



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended		9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	520,470	509,020	1,603,579	1,492,206
Cost of sales	(454,833)	(432,305)	(1,373,729)	(1,253,232)
Gross profit	65,637	76,715	229,850	238,974
Other income	5,876	1,570	9,412	3,958
Administrative expenses	(9,769)	(7,550)	(32,255)	(31,369)
Other expenses	(10,766)	(24,875)	(44,513)	(72,013)
<b>Operating profit</b>	<b>50,978</b>	<b>45,860</b>	<b>162,494</b>	<b>139,550</b>
Finance costs	(11,130)	(12,996)	(33,221)	(36,099)
<b>Profit before tax</b>	<b>39,848</b>	<b>32,864</b>	<b>129,273</b>	<b>103,451</b>
Income tax expense	(9,714)	(12,437)	(39,032)	(39,560)
<b>Profit for the financial period</b>	<b>30,134</b>	<b>20,427</b>	<b>90,241</b>	<b>63,891</b>
<b>Other comprehensive income</b>				
Foreign currency translation	(1)	(18)	(22)	(34)
Change in fair value of financial assets at fair-value-through-other comprehensive income	(7)	(136)	21	(297)
	(8)	(154)	(1)	(331)
<b>Total comprehensive income for the financial period</b>	<b>30,126</b>	<b>20,273</b>	<b>90,240</b>	<b>63,560</b>
<b>Profit for the financial period attributable to:</b>				
Owners of the Company	29,797	20,068	89,214	63,127
Non-controlling interests	337	359	1,027	764
	<b>30,134</b>	<b>20,427</b>	<b>90,241</b>	<b>63,891</b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the Company	29,789	19,914	89,213	62,796
Non-controlling interests	337	359	1,027	764
	<b>30,126</b>	<b>20,273</b>	<b>90,240</b>	<b>63,560</b>
<b>Earnings per share attributable to owners of the Company (sen per share) :</b>				
Basic	2.07	1.39	6.21	4.39

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 SEPTEMBER 2023

	(UNAUDITED) AS AT 30.9.2023 RM'000	(AUDITED) AS AT 31.12.2022 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,390	59,164
Right-of-use assets	14,342	15,061
Investment properties	514	519
Investment securities	398,515	398,494
Intangible assets	2,738,275	2,738,287
Deferred tax assets	5,545	5,545
	<u>3,219,581</u>	<u>3,217,070</u>
<b>Current assets</b>		
Inventories	887	985
Investment securities	26,159	22,565
Receivables	71,182	72,957
Tax recoverable	9,251	9,264
Deposits, cash and bank balances	169,434	191,357
	<u>276,913</u>	<u>297,128</u>
<b>Total Assets</b>	<b><u>3,496,494</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	262,657	238,117
<b>Shareholders' equity</b>	<u>2,415,851</u>	<u>2,391,311</u>
<b>Non-controlling interests</b>	<u>21,220</u>	<u>20,266</u>
<b>Total equity</b>	<u>2,437,071</u>	<u>2,411,577</u>
<b>Non-current liabilities</b>		
Borrowings	653,657	704,114
Lease liabilities	3,410	4,005
Deferred tax liabilities	1,215	1,215
	<u>658,282</u>	<u>709,334</u>
<b>Current liabilities</b>		
Borrowings	190,042	189,930
Lease liabilities	1,522	1,394
Payables	208,223	200,921
Tax payable	1,354	1,042
	<u>401,141</u>	<u>393,287</u>
<b>Total liabilities</b>	<u>1,059,423</u>	<u>1,102,621</u>
<b>Total equity and liabilities</b>	<b><u>3,496,494</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 SEPTEMBER 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	-	(331)	-	63,127	764		63,560
Dividends paid	-	-	-	(57,487)	(1,532)		(59,019)
Acquisition of additional investment in a subsidiary company from non-controlling interest	-	-	-	-	(2)		(2)
<b>At 30 September 2022</b>	<b>2,154,357</b>	<b>(567,512)</b>	<b>(1,163)</b>	<b>782,491</b>	<b>20,559</b>		<b>2,388,732</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	-	(1)	-	89,214	1,027		90,240
Dividends paid	-	-	-	(64,673)	(73)		(64,746)
<b>At 30 September 2023</b>	<b>2,154,357</b>	<b>(567,480)</b>	<b>(1,163)</b>	<b>830,137</b>	<b>21,220</b>		<b>2,437,071</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 SEPTEMBER 2023

	9 months ended	
	30.9.2023	30.9.2022
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	129,273	103,451
Adjustments for:		
Non-cash items	3,595	7,809
Non-operating items	28,223	41,675
Operating cash flows before working capital changes	<u>161,091</u>	<u>152,935</u>
Changes in working capital:		
Inventories	99	232
Receivables	1,762	(19,436)
Payables	15,795	37,854
Cash flows generated from operations	<u>178,747</u>	<u>171,585</u>
Finance cost paid	(370)	(323)
Income tax refund	2,111	31
Income tax paid	(40,818)	(16,783)
<b>Net cash flows generated from operating activities</b>	<u>139,670</u>	<u>154,510</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
- property, plant and equipment	209	169
- investment securities	2,040	-
- redemption of other investment	-	10,000
Purchase of :		
- property, plant and equipment	(9,213)	(4,145)
- investment securities	(1,995)	-
- other investment	-	(10,145)
- additional shares in a subsidiary	-	(2)
Movement in cash deposits pledged	(86)	(66)
Interest received	4,919	3,472
<b>Net cash flows used in investing activities</b>	<u>(4,126)</u>	<u>(717)</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(64,673)	(57,487)
Dividends paid to non-controlling interests	(73)	(1,532)
Prepayment of lease liabilities	(1,298)	(1,219)
Repayment of medium term notes	(50,000)	(55,000)
Interest paid	(40,847)	(43,415)
Transaction cost paid	(662)	(318)
<b>Net cash flows used in financing activities</b>	<u>(157,553)</u>	<u>(158,971)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(22,009)	(5,178)
<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>152,868</u>	<u>171,092</u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	169,434	187,564
Cash deposits pledged	(16,566)	(16,472)
	<u>152,868</u>	<u>171,092</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 September 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 September 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;
- (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; and
- (iii) a second interim dividend of 2.0 sen per share in respect of financial year ending 31 December 2023, amounting to RM28.743 million on 13 September 2023.

**A8 Segmental Information**

	9 months ended	
	30.9.2023 RM'000	30.9.2022 RM'000
<b>Segmental Revenue</b>		
Gaming	1,603,377	1,492,000
Investment holdings & others	45,925	127,281
	1,649,302	1,619,281
Eliminations	(45,723)	(127,075)
Total	1,603,579	1,492,206
<b>Segmental Results</b>		
Gaming	127,928	114,721
Investment holdings & others	47,068	115,805
	174,996	230,526
Eliminations	(45,723)	(127,075)
Profit Before Tax	129,273	103,451

**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 September 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 September 2023</b>					
Current	FVTPL	26,159	-	-	26,159
Non-current	FVOCI	13,086	-	-	13,086
Non-current	FVOCI	-	-	385,429	385,429
		39,245	-	385,429	424,674
<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
		35,630	-	385,429	421,059

**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 September 2023 versus the same quarter in 2022**

	3 months ended		Changes	
	30.9.2023 RM'000	30.9.2022 RM'000	RM'000	%
Revenue				
- Gaming	520,309	508,999	11,310	2.2%
- Investment holdings and others	161	21	140	666.7%
	520,470	509,020	11,450	2.2%
Profit/(Loss) before tax				
- Gaming	34,027	34,280	(253)	(0.7%)
- Investment holdings and others	5,821	(1,416)	7,237	511.1%
	39,848	32,864	6,984	21.3%

**Overview**

During the current quarter under review, the Group registered a total revenue of RM520.5 million, of which was RM11.4 million higher than that in previous year's corresponding quarter. In line with the higher revenue, current quarter's profit before tax of RM39.8 million is RM7.0 million or 21.3% higher when compared to RM32.9 million recorded in last year's corresponding period. The higher Group revenue was mainly contributed by the Gaming division.

**Gaming**

Despite a lower number of draws in the current quarter (2023 : 42 draws; 2022 : 46 draws), the Group recorded a higher gaming revenue of RM520.3 million when compared to RM509.0 million in previous year's corresponding quarter. The higher gaming sales was due to improved gaming sales per draw, especially the 4D Jackpot game, where the overall sales were higher during the jackpot run in the current quarter.

Nevertheless, current quarter's gaming pre-tax profit of RM34.0 million was marginally lower than the RM34.3 million pre-tax profit recorded in last year's corresponding quarter. The marginal lower gaming pre-tax profit was mainly due to higher prizes payout recorded but mitigated by lower operating expenses incurred during the current quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax profit of RM5.8 million compared to RM1.4 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 quoted investments.

**9 months ended 30 September 2023 versus the same period in 2022**

	9 months ended		Changes	
	30.9.2023 RM'000	30.9.2022 RM'000	RM'000	%
Revenue				
- Gaming	1,603,377	1,492,000	111,377	7.5%
- Investment holdings and others	202	206	(4)	(1.9%)
	1,603,579	1,492,206	111,373	7.5%
Profit/(Loss) before tax				
- Gaming	127,928	114,721	13,207	11.5%
- Investment holdings and others	1,345	(11,270)	12,615	111.9%
	129,273	103,451	25,822	25.0%

**Overview**

The Group registered a total revenue of RM1.6 billion for the current 9 months under review. It is RM111.4 million higher when compared to the RM1.5 billion recorded in last year's corresponding period. In line with the higher revenue, Group profit before tax has also increased by RM25.8 million to RM129.3 million compared to RM103.5 million achieved in last year's corresponding period.

**Gaming**

Despite a lower number of draws (2023 : 123 draws; 2022 : 131 draws ) conducted in the current financial period, the Group recorded a higher gaming sales at RM1.6 billion when compared to the RM1.5 billion in last year's corresponding period. The higher gaming sales was due mainly to continued recovery of our gaming business in the current 9 months under review.

Gaming pre-tax profit for current financial period under review of RM127.9 million was RM13.2 million higher compared to RM114.7 million recorded in previous year's corresponding period. The higher pre-tax profit was due mainly to higher gaming sales and lower operating expenses but reduced by higher prizes payout in the current financial period.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a pre-tax profit of RM1.3 million in the current 9 months period versus RM1.3 million pre-tax loss in the previous year's corresponding period. The pre-tax profit was mainly due to fair value gain on quoted investments of RM3.7 million recorded in the current financial period compared to fair value loss on quoted investments of RM9.2 million reflected in last year's corresponding period.

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

	3 months ended		Changes	
	30.9.2023 RM'000	30.6.2023 RM'000	RM'000	%
Revenue				
- Gaming	520,309	537,088	(16,779)	(3.1%)
- Investment holdings and others	161	20	141	705.0%
	520,470	537,108	(16,638)	(3.1%)
Profit/(Loss) before tax				
- Gaming	34,027	60,470	(26,443)	(43.7%)
- Investment holdings and others	5,821	1,861	3,960	212.8%
	39,848	62,331	(22,483)	(36.1%)

**Overview**

The Group reported a revenue of RM520.5 million, which was RM16.6 million lower when compared to the immediate preceding quarter's RM537.1 million. The lower revenue was mainly attributed to the Gaming division.

The Group achieved a pre-tax profit of RM39.8 million for the current quarter which was RM22.5 million lower when compared to RM62.3 million recorded in the immediate preceding quarter.

**Gaming**

The Group recorded a lower gaming sales by RM16.8 million despite a higher number of draws being conducted during the current quarter (Q3: 42 draws; Q2: 40 draws). The lower sales was mainly due to a lower footfall as a result of lower 4D Jackpot amount arising from a higher number of jackpot strikes during the current quarter.

The Gaming division's pre-tax profit for the current quarter at RM34.0 million was RM26.4 million lower when compared to the RM60.5 million pre-tax profit achieved in the immediate preceding quarter. The lower pre-tax profit was due to lower gaming sales coupled with higher prizes payout in the current quarter.

**Investment Holdings and Others**

Investment Holdings and Others division recorded a higher profit before tax of RM5.8 million in the current quarter. This was RM4.0 million higher when compared to the RM1.9 million in the immediate preceding quarter. The higher pre-tax profit was mainly due to higher fair value gain on investments in the current quarter.

**B3 Prospects**

The continued positive growth trend of all products in the past nine months, notably 4D Jackpot and Magnum Life games augurs well for the Group's recovery plan in the current financial year, and the Board is cautiously optimistic that the performance of the gaming business for the last quarter of 2023 will be satisfactory.

**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		9 months ended	
	30.9.2023 RM'000	30.9.2022 RM'000	30.9.2023 RM'000	30.9.2022 RM'000
Current income tax	9,034	13,195	38,352	40,318
Over provision in prior year	680	(758)	680	(758)
<b>Total income tax expense</b>	<b>9,714</b>	<b>12,437</b>	<b>39,032</b>	<b>39,560</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**

During the current quarter, the Group repaid RM50.0 million of its Medium Term Notes.

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

	<b>Secured RM'000</b>
<b>Long term</b>	
Medium term notes	653,657
<b>Short term</b>	
Medium term notes	190,042
<b>Total</b>	<b><u>843,699</u></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 third interim dividend of 1.0 sen per share (2022 : 1.0 sen) for the current financial period, bringing the total dividend declared to date for the financial year ending 31 December 2023 to 4.0 sen per share (2022 : 3.5 sen).

The third interim dividend will be paid on 19 December 2023 to shareholders registered on the Register of Depositors at the close of business on 7 December 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>9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
Profit for the financial period attributable to owners of the Company (RM'000)	29,797	20,068	89,214	63,127
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>	<b>2.07</b>	<b>1.39</b>	<b>6.21</b>	<b>4.39</b>

**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 30.9.2023 RM'000</b>	<b>9 months ended 30.9.2023 RM'000</b>
<b>The profit before taxation for the financial period is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	5	12
Changes in fair value of investment securities	(6,316)	(3,704)
Depreciation of property, plant and equipment	1,873	5,935
Depreciation of investment properties	2	5
Depreciation of right-of-use assets	464	1,347
Gain on disposal of property, plant and equipment	(184)	(207)
Interest expense	11,130	33,221
Interest income	(2,014)	(4,903)
Loss on disposal of investment securities	-	66
Property, plant and equipment written off	44	48

**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**  
**22 November 2023**