



**CREATING  
THE  
FUTURE,  
TODAY**





## **OUR VISION**

**INSPIRING HOPE TO OUR  
COMMUNITY WITH PASSION  
AND INNOVATION**



## **OUR MISSION**

We make gaming an enjoyable, responsible and meaningful lifestyle experience, through innovative solutions that engage and uplift the quality of life across the wider communities we serve.



## **OUR CORE VALUES**



**Start with  
the Customer  
and Do What  
is right for  
them**



**Strive for  
Long-Term  
Sustainability**



**Always  
find Green  
Solutions**



**Renew and  
Improve**



**Demand  
Excellence**



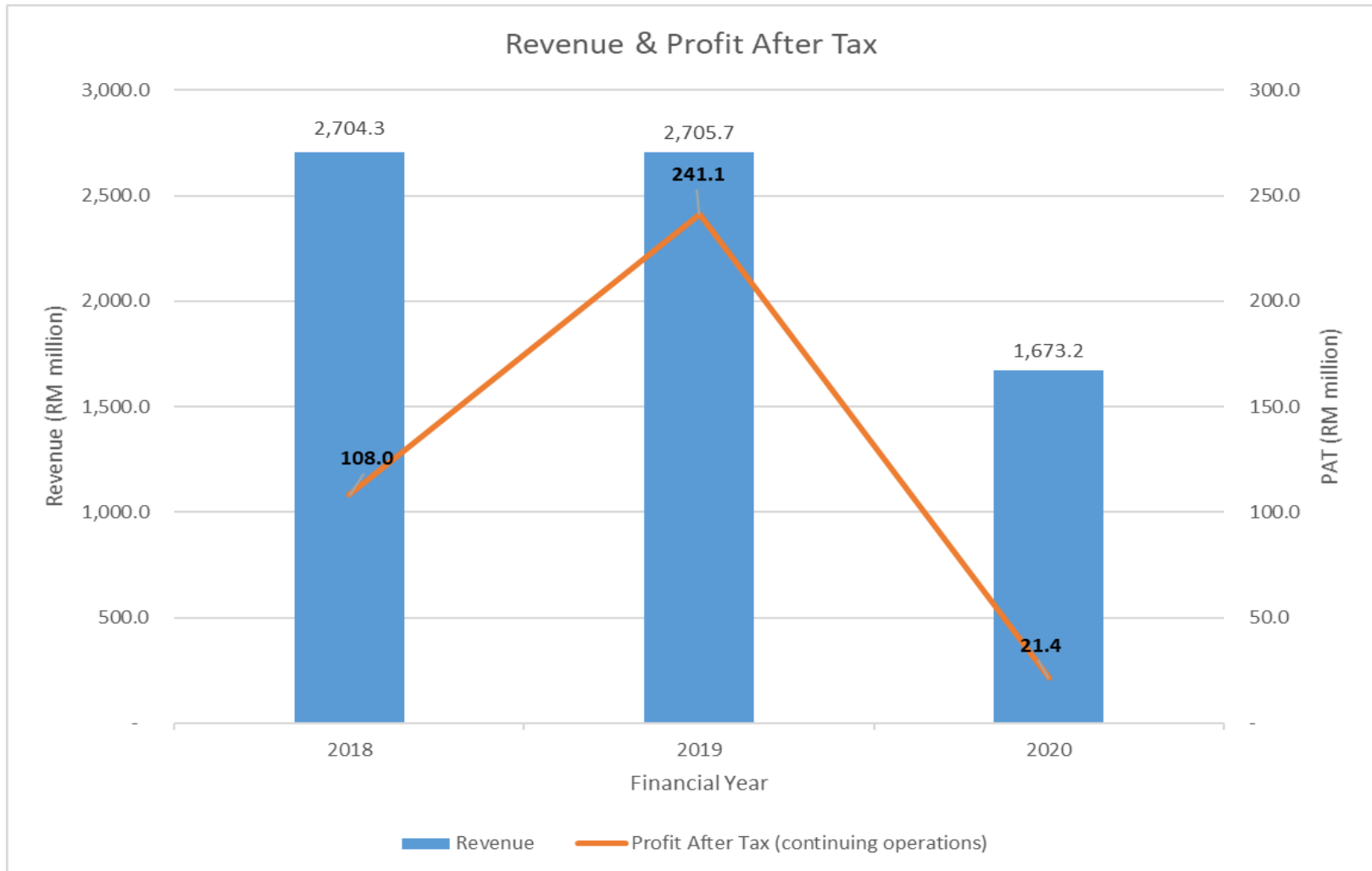
**Earn Trust  
and Preserve  
Integrity**



## **45<sup>th</sup> Annual General Meeting 19 May 2021**



## REVIEW OF OPERATIONS





## ***REVIEW OF OPERATIONS***

**Revenue** has decreased by RM1.03 bil (**38.2%**) mainly due to:

- 1. Cancellation of 40 draws** in Q1 and Q2 FY 2020 arising from MCO 1.0. (FY 2020:126 draws ; FY2019:167 draws)
- 2. Although we resumed our operations on 17 June 2020, nevertheless the public at large are hesitant in coming out in person to avoid Covid-19 infection.**
- 3. The imposition of strict SOP at all our outlets has caused inconvenience to the public at large.**



## ***REVIEW OF OPERATIONS***

**Profit Before Tax** has decreased by RM199 mil to RM144 mil mainly due to:

- 1. Cancellation of 40 draws** in Q1 and Q2 FY 2020 arising from MCO 1.0 (FY 2020:126 draws ; FY2019:167 draws)
- 2. Tax penalty** amounting to RM16.7 million incurred in FY 2020.



## ***REVIEW OF OPERATIONS***

**Profit After Tax** has decreased to RM21.4 mil from RM241 mil mainly due to:

- 1. Cancellation of 40 draws** in Q1 and Q2 FY 2020 arising from MCO. (FY 2020:126 draws ; FY2019:167 draws)
- 2. One-off and non recurring additional tax and penalty** payable amounting to **RM80.6 mil** incurred in FY 2020

# MAGNUM BERHAD – 45<sup>th</sup> AGM on 19 May 2021



QUARTERLY DIVIDEND PAYOUT		Dividends declared in year			
		2020		2019	
		%	RM'000	%	RM'000
Q1 2019	1 <sup>st</sup> interim for FYE 2019			4.0	56,918
Q2 2019	2 <sup>nd</sup> interim for FYE 2019			5.0	71,148
Q3 2019	3 <sup>rd</sup> interim for FYE 2019			4.0	56,918
Q4 2019	4 <sup>th</sup> interim for FYE 2019			3.0	42,689
Q1 2020	1 <sup>st</sup> interim for FYE 2020	2.5	35,574		
Q2 2020	2 <sup>nd</sup> interim for FYE 2020	2.04#	29,042		
Q3 2020	3 <sup>rd</sup> interim for FYE 2020	2.0	28,743		
Q4 2020	4 <sup>th</sup> interim for FYE 2020	2.0	28,743		
		<b>8.54</b>	<b>122,102</b>	<b>16.0</b>	<b>227,673</b>

# distribution of 1 treasury share for every 100 ordinary shares held



# MAGNUM BERHAD – 45<sup>th</sup> AGM on 19 May 2021



## ***REBRANDING AND REIMAGING*** Flagship outlet @ Genting Highlands



# MAGNUM BERHAD – 45<sup>th</sup> AGM on 19 May 2021



## **REBRANDING AND REIMAGING** - *new refreshed look of the store-front*



**Completed  
119 outlets or  
25% during FY  
2020**

**Completed  
434 outlets  
or 90% @ YTD  
31 Dec 2020**



## ***STRATEGIES GOING FORWARD***

- Continue practicing our mantra - **Customer centricity** on ALL that we do
- Embarked on a **Transformation journey** for whole Group
- Continue to **innovate & improve** our products
- To **digitalise** all operations processes to improve operational efficiencies
- Continue with our ongoing **CSR** activities



**END**



**Queries from  
Minority Shareholder  
Watchdog Group**



## Q1

**The Number Forecast Industry was not spared the effects of the pandemic, most notably affected by the cancellation of 39 normal draws and 1 special draw during the lockdown. As of the end of December 2020, with the exception of shops in tourist areas, sales at most of the 485 retail outlets have recovered to at least 80% to 85% of pre-pandemic levels. (Page 7 of Integrated Annual Report - IAR)**



## Q1

- (a) Since January 2021 till to date, how many draws have been cancelled?**
  
- (b) How are the current sales compared to December 2020 and pre-pandemic times?**





## A1

- (a) Since January 2021 till to date, no draws have been cancelled. However, sales for 18 draws (from 13 January 2021 to 14 February 2021) were affected by the announced MCO 2.0 by the Government of Malaysia where only sales outlets in Sarawak were allowed to operate.**
  
- (b) The current April 2021 sales compared to December 2020 had only decrease very marginally. When compared to pre-pandemic times, the sales has decreased by about approximately 20%.**





## Q2

**At the start of the year, the Company had launched a comprehensive internal review in preparation of its Transformation Programme. (Page 7 of IAR)**

**What is the main objective of the Programme and specifically, what does it entail?**

**To what extent has it been implemented and when is it expected to be completed?**



## A2

**The Transformation Journey Programme is a multi years programme to reengineer the Company to face the new challenges going forward and to future proof the business model to achieve sustainability in sales growth and profitability.**

**This Transformation Journey Programme involve a comprehensive digitalization of the business processes of the entire Group.**



## Q3

**The Company has completed the final phase in its exercise to replace its Point-of-Sales terminals in all outlets nationwide, ending with the completion in the States of Perak and Penang. With the completion of the old terminals' replacement, its customers will experience less downtime and quicker service. The resulting reduction in operational costs will see returns in the years to come. (Page 8 of IAR)**



## Q3

**What is the estimated operational costs that Magnum is expected to save?**

**Will there also be lower headcounts required and savings in manpower costs?**



## A3

**The savings in operational cost will arise mainly due to lesser maintenance and spare parts required. This is because the new terminals have far lesser moving parts and much more reliable than the old terminals. With lesser maintenance to be done over the life span of the new terminals, this will translate into lesser man hours required to maintain these new terminals.**

**We are in the process of retraining and redeploying the affected manpower to other areas of operations to better serve the customers.**



## Q4

**In the absence of legal NFOs operating in the whole of Malaysia during the pandemic period, illegal operators took advantage of the pandemic by expanding and solidifying their market share via mobile channels, relying on 4D results from other regional countries such as Cambodia. A challenge that the legal NFO industry faces now is in winning back customers who have been enticed into these illegal platforms. (Page 13 of IAR). How severe has been the situation on Magnum?**

**What is the estimated quantum of the impact on Magnum?**



## A4

**As mentioned earlier, the current April 2021 sales compared to December 2020 had only decrease very marginally. When compared to pre-pandemic times, the sales has decreased by about approximately 20%.**

**We are unable to quantify as to how much of the above percentage are attributable to loss of market share to illegal operators or the stricter SOPs imposed on all our outlets.**



## Q5

**The legal NFOs would also urge the Government to quicken the process to introduce legal amendments that impose stiffer mandatory penalties for participation in illegal gambling activities, as well as to consider allowing legal NFOs to use modern channels to conduct retail activity. (Page 14 of IAR)**





- a) What is the status of the legal amendments?  
When are they expected to be implemented?**
  
- b) Does the legal NFOs industry expect the stiffer  
mandatory penalties to yield much more  
significant positive results compared to the  
existing penalties?**
  
- c) What specifically are examples of modern  
channels that can be considered?**



## A5

- a) **We understand that the changes on the penalty for illegal gambling as proposed in the Budget by the government in 2019, is yet to be tabled in the Parliament.**
  
- b) **Yes, the legal NFOs industry are united in agreeing that the proposed stiffer mandatory penalties are sufficiently stiff that will yield a much more significant positive results as compared to the existing penalties.**



## A5

- c) The legal NFOs are hopeful that the authority will positively consider and allow the legal NFOs to use digital channel to conduct their retail activities.**



**END**