products in the past six months, notably 4D Jackpot game and Magnum Life game, the Board is cautiously optimistic that the performance of the gaming business for the second half year remains promising and encouraging.

**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	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Current income tax	18,351	11,539	29,318	27,123
Over provision in prior year	-	-	-	-
<b>Total income tax expense</b>	<b>18,351</b>	<b>11,539</b>	<b>29,318</b>	<b>27,123</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.



**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B8 Borrowings**

The Group's borrowings as at 30 June 2023 are as follows:

	<b>Secured RM'000</b>
<b>Long term</b>	
Medium term notes	828,663
<b>Short term</b>	
Medium term notes	64,923
<b>Total</b>	<u><b>893,586</b></u>

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 second interim dividend of 2.0 sen per share (2022 : 1.5 sen) for the current financial period, bringing the total dividend declared to date for the financial year ending 31 December 2023 to 3.0 sen per share (2022 : 2.5 sen).

The second interim dividend will be paid on 13 September 2023 to shareholders registered on the Register of Depositors at the close of business on 4 September 2023.

**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>6 months ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
Profit for the financial period attributable to owners of the Company (RM'000)	43,639	26,402	59,417	43,059
Weighted average number of ordinary shares in issue ('000)	1,437,179	1,437,179	1,437,179	1,437,179
<b>Basic EPS (sen)</b>	<u>3.04</u>	<u>1.84</u>	<u>4.13</u>	<u>3.00</u>

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

The auditors' report on the financial statements for the year ended 31 December 2022 was not qualified.

**B13 Profit before tax**

	<b>3 months ended 30.6.2023 RM'000</b>	<b>6 months ended 30.6.2023 RM'000</b>
<b>The profit before taxation for the financial period is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	3	7
Changes in fair value of investment securities	(2,756)	2,612
Depreciation of property, plant and equipment	1,968	4,062
Depreciation of investment properties	2	3
Depreciation of right-of-use assets	445	883
Gain on disposal of property, plant and equipment	(21)	(23)
Interest expense	11,035	22,091
Interest income	(1,504)	(2,889)
Loss on disposal of investment securities	(6)	66
Property, plant and equipment written off	3	4

**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**  
**17 August 2023**