



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

INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Revenue	584,396	546,001
Cost of sales	<u>(518,777)</u>	<u>(477,796)</u>
Gross profit	65,619	68,205
Other income	5,948	1,642
Administrative expenses	(10,594)	(11,446)
Other expenses	<u>(13,603)</u>	<u>(20,251)</u>
Operating profit	47,370	38,150
Finance costs	<u>(9,331)</u>	<u>(11,056)</u>
Profit before tax	38,039	27,094
Income tax expense	<u>(11,595)</u>	<u>(10,967)</u>
Profit for the financial period	<u>26,444</u>	<u>16,127</u>
Other comprehensive income		
Foreign currency translation	(11)	2
Change in fair value of financial assets at fair-value-through-other comprehensive income	(27)	104
	(38)	106
Total comprehensive income for the financial period	<u>26,406</u>	<u>16,233</u>
Profit for the financial period attributable to:		
Owners of the Company	25,988	15,778
Non-controlling interests	456	349
	<u>26,444</u>	<u>16,127</u>
Total comprehensive income for the financial period attributable to:		
Owners of the Company	25,950	15,884
Non-controlling interests	456	349
	<u>26,406</u>	<u>16,233</u>
Earnings per share attributable to owners		
of the Company (sen per share) :		
Basic	<u>1.81</u>	<u>1.10</u>

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	(UNAUDITED) AS AT 31.03.2024 RM'000	(AUDITED) AS AT 31.12.2023 RM'000
Assets		
Non-current assets		
Property, plant and equipment	64,249	64,917
Right-of-use assets	14,006	14,364
Investment properties	511	512
Investment securities	395,474	395,493
Intangible assets	2,738,268	2,738,272
Deferred tax assets	1,663	1,663
	<u>3,214,171</u>	<u>3,215,221</u>
Current assets		
Inventories	841	861
Investment securities	19,907	23,095
Receivables	77,679	94,232
Tax recoverable	8,589	4,770
Deposits, cash and bank balances	155,682	174,232
	<u>262,698</u>	<u>297,190</u>
Total Assets	<u>3,476,869</u>	<u>3,512,411</u>
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	2,154,357	2,154,357
Treasury Shares	(1,163)	(1,163)
Reserves	281,568	284,362
Shareholders' equity	<u>2,434,762</u>	<u>2,437,556</u>
Non-controlling interests	<u>21,114</u>	<u>21,415</u>
Total equity	<u>2,455,876</u>	<u>2,458,971</u>
Non-current liabilities		
Borrowings	623,862	623,891
Lease liabilities	3,106	3,379
Deferred tax liabilities	2,581	2,581
	<u>629,549</u>	<u>629,851</u>
Current liabilities		
Borrowings	152,552	153,006
Lease liabilities	1,605	1,638
Payables	235,766	267,421
Tax payable	1,521	1,524
	<u>391,444</u>	<u>423,589</u>
Total liabilities	<u>1,020,993</u>	<u>1,053,440</u>
Total equity and liabilities	<u>3,476,869</u>	<u>3,512,411</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.69</u>	<u>1.70</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 2023 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2024**

	----- 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		
At 1 January 2023	2,154,357	(567,479)	(1,163)	805,596	20,266	2,411,577
Total comprehensive income for the financial period	-	106	-	15,778	349	16,233
Dividends paid	-	-	-	(21,558)	-	(21,558)
At 31 March 2023	2,154,357	(567,373)	(1,163)	799,816	20,615	2,406,252
At 1 January 2024	2,154,357	(567,462)	(1,163)	851,824	21,415	2,458,971
Total comprehensive income for the financial period	-	(38)	-	25,988	456	26,406
Dividends paid	-	-	-	(28,744)	-	(28,744)
Acquisition of additional shares in a subsidiary from non-controlling interests	-	-	-	-	(757)	(757)
At 31 March 2024	2,154,357	(567,500)	(1,163)	849,068	21,114	2,455,876

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

	3 months ended	
	31.03.2024 RM'000	31.03.2023 RM'000
OPERATING ACTIVITIES		
Profit before tax	38,039	27,094
Adjustments for:		
Non-cash items	2,343	2,538
Non-operating items	3,596	15,109
Operating cash flows before working capital changes	<u>43,978</u>	<u>44,741</u>
Changes in working capital:		
Inventories	20	118
Receivables	16,553	17,062
Payables	<u>(24,171)</u>	<u>(1,829)</u>
Cash flows generated from operations	36,380	60,092
Finance cost paid	(281)	(113)
Income tax paid	<u>(15,417)</u>	<u>(18,801)</u>
Net cash flows generated from operating activities	20,682	41,178
INVESTING ACTIVITIES		
Proceeds from disposal of :		
- property, plant and equipment	60	3
- investment securities	7,392	1,076
Purchase of :		
- property, plant and equipment	(1,226)	(1,139)
- investment securities	-	(1,995)
- additional shares in a subsidiary	(757)	-
Movement in cash deposits pledged	(11)	(10)
Interest received	1,467	1,397
Net cash flows generated from/(used in) investing activities	6,925	(668)
FINANCING ACTIVITIES		
Dividends paid to shareholders	(28,744)	(21,558)
Prepayment of lease liabilities	(482)	(441)
Interest paid	(16,942)	(19,009)
Transaction cost paid	-	(662)
Net cash flows used in financing activities	<u>(46,168)</u>	<u>(41,670)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,561)	(1,160)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	159,628	174,877
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>141,067</u>	<u>173,717</u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	155,682	190,207
Cash deposits pledged	(11,745)	(16,490)
Cash deposits with licensed banks with maturity period of more than 3 months	(2,870)	-
	<u>141,067</u>	<u>173,717</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 2023 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 2023. 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 2023.

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 2023, 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 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 MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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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 31 March 2024.

A5 Accounting Estimates

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

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

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

A7 Dividends Paid

During the financial period ended 31 March 2024, the Company has paid a fourth interim single tier dividend of 2.0 sen per share in respect of financial year ended 31 December 2023, amounting to RM28.744 million on 22 March 2024.

A8 Segmental Information

	3 months ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Segmental Revenue		
Gaming	584,383	545,980
Investment holdings & others	22,124	21
	606,507	546,001
Eliminations	(22,111)	-
Total	584,396	546,001
Segmental Results		
Gaming	34,483	33,431
Investment holdings & others	25,667	(6,337)
	60,150	27,094
Eliminations	(22,111)	-
Profit Before Tax	38,039	27,094

A9 Material Subsequent Events

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

A10 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2024.

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
31 March 2024					
Current	FVTPL	16,896	-	-	16,896
Current	FVOCI	3,011	-	-	3,011
Non-current	FVOCI	10,045	-	385,429	395,474
		29,952	-	385,429	415,381
31 December 2023					
Current	FVTPL	20,077	-	-	20,077
Current	FVOCI	3,018	-	-	3,018
Non-current	FVOCI	10,064	-	385,429	395,493
		33,159	-	385,429	418,588

A12 Contingent Liabilities

There were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2023.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B1 Review of Performance of the Group****Quarter ended 31 March 2024 versus the same quarter in 2023**

	3 months ended		Changes	
	31.03.2024 RM'000	31.03.2023 RM'000	RM'000	%
Revenue				
- Gaming	584,383	545,980	38,403	7.0%
- Investment holdings and others	13	21	(8)	(38.1%)
	584,396	546,001	38,395	7.0%
Profit/(Loss) before tax				
- Gaming	34,483	33,431	1,052	3.1%
- Investment holdings and others	3,556	(6,337)	9,893	156.1%
	38,039	27,094	10,945	40.4%

Overview

The Group registered a total revenue of RM584.4 million for the current quarter, which was RM38.4 million higher than the previous year's corresponding quarter of RM546.0 million. The profit before tax increased by RM10.9 million to RM38.0 million when compared to RM27.1 million recorded in the previous year's corresponding quarter. The higher Group revenue was mainly attributable to the Gaming division while the higher pre-tax profit was mainly due to higher pre-tax profit recorded by the Investment Holdings and Others division.

Gaming

In line with a higher number of draws in the current quarter (2024 : 42 draws; 2023 : 41 draws), Gaming sales for the current quarter at RM584.4 million was higher than the previous year's corresponding quarter by 7.0% or RM38.4 million due to higher sales per draw.

Despite a higher prizes payout ratio for the current quarter as compared to the previous year's corresponding quarter, the gaming pre-tax profit increased by RM1.1 million to RM34.5 million in the current quarter compared to RM33.4 million recorded in the previous year's corresponding quarter mainly due to lower operating expenses and finance cost.

Investment Holdings and Others

Investment Holdings and Others division recorded a pre-tax profit of RM3.6 million in the current quarter as compared to RM6.3 million pre-tax loss in the previous year's corresponding quarter mainly due to gain on disposal of quoted investments and fair value gain on investments in the current quarter as compared to fair value loss in the previous year's corresponding quarter.

B2 Material change in Profit Before Tax for the current quarter compared with the immediate preceding quarter**Quarter ended 31 March 2024 versus 31 December 2023**

	3 months ended		Changes	
	31.03.2024 RM'000	31.12.2023 RM'000	RM'000	%
Revenue				
- Gaming	584,383	556,327	28,056	5.0%
- Investment holdings and others	13	20	(7)	(35.0%)
	584,396	556,347	28,049	5.0%
Profit/(Loss) before tax				
- Gaming	34,483	57,593	(23,110)	(40.1%)
- Investment holdings and others	3,556	1,567	1,989	126.9%
	38,039	59,160	(21,121)	(35.7%)

Overview

The Group reported a revenue of RM584.4 million in the current quarter, which was RM28.1 million higher when compared to the immediate preceding quarter of RM556.3 million. Despite the higher revenue, the pre-tax profit for the current quarter at RM38.1 million was lower as compared to RM59.2 million recorded in the previous quarter. The lower pre-tax profit by RM21.1 million was mainly due to lower pre-tax profit recorded by Gaming division, mitigated by higher pre-tax profit recorded by Investment Holdings and Others division.

Gaming

Despite the same number of draws in the current quarter (Q1 2024 : 42 draws; Q4 2023 : 42 draws) when compared to the immediate preceding quarter, the gaming sales was higher by RM28.1 million due to higher sales recorded during Chinese New Year period. The gaming pre-tax profit, however, decreased by RM23.1 million from RM57.6 million recorded in the previous quarter to RM34.5 million in the current quarter mainly due to higher prizes payout ratio for the current quarter.

Investment Holdings and Others

Investment Holdings and Others division recorded a favourable variance of RM2.0 million in the current quarter mainly due to gain on disposal of quoted investments and fair value gain on investments.

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

The Board remains steadfast in its commitment to delivering long-term sustainable growth for all stakeholders. Central to this is our 'Magnum Beyond 2025' transformation programme in which the leadership of Magnum is well positioned to deliver continued growth as we forge ahead towards building a sustainable future. This optimism is anchored in our continued commitment to digital innovation, enhanced customer-centric experiences, fostering and unlocking excellence within the Group's staff force and spearheading a sustainable business proposition.

We are confident of our core business model and strategies and believe that the Group is well positioned to capitalise on future growth opportunities.

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

Not applicable.

B5 Profit Forecast and Profit Guarantee

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

B6 Income Tax Expense

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Current income tax	11,595	10,967
Total income tax expense	11,595	10,967

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

B7 Corporate Proposals

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

B8 Borrowings

The Group's borrowings as at 31 March 2024 are as follows:

	Secured RM'000
Long term	
Medium term notes	623,862
Short term	
Medium term notes	152,552
Total	776,414

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 is pleased to declare a first interim single tier dividend of 1.5 sen per share (2023 : 1.0 sen) for the financial year ending 31 December 2024 to be paid on 25 June 2024 to shareholders registered on the Register of Depositors at the close of business on 13 June 2024.

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.

	3 months ended	
	31.03.2024	31.03.2023
Profit for the financial period attributable to owners of the Company (RM'000)	25,988	15,778
Weighted average number of ordinary shares in issue ('000)	1,437,179	1,437,179
Basic EPS (sen)	1.81	1.10

B12 Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.

B13 Profit before tax

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
The profit before taxation for the financial period is arrived at after charging/(crediting):		
Amortisation of intangible assets	4	4
Changes in fair value of investment securities	(2,355)	5,368
Depreciation of property, plant and equipment	1,859	2,094
Depreciation of investment properties	1	1
Depreciation of right-of-use assets	467	438
Gain on disposal of property, plant and equipment	(37)	(2)
Interest expense	9,331	11,056
Interest income	(1,487)	(1,385)
(Gain)/loss on disposal of investment securities	(1,856)	72
Property, plant and equipment written off	12	1

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 May 2024