



MAGNUM BERHAD (197501002449)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	601,938	537,108	1,186,334	1,083,109
Cost of sales	(504,221)	(441,100)	(1,022,998)	(918,896)
Gross profit	97,717	96,008	163,336	164,213
Other income	1,802	1,894	7,750	3,536
Administrative expenses	(10,947)	(11,040)	(21,541)	(22,486)
Other expenses	(17,093)	(13,496)	(30,696)	(33,747)
Operating profit	71,479	73,366	118,849	111,516
Finance costs	(9,781)	(11,035)	(19,112)	(22,091)
Profit before tax	61,698	62,331	99,737	89,425
Income tax expense	(15,855)	(18,351)	(27,450)	(29,318)
Profit for the financial period	45,843	43,980	72,287	60,107
Other comprehensive income				
Foreign currency translation	-	(23)	(11)	(21)
Change in fair value of financial assets at fair-value-through-other comprehensive income	(7)	(76)	(34)	28
	(7)	(99)	(45)	7
Total comprehensive income for the financial period	45,836	43,881	72,242	60,114
Profit for the financial period attributable to:				
Owners of the Company	45,439	43,639	71,427	59,417
Non-controlling interests	404	341	860	690
	45,843	43,980	72,287	60,107
Total comprehensive income for the financial period attributable to:				
Owners of the Company	45,432	43,540	71,382	59,424
Non-controlling interests	404	341	860	690
	45,836	43,881	72,242	60,114
Earnings per share attributable to owners of the Company (sen per share) :				
Basic	3.16	3.03	4.97	4.13

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 30 JUNE 2024

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	30.6.2024	31.12.2023
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	69,856	64,917
Right-of-use assets	13,641	14,364
Investment properties	509	512
Investment securities	395,471	395,493
Intangible assets	2,738,265	2,738,272
Deferred tax assets	1,663	1,663
	3,219,405	3,215,221
Current assets		
Inventories	744	861
Investment securities	20,323	23,095
Receivables	90,334	94,232
Tax recoverable	9,092	4,770
Deposits, cash and bank balances	233,038	174,232
	353,531	297,190
	3,572,936	3,512,411
Total Assets		
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	305,443	284,362
Shareholders' equity	2,458,637	2,437,556
Non-controlling interests	21,518	21,415
Total equity	2,480,155	2,458,971
Non-current liabilities		
Borrowings	623,926	623,891
Lease liabilities	2,812	3,379
Deferred tax liabilities	2,581	2,581
	629,319	629,851
Current liabilities		
Borrowings	152,524	153,006
Lease liabilities	1,587	1,638
Payables	305,213	267,421
Tax payable	4,138	1,524
	463,462	423,589
	1,092,781	1,053,440
Total liabilities	1,092,781	1,053,440
Total equity and liabilities	3,572,936	3,512,411
Net assets per share attributable to owners of the Company (RM)		
	1.71	1.70

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 30 JUNE 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 2024	2,154,357	(567,462)	(1,163)	851,824	21,415	2,458,971
Total comprehensive income for the financial period	-	(45)	-	71,427	860	72,242
Dividends paid	-	-	-	(50,301)	-	(50,301)
Acquisition of additional shares in a subsidiary from non-controlling interests	-	-	-	-	(757)	(757)
At 30 June 2024	2,154,357	(567,507)	(1,163)	872,950	21,518	2,480,155
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	-	7	-	59,417	690	60,114
Dividends paid	-	-	-	(35,929)	-	(35,929)
At 30 June 2023	2,154,357	(567,472)	(1,163)	829,084	20,956	2,435,762

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 30 JUNE 2024

	6 months ended	
	30.6.2024 RM'000	30.6.2023 RM'000
OPERATING ACTIVITIES		
Profit before tax	99,737	89,425
Adjustments for:		
Non-cash items	1,868	7,567
Non-operating items	14,490	19,250
Operating cash flows before working capital changes	<u>116,095</u>	<u>116,242</u>
Changes in working capital:		
Inventories	117	160
Receivables	3,883	20,197
Payables	37,675	6,007
Cash flows generated from operations	<u>157,770</u>	<u>142,606</u>
Finance cost paid	(494)	(183)
Income tax refund	1,228	491
Income tax paid	(30,386)	(33,376)
Net cash flows generated from operating activities	<u>128,118</u>	<u>109,538</u>
INVESTING ACTIVITIES		
Proceeds from disposal of :		
- property, plant and equipment	61	25
- investment securities	7,392	2,040
Purchase of :		
- property, plant and equipment	(8,745)	(2,659)
- investment securities	-	(1,995)
- additional shares in a subsidiary	(757)	-
Movement in cash deposits pledged	(23)	(31)
Movement in cash deposits with licensed banks	2,568	-
Interest received	2,830	2,902
Net cash flows generated from investing activities	<u>3,326</u>	<u>282</u>
FINANCING ACTIVITIES		
Dividends paid to shareholders	(50,301)	(35,929)
Prepayment of lease liabilities	(963)	(826)
Interest paid	(18,829)	(21,171)
Transaction cost paid	-	(662)
Net cash flows used in financing activities	<u>(70,093)</u>	<u>(58,588)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,351	51,232
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>159,628</u>	<u>174,877</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>220,979</u>	<u>226,109</u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	233,038	242,620
Cash deposits pledged	(11,757)	(16,511)
Cash deposits with licensed banks with maturity period of more than 3 months	(302)	-
	<u>220,979</u>	<u>226,109</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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Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments Disclosures
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Effective for financial periods beginning on or after 1 January 2027

MFRS 19	Subsidiaries without Public Accountability Disclosure
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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 quarter ended 30 June 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.

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 2024, the Company has paid the following dividends:

- (i) a fourth interim dividend of 2.0 sen per share in respect of financial year ended 31 December 2023, amounting to RM28.743 million on 22 March 2024; and
- (ii) a first interim dividend of 1.5 sen per share in respect of financial year ending 31 December 2024, amounting to RM21.558 million on 25 June 2024.

A8 Segmental Information

	6 months ended	
	30.6.2024 RM'000	30.6.2023 RM'000
Segmental Revenue		
Gaming	1,186,273	1,083,068
Investment holdings & others	22,172	15,349
	1,208,445	1,098,417
Eliminations	(22,111)	(15,308)
Total	1,186,334	1,083,109
Segmental Results		
Gaming	96,910	93,901
Investment holdings & others	24,938	10,832
	121,848	104,733
Eliminations	(22,111)	(15,308)
Profit Before Tax	99,737	89,425

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 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
30 June 2024					
Current	FVTPL	17,317	-	-	17,317
Current	FVOCI	3,006	-	-	3,006
Non-current	FVOCI	10,042	-	385,429	395,471
		30,365	-	385,429	415,794
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 30 June 2024 versus the same quarter in 2023**

	3 months ended		Changes	
	30.06.2024 RM'000	30.6.2023 RM'000	RM'000	%
Revenue				
- Gaming	601,890	537,088	64,802	12.1%
- Investment holdings and others	48	20	28	140.0%
	601,938	537,108	64,830	12.1%
Profit/(Loss) before tax				
- Gaming	62,427	60,470	1,957	3.2%
- Investment holdings and others	(729)	1,861	(2,590)	(139.2%)
	61,698	62,331	(633)	(1.0%)

Overview

The Group registered a total revenue of RM601.9 million for the current quarter, which was RM64.8 million or 12.1% higher than that in the previous year's corresponding quarter. Despite higher revenue, the current quarter's profit before tax at RM61.7 million was marginally lower by RM0.6 million when compared to RM62.3 million recorded in the previous year's corresponding quarter. Despite higher pre-tax profit from Gaming Division, the Group reported lower profit before tax for this quarter, mainly due to marginal loss recorded by Investment Holdings and Others Division.

Gaming

The Group recorded a significant higher gaming revenue of RM601.9 million, which was RM64.8 million higher than RM537.1 million in the previous year's corresponding quarter. The higher revenue achieved was due to an additional draw in the current quarter (2024 : 41 draws; 2023 : 40 draws) and a strong jackpot run during the current quarter.

The Gaming division recorded a pre-tax profit of RM62.4 million, which was RM1.9 million higher when compared to RM60.5 million recorded in last year's corresponding quarter. The marginal higher pre-tax profit was mainly due to higher gaming revenue and savings in interest expense as a result of lower amount of MTN outstanding, but reduced by higher prizes payout in the current quarter.

Investment Holdings and Others

Investment Holdings and Others division recorded a pre-tax loss of RM0.7 million, compared to RM1.9 million pre-tax profit in the previous year's corresponding quarter. The pre-tax loss in the current quarter was due to lower fair value gain on investments coupled with higher operating expenses compared to that in last year's corresponding quarter.

6 months ended 30 June 2024 versus the same period in 2023

	6 months ended		Changes	
	30.06.2024 RM'000	30.06.2023 RM'000	RM'000	%
Revenue				
- Gaming	1,186,273	1,083,068	103,205	9.5%
- Investment holdings and others	61	41	20	48.8%
	1,186,334	1,083,109	103,225	9.5%
Profit/(Loss) before tax				
- Gaming	96,910	93,901	3,009	3.2%
- Investment holdings and others	2,827	(4,476)	7,303	163.2%
	99,737	89,425	10,312	11.5%

Overview

The Group registered a total revenue of RM1.19 billion for the current six months period, which was RM103.2 million higher than the previous year's corresponding period of RM1.08 billion. Accordingly, the Group recorded a higher profit before tax of RM99.7 million, which was RM10.3 million higher when compared to RM89.4 million achieved in the previous year's corresponding period.

Gaming

There were 2 additional draws in the current period (2024 : 83 draws; 2023 : 81 draws) and also a long jackpot run in the months of May and June 2024 giving rise to a significant higher revenue of RM1.19 billion, an increase of RM103.2 million when compared to RM1.08 billion recorded in last year's corresponding period.

The Group recorded a higher gaming pre-tax profit by RM3.0 million when compared RM96.9 million recorded in current six months period against RM93.9 million in the last year's corresponding period. The increase was mainly due to higher gaming revenue and savings in interest expense as a result of lower amount of MTN outstanding, but reduced by higher prize payout in the current six months period.

Investment Holdings and Others

Investment Holdings and Others division recorded a pre-tax profit of RM2.8 million in the current six months period compared to RM4.5 million pre-tax loss in the previous year's corresponding period. The pre-tax profit was mainly due to fair value gain on investments recognised in the current six months under review, against fair value loss on investments recorded 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 June 2024 versus 31 March 2024

	3 months ended		Changes	
	30.06.2024 RM'000	31.3.2024 RM'000	RM'000	%
Revenue				
- Gaming	601,890	584,383	17,507	3.0%
- Investment holdings and others	48	13	35	269.2%
	601,938	584,396	17,542	3.0%
Profit/(Loss) before tax				
- Gaming	62,427	34,483	27,944	81.0%
- Investment holdings and others	(729)	3,556	(4,285)	(120.5%)
	61,698	38,039	23,659	62.2%

Overview

The Group reported a revenue of RM601.9 million, which was RM17.5 million higher when compared to the immediate preceding quarter of RM584.4 million. The higher revenue was mainly contributed by the Gaming division. In line with higher revenue, the Group recorded a higher pre-tax profit of RM61.7 million for the current quarter as compared to RM38.0 million in the immediate preceding quarter. The higher pre-tax profit in the current quarter was contributed by the Gaming division but reduced by the Investment Holdings and Others division.

Gaming

The Group recorded a higher gaming revenue by RM17.5 million despite a lower number of draws conducted in the current quarter (Q2 : 41 draws; Q1: 42 draws).

In line with higher gaming revenue, the Gaming division's pre-tax profit for the current quarter at RM 62.4 million was higher by RM27.9 million when compared to RM34.5 million pre-tax profit achieved in the immediate preceding quarter. The higher pre-tax profit was due mainly to higher gaming revenue aided by a strong Jackpot run, coupled with lower prizes payout in the current quarter.

Investment Holdings and Others

Investment Holdings and Others division recorded a loss before tax of RM0.7 million in the current quarter compared to pre tax profit of RM3.6 million in the immediate preceding quarter, which was mainly due to higher fair value gain on investments and gain on disposal of quoted investment in the immediate preceding quarter.

B3 Prospects

The Group recorded encouraging results in the first half of 2024. Barring unforeseen circumstances and premised on the continued growth trend of all our 4 products in the past six months, the Board is optimistic that the performance of the gaming business for the second half of the year remains positive.

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	
	30.6.2024 RM'000	30.06.2023 RM'000	30.6.2024 RM'000	30.06.2023 RM'000
Current income tax	15,855	18,351	27,450	29,318
Over provision in prior year	-	-	-	-
Total income tax expense	15,855	18,351	27,450	29,318

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 2024 are as follows:

	Secured RM'000
Long term	
Medium term notes	623,926
Short term	
Medium term notes	152,524
Total	<u><u>776,450</u></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 (2023 : 2.0 sen) for the current financial period, bringing the total dividend declared to date for the financial year ending 31 December 2024 to 3.5 sen per share (2023 : 3.0 sen).

The second interim dividend will be paid on 20 September 2024 to shareholders registered on the Register of Depositors at the close of business on 9 September 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		6 months ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Profit for the financial period attributable to owners of the Company (RM'000)	45,439	43,639	71,427	59,417
Weighted average number of ordinary shares in issue ('000)	1,437,179	1,437,179	1,437,179	1,437,179
Basic EPS (sen)	<u>3.16</u>	<u>3.03</u>	<u>4.97</u>	<u>4.13</u>

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 30.6.2024 RM'000	6 months ended 30.6.2024 RM'000
The profit before taxation for the financial period is arrived at after charging/(crediting):		
Amortisation of intangible assets	3	7
Changes in fair value of investment securities	(421)	(2,776)
Depreciation of property, plant and equipment	1,836	3,695
Depreciation of investment properties	2	3
Depreciation of right-of-use assets	473	940
Gain on disposal of investment securities	-	(1,856)
Gain on disposal of property, plant and equipment	1	(36)
Interest expense	9,781	19,112
Interest income	(1,327)	(2,814)
Property, plant and equipment written off	73	85

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 August 2024