



**MAGNUM
BERHAD**

197501002449 (24217-M)



**DRIVING
INNOVATION
FOR A**

Brighter Future

**INTEGRATED
ANNUAL REPORT
2023**

What's Inside This Report



This integrated annual report is available on the website at <https://www.magnum.my>



Run the QR Code Reader app and point your camera at the QR Code.

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Form of Proxy

Corporate Profile

Magnum Berhad (197501002449) (24217-M) (“Magnum” or “Company”) is the holding company for the Magnum Berhad Group of Companies. The Company was incorporated on 18 August 1975 as Multi-Purpose Holdings Berhad and has been listed on the Main Market of Bursa Malaysia Securities Berhad (previously known as Main Board of the Kuala Lumpur Stock Exchange) since 11 January 1982. The Company assumed its current name on 28 June 2013.

The Company is an investment holding company and, through its 100% owned subsidiary, Magnum Corporation Sdn. Bhd. (196801000676) (8272-D) which was founded in 1968, is focused primarily on its licensed lottery business or 4-Digit (“4D”) numbers forecast betting and its variation games.

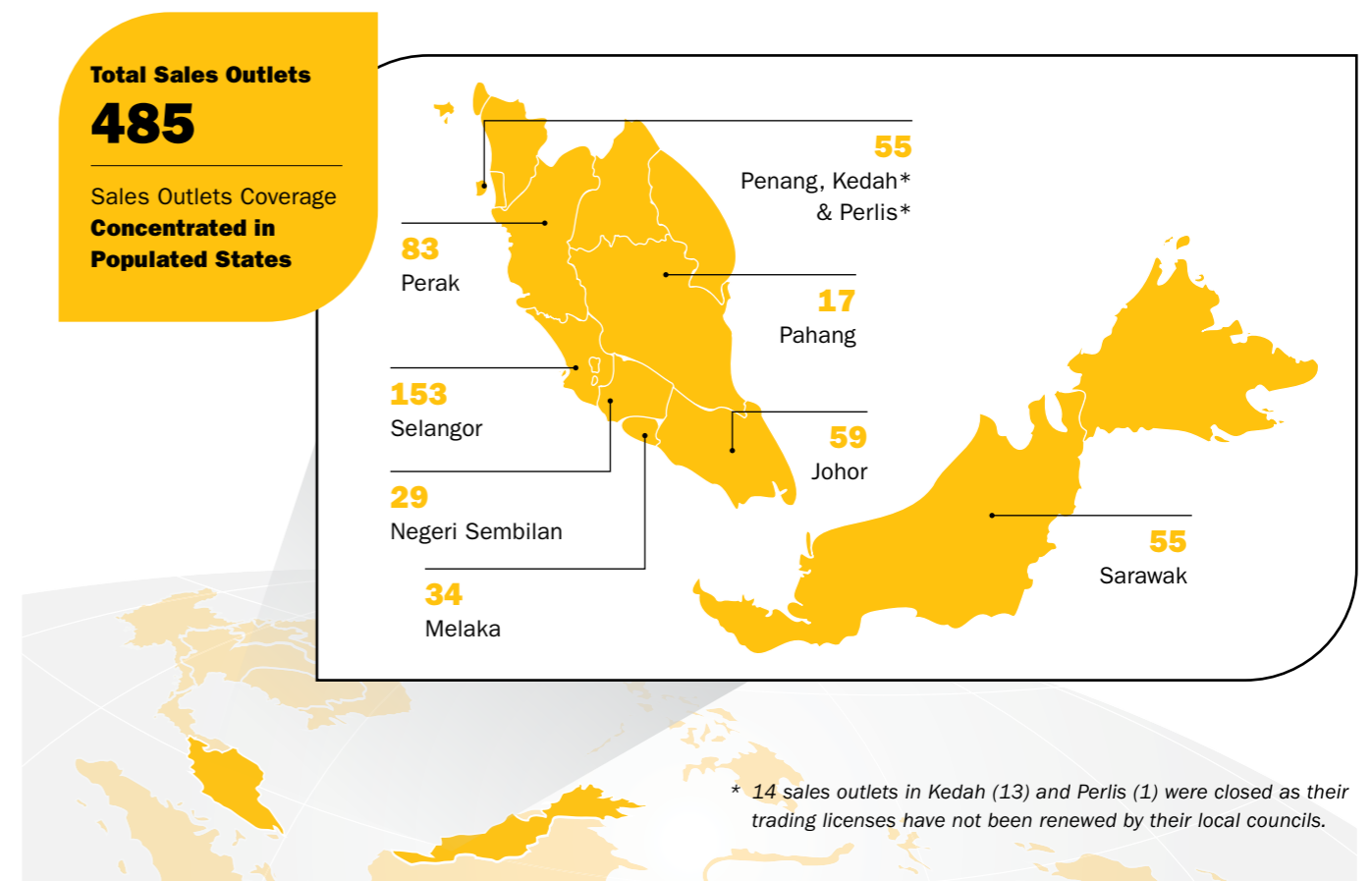
The principal activities of its other subsidiaries consist of management services and investment holdings.

For more information on the Magnum 4D business, kindly visit www.magnum4d.my.

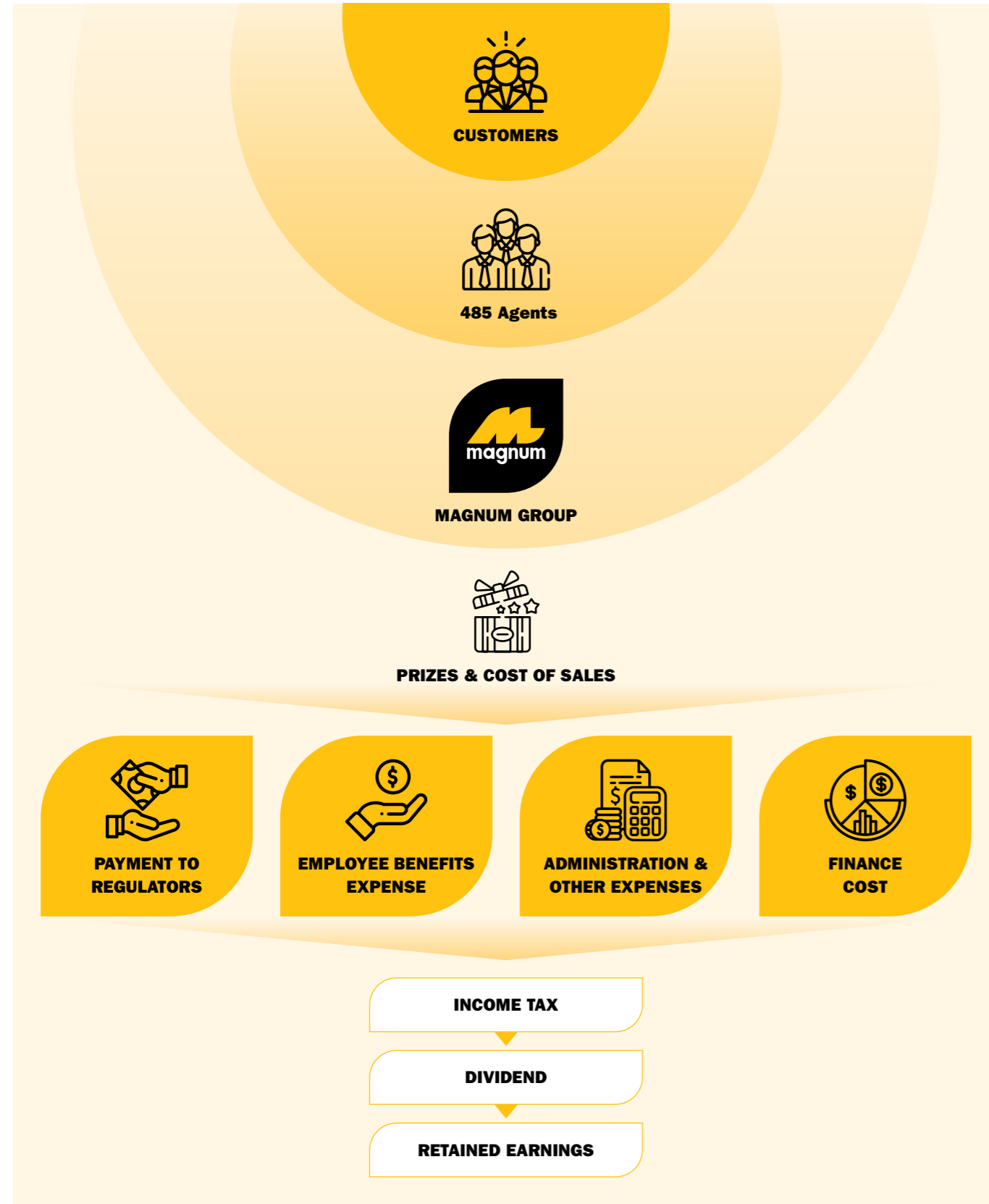
What We Offer



Where We Operate

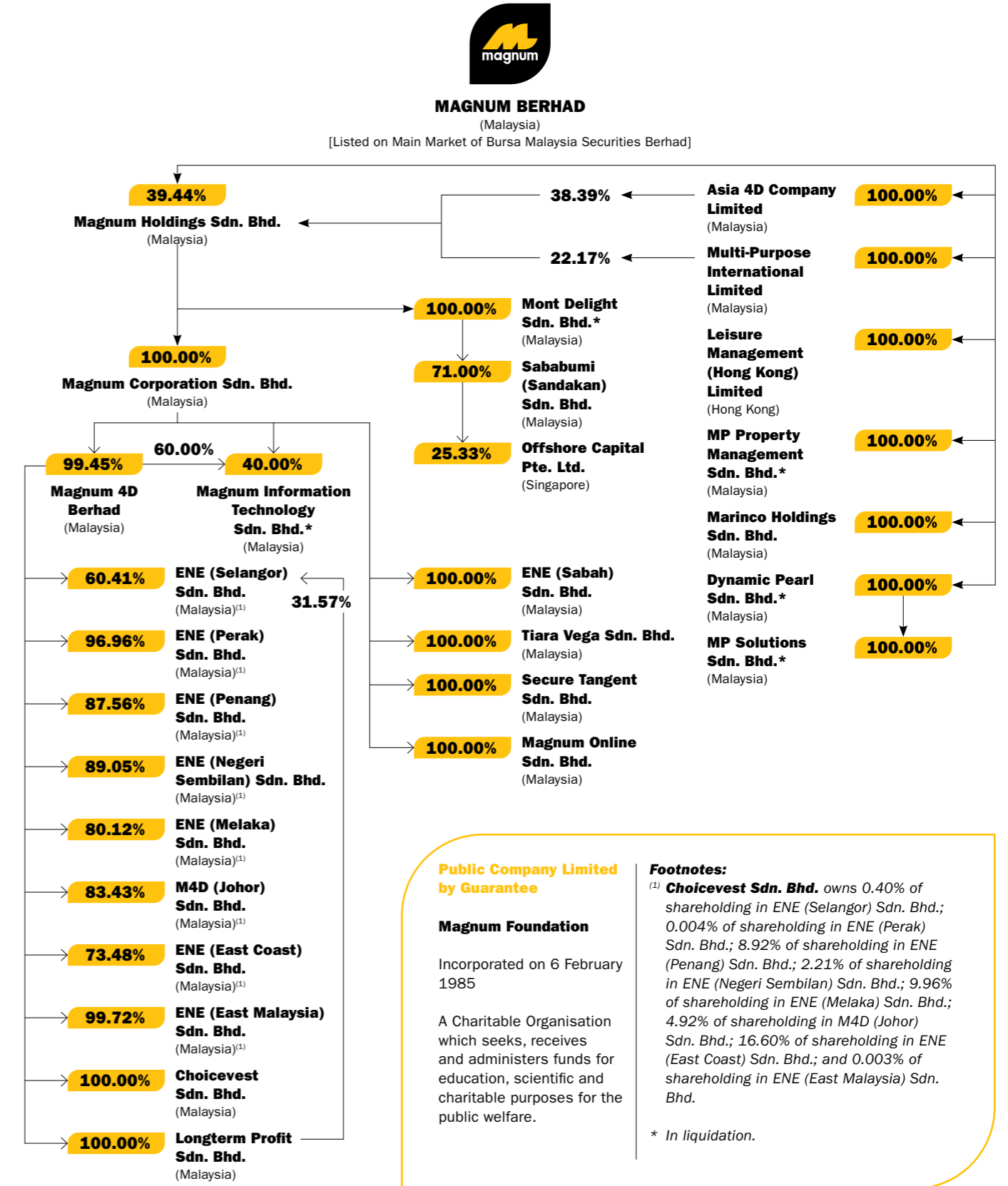


Our Business Model



Corporate Structure

As at 3 April 2024



Public Company Limited by Guarantee

Magnum Foundation

Incorporated on 6 February 1985

A Charitable Organisation which seeks, receives and administers funds for education, scientific and charitable purposes for the public welfare.

Footnotes:

⁽¹⁾ **Choicevest Sdn. Bhd.** owns 0.40% of shareholding in ENE (Selangor) Sdn. Bhd.; 0.004% of shareholding in ENE (Perak) Sdn. Bhd.; 8.92% of shareholding in ENE (Penang) Sdn. Bhd.; 2.21% of shareholding in ENE (Negeri Sembilan) Sdn. Bhd.; 9.96% of shareholding in ENE (Melaka) Sdn. Bhd.; 4.92% of shareholding in M4D (Johor) Sdn. Bhd.; 16.60% of shareholding in ENE (East Coast) Sdn. Bhd.; and 0.003% of shareholding in ENE (East Malaysia) Sdn. Bhd.

* In liquidation.

Corporate Information

Board of Directors

1

Tan Sri Dato' Surin Upatkoon

Non-Independent
Non-Executive Chairman

2

Dato' Lawrence Lim Swee Lin

Non-Independent
Executive Director

3

Krian Upatkoon

Non-Independent
Executive Director

4

Datuk Vijeyaratnam a/l V. Thamotharam Pillay

Non-Independent
Non-Executive Director

5

Dato' Seri Lim Tiong Chin

Independent
Non-Executive Director

6

Jean Francine Goonting

Independent
Non-Executive Director

7

Ng Siew Hong

Independent
Non-Executive Director

BOARD COMMITTEES

Group Audit Committee

Chairman

- Dato' Seri Lim Tiong Chin

Members

- Datuk Vijeyaratnam a/l V. Thamotharam Pillay
- Jean Francine Goonting

Remuneration Committee

Chairman

- Dato' Seri Lim Tiong Chin

Members

- Jean Francine Goonting
- Ng Siew Hong

Nomination Committee

Chairman

- Dato' Seri Lim Tiong Chin

Members

- Datuk Vijeyaratnam a/l V. Thamotharam Pillay
- Jean Francine Goonting

Group Risk Management Committee

Chairman

- Jean Francine Goonting

Members

- Dato' Seri Lim Tiong Chin
- Dato' Lawrence Lim Swee Lin

CHARTERED SECRETARIES

Leong Kuan Ying

SSM PC No. : 201908000848
(MAICSA 7041318)

Ng Sook Yee

SSM PC No. : 201908002432
(MAICSA 7020643)

REGISTERED OFFICE

35th Floor, Menara Multi-Purpose
Capital Square

No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

Tel No. : 603-2698 8033

Fax No. : 603-2698 9885

E-Mail : corporate@magnum.my

WEBSITE

www.magnum.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : MAGNUM

Stock Code : 3859

Sector : Consumer Products
& Services

SHARE REGISTRAR

Metra Management Sdn. Bhd.

Registration No. 198001008385
(62169-A)

35th Floor, Menara Multi-Purpose
Capital Square

No. 8, Jalan Munshi Abdullah

50100 Kuala Lumpur

Malaysia

Tel No. : 603-2698 3232

Fax No. : 603-2698 0313

Email : metrasrd@mweh.com.my

AUDITORS

Ernst & Young PLT

Registration No. 202006000003

(LLP0022760-LCA) AF:0039

Chartered Accountants

Level 23A Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Malaysia

PRINCIPAL BANKER

Alliance Bank Malaysia Berhad

Registration No. 198201008390

(88103-W)

Ground Floor, Menara Multi-Purpose
Capital Square

8 Jalan Munshi Abdullah

50100 Kuala Lumpur

Malaysia

Five Years' Financial Highlights

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	64,917	59,164	60,341	65,743	62,612
Right-of-use assets	14,364	15,061	16,501	17,731	15,703
Investment properties	512	519	526	533	540
Investments securities	395,493	398,494	388,523	398,985	398,730
Intangible assets	2,738,272	2,738,287	2,738,302	2,738,317	2,738,332
Deferred tax assets	1,663	5,545	5,337	5,536	8,691
	3,215,221	3,217,070	3,209,530	3,226,845	3,224,608
Current assets	297,190	297,128	300,793	349,096	378,797
TOTAL ASSETS	3,512,411	3,514,198	3,510,323	3,575,941	3,603,405
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	2,154,357	2,154,357	2,154,357	2,154,357	2,154,357
Reserves	284,362	238,117	209,670	238,549	353,112
Treasury shares	(1,163)	(1,163)	(1,163)	(1,163)	(30,205)
Shareholders' fund	2,437,556	2,391,311	2,362,864	2,391,743	2,477,264
Non-controlling interests	21,415	20,266	21,329	22,862	22,645
Total equity	2,458,971	2,411,577	2,384,193	2,414,605	2,499,909
Non-current liabilities					
Current liabilities	423,589	393,287	346,169	395,766	423,789
Total liabilities	1,053,440	1,102,621	1,126,130	1,161,336	1,103,496
TOTAL EQUITY AND LIABILITIES	3,512,411	3,514,198	3,510,323	3,575,941	3,603,405
GROUP RESULTS					
Revenue	2,159,926	2,031,100	1,259,556	1,673,153	2,705,685
Profit before tax	188,433	159,858	25,238	143,976	343,207
Income tax expense	(61,938)	(58,782)	(26,587)	(122,530)	(102,064)
Profit/(loss) for the financial year	126,495	101,076	(1,349)	21,446	241,143
Non-controlling interests	(1,222)	(471)	1,533	(219)	(1,918)
Profit attributable to owners of the Company	125,273	100,605	184	21,227	239,225
SELECTED RATIOS					
Basic earnings per share (sen)	8.72	7.00	0.01	1.5	16.8
Net assets per share (RM)	1.70	1.66	1.64	1.66	1.74
Dividend per share (sen)	6.0	5.0	1.5	8.5*	16.0
Return on equity (%)	5.14	4.21	0.01	0.89	9.66

* The Company's second interim dividend declared in August 2020 was in the form of share dividend via distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares held. This share dividend was equivalent to approximately 2.04 sen per ordinary share.

Chairman's Statement

Chairman's Statement (cont'd.)

“

Dear Valued Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS OF MAGNUM BERHAD (“MAGNUM” OR “THE COMPANY”), I AM PLEASED TO PRESENT TO YOU OUR INTEGRATED ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (“FY 2023”).

”

TAN SRI DATO' SURIN UPATKOON
Chairman



Driving Innovation for a Brighter Future



FOREWORD

The Year in Review bore witness to a series of concerted efforts on fortifying our core operations, enhancing efficiency, and driving digitalisation across our business.

I take great pride in affirming that the heart of our corporate philosophy is rooted in an unwavering commitment to pioneering positive changes, and this year's Integrated Annual Report theme of “Driving Innovation for a Brighter Future” encapsulates our collective vision for a future spearheaded by innovation, sustainability, and growth. This commitment goes beyond driving technological advancements, but also a pursuit in redefining the gaming experience towards creating a brighter future for all our stakeholders. One that is poised to deliver enhanced value to our customers and fortify our standing as the foremost Number Forecast Operator (“NFO”).

Concurrently, our determination in optimising every facet of our operations for greater efficiency has further deepened our commitment to sustainability, recognising the impact of our operations on the environment and communities we serve.

The efforts and strategic investments in this transformative and exciting journey have successfully streamlined our operations, fostered a culture of innovation, and forged the way towards implementing more efficient projects. As a result, I am proud of the significant strides we have achieved in driving down operating costs, and notably, elevating customer satisfaction to greater heights.

Aligned with the evolving business landscape, we have embodied a culture of innovation under strategic-focused leadership, fostering a heightened attention on strategic decision-making that will decisively shape the Company's long-term growth trajectory. This synergy of strategic leadership and investment in establishing a culture of innovation amplifies our ability to navigate evolving business landscapes, positioning us for sustained success.

Undoubtedly, our efforts, via a comprehensive and holistic approach is indeed propelling your Company forward towards a bright and promising future, serving as the transformative force in reshaping the NFO industry, ensuring we remain at the forefront of positive change. I am genuinely excited about what lies ahead.

BUSINESS RESULTS

Rebounding from the effects of the pandemic, 2023 proved to be a challenging year for Malaysia. While proving resilient, the country's economic growth finished on a softer footing amidst low global demands, international tensions, and inflation concerns. However, owing to our transformation initiatives, your Company's revenue continues to experience positive growth, improving by more than 6.3% to RM2.16 billion in FY 2023 as compared to RM2.03 billion in FY 2022. Notwithstanding the revenue had increased by 6.3%, the profit before tax, on the other hand, chalked up an impressive 17.9% gain when compared to the previous year. The profit before tax at RM188.43 million in FY 2023, represents an increase of RM28.58 million when compared to RM159.86 million in FY 2022. The profit attributable to the owners of the Company stood at RM125.27 million, translated into an EPS of 8.72 sen versus EPS of 7.0 sen for FY 2022.

Despite witnessing growth, the industry continues to face impediments due to the persistent threat of illegal operators, and our revenue fell short of reaching its full potential. Whilst the legal NFOs are bound by strict gaming laws, on the flip side, the illegal operators run unregulated, remaining as one of our most challenging business conditions during the year under review.

We are extremely grateful to the authorities for their relentless efforts in combatting these illegal operators. We are particularly appreciative of their collaborative approach with legal NFOs and the Ministry of Finance in addressing this crucial issue. Significant strides have been taken, and we remain committed to offering our ongoing support, especially now, as the threat of illegal operators see greater shifts towards online platforms in their attempt to circumvent the reach of the law.

We will also remain steadfast in calling for stricter laws to be passed to stem illegal gaming activities offered by local illegal operators and their overseas counterparts.

From piloting Self-Service Kiosks in outlets to launching our Frontliner app and enhancing our MyMagnum 4D app, we are reshaping experiences for everyone.



Revenue

RM2.16 billion
in FY 2023

RM2.03 billion
in FY 2022



Profit Before Tax

RM188.43 million
in FY 2023

RM159.86 million
in FY 2022



EPS

8.72 sen
in FY 2023

7.0 sen
in FY 2022

To distinguish ourselves from both the legal and illegal operators, it is imperative we continue our efforts to provide unparalleled customer service, enhance our customers overall experience with the Magnum brand, and remain steadfast in our efforts to actively pursue innovation across all facets of our business.

MAGNUM BEYOND 2025: TRANSFORMATION FOR A BETTER TOMORROW

Our multi-year transformation programme is propelling our Company into a dynamic era of digitalisation, where we are pioneering digital innovations to pave the way for future growth. Equipped with digital tools and embracing continuous learning, our team is strategically positioned to deliver unmatched customer experiences and drive our goals towards becoming a future-ready organisation.

To evolve our IT landscape, we embraced managed cloud and data centre services. This enabled our team to allocate more time towards engaging a wider range of stakeholders and developing new interconnected business

Chairman's Statement

(cont'd.)

solutions. In our commitment to digitalisation, we spearheaded innovations that benefit customers, frontliners, and agents. From piloting Self-Service Kiosks in outlets to launching our Frontliner app and enhancing our MyMagnum 4D app, we are reshaping experiences for everyone.

The successful test of our Self-Service Kiosks nationwide marked a pioneering step, proving that customers and agents alike are ready for modern in-store purchase options. Customer feedback has been positive, underscoring the kiosks' ease of use and convenience. Benefitting from our transformation programme, this initiative was executed efficiently and cost effectively.

UNWAVERING COMMITMENT TO SUSTAINABLE ESG PRACTICES

I am pleased to announce that in FY 2023 alone, our CSR programmes under our MagnumCares umbrella reached 43,000 recipients nationwide, contributing a total of over RM1.5 million.

Simultaneously, your Company is pioneering impactful initiatives, such as our Project Magnum Hearts, and solar panel installations, showcase our unwavering commitment to sustainable ESG practices. These efforts, among many, position your Company as a leader in both social responsibility and environmental stewardship.

Project Magnum Hearts illustrates our successful mission to digitally integrate our business goals with social responsibility practices, leveraging our MyMagnum 4D app ecosystem to engage our customers in evaluating CSR programmes to support. Thanks to the overwhelming participation, we identified 4 worthy causes, aligned with our customers' values to combat food insecurity and champion educational opportunities for underprivileged communities nationwide. This transparent approach created a direct and lasting impact on projects they cared about. Exceeding all expectations, the four charitable organisations have reported a total of 230 new volunteers, referred from Project Magnum Hearts, who are now actively giving their time and effort to sustain support for those causes.

Our commitment to a greener corporate mindset is demonstrated through initiatives like our inaugural Group-wide recycling programme launched last year. Additionally, we introduced a conscious energy consumption programme to proactively reduce energy usage across all our offices nationwide. Furthermore, we initiated the installation of solar panels, marking a significant step towards sustainable energy practices. These endeavours underscore our dedication to sustainable and positive change, paving the way for a brighter and more responsible future.

Our MagnumCares umbrella reached 43,000 recipients nationwide, contributing a total of over RM1.5 million.



A full list of all the organisations, communities and the types of aid or support extended can be found in the Sustainability Report section within this Integrated Annual Report, including details encompassing our sustainability agenda and outlining the areas where your Company is collaboratively shaping the future with our stakeholders, steered by a robust Environmental, Social and Governance ("ESG") presence in all our pursuits.

UNLOCKING EXCELLENCE AND DRIVING GROWTH

For our year in review, we extended the scope of our digital transformation to encompass all our sales agents and frontliners, successfully ushering them into the digital frontier. As a result, our teams are effectively spearheading training initiatives and empowering our sales force at a scale previously unattainable through traditional methods. Concurrently, we led various other training initiatives, solidifying our commitment to continuous learning and development as we empowered our employees to unlock excellence, fostering a culture of sustained growth.

Notably, our efforts have further digitally empowered our frontliners with the introduction of a collaborative frontliner app ecosystem. This transformative approach fostered improved performance, providing them access to timely data and learning opportunities at their fingertips. It not only enhanced productivity across all facets of our operations but also exemplifies our proactive approach to leveraging technology for greater operational efficiency. Furthermore, it is driving continuous learning and propelling us towards a high-performance culture.

In inculcating a culture of Responsible Gaming practices, I am delighted to share that over 90% of our frontliners have successfully completed their training and assessment on responsible gaming. This upward trajectory signifies not only our employees' heightened understanding of Responsible Gaming practices but also demonstrates the successful integration of a culture of responsibility within our Company.

As the first NFO in the nation to achieve the esteemed Level 3 Responsible Gaming certification framework from the World Lottery Association, this milestone places us in a pivotal position to uphold our commitment and leadership to promoting responsible gaming practices. To further solidify our stance, we annually conduct a Responsible Gaming week, garnering 100% participation from all employees and frontliners to champion safer and healthier gaming practices.

COLLABORATING FOR A NEW ERA IN CUSTOMER EXPERIENCE

The reveal of our new Draw Auditorium marks a significant stride towards providing a more immersive and enjoyable customer experience, aligning with our commitment to creating spaces that resonate with our customers, enhancing their overall engagement with our brand. Additionally, the launch of our exclusive M Premium membership programme on the MyMagnum 4D app sets us apart in the market, driving sustained value and engagement. Over one third of our basic app users have elevated their status and are now enrolled in this elite membership programme. This not only signifies its strong value proposition but also promises continuous growth in offering meaningful interactions within our brand.

Moreover, innovative partnerships such as our collaboration with TVB Malaysia, positions us as a multifaceted lifestyle and entertainment destination. At the same time, by collaborating with TVB's renowned artistes in our on-ground community outreach activities, we not only attract a broader customer base which include the female demographic and younger players, but also amplify awareness for our Project Magnum Hearts initiative, driving support for charitable causes made available on our MyMagnum 4D app.

Building upon the extensive marketing and promotional activities we undertook the year before and spearheading the groundbreaking initiatives listed above, your Company indeed made bold strides towards market expansion, reaching new segments particularly the female demographic and the digitally savvy younger generation. To deepen our penetration and successfully capture the interest of these markets effectively, we also initiated service levels enhancements and made upgrades to our outlet experience. These initiatives have measurably improved footfall, solidifying our commitment

Chairman's Statement

(cont'd.)

towards evolving to meet the diverse needs and expectations of our expanding customer base.

Furthermore, our ongoing initiatives, including new customer satisfaction tracking and measurements, and elevating the quality of our customer service centre, emphasise our commitment to setting higher standards for customer satisfaction.

RECOGNISED FOR EXCELLENCE



I am proud to announce that Magnum Corporation Sdn. Bhd ("MCSB") was named the winner of the Automation – Retail category at the prestigious Malaysia Technology Excellence Awards 2023 by Asia Business Review, where we were recognised for revolutionising the NFO industry with the introduction of our proof-of-concept Self-Service Kiosks initiative towards enhancing customer experience, improving operational efficiencies, and promoting sustainability in Malaysia's NFO landscape.

MCSB also won the 'Company of the Year' award under the NFO industry category for Social and Community Care at the Sustainability & CSR Malaysia Awards 2023. This acknowledgement shines a spotlight on the impact we are making beyond our core operations, where we are pushing boundaries in providing impactful actions, while also showcasing our holistic commitment in being a responsible corporate citizen, especially in championing ESG practices.

For the 10th year running, MCSB has successfully been certified with the internationally recognised World Lottery Association: Security Control Standards (WLA-SCS) as well as the ISO27001:2013 certifications. This milestone achievement not only demonstrates that our Information Security Management Systems meet internationally recognised standards, but also bears testament to our commitment to the continued integrity and security of our operations. We remain committed to ensuring our security controls processes continue to be aligned with industry best practices, while simultaneously enabling business innovation.

Chairman's Statement

(cont'd.)

These awards and accolades are testaments to your Company's unwavering commitment to driving innovation, enhancing customer experience, fortifying our fundamentals and social responsibility. Each recognition reflects our tireless pursuit towards excellence and staying at the forefront of innovation.

The Board had declared four interim single-tier dividends totaling 6.0 sen per share for FY 2023 as compared to 5.0 sen per share for FY 2022.

GEARING AND DIVIDENDS

While the global high interest rate regime persisted in FY 2023, MCSB redeemed a total of RM65.00 million of its Medium-Term Notes ("MTN") in September 2023 and November 2023. In addition to the above, MCSB pre-paid a total of RM52.50 million of its MTN in December 2023, thus bringing the total MTN repaid during FY 2023 to RM117.50 million. With this repayment, the outstanding amount under MCSB's 20 years MTN programme has reduced from RM895.00 million to RM777.50 million. With a lower outstanding amount of MTN, MCSB is working towards reducing its interest expenses in the years to come.

Supported by strong operating cashflows, despite the above repayments of its MTN during FY 2023, the Board had declared four interim single-tier dividends totaling 6.0 sen per share for FY 2023 as compared to 5.0 sen per share for FY 2022.

LOOKING FORWARD

FY 2023 proved to be a successful year despite the challenges posed by a volatile world economy, a depreciated Malaysian Ringgit, and geopolitical issues. Our collective resilience, dedication, and hard work were evident, leading to a robust recovery in overall sales. Upholding values of trust, integrity, and excellence, we consistently strive for better, greener, and more sustainable practices, achieving both small and significant milestones through outstanding teamwork across the company.

Our renewed operating agreement with our agents solidifies a commitment to positive and mutual results, reinforcing a performance-based culture that will drive future sales growth. Witnessing this collaborative spirit in action is truly heartening and speaks to the success it promises.

Looking forward and as we enter FY 2024, it is our hope that the NFO industry will continue to benefit from a positive economic environment and your Company remains optimistic that there shall be further opportunities for greater growth in FY 2024.

Our growth is poised to be anchored by our ongoing efforts in pioneering digital innovations, in ushering a new era of customer experience, unlocking excellence and propelling growth in all our endeavours, and reinforcing our commitment to maintaining leadership in ESG practices.

We will remain steadfast in all our undertakings and stay true to our Vision of 'Inspiring Hope to Our Community with Passion and Innovation'.

APPRECIATION AND ACKNOWLEDGEMENTS

Given the challenges in FY 2023 that may somehow influence the outcome of any achievements in the year under review, I must concede that FY 2023 was another satisfying year. For this, I would like to express my utmost appreciation to my fellow Board members for their invaluable advice and governance, our Exco Committee as well as the management team, and all Magnum employees for their unwavering efforts towards our continued growth and success despite any adversities that may occur along the way. Their commitment sets us apart from the competition.

Our sincerest gratitude also to all our customers, shareholders, investors, bankers, sales partners, frontliners, suppliers and government authorities for their trust and continued support over the years.

As we continue this exciting journey of transformation, I urge every stakeholder to contribute to a sustainable future, making a meaningful impact. Our present actions will shape the Company's identity tomorrow, and I take immense pride in our collective achievements and boundless potential. Let us stand united in our pursuit of excellence.

I look forward to meeting you all at the forthcoming Annual General Meeting.

TAN SRI DATO' SURIN UPATKOON

Chairman
27 March 2024

推动创新， 迈向更光明的未来

前言

在年度回顾中，我们见证了一系列针对强化核心运营、提高效率 and 推动数字化方面的集体努力。

我感到非常自豪，因为我们企业的核心理念扎根于坚定不移地创造积极转型的承诺。今年的年度财务报告主题：“推动创新，迈向更光明的未来”，概括了我们以创新、可持续性和增长为导向的共同愿景。这一承诺不仅促进了技术的发展与进步，还重新定义了博彩体验，为所有利益相关者提供了更加美好的未来和更优质的客户服务，巩固了我们作为领先万字营运商("NFO")的地位。

与此同时，我们也致力于优化运营的每一个细节，以提高服务效率，并深化我们对可持续发展的承诺，让我们认识到运营对环境和社会的影响。

在不断创新与战略性转型的努力下，我们成功简化了运营模式，培育了创新的文化，开展了更多有效的商业项目。我为此感到骄傲，因为我们不仅成功降低了运营成本，还提高了客户对我们服务的满意度。

在不断变化的商业环境中，我们将重心放在战略领导能力和创新文化上，并成功执行了许多有效的战略性决策，巩固了公司的未来发展方向。我们致力于建立更强大的商业环境，注重战略性领导，以持续取得成功。

毫无疑问，我们正在全方位努力，引领公司向着光明和充满希望的未来前进。同时，我们也成为了重塑NFO运营领域的转型动力，确保我们始终处于积极转型的前沿。我对未来的发展充满期待。

“

各位尊敬的股东，

谨此，本人代表万能有限公司（“万能”或“本公司”）董事局，非常荣幸地向您呈报我们截至 2023 年 12 月 31 日财务年度（“2023财年”）的常年财务报告。

”

丹斯里拿督刘锦坤
主席



主席献词

(延续)

业务成果

2023年对马来西亚来说是一个充满挑战的一年，因为疫情影响逐渐减弱，但全球需求低迷、国际紧张局势和通胀担忧等问题仍然存在，导致马来西亚经济增长保持疲软态势。尽管如此，我们公司在转型计划的推动下，依然取得了积极的业绩增长。2023财年的营收达到21亿6千万令吉，比去年同期增长了超过6.3%。更令人瞩目的是，税前利润增长了17.9%，达到了1亿8千8百43万令吉，相较于2022年的1亿5千9百86万令吉，增长了2千8百58万令吉。公司持有者应占利润为1亿2千5百27万令吉，每股盈利8.72仙，较去年的每股盈利7.0仙有所增长。

尽管我们的行业整体表现良好，但非法万字营运商的持续威胁仍然是我们面临的主要阻碍。合法万字营运商受到严格博彩条规的约束，而非法营运商则在无监管的情况下营运，对行业和营收造成了严重影响。因此，这仍然是我们面临的年度最具挑战性的业务条件之一。

我们对有关执法机构在打击非法营运商方面的努力表示赞赏，并感谢在业的合法万字营运商和财政部的合作与努力。尽管取得了进展，非法万字营运商试图绕过法律的约束，转向在线平台，因此我们仍然继续支持与给予合作，以应对这一挑战。

我们坚定地呼吁加强法律约束，打击本地和海外非法万字营运商提供的非法博彩活动。

为了在合法与非法万字营运商中脱颖而出，我们将继续提供优质客户服务，提升客户与品牌的整体体验，并在业务的各个方面积极追求创新。

我们正致力于为每位顾客重新塑造全新的博彩体验，从自助销售服务亭到专为销售前线人员设计的应用程序，再到增强和改善我们的MyMagnum 4D应用程序。



万能 2025 宏愿：推动企业转型，共创美好未来

我们的多年转型计划正在推动公司步入数码化时代，在这个时代，我们能够为客户的成长铺下数码创新的基石。我们的团队以持续学习的精神，借助数码工具，将商业策略定位为为顾客提供无与伦比的客户体验，并推动我们成为一个为未来准备就绪的企业。

为了改进我们的科技环境，我们采用了托管云和数据中心服务，这使得我们的团队能够将更多的时间投入到与更广泛的利益相关者接触和开发新的互联网业务解决方案上。我们对于数码化的承诺体现在公司的转型创新中，这些转型创新将惠及顾客、销售前线人员和代理商。我们正致力于为每位顾客重新塑造全新的博彩体验，从自助销售服务亭到专为销售前线人员设计的应用程序，再到增强和改善我们的MyMagnum 4D应用程序。



营收

21亿6
千万令吉

2023财年

2022财年的
20亿3千万令吉



税前利润

1亿8千8百43
万令吉

2023财年

2022财年的
1亿5千9百86万令吉



每股盈利

8.72仙

2023财年

2022财年的
7.0仙

我们成功地迈出了开创性的一步，通过在销售店进行自助销售服务亭的测试，成功证明了顾客和代理商都已经准备好接受新的投注方式和选择。顾客也提供了积极的反馈，证明了自助销售服务亭的操作简单便捷。这项创新倡议的成功得益于我们的转型计划，得以高效和成本效益地执行。

对于可持续环境、社会和治理实践的坚定承诺

我非常荣幸地宣布，仅是2023财年，我们万能爱心 (MagnumCares) 旗下的企业社会责任计划就协助了全国 43,000 位受益者，捐款总额超过 1百50 万令吉。

同时，我们公司正在领导多项具有深远影响的慈善项目，如我们的爱心扫码捐赠计划 (Project Magnum Hearts) 和太阳能安装计划等。这些举措体现了我们对可持续发展环境、社会和治理 (ESG) 实践的坚定承诺。这些努力让我们成为社会责任和环境管理方面的先锋。通过这些项目，我们积极参与社区发展和环境保护，为创造更美好的未来贡献力量，展现了我们对社会责任和环境责任的认真态度。

通过爱心扫码捐赠计划 (Project Magnum Hearts)，我们将业务目标与社会责任计划实践数码化整合，使命在于通过数码化渠道让顾客参与企业社会责任项目。顾客可以通过我们的MyMagnum 4D应用程序在线支持和参与企业社会责任项目。我们所支持的4个慈善项目，与我们客户的价值观一致，旨在解决全国弱势群体的粮食短缺问题，并支持贫困社区的教育机会。这种透明的方法为顾客们关心的项目创造了直接而持久的影响，因此获得热烈反响。超出了所有预期，这四个慈善机构成功获得了大约230位自愿者，并计划准备付出他们的时间和行动，以支持这一些社会责任项目，实现了企业与社会之间的双赢局面。

我们对绿色企业理念的承诺体现在多个项目中，例如我们去年推出的全集团首个环保回收计划。除此之外，我们还启动了节能计划，旨在减少全国各办公室的用电量。此外，我们还发起了太阳能板安装计划，迈出了实践可持续能源的重要一步。这些努力突显了我们致力于可持续性转型的决心，为更加光明和负责任的未来建立了坚实的基础。

我们万能爱心 (MagnumCares) 旗下的企业社会责任计划就协助了全国 43,000 位受益者，捐款总额超过 1百50 万令吉。



在这一份常年财务报告里可以清楚地寻获我们为慈善机构社区与社群所提供援助与可持续发展的有关信息。我们以环境，社会和治理 (“ESG”) 为指导方针，与利益相关者合作塑造未来。

追求卓越，推动成长

在年度回顾中，我们将数码化转型的范围扩展到所有销售代理和前线人员，成功引导他们迈向数码化的前沿。我们的团队正在有效地推动相关的领导培训项目，为我们的销售人员提供了支持，这是传统方式无法达到的规模。同时，我们也推动了不同类型的培训项目，旨在为员工提供追求卓越的机会，并坚持我们不断学习和进步的承诺，以培养持续增长的文化。通过这些培训项目，我们为销售代理和前线人员提供了所需的技能和知识，使他们能够适应数码化转型的需求，并在不断变化的市场中取得成功。

值得注意的是，通过我们推荐给销售前线人员的应用程式大大提升了他们对数码化的适应能力。这个转型举措不但改善了工作表现与促进了绩效的提升，也为他们提供了实时数据和学习机会。除了改善整体营运模式，我们也积极运用科技来提高营运效率。此外，这举措推动了持续学习，进而提倡高效文化。

主席献词

(延续)

主席献词

(延续)

在提倡负责任博彩这方面，我非常兴奋地与大家分享，超过90%的销售前线人员已成功地完成了他们的负责任博彩培训和评估。这个上升趋势不仅反映了我们的销售前线人员对负责任博彩有着更高的理解，也将我们的负责任博彩的文化融入了公司里。

身为全国第一家获得世界彩票协会第3级负责任博彩认证的万字营运商（“NFO”），这个里程碑也让我们处在一个极为关键的位子去推广我们对实践负责任博彩的承诺。为了进一步巩固我们的立场，我们每年都会举办一个负责任博彩周，让所有员工和销售前线人员参与，以实际行动来支持更安全、更健康的博彩活动。

合作开创客户体验新时代

我们全新的万能开彩厅标志着我们在提供身临其境和愉快的客户体验方面迈出了重要的一步。这一举措符合我们致力于创造与客户共鸣的空间，并增强他们与我们品牌整体参与度的愿景。除此之外，我们在MyMagnum 4D应用程序中推出的专属M Premium会员计划也让我们在市场上独树一帜，进一步推动了持续性价值和参与度。超过三分之一的普通会员已经升级成为专属会员，这为M Premium赋予了强大的品牌价值定位，并为顾客提供了有意义的互动和持续增长。

此外，我们与马来西亚无线电视广播台（TVB Malaysia）的全新合作关系为客户提供了多元化的娱乐选择。通过与香港TVB著名艺人合作的社区活动，我们成功吸引了更广泛的客户群，包括女性群体和年轻一代。这些合作活动不仅提高了大众对万能爱心扫码捐赠计划（Project Magnum Hearts）的认知，还鼓励并推动了MyMagnum 4D应用程序上的慈善支持。这种跨界合作为我们的品牌赋予了更广泛的影响力，为我们的业务发展开辟了新的可能性。

经过前一年的广泛营销和促销活动带动开创性举措之下，公司确实在市场扩展中迈出了大胆的一步，踏入了新的市场，尤其是女性群体和年轻一代。为了融入新市场并符合客户群的需求，我们也开始增强客户服务水平以及提升销售店里的体验。这一些举措有效地改善客流量，也让我们继续提供多元化的服务和扩大客户群，巩固了我们朝着满足不断扩大的客户群体多样化需求和期望的承诺。

不但如此，我们目前的新举措，包括收集顾客的满意指数，以及提升我们客户服务中心的品质，也表明了我们要提高顾客满意指数的承诺。

卓越认可



我引以为豪地宣布，万能企业私人有限公司（“MCSB”）被《亚洲商业评论》（Asia Business Review）评为2023年马来西亚技术卓越奖—零售自动化（Malaysia Technology Excellence Awards 2023, Automation - Retail Category）我们旨在改善顾客体验，提高运营效率，同时推广马来西亚万字营运商业环境的可持续性而推出了自助销售服务亭。这个有概念验证的自助销售服务亭，为万字营运商行业带来了创新，我们因此而受到了认可。

万能企业私人有限公司（“MCSB”）也荣获了2023年马来西亚可持续发展与企业社会责任下的万字营运商持续推行社会和社区活动辅助关怀举措的“最佳公司奖”。这个奖项展现了我们在核心业务以外所带来的影响和努力—我们在提供具有影响力的行动中突破自我，尤其在带动实践环境、社会和治理的承诺，我们展示了一个负责任的公民应有的本分。

万能企业私人有限公司（“MCSB”）连续十年成功荣获世界彩票协会—安全控制标准（WLA-SCS），以及ISO27001:2013的认证。这个成就不仅见证了我们在资讯保安系统管理获得了全球性的认可，也证明了我们认真地保持业务完整性和安全性的承诺。我们将会继续致力于确保我们的安全控制流程与行业的最佳实践对齐，同时实现业务创新。

这些奖项和荣誉都是公司对于推动创新，提高顾客体验，巩固我们的基本原则与社会责任的坚定承诺。每一项认可都反映了我们追求卓越的不懈努力，以及持续引领在创新的尖端与领先地位的努力。

董事会宣布了总计每股6.0仙的四个中期单层股息，相比之下，2022财年每股仅为5.0仙。

债务和股息

在2023财年，尽管全球高利率环境持续存在，万能企业私人有限公司（“MCSB”）于2023年9月和2023年11月分别偿还了总额为6千5百万令吉的中期票据（“MTN”）。此外，MCSB也于2023年12月提前偿还了总额为5千2百50万令吉的MTN。这使得2023财年所偿还的MTN总额达到1亿1千7百50万令吉。随着这一偿还，MCSB 20年期MTN计划的未偿还金额已从8亿9千5百万令吉减少至7亿7千7百50万令吉。有了更低的未偿还MTN金额，MCSB正努力减少未来几年的利息支出。

尽管在2023财年进行了上述MTN的偿还，但在强劲的营运现金流支持下，董事会宣布了总计每股6.0仙的四个中期单层股息，相比之下，2022财年每股仅为5.0仙。

展望未来

尽管面临世界经济的动荡、马币贬值以及地缘政治问题的挑战，但我们成功度过了2023财年，被认证为一个成功的一年。这归功于我们集体的韧性、无限的奉献和努力不懈的精神，这些特质在整个组织中都是显而易见的，进而带来了整体销售的强劲复苏。我们秉持着信任、诚信和卓越的价值观，持续追求更良好、更环保、更永续的策略。在公司卓越的团队精神和合作下，我们不断实现多项的里程碑，为创造更美好的明天做出了贡献。

我们与代理商达成的全新运营协议巩固并加深了我们积极合作和共同成果的承诺，进一步强化了以成绩为基础的文化，推动了未来的销售增长。通过彼此的合作与努力，实现共同的商业目标，使我们能够共同创造更加美好的未来。

随着我们进入2024财年，希望我们的行业能够继续受益于积极的经济环境，公司也对2024财年有更大增长机会抱有乐观期待。

我们将会继续开拓数码创新，引领新时代的顾客体验，并从中展示我们的卓越增长，也加强我们在环境、社会和治理实践中保持领导地位的承诺—这将会是我们来年增长的基础。

我们将继续推进我们的业务，并忠于我们的愿景，即“以激情和创新为我们的社区点燃希望”。

感谢与认可

在2023财年中所面临的挑战或许稍微影响了里程碑成果，但是无可否认，2023年是一个令人满意的一年。于此，我要向我的董事会同仁们表示最诚挚的感谢，感谢他们提供的宝贵建议和治理，以及我们的执行委员会和管理团队，以及所有万能员工，感谢他们在我们持续增长和成功的道路上始终如一的努力。尽管可能会遇到任何困难，他们的承诺也让我们在竞争中脱颖而出。

我也想衷心感谢我们所有的顾客、股东、投资者、银行家、代理商、销售前线人员、供应商、以及政府机构，感谢他们多年来对于我们的信任和不间断的支持。

在我们继续前往这转型旅程，我也要呼吁所有利益相关者继续作出贡献，尽一份心力，以作出有意义的影响力。我们现阶段的行动将会重塑公司明日的身份，而我也对我们的集体成就和无限潜力感到非常自豪。让我们团结一致地追求卓越吧！

最后，期待在来临的年度股东大会，大家再见！

丹斯里拿督刘锦坤

主席

2024年3月27日

(主席献词声明是从英文翻译而来)

主席献词

(延续)

Statement on Management Discussion and Analysis

MAGNUM BERHAD (“MAGNUM OR COMPANY”) IS PRINCIPALLY ENGAGED IN INVESTMENT HOLDING ACTIVITIES WHILE ITS MAIN SUBSIDIARIES ARE PRIMARILY INVOLVED IN THE OPERATIONS, MANAGEMENT, AND SALES OF FOUR-DIGIT (“4D”) NUMBERS FORECAST BETTING AND ITS VARIATION GAMES.

OVERVIEW

Magnum, through its wholly owned subsidiary, Magnum Corporation Sdn. Bhd. (“MCSB”) holds a license to operate the 4D numbers forecast betting and its variation games. MCSB currently has 4 games in its games’ portfolio, namely the 4D Classic, 4D Jackpot, 4D Jackpot Gold and Magnum Life game. The 4D Classic game remains the best-selling game in Malaysia, whilst the most popular Jackpot game is the 4D Jackpot game. Through its 8 gaming subsidiaries, which act as area agents, MCSB has an agency network of 485 sales outlets. Of these 485 outlets, 13 outlets in Kedah and 1 outlet in Perlis have suspended operations for the time being as the local councils in these respective states did not renew their local trading licenses in 2023.



BUSINESS PERFORMANCE

A) Revenue

Malaysia’s economy grew 3.7% in 2023, moderating from FY 2022’s 8.7% rise and falling below the Government’s 4.0% target. This continuous growth was supported mainly by increasing household spending, improvement in the labour employment market, increasing inbound tourism and lastly, sustained investment activities. Headline inflation has also reduced to 2.5%.

Consistent with the above statement and aligned with Bank Negara Malaysia’s economic report citing a boost in economic growth from increasing household spending, the Group registered a total revenue of RM2.16 billion for the financial year ended 31 December 2023 (“FY 2023”), which marks an RM128.83 million increase from the previous year’s revenue of RM2.03 billion, reflecting a notable 6.3% increase.

The Gaming division remains an important pillar in contributing to the above revenue. Despite conducting a significantly lower number of draws in the current financial year (2023: 165 draws; 2022: 179 draws), the Group achieved a higher gaming revenue at RM2.16 billion, surpassing the RM2.03 billion recorded in the previous financial year. The higher gaming revenue was

Our newer products, namely the Magnum Life game and 4D Jackpot Gold game, each recorded double-digit growth in average incremental sales per draw for the year.



primarily attributed to the ongoing recovery of our gaming business in 2023, aided by a number of successful 4D Jackpot runs during the financial year under review.

When compared by absolute amounts on a sales per draw basis, with a lower number of draws in FY 2023, the overall sales per draw for FY 2023 increased by 15.0% as compared to FY 2022. Corresponding to the good jackpot runs, Magnum’s 4D Jackpot game improved the most in percentage terms. The 4D Classic game, our paramount product, also recorded a strong recovery in sales. Our newer products, namely the Magnum Life game and 4D Jackpot Gold game, each recorded double-digit growth in average incremental sales per draw for the year, and successfully attracted a younger demographic of new players into our outlets.

The proliferation of illegal operators in the NFO industry continues to be a significant threat, marked by an extensive distribution network. More recently, they have focused heavily on the online space to expand operations while building resilience against ground-based enforcement. These illegal operators not only deprive the Government of significant tax revenue, but also continue to entrench their role and influence in the country’s shadow economy.

Despite these challenges, we appreciate the substantial measures taken by authorities to clamp down on these illegal activities. Collaborating closely with these authorities,

we are diligently addressing this threat, recognising the necessity for concerted actions to invest more time and resources to effectively curb these illegal operations. The actions taken by the authorities are a positive step, and we applaud their commitment to addressing this crucial issue. Nonetheless, substantial efforts still lie ahead, and our ongoing collaboration is essential to strengthen our capability to mitigate these illegal threats. This entails advocating for the introduction of new laws that will impose stiffer mandatory penalties for all participants involved in illegal gambling activities. Importantly, the greatest beneficiary of such laws is the Government itself, as they will yield a significant financial impact to their coffers through the increase of gaming taxes as players who previously supported illegal operators migrate back to legal NFOs.

To further level the playing field and discourage support for illegal operators, we are actively engaging with authorities to grant us the approval for expanding our distribution channels beyond our traditional brick-and-mortar retail channel.

At the same time, through collaborations like the one with TVB Malaysia, we are expanding our customers’ journey to include entertainment experiences tailored to create multiple levels of engagement and value within our MyMagnum 4D app ecosystem and M Premium membership programme.

Statement on Management Discussion and Analysis (cont’d.)



Sales Outlets

MCSB has an agency network of 485 sales outlets

(including 14 suspended sales outlets in Kedah and Perlis)



The overall sales per draw for FY 2023 increased by 15.0%

as compared to FY 2022

Statement on Management Discussion and Analysis

(cont'd.)

The Company paid a total of RM79.05 million dividends to all its shareholders in FY 2023.

The investment in our new Draw Auditorium underscores our commitment to enrich customer experiences, unveiling an immersive and enjoyable environment aligned with our customers' evolving preferences.

These initiatives deepen our engagement with our customers, positioning your Company as a versatile lifestyle and entertainment hub. These endeavours strengthen our brand, broadening our position and appeal, particularly towards the female and younger demographics. It also plays a vital role in curbing the influence of illegal operators, safeguarding our customer base.

The revenue of the Investment Holdings and Others segment was flat at RM0.22 million in FY 2023 as compared to RM0.23 million for FY 2022.

B) Costs and Expenses

In line with the higher gaming revenue, the total costs, and expenses before finance costs of the Group increased from RM1.836 billion in FY 2022 to RM1.940 billion in FY 2023. The increase of RM103.92 million was mainly due to:

- (i) The increase in Cost of Sales amounting to RM119.77 million primarily stems from increased prize payment payouts. This escalation correspondingly aligns with the overall sales growth in FY 2023 when compared to FY 2022.
- (ii) On the other hand, other expenses in FY 2023 decreased by RM17.06 million predominantly due to more focused spending on promotional and marketing expenses, and cost optimisations resulting from improvements to campaign management and data analytics built upon past learnings. Over and above, the Group has also implemented improvements to procurement during the financial year under review that have also contributed to the overall savings in expenses.



- (iii) The overall administrative expenses increased marginally by RM1.20 million mainly contributed by manpower cost.

C) Profit Before Tax ("PBT")

The Group's PBT continues to improve in FY 2023 to RM188.43 million, representing 17.9% improvement when compared to FY 2022's PBT of RM159.86 million. The higher PBT was mainly due to continuous recovery of our gaming business in 2023, coupled with lower operating expenses but mitigated by higher prizes payout in the financial year under review.

D) Profit After Tax ("PAT")

The Group registered a PAT of RM126.50 million for FY 2023 as compared to the previous year's PAT of RM101.08 million, representing a 25.1% improvement. After accounting for the Minority Interest's share in PAT, the profit attributable to the owners of the Company was RM125.27 million, translating to an EPS of 8.72 sen.

E) Liquidity and Capital Resources

The Group has financed its capital expenditure and working capital requirements principally through cash generated from operations.

Statement on Management Discussion and Analysis

(cont'd.)

Guided by our 'Magnum Beyond 2025' transformation programme, the leadership in Magnum is well-positioned to deliver continued growth as we forge ahead towards building a sustainable future.

The Group's Cash and Bank Balances stood at RM174.23 million as at 31 December 2023 compared to RM191.36 million as at 31 December 2022. This reduction was after the Group paid down a total of RM117.50 million of its Medium-Term Notes ("MTN") during the year under review. In addition, the Company paid a total of RM79.05 million dividends to all its shareholders in FY 2023 (2022: RM71.86 million). All these were made possible as the Group experienced strong cash flow from operations.

F) Gearing

MCSB issued MTN totaling RM1 billion under its 20 years MTN programme in September 2012 and utilised this to pay off its term loan obtained to finance its selective capital repayment exercise in 2008.

Two series of the MTN amounting to RM50.00 million and RM15.00 million respectively, which matured in September 2023 and November 2023 have been redeemed by MCSB upon maturity. In addition, MCSB pre-paid a total of RM52.50 million for its MTN in December 2023, thus bringing the total MTN repaid during FY 2023 to RM117.50 million (2022 net repayment: RM55.00 million). After the repayments, the total outstanding MTN stood at RM777.50 million. With a lower outstanding amount of MTN, MCSB is working towards reducing its interest expenses in the years to come.

After these repayments, the gearing ratio of the Group has improved to 35.9% as at end of FY 2023 as compared to 38.0% as at end of FY 2022. This ratio is calculated as net debt divided by equity attributable to owners of Magnum. Included within net debt are borrowings, payables less cash and bank balances and short term deposits.

PROSPECT AND MARKET OUTLOOK

While the Malaysian economy's growth is projected to improve between 4% and 5% in FY 2024, primarily on the back of a recovery in the manufacturing sector and resilient domestic demand, it's important to acknowledge that growth also faces potential risks from both external and domestic forces. Additionally, headline inflation is expected to average between 2.1% and 3.6% for FY 2024.

Bank Negara Malaysia opines that for FY 2024, growth of the Malaysian economy is expected to trend higher, lifted by the recovery in exports and resilient domestic expenditure. Household spending will be supported by continued growth in employment and wages. Tourist arrivals and spending are expected to improve further. Moreover, investment activity will

be supported by continued progress of multi-year projects in both the private and public sectors, and the implementation of catalytic initiatives under the national master plans. Malaysia's Budget 2024 measures will also provide additional boost to economic activities. However, the growth outlook faces potential downside risks from weaker than expected external demand and declines in commodity production or prices. Conversely, further upside gains may come from domestic growth that may emanate from greater spillover effects from the tech upcycle, stronger-than-expected tourism activity and accelerated implementation of both existing and new projects.

In tandem with this positive economic outlook for FY 2024, it is envisaged that the NFO industry will continue to benefit from it, presenting opportunities for further growth in years to come. Guided by our 'Magnum Beyond 2025' transformation programme, the leadership in 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.

While we are confident that the strategic directions outlined above will yield positive outcomes, we are well aware that our biggest threat and competition comes from the illegal operators. We will remain steadfast in our efforts and commitment to collaborate with Government agencies to clamp down on illegal betting activities. This concerted effort not only translates into increased tax revenue for the Government but also paves the way for greater revenue as well for the Group. It's a win-win situation for all stakeholders.

We look forward to FY 2024 with renewed optimism and vigour, confidently poised for greater growth and success.

This Statement was approved by the Board on 27 March 2024.



The gearing ratio of the Group has improved to **35.9%** as at end of FY 2023 as compared to 38.0% as at end of FY 2022



The Group registered a Profit After Tax of **RM126.50 million** for FY 2023 as compared to the previous year's Profit After Taxation of RM101.08 million

Sustainability Statement



1

Overview

This Sustainability Report for Magnum Group (“MAGNUM” or “the Group”) primarily addresses the economic, environmental, and social sustainability aspects of Magnum Group’s operations and management for the financial year ended 31 December 2023 (“FY 2023”), with historical data of the preceding years, where available and relevant.

Sustainability Statement

(cont’d.)

ABOUT THIS REPORT

It underscores the Group’s dedication to conducting business responsibly and sustainably, and delineates the various practices integrated into the Group’s operations with the commitment of generating greater value for its businesses, stakeholders, and society at large. The information and data presented in this statement originate from internal reporting processes, systems, and records. The report has been prepared in accordance with the Sustainability Reporting Guide and Toolkits provided by Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

Reporting Scope and Boundary

This Sustainability Statement summarises the sustainability performance of Magnum Group, including all operating subsidiaries.

Reporting Cycle

Annually

Reporting Period

1 January 2023 to 31 December 2023 (“FY 2023”)

Reporting Guidelines and Principles

Principle Guideline:

- Global Reporting Initiative (“GRI”) Universal Standards

Additional Guidelines:

- Bursa Malaysia’s Sustainability Reporting Guide
- FTSE4Good Bursa Malaysia ESG Index
- United Nations Sustainable Development Goals (UNSDGs)

Reliability of Information Disclosed

The accuracy of the statement’s content has been:

- Reviewed by the ESG Committee
- Reviewed and assured by internal auditors (refer to the Statement of Assurance on page 63)
- Approved by the Board of Directors

Feedback

Magnum is dedicated to enhancing its sustainability efforts and values input from stakeholders regarding its sustainability reporting and performance. We encourage you to share any comments or questions through the “Help” section or the Customer Service “Careline Support Chat” on the Magnum 4D website. (<https://www.magnum4d.my/>)

SUSTAINABILITY STATEMENT

In Magnum, we prioritise a balanced approach in conducting business, focusing on the well-being of all stakeholders, environmental stewardship, and creating a sustainable legacy. Our ethos involves integrating sustainability into our operations, reflecting a strategy that fosters opportunities for individuals, bolsters communities, and preserves the environment while elevating industry standards across all facets of our activities.

In 2023, Magnum fortified our sustainable practices through the Group-wide Sustainability Procedure, guided by the United Nations Sustainable Development Goals (“UNSDGs”). These enhancements reflect our commitment to embedding sustainability goals with Environment, Social, Governance (“ESG”) principles within our operations. Additionally, we have established Group-wide policies and guidelines to further support our efforts in managing operational impacts and monitoring performance.

Magnum takes pride in sharing the tangible outcomes of our operations and how they generate sustainable value for our diverse stakeholders. Our objective remains to meet the needs of the present generation without compromising the welfare of future generations.

Our ESG Commitment

Guided by the UNSDGs, Magnum is committed to advancing its sustainability agenda, particularly concerning ESG practices. Since 2022, the Group Risk Management Committee transitioned the Sustainability Committee into the ESG Committee, underscoring the Group’s dedication to intensifying its ESG focus for long-term success. Spearheaded by senior management and supported by a sub-committee comprising key operational members, the ESG Committee is tasked with crafting medium-term strategies aimed at addressing pressing issues, notably those related to climate change.

Sustainability Statement

(cont'd.)



To fulfil our pledge to reduce future greenhouse gas (“GHG”) emissions, in 2023, the Group increased efforts into renewable energy exploration to mitigate the effects of climate change. Through this initiative, the Group aims to progressively decrease our carbon footprint and align with the Government’s Twelfth Malaysia Plan to attain net-zero GHG emissions by 2050.

Magnum Sustainability Policy

Magnum established organising principles for holistic ESG and sustainability practices in the Company and its subsidiaries to fulfil our duty to meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

In addition, the increasingly apparent effects of climate change highlight the need to address its impacts across all businesses and industries. It is imperative for Magnum to embrace and embed climate change management within our organisation to build resilience, responsiveness, and future readiness.

Magnum Sustainability Focus Areas:

- Responsible Gaming: Magnum commits to Responsible Gaming and fully adheres to WLA’s Level 3 Responsible Gaming certification framework.
- Reducing Carbon Emission: Magnum aims to reduce carbon emission to decrease environmental harm.
- Customer Centricity: Magnum commits to upholding customer centricity by improving meaningful customer engagement and experience.
- Employee Development: Magnum empowers its employees by providing career growth opportunities, commit towards their health and safety and provide a necessary environment for harmonious well-being.
- Green Materials: Magnum encourages the use of ‘eco-friendly’ raw materials by standardising the governance in our supply chain, wherever possible.
- Waste Mitigation: Magnum aims to provide appropriate solutions and actions to mitigate waste management.

Sustainability Statement

(cont'd.)



Environmental

Policies and guidelines

- Sustainability Procedure
- Environmental-related Policy
- Waste Management Policy
- Paperless Initiative



Social

Policies and guidelines

- Safety and Health Policy
- Responsible Gaming Policy
- Learning and Development Policy
- Employee Volunteering Guidelines
- Frontliner Aid Scheme for Sales Operators



Governance

Policies and guidelines

- Draw Integrity
- Code of Conduct
- Information Security Policies
- Anti-Bribery and Anti-Corruption Policy
- Personal Data Protection Policy
- Whistleblowing Policy
- Sexual Harassment Policy
- Personal Safety Policy
- Grievance Policy

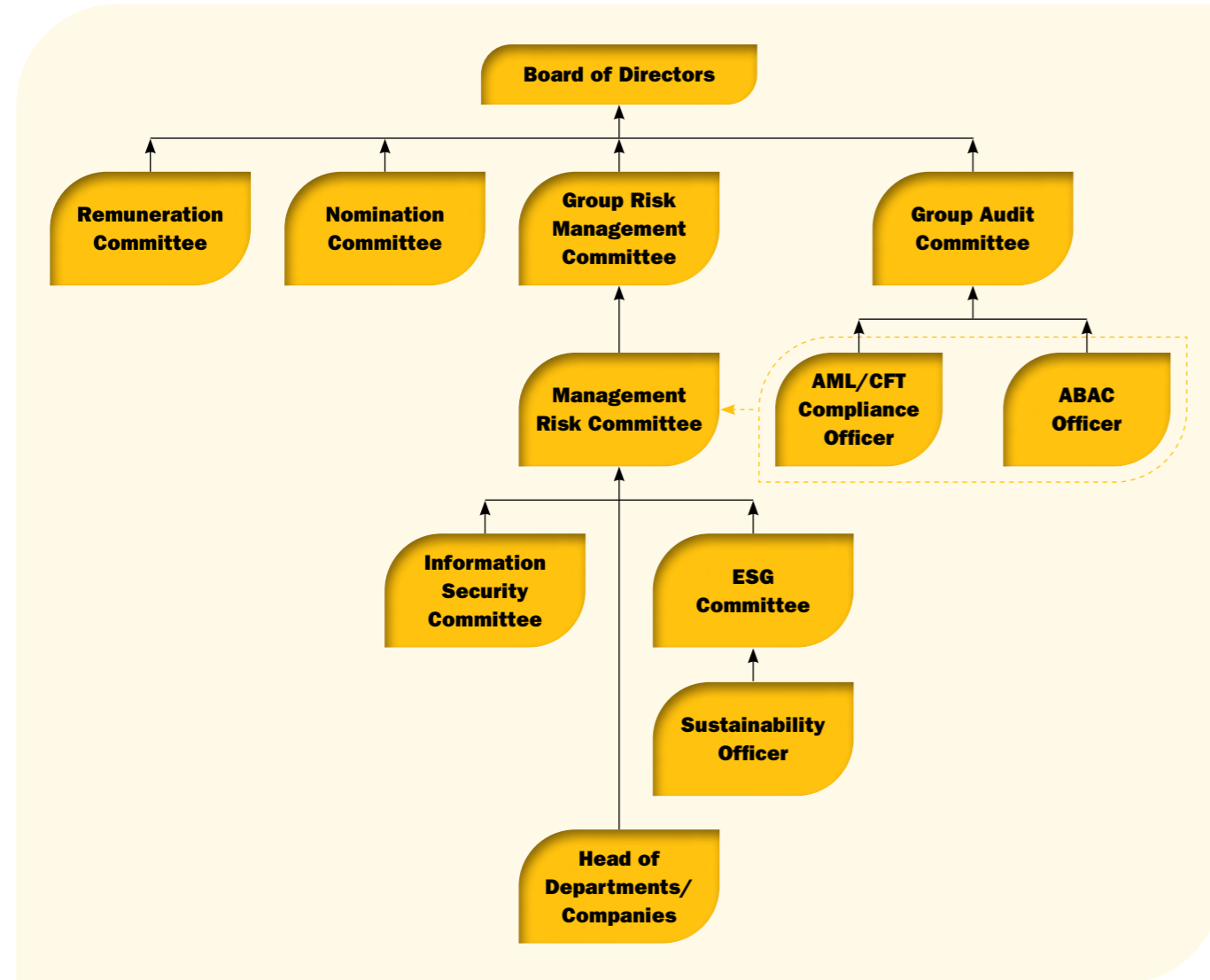
SUSTAINABILITY PERFORMANCE INDICATORS AND CONTRIBUTIONS TO THE UNSDGs

UNSDGs	Related Rationale Goals	Target	Our Contributions
	Promoting mental health and well-being and providing quality health coverage to employees.	<ul style="list-style-type: none"> • Zero workplace fatality • Increase mental health and wellbeing activities for employees 	<ul style="list-style-type: none"> • Providing a safe and healthy workplace with ongoing safety training and measures. • 81% increase in the number of Sports Club activities for employees.
	Providing access to quality education, enhancing skills for employment, and succession plans.	<ul style="list-style-type: none"> • 70% employees are trained annually 	<ul style="list-style-type: none"> • 75% of employees underwent upskilling and training courses, resulting to more than 1,916 hours of learning sessions.
	Achieve gender equality and ensure women’s full and effective participation and equal opportunities for leadership at all levels.	<ul style="list-style-type: none"> • Achieve a workforce representation of at least 40% women 	<ul style="list-style-type: none"> • 51% of employees in the workforce are women. • 40% of management positions are held by women.
	Increase substantially the share of renewable energy in the global energy mix and supporting the improvement in energy efficiency.	<ul style="list-style-type: none"> • Install renewable energy sources at 100% of owned office buildings by 2025 • Actively reduce electricity consumption 	<ul style="list-style-type: none"> • Installed solar panels in 4 out of 9 offices in 2023 to reduce GHG carbon emissions. • Installed ‘Smart Energy’ equipment to measure and reduce the energy consumption in office buildings.
	Ensure equal opportunity and reduce inequalities of outcome, including by promoting appropriate legislation, policies and action in this regard.	<ul style="list-style-type: none"> • Ensure a secure work environment for employees, safeguarding against incidents of sexual harassment 	<ul style="list-style-type: none"> • Formalised the Company’s Sexual Harassment Policy.
	Substantially reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> • Recycle waste of 3000kg annually 	<ul style="list-style-type: none"> • Recycled more than 5,251kg worth of recyclable items during in-house recycling activities.
	Protect and nurture the conservation, restoration and sustainable use of terrestrial ecosystems and biodiversity, implementation of sustainable management of forests and substantially increase afforestation.	<ul style="list-style-type: none"> • Plant 300 trees annually 	<ul style="list-style-type: none"> • Planted 700 trees with Malaysian Nature Society (MNS) at Kuala Selangor Nature Park, which provides refuge for more than 150 species of birds. • Magnum has planted a total of 1,200 trees since 2022.



To view more of Magnum’s UNSDGs contributions for various communities, please refer to pages 52 to 60.

Sustainability Statement
(cont'd.)



SUSTAINABILITY GOVERNANCE

Strong corporate governance and effective leadership are fundamental to our achievements. At Magnum Group, our Corporate Governance Framework serves as the foundation for fostering effective and responsible decision-making throughout our organisation. Within this framework, the Board is responsible for endorsing and analysing the Group's strategic direction and key policies. Moreover, it establishes a robust risk management and internal control infrastructure aimed at creating sustainable long-term value for all stakeholders.

Our governance approach is designed to ensure we conduct our business with integrity and accountability, while advocating for sustainable business practices. Magnum consistently engages with key stakeholder constituencies to drive positive change within the communities we serve.

Sustainability Statement
(cont'd.)

Board and Board-level Committees

Board of Directors (BOD)

- Ultimate governing body with overall Group's risk oversight responsibility.
- Ensure corporate objectives are supported by a sound and effective risk strategy and management.
- Set and approve the long-term direction and goals for sustainability.
- Approve plans and performance targets that are consistent with the ESG risk appetite and risk-taking activities.

Group Risk Management Committee

- Review and approve sustainable risk management strategies, as well as ESG risk framework and policies.
- Review and approve adequacy of ESG risk management policies and framework in identifying, measuring, monitoring, and controlling ESG risks.

Group Audit Committee

- Review the Group's financial reporting process, the system of internal controls, the audit process, and the Group's process for monitoring compliance with laws and regulations, and such other matters which may be delegated by the Board from time to time.

Remuneration Committee

- Formulation of a fair remuneration policy such as rewards and benefits and other terms of employment of the Executive Directors as well as for the Key Senior Management.
- Review and ensure that the remuneration fairly reflects the responsibilities, the expertise required by the Group and the complexity of its operations, in line with the business strategy and long-term objectives of the Group.

Nomination Committee

- Identify and recommend new nominees to the Board and Committees of the Board of the Company and its subsidiary companies.
- Assist the Board to systematically assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each Individual Director on an annual basis.
- Assist the Board in reviewing its required mix of skills and experience and other qualities which Non-Executive Directors should bring to the Board.

Sustainability Statement

(cont'd.)

Sustainability Statement

(cont'd.)

Executive-level Committees

Management Risk Committee

- Review and recommend sustainable risk management strategies for BOD's approval.
- Review and assess adequacy of sustainable risk management framework and policies and the extent to which they operate effectively.
- Provide strategic direction to integrate sustainability into the Group's business strategies and operations.
- Oversee Magnum's due diligence and other processes to manage impacts.

Information Security Committee

- Review and recommend information security risk strategies for the Group.
- Review and assess adequacy of security risk management framework and policies, and the extent to which they operate effectively.
- Review the information security compliances to reduce risk.

ESG Committee

- Set and recommend appropriate strategic goals and KPIs to meet the Group's long-term ESG goals.
- Identify, address and report on sustainability risks, including emerging risks, and mitigation plans.
- Monitor sustainability progress and compliances to adhere to Bursa Malaysia's sustainability requirement.

Senior Management and Working-level Committees

Senior Management and Working-Level Committees

- Ensure the management of Group risk is in line with the approved ESG risk appetite, risk strategy, risk framework, policies, procedures and risk management practices and processes established.

Working Level

Group Risk

- Provide oversight of risk management on an enterprise-wide level by incorporating sustainability risk elements into the Group's risk strategies, frameworks and policies, with independent assessment and monitoring.
- Support the Group in meeting its strategic and business objectives.

KEY AWARDS AND RECOGNITIONS

Best Responsible Gaming Programme in the Country

Magnum continually refines its leadership practices to uphold its role as a responsible corporate entity. As one of the top three legal gaming NFOs in Malaysia, our significant presence and influence in the industry enables us to promote Responsible Gaming ("RG") practices nationwide. Through our wholly owned subsidiary, MCSB, we are recognised for spearheading RG initiatives, earning acclaim from reputable certification bodies like the World Lottery Association (WLA) for championing a reputable RG programme.

In 2012, MCSB became the first NFO in the country to attain WLA's Level 2 RG certification. In late 2021, MCSB furthered its commitment by attaining WLA's Level 3 RG gaming certification, becoming the first in Malaysia to do so. This underscores our commitment to fostering responsible play and cultivating a positive gaming environment for all customers.

Every three years, all Level 3 and 4 Responsible Gaming Framework WLA members are required to undergo recertification. In 2024, MCSB will undergo its Level 3 recertification to maintain the quality of its RG programme and explore innovative methods to further enhance safer and healthier gaming practices.



Safeguarding our Information and Security System

As Magnum advances in its digital transformation journey, we prioritise maintaining strong and resilient business fundamentals amidst ever evolving and increasingly challenging technology and cybersecurity risks. As such, having a robust Information Security Management System ("ISMS") to ensure the integrity and security of our operations is essential.

For the 10th year running, MCSB has successfully been certified with the World Lottery Association: Security Control Standards (WLA-SCS:2020) as well as the ISO27001:2013 certifications. This milestone demonstrates that our ISMS meets internationally-recognised standards, and reflects our commitment to the continued integrity and security of our operations. We remain dedicated to aligning our controls environment with industry best practices, while simultaneously enabling business innovation.

Sustainability Statement (cont'd.)

Malaysia Technology Excellence Awards 2023 – Retail Award

MCSB has been named the winner of the Automation – Retail Category at the reputable Malaysia Technology Excellence Awards 2023 held on 8 May 2023, for its efforts in leveraging technology to transform the NFO industry and drive economic growth in Malaysia. We are recognised for transforming the NFO industry with the introduction of pilot Self-Service Kiosks (“SSKs”) initiative. The first-of-its-kind SSKs were recognised for enhancing customer experience, improving operational efficiencies, and promoting sustainability in Malaysia’s NFO landscape.



Sustainability & CSR Malaysia Awards 2023 – Company of the Year

MCSB was honoured ‘Company of the Year’ under the NFO category for Social and Community Care initiatives at the distinguished Sustainability & CSR Malaysia Awards 2023, held at the Mandarin Oriental Hotel, Kuala Lumpur on 26 July 2023.

The award acknowledges our 2022 endeavours, where we championed various causes from welfare and community support, to health and well-being, education, and environmental issues while addressing targets set by the UNSDGs. This accolade also recognises our significant contribution towards uplifting the lives of the B40, Orang Asli, OKU, single mothers, and refugee communities, positively impacting and empowering over 26,000 lives throughout the nation.



Partnership for Lifestyle and Entertainment

Committed to meeting our customers’ evolving digital demands, our partnership with TVB Malaysia reflects our dedication to go beyond simply digitalising and elevating the gaming experience; we are expanding our customer journey by creating a comprehensive digital platform, offering a diverse range of entertainment options and rewards exclusively for our M Premium members on our MyMagnum 4D app. This strategically positions us as a dynamic lifestyle-oriented brand and creates new opportunities for customer engagement.



Sustainability Statement (cont'd.)

2 EMBARKING ON OUR NEXT JOURNEY

OUR TRANSFORMATION JOURNEY

Since the initiation of the ‘Magnum Beyond 2025’ Transformation Programme in 2020, our focus has been on revitalising operations, committing to customer-centricity and spearheading digitalisation. Three years into this strategic journey, our dedication to these priorities remains steadfast. Our primary emphasis lies in understanding and addressing the evolving needs and desires of our customers and the dynamic pace of our industry. The tangible outcomes of our

accelerated transformation efforts are evident across the organisation. We have embraced new technologies, prioritised training initiatives, and adopted a data-driven approach to optimise our decision-making processes, resulting in an improved customer experience. This comprehensive strategy enhances our speed-to-market, productivity, and efficiency while fortifying our resilience, laying a robust foundation to future-proof our business.



3 STREAMLINING OUR SUSTAINABILITY FOCUS

STAKEHOLDER ENGAGEMENT




Our stakeholders are important to us, and it is vital for Magnum to identify and understand their priorities. Through various channels, Magnum actively involves our stakeholders by nurturing these relationships and establishing trusted connections with them. These stakeholders offer valuable insights to ensure our business strategy, activities, and operations align with their interests, needs, and expectations, thereby fostering a more sustainable future for everyone.

Stakeholders	Engagement Channels and Approach	Objectives for Stakeholders
Customer 	<ul style="list-style-type: none"> Physical outlets and regional offices nationwide. MyMagnum 4D app. Online live chat. Customer Service Centre. Social media platforms. Customer satisfaction (“CSAT”) and Net Promoter Score (“NPS”) surveys. Newsletters, corporate announcements and publications. 	<ul style="list-style-type: none"> Enhance customer service, ensuring it is fast, simple, and convenient. Increase customer satisfaction to increase brand loyalty and brand love. Adhere to Responsible Gaming policy and enhance awareness on responsible gaming practices. Protect and educate against ticket fraud and scams. Provide a fair and trustworthy gaming environment. Protect customers’ personal data and privacy. Enhance product awareness and understanding.

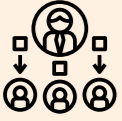

Sustainability Statement
(cont'd.)

Stakeholders	Engagement Channels and Approach	Objectives for Stakeholders
<p>Regulators</p> 	<ul style="list-style-type: none"> Regular meetings and consultations. Regular reporting, engagement, and timely updates. Active participation and regular contribution towards industry and regulatory working groups, forums, and consultation papers. Visits and inspections. Dialogue sessions. 	<ul style="list-style-type: none"> Ensure full compliance with laws, legislative framework, and regulatory requirements to cultivate an ethical culture that complies with all regulations. Ensure accountability and integrity. Collaborate to counteract against illegal and problem gaming. Enforce responsible gaming policy. Strengthen relationships by demonstrating transparency of the Company and industry. Observe rules and guidelines governing public interest. Ensure timely payment of taxes due. Observe strict compliance with anti-money laundering policy. Lead industry standards towards developing and incorporating ESG/sustainability considerations.
<p>Employees</p> 	<ul style="list-style-type: none"> Townhall sessions with management and other engagement initiatives. Employee engagement programmes. Regular communication via various channels and platforms (e.g., emails, newsletters, and portals), as well as virtual and social media channels. Training and Development programmes. Feedback platforms. 	<ul style="list-style-type: none"> A workplace that celebrates equality and a positive working environment. Support career advancement planning. Invest in learning and professional development. Reward fairly and justly through remuneration and benefits. Recognise contributions toward Company's goals and direction. Ensure flexibility and work-life balance. Equipped with the right skills, capabilities, competencies, and mindset to remain relevant. Contribution towards CSR initiatives and community development programmes.

Sustainability Statement
(cont'd.)

Stakeholders	Engagement Channels and Approach	Objectives for Stakeholders
<p>Shareholders/ Investors</p> 	<ul style="list-style-type: none"> Annual General Meetings ("AGM"). Annual and Sustainability reports. Corporate releases and announcements. Investors' meetings. Quarterly financial reports. Media engagement and write ups. Company website and social media channels. Analysts' briefings. 	<ul style="list-style-type: none"> Share timely market outlook reports, financial results, performance of market share price, business strategy/direction and current market share. Commit to responsible and ethical business practices. Advocate strong corporate governance and compliance. Maintain transparency and active engagement. Embed sustainability and commit to responsible business practices. Stay ahead of emerging competition. Institute effective risk management policies.
<p>Community</p> 	<ul style="list-style-type: none"> Community development and outreach programmes. Updates on websites, social media channels and other virtual communication platforms. Various capacity building and economic empowerment initiatives. Strategic partnerships as well as philanthropic, environmental, and educational programmes. Employee volunteering programme. 	<ul style="list-style-type: none"> Maximise the positive impact of our community initiatives to build a sustainable future for all. Give back to the community and society especially serving the vulnerable and underprivileged. Increase awareness and participation in employee driven programmes. Explore viable and impactful community driven programmes. Spread a 'caring and sharing' mindset and positivity. Support relevant UN Sustainable Development Goals ("UNSDGs").
<p>Sales Agents</p> 	<ul style="list-style-type: none"> Agency visits. Mystery shoppers. Agent surveys. Business engagement. Regular communication (e.g., calls, emails, newsletters, chat). Training programmes. Collaboration programmes. Social events. 	<ul style="list-style-type: none"> Seek partnership in pursuing customer centricity. Provide sales and solutions support. Share practical compliance framework. Share market intelligence and ideas. Be 'Best-in-Class' in enriching customer experience. Provide hardware, software, and helpdesk services. Increase efficiency and productivity. Commit to integrity and accountability. Develop insights into new technologically advanced and innovative products.

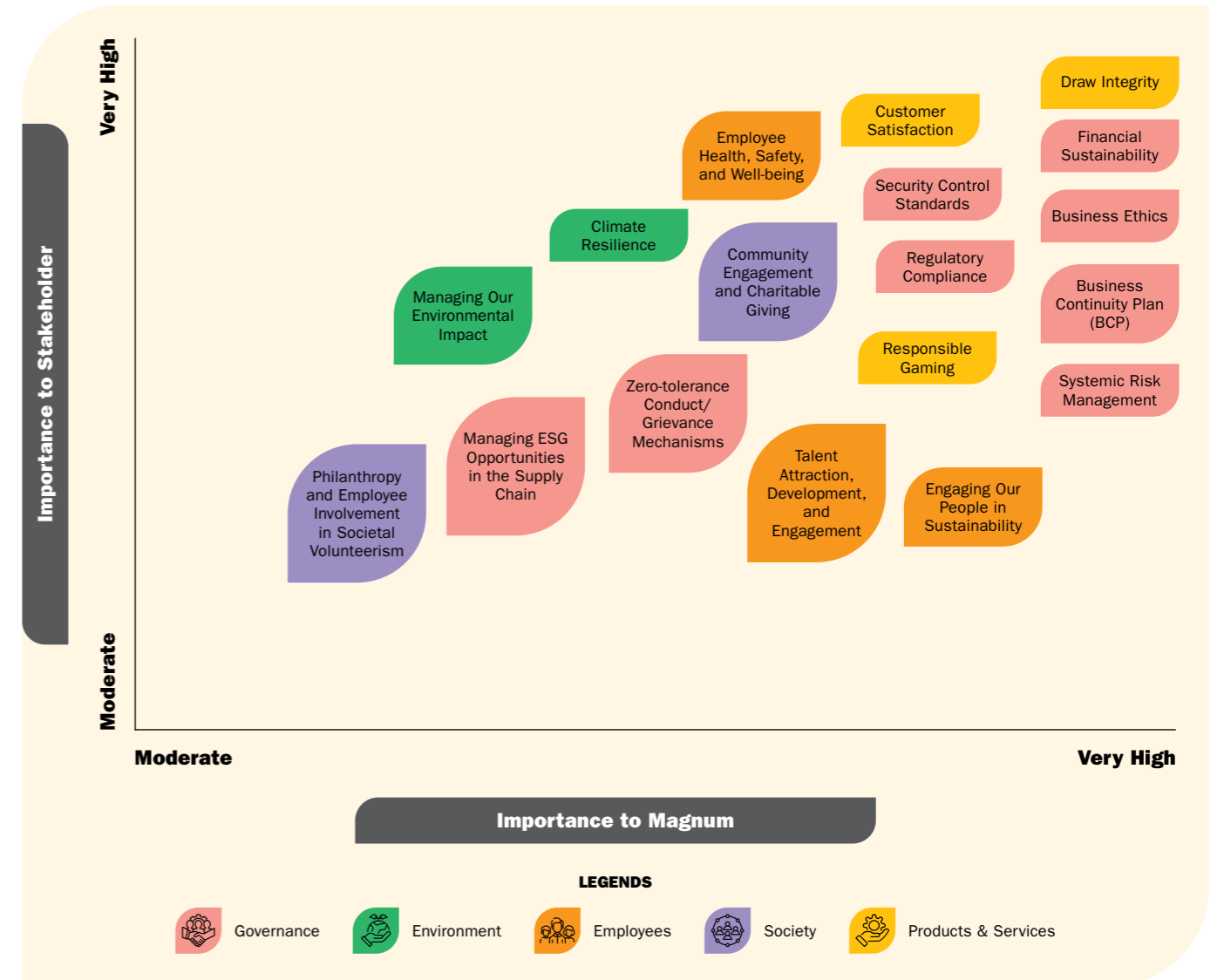
Sustainability Statement
(cont'd.)

Stakeholders	Engagement Channels and Approach	Objectives for Stakeholders
<p>Suppliers and Vendors</p> 	<ul style="list-style-type: none"> • Vendor integrity screenings. • Efficient quotation requests, Request for Proposals (“RFPs”) for tenders and bidding. • Discussions and consultations. • Supplier briefings and training programmes. • Regular supplier and vendor assessment. • Regular meetings and site visits. 	<ul style="list-style-type: none"> • Ensure fair and transparent procurement practices. • Uphold of Anti-Bribery and Anti-Corruption (“ABAC”) policy in business dealings. • Operate an ethical supplier management system. • Uphold business integrity. • Promote sustainable and ethical supply chain. • Apply supply chain risk management. • Meet high economic, ethical, and socioenvironmental standards.
<p>Media</p> 	<ul style="list-style-type: none"> • Media coverage. • Website and social media updates. • Press interviews. • Press releases. 	<p>Release of the following information appropriately:</p> <ul style="list-style-type: none"> • Company’s growth and value chain developments. • Corporate updates. • Business performance and outlook. • Current and/or future projects and directions. • Corporate Social Responsibility activities. • Draw results and winning stories.



Sustainability Statement
(cont'd.)

MATERIALITY



Refining Our Sustainability Emphasis


In 2023, Magnum conducted a comprehensive review of key topics to verify ongoing business relevance, ensure accuracy in reflecting operational impact, and alignment with stakeholder interests and concerns. Following our evaluation, Magnum affirmed that our materiality matrix effectively captures stakeholder interests. The Group is committed to maintaining the relevance of our sustainability efforts and has intensified our focus on managing ESG opportunities within our supply chain to mitigate environmental impact and reduce carbon emissions, compared to previous years.

Critical material issues will be integrated into and guide our sustainability strategy. Through this process, the materiality assessment enables us to identify risks requiring mitigation, and opportunities for generating positive impacts on our communities and stakeholders.

Sustainability Statement

(cont'd.)












Governance

MATERIAL ISSUE	DESCRIPTION	UNSDG
FINANCIAL SUSTAINABILITY	To operate a sustainable business, the Group practices a sound and prudent, yet robust financial management to cater to the needs of business operations. The Group maintains its short and long-term financial stability by focusing on the Group's cash flow, revenue, profitability, expenses, and investments.	 
BUSINESS ETHICS	Organisational standards governing the actions and behaviours of the Group and individuals within it, including personal data protection, prevention of anticompetitive practices, working against corruption, extortion, money laundering and bribery.	 
SECURITY CONTROL STANDARDS	Operational integrity and security are critical to the success and sustainability of the Group. Stringent controls that comply with industry standards and best practices ensure that our operations and systems remain highly trusted.	 
BUSINESS CONTINUITY PLAN (BCP)	Business Continuity Plan ("BCP") is comprehensive and ensures that major disruptions to business and lives are minimised and that we can achieve a timely recovery of services arising from a disaster or disruption of any kind.	  
REGULATORY COMPLIANCE	The Group upholds and ensures that all its business practices are in full compliance with all prevailing statutory requirements as required by relevant regulators from time to time.	
SYSTEMIC RISK MANAGEMENT	Assessing and managing financial and business risk throughout the Group to prevent major disruptions that may harm the Group, economies, and societies at large (e.g., financial crisis).	 
ZERO-TOLERANCE CONDUCT/ GRIEVANCE MECHANISMS	Culture of zero-tolerance towards bad conduct (internally and externally) and that employees feel free to speak up without fear of retaliation, including setting up formal channels for employees to report issues.	  
MANAGING RISKS AND OPPORTUNITIES IN THE SUPPLY CHAIN	Efforts to ensure high ESG standards in the supply chain through relevant policies and supplier engagement practices including approaches to diversify suppliers.	   

Sustainability Statement

(cont'd.)

Products and Services

MATERIAL ISSUE	DESCRIPTION	UNSDG
DRAW INTEGRITY	Magnum has developed highly stringent and secure Draw Standard Operating Procedures ("Draw S.O.P") to safeguard the integrity of draw proceedings. These S.O.Ps are part of our Lottery Draw Policy and adheres to the Lottery Draw Management guidelines and controls as advocated by the World Lottery Association ("WLA"). An annual audit conducted by a WLA panel of certified auditors on the Lottery Draw Policy ensures full compliance and tight security controls are in place to uphold the integrity of all draws.	   
RESPONSIBLE GAMING	The World Lottery Association's ("WLA") Responsible Gaming Framework ("RGF") outlines how lotteries can demonstrate their level of commitment to the WLA Responsible Gaming Principles. Responsible Gaming is the lottery sector's most critical element of Corporate Social Responsibility. Beyond growing revenue and returns to good causes, WLA members are required to facilitate responsible play and provide accessible avenues for those seeking assistance.	   
CUSTOMER SATISFACTION	Magnum believes that 'customer experience' is much more than merely transacting at our outlets or point of sale. Magnum's core values include placing customers at the forefront of everything we do, ensuring a complete customer experience in all our touchpoints.	  

Sustainability Statement

(cont'd.)

Environment

MATERIAL ISSUE	DESCRIPTION	UNSDG
CLIMATE RESILIENCE	Incorporate climate risks (operational disruption associated with extreme weather events) into the Group's business continuation policy and insurance policies.	
MANAGING OUR ENVIRONMENTAL IMPACT	Company efforts to minimise and manage the environmental footprint of its own operations and resources usage (energy, GHG emissions, water, waste, travel, and commuting, etc.).	

Employees

MATERIAL ISSUE	DESCRIPTION	UNSDG
EMPLOYEE HEALTH, SAFETY AND WELL-BEING	Managing risk to employees and work safety to improve their health and well-being, including relevant training, insurance coverage and initiatives to improve work-life balance.	
TALENT ATTRACTION, DEVELOPMENT AND ENGAGEMENT	Engagement, recruitment, and retention of employees with relevant skills, and the investment in and development of a talent pool of employees and leadership.	
ENGAGING OUR PEOPLE IN SUSTAINABILITY	Increasing employee engagement towards sustainability, the provision of training to empower employees' decisions based on ESG issues, and employees' incentive systems that embed relevant ESG metrics.	

Sustainability Statement

(cont'd.)

Society

MATERIAL ISSUE	DESCRIPTION	UNSDG
COMMUNITY ENGAGEMENT AND CHARITABLE GIVING	Process of enhancement of economic and social activity on a local scale in a territory where the company is operating/sourcing. For us, the most impactful work resonates within our communities, extending a helping hand to the less fortunate as part of our dedicated effort to give back.	
PHILANTHROPY AND EMPLOYEE INVOLVEMENT IN SOCIETAL VOLUNTEERISM	Corporate charitable/philanthropic support of projects aimed at creating positive social impacts including employee volunteering initiatives.	

4 ECONOMIC SUSTAINABILITY

CORPORATE GOVERNANCE AND COMPLIANCE

Strong corporate governance serves as the foundation of our operations. Magnum's corporate governance complies with the following requirements and guidelines:

- Malaysian Code on Corporate Governance 2021
- Ministry of Finance (MOF) – Pool Betting Act 1967, Common Gaming House Act 1953, Gaming Tax Act 1972
- Companies Commission of Malaysia (CCM) – Companies Act 2016 and Companies (Amendment) Act 2019
- Securities Commission - Capital Markets & Services Act 2007 and Capital Markets and Services (Amendment) Act 2010, 2011, 2012 and 2015
- Bursa Malaysia Berhad – Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- United Kingdom Accreditation Service (UKAS) – ISO 27001:2013 Information Security Management System (ISMS) Framework
- World Lottery Association (WLA) – WLA Security Control Standard (WLA-SCS) 2020 and WLA Responsible Gaming Framework (Level 3)
- Malaysian Accounting Standards Board – Malaysian Financial Reporting Standards (MFRSs)
- International Accounting Standards Board (IASB) – International Financial Reporting Standards (IFRSs)
- Section 17A, Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018)
- AML/CFT/CPF/TFS – Anti Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing and Targeted Financial Sanctions

2023 Financial Highlights

REVENUE	RM2.16 BILLION (2022: RM2.03 BILLION)
EARNINGS PER SHARE	8.72 SEN (2022: 7.0 SEN)
RETURN ON EQUITY	5.14% (2022: 4.21%)
DIVIDEND PER SHARE	6.0 SEN (2022: 5.0 SEN)
PROFIT BEFORE TAX	RM188.43 MILLION (2022: RM159.86 MILLION)
PROFIT AFTER TAX	RM126.50 MILLION (2022: RM101.08 MILLION)

Sustainability Statement

(cont'd.)



DRAW INTEGRITY

This matter is of utmost significance for Magnum. We have established rigorous Draw Standard Operating Procedures (“Draw S.O.P.”) to uphold the integrity of our draw processes. These procedures are integral components of our Lottery Draw Policy and strictly adhere to the guidelines and controls outlined by the World Lottery Association (“WLA”). An annual audit conducted by a panel of WLA-certified auditors on the Lottery Draw Policy ensures compliance and the implementation of stringent security measures to maintain draw integrity.

Draw Committee

The draw team oversees the draw’s execution and is supported by a larger team handling essential back-end processes. Each draw team is composed of senior Magnum management and executives selected from a core pool. Leading the draw process is a Head of Department/Senior Manager designated as the draw “Manager-In-Charge,” responsible for overseeing the entire draw proceedings.

The Process

Stringent security measures, including 24-hour CCTV surveillance and security personnel presence are implemented from the perimeter surrounding the Draw Auditorium to its entrance. Pre-draw tests ensure all equipment passes security checks, and strict protocols govern the handling of draw balls and draw machines throughout the process.



Verification of draw sales and winning payouts liabilities is independently conducted at the conclusion of the draw, utilising both offline and online systems. An additional counter-verification layer is performed against an Independent Control System (“ICS”), exclusively managed by the internal auditor. These stringent measures guarantee a fair draw devoid of potential fraud.

BUSINESS CONTINUITY PLAN

Magnum’s Business Continuity Plan (“BCP”) is comprehensive, aiming to minimise major disruptions to both business operations and livelihoods, and to facilitate prompt service recovery following any disaster or disruption. It provides detailed guidance through a formal prevention and recovery plan for all business units, providing a roadmap for responses in such situations and expediting the deployment and execution of plans.

We conduct regular emergency drills simulating critical system disasters to maintain preparedness and ensure all personnel understand their individual responsibilities in the recovery process and can respond and recover within the specified timeframe. Moreover, we ensure that secondary backup equipment is in optimal working condition.

The Management, in collaboration with key business and asset owners, consistently reviews the BCP to ensure its relevance and responsiveness to potential changes in the business environment.

Elevated Focus Areas for 2023

Combating money laundering and terrorism is a priority for us, and we approach this responsibility seriously. MCSB has implemented a comprehensive internal control system to identify, monitor, and detect such activities. This system flags unusual and suspicious patterns of behavior related to winning claims that exceed a specified threshold amount, the frequency or amount of repeated or cumulative wins over a certain period, and the size of individual winning amounts.

Additionally, MCSB adheres to the additional requirements mandated by Bank Negara Malaysia, which include an enhanced layer of customer due diligence. This entails tracking the contact numbers and job occupations of prize winners surpassing a specified threshold.

MONITORING OF ANTI-MONEY LAUNDERING ACTIVITIES

Malaysia’s AML/CFT/CPF/TFS – Anti Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing and Targeted Financial Sanctions laws require all reporting institutions to undertake preventive measures against being used as conduits for money laundering and terrorism financing activities.

AML/CFT/CPF/TFS refers to all measures to prevent or combat money laundering and terrorism financing. For Malaysia, this includes the laws and regulations that are enacted to prevent criminals from laundering/ financing terrorism or, when they launder/finance terrorism, to prosecute them in court.

Preventive measures include conducting risk assessments, application of customer due diligence, submission of suspicious transaction reports (“STR”) and cash threshold reports (“CTR”), maintenance and retention of transaction records and implementation of the AML/CFT/CPF/TFS compliance programme that is reflective of the risk profile of the reporting institution.

Malaysia’s gaming sector falls under Bank Negara Malaysia’s ‘Designated Non-Financial Businesses and Professions (“DNFBPs”)’ segment. The central bank takes a tough stance when it comes to the prevention, elimination, and control of such illegal activities. Furthermore, the guidelines contain a provision for gaming operators to conduct various due diligence checks to protect themselves from this issue.

SECURITY STANDARDS AND CERTIFICATION

Operational integrity and security are critical to the success and sustainability of our Company. Stringent controls compliant with industry standards and best practices ensure the trustworthiness of our lottery operations and systems.

For the 10th consecutive year, MCSB has successfully been certified with the World Lottery Association: Security Control Standards (WLA-SCS) as well as the ISO27001:2013 certifications. This achievement demonstrates that our ISMS consistently meets internationally recognised standards and bears testament to our commitment to the continued integrity and security of our operations. We remain committed to maintaining alignment with industry best practices, while simultaneously enabling business innovation.

Sustainability Statement

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ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING AND ASSESSMENT

In 2022, the Group introduced its inaugural e-learning module on Anti-Bribery and Anti-Corruption (“ABAC”) practices to provide employees with a comprehensive understanding of our ABAC Policy. Within that financial year, 96% of employees successfully completed the training and assessment, underscoring our dedication to upholding ABAC policy and standards within the organisation. At the close of 2023, 93% of existing employees had successfully completed the training, a slight decrease from the previous year due to churn among non-executive employees.

5

SOCIAL RESPONSIBILITY

RESPONSIBLE GAMING

As the first and only Malaysian NFO to achieve World Lottery Association’s (“WLA”) Level 3 Responsible Gaming Framework certification since 2021, MCSB leads the industry in championing the adoption of ‘Play Responsibly’ principles. This certification guarantees the implementation of global best practices across the organisation, benefiting our customers, sales agents, shareholders, communities, and employees.

Responsible Gaming (“RG”) stands as a cornerstone of the lottery sector’s Corporate Social Responsibility, surpassing mere revenue generation and contributing to worthy causes. WLA member lotteries are mandated to promote responsible play, a commitment MCSB upholds fervently.



Sustainability Statement

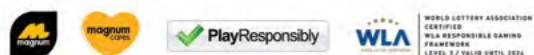
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Continuing our commitment, MCSB will conduct annual training sessions for all employees, sales frontliners, and selling agents. This initiative ensures the seamless integration of RG practices across our business operations. It also emphasises the significance of educating our players by providing them with accurate RG information, thus aiding them in avoiding the adverse effects of excessive gambling habits.

Digital Self-assessment Tool

To further promote Responsible Gaming ("RG") and enhance player education, MCSB has developed the 'Gaming Health Check' tool, making it the first Lottery company in Malaysia to undertake this initiative. This tool assists players in comprehending their gaming habits and offers guidance on taking corrective actions where necessary. In 2022, MCSB introduced another RG tool called the 'Gaming Calculator,' enabling players to evaluate their monthly gaming expenditures and take precautionary measures against excessive spending behavior. MCSB remains dedicated in its commitment and obligation to educate players on responsible gaming practices, offering valuable information and tools for an enhanced gaming experience.

Players can access more information about these RG tools on our Magnum 4D website, where we provide essential RG-related information.



Treatment Referral – Gambler Rehab Centre (GRC), Kuala Lumpur

Since 2020, MCSB has collaborated with the Gambler Rehab Centre ("GRC"), a specialist in rehabilitation treatment, to extend support to individuals struggling with excessive gambling habits in Malaysia. GRC offers a range of services and treatments aimed at guiding this vulnerable group towards improved well-being and mental health. Additionally, GRC actively conducts public webinars, and awareness talks to facilitate beneficial and informative discussions for various audiences throughout Malaysia.

MCSB continues to collaborate with GRC to provide professional counselling and rehabilitation for problem gamblers in the country. MCSB also helps produce printed resource materials and make them available at our sales outlets as well as providing information and links on our websites and social media platforms to generate awareness of this avenue of assistance.



Magnum Responsible Gaming Week ("RG Week")

As an industry leader in Responsible Gaming practices, MCSB is the first lottery company in Malaysia to introduce its RG Week programme, aimed at continuously educating our players on Playing Responsibly.

First launched in May 2021, this annual event aims to provide education and awareness focusing on the harms of excessive gaming and the importance of 'playing within your limits'. RG Week has proven to be an important platform providing informative education in hopes of minimising problem gaming in Malaysia.



In 2023, we successfully concluded our 3rd RG Week. Throughout this event, we raised awareness across all major platforms about the potential risks of excessive gaming and provided information on avenues for seeking help.

Responsible Gaming Training for Employees and Frontliners

All employees are mandated to participate in the annual Responsible Gaming ("RG") training sessions, aimed at fostering the adoption of RG best practices on both personal and professional levels.

With over 90% of our frontliners nationwide trained, they are equipped with RG knowledge to enhance customer safeguarding. Our Retailer training video, distributed via a learning app, requires frontliners to watch and undergo an annual online assessment on a yearly basis.

Moreover, MCSB regularly conducts on-site training and assessments at outlets to strengthen awareness and understanding of RG, including strict adherence to protocols regarding underage players.



Advertising Responsible Gaming's Educational Materials in Retail

Several RG advertising materials were published, distributed, and displayed at our sales outlets nationwide. All advertising materials are educational in nature, promoting RG habits to ensure we encourage our customers to adopt a healthy playing behaviour. Those seeking further information are directed to Magnum 4D's website or our Customer Service's helpline.



Accelerating Information through Social Media

MCSB consistently provides player education and promotes RG awareness through social media posts on our channels. These posts include information on preventing underage gaming, combating illegal gambling, managing winnings responsibly, avenues for seeking help with problem gaming, and more.



Sustainability Statement

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Dedicated Team of Responsible Gaming

Responsible Gaming is a cornerstone of Corporate Social Responsibility ("CSR") for lotteries. MCSB has assembled a dedicated team of RG advocates responsible for implementing programmes aligned with WLA's Level 3 RG framework. The team also oversees and evaluates all initiatives to uphold top-notch RG practices in Malaysia.

MCSB is committed to advancing RG initiatives further and will continue spearheading efforts to foster a secure and healthy environment for our players' enjoyment.

PEOPLE AND CULTURE

Our personnel are crucial to our business' success. While our fundamental principles dictate our interactions, it is their daily actions that demonstrate our dedication to upholding these values. We firmly believe that a culture of trust fosters successful talent acquisition and retention, along with impactful engagement and growth.

The Magnum team encompasses individuals from diverse ethnicities, cultural backgrounds, and professional histories. It is an inclusive environment where everyone is accorded equal opportunities to realise their full potential.



People and Culture; Daily Practices

Remaining steadfast in our core values, our employees are essential for the enduring resilience, triumph, and sustainability of our organisation. They play a pivotal role in facilitating superior customer experiences and, more significantly, in realising our sustainability and digitalisation aspirations.

Consequently, Magnum prioritises cultivating a nurturing and inclusive workplace environment that champions the health, well-being, and safety of our employees, empowering them to pursue their personal and professional objectives. To ensure our adaptability amidst evolving consumer preferences, industry shifts, and disruptions, we continue to invest in our human capital alongside our technological infrastructure.

Our mission necessitates the ongoing development of employee competencies to effectively implement Group-wide initiatives and navigate challenges or uncertainties with assurance. We focus on ensuring our workforce remains agile,

flexible, and adaptable in the face of progress. Accordingly, Magnum will persist in enhancing our employees' proficiencies in pivotal areas such as digitalisation, customer-centricity, and sustainability, positioning us favorably to realise our aspirations.

Our focus on agility and adaptability has proven crucial throughout the pandemic and into the endemic phase, enabling swift adaptation to new work methods while ensuring seamless and high-quality service provision, thereby setting new benchmarks. Magnum remains committed to maintaining close communication with our employees through diverse engagements, well-being initiatives, and continuous learning opportunities, fostering their growth despite challenges.

During these engagement sessions, our employees recognise the importance of mutual respect, teamwork, and leading by example, further entrenched within our practices. Magnum also champions regular and transparent communication through various policies and channels, including an "open door" policy

Sustainability Statement

(cont'd.)



where employees can approach any member of management on any matter, as well as company-wide dissemination of business performance updates and benchmarks, fostering clarity regarding the company's direction.

EMPLOYEE ENGAGEMENT AND SATISFACTION

Throughout the year, we have implemented various programmes and initiatives to enhance employee engagement and satisfaction. Recognising the importance of work-life balance and stress reduction, we have invested in creating a dedicated recreational area within our office space. By providing employees with opportunities for relaxation, socialisation, and enjoyment, we aim to enhance job satisfaction, foster a sense of belonging, and promote a healthy work-life balance.



TRAINING AND DEVELOPMENT

Magnum fosters a robust learning culture and invests in our employees' growth to sharpen their skills for success, encourage them to enhance their skill sets, take on challenging assignments, and embrace broader responsibilities. In 2023, 75% of our employees underwent various training opportunities aimed at reskilling, learning anew, or refreshing existing skill sets, resulting in more than 1,916 hours of learning sessions.

Effective training requires innovative and diverse tools catering to individual strengths and weaknesses. To support this commitment, Magnum offers a range of tailored learning and development programmes for employees at all levels. We partook in training sessions supported by the Human Resource Development Corporation ("HRDC"), which offers accredited trainers providing diverse training modules. In 2023, we increased HRDC's endorsed trainings by 49% compared to 2022, providing valuable opportunities for our employees to continuously enhance and upskill their abilities.

In 2023, we provided employees with training sessions, including workshops on managing stress and anxiety, recognising the significance of mental health awareness, particularly in the post-pandemic era. These initiatives foster a harmonious and healthy work culture, prioritising employee well-being.



DEVELOPMENT OF TECHNICAL SKILLS:

We offer our employees technical skills training programmes to equip them with the technical expertise required for their roles. These programmes cover areas such as software proficiency, industry-specific skills, and technical certifications.

Sustainability Statement

(cont'd.)



DEVELOPMENT OF INTERPERSONAL SKILLS:

We acknowledge the significance of interpersonal skills in fostering employee success and teamwork. Employees have the opportunity to enrol in training programmes focusing on communication, leadership, problem-solving, and teamwork to refine these essential competencies.

Magnum is committed to broadening our learning platforms to foster a culture of continuous learning, development, and advancement. This commitment ensures that our employees have access to a diverse content aimed at enhancing their skills across various domains.

Empowering Sustainability Learning

Throughout the past year, Magnum has emphasised empowering employees to embrace sustainability through various internal communication channels and training initiatives. The objective is to enhance employees' awareness and comprehension of sustainability principles, enabling them to understand how their individual actions can contribute to positive outcomes and support our sustainability initiatives effectively.

As the Group progresses in its ESG endeavours, our employees are increasingly knowledgeable about environmental and climate-related concerns, actively participating in waste reduction efforts and exchanging insights on adopting more environmentally friendly lifestyles.



WORKPLACE HEALTH, SAFETY AND WELL-BEING

The impact of COVID-19 has brought about significant challenges across industries, leading to numerous organisational and business-related hurdles. While Magnum prioritises the physical safety and health of our employees, we also recognised the importance of addressing mental health and overall well-being concerns, including work-related stress, struggles with motivation and various other effects.

Despite these challenges, Magnum has maintained a balance between ensuring business continuity and prioritising employee well-being. Efforts to keep employees informed about COVID-19 developments were coupled with implemented policies and measures to promote their health and welfare, enabling us to sustain the delivery of high-quality service to our customers during this demanding period.

We are committed to nurturing a workplace environment that encourages productivity, achievement and prioritises the physical and mental well-being of each individual. In this segment of our annual report, we detail our efforts and accomplishments in workplace health, safety, and overall well-being over the past year.

OSHA Compliance: Upholding compliance with the Occupational Safety and Health Act 1994 ("OSHA 1994") creates a safe working environment, preventing accidents and injuries, and fulfilling our obligations as a responsible entity.

Through comprehensive training and education, along with hazard identification, risk assessment, and emergency preparedness measures, we aim to create a secure workplace conducive to employee success. This approach safeguards the well-being of our employees, minimises financial and legal risks, and fosters a robust safety culture. In line with OSHA regulations, we have designated an OSHA officer, a role helmed by our Human Resource manager. As a result, Magnum had zero workplace related accidents, minimal COVID-19 positive reported cases and for those who were, a 100% recovery rate. As Magnum acknowledges these achievements, we recognise the ongoing need to remain vigilant at all times.

Sustainability Statement

(cont'd.)

Wellness Programmes: We implemented various wellness programmes promoting physical and mental well-being among employees through fitness challenges, nutrition days, mindfulness sessions, and discounted gym memberships. Our Sports Club committee also offered varieties healthy activities through indoor and outdoor sports such as yoga and Pilates classes, and fun walks throughout the city of Kuala Lumpur.



Events and Gatherings: We frequently organised gatherings and events to encourage a healthy work-life balance and cultivate an engaging work culture, where employees can feel secure, supported, and empowered. Events like the Chinese New Year luncheon, 'Fruit Day', 'Free Ice-Cream Day', Halloween and Christmas celebrations encourages our employees to connect and bond together.



Health Promotion Campaigns: Throughout the year, we conducted health promotion campaigns to raise awareness about important health issues and encourage healthy behaviours among employees. Collaborating with National Cancer Society Malaysia ("NCSM") and PERKESO, we conducted free or discounted health screenings for all employees.



For our Social Sustainability data for Employee, please refer to the Bursa Malaysia Common Sustainability Matters and Indicators table on pages 61 and 62.

MAGNUM VOLUNTEERING PROGRAMME

In 2022, Magnum launched the Magnum Volunteering Programme ("MVP"), offering employees the opportunity to participate in volunteering activities outside the office, through activities like recycling, tree planting, food distribution to underprivileged communities, and supporting animal shelters.



Sustainability Statement (cont'd.)

In 2023, Magnum employees collectively volunteered 2,210 hours, contributing to notable ESG practices.



274 volunteers participated in the Magnum Volunteering Programme



2,210 hours of volunteering



Planted **700 trees** to combat climate change



Cared for approximately **500 rescued dogs and cats** in animal shelters nationwide and fed more than **300 rescued animals** through our Pet Care Programme with SPCA Malaysia



Recycled more than **5,251kg worth of paper, glass bottles, aluminum and metal** during in-house recycling activities



Visited and provided care to over **260 welfare homes** during festive seasons



Helped **5 welfare homes** establish **green corners** in their facilities to promote sustainable and harmonious living



Sustainability Statement (cont'd.)

CUSTOMER EXPERIENCE

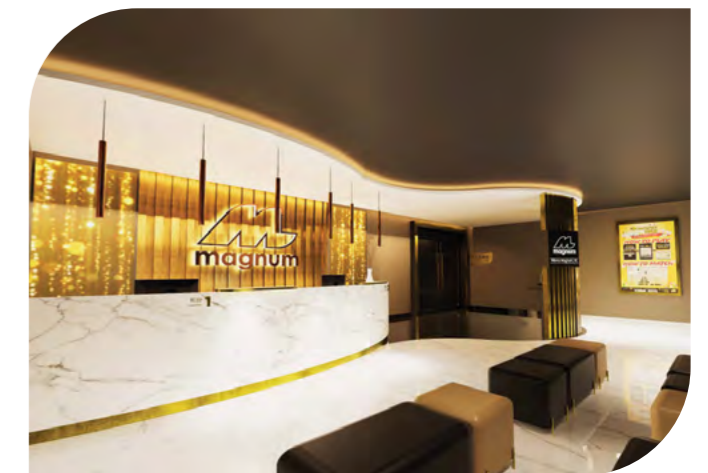
Accelerating Our MyMagnum 4D App

We are harnessing technology to lead our digital transformation, focusing on boosting operational efficiency and employee productivity and enhancing overall customer experience. On the customer-facing front, our MyMagnum 4D app and the M Premium in-app membership programme have set new standards in the gaming industry, strengthening our relationships with customers. We now offer various digital payment options in our outlets and have introduced Live Chat on our website and app, catering to our customers' needs for omnichannel payment options and support channels. Internally, we have modernised our operating systems, digitised our field technical support, refined our sales strategies through smart data platforms, automated operational tasks performed by our agencies, and improved our internal IT support for faster issue resolutions. Our digitalisation journey has significantly enhanced our overall efficiency, positively impacting how we deliver an improved customer experience.



Unveiling of Our New Draw Auditorium

We have transformed our Draw Auditorium into a modern venue that reflects the Magnum brand's essence. Designed to harmoniously blend modern aesthetics with stylish luxury, it aims to create an immersive and memorable draw experience, as part of our commitment to continuously improve and elevate customer experience.



Additionally, it serves as a platform for promoting transparency, trust, and integrity in our draw process, important values that especially resonate with our younger generation of players.



Sustainability Statement

(cont'd.)

6

ENVIRONMENTAL SUSTAINABILITY

ENVIRONMENTAL STEWARDSHIP: FOSTERING BUSINESS GROWTH

Our approach to environmental sustainability is proactive across all our business divisions. We regularly monitor our carbon footprint and resource consumption patterns to minimise our environmental impact while also encouraging our stakeholders to adopt green practices. Although Magnum and our ESG committee recognise that our business generally has a low environmental impact relative to its scale, we remain committed to identifying areas where we can make meaningful contributions. With strong endorsement from the Board, we acknowledge that more action is needed, especially in light of emerging environmental threats on the horizon.

To uphold our commitment in gradually reducing CO₂e emissions, MCSB has advanced its exploration of renewable energy in 2023 to mitigate the impact of climate change. Through this initiative, MCSB aims to progressively decrease our net carbon emissions and contribute to the government's Twelfth Malaysia Plan in achieving net-zero GHG emissions by 2050.

MANAGING OUR OPERATIONAL EMISSIONS

Energy Consumption

In pursuit of Magnum Group's commitment to mitigate climate impact, we are actively transitioning towards lower energy consumption and embracing renewable energy initiatives. One such endeavour in this journey is our shift to sustainable renewable energy sources for electricity consumption through our solar energy project. As of now, we have successfully installed solar panels in 4 out of 9 of our offices nationwide. Phase 1 of the solar energy project saw the installation of solar panels at four regional offices in Perak, Negeri Sembilan, Melaka, and Johor. We expect to present data on the resulting impact in our forthcoming reports moving forward.

Phase 2, currently in progress, will see the remaining 5 offices equipped with solar panels.



The Group has also implemented smart energy-saving equipment in various areas of our offices as part of our continuing efforts to promote energy conservation practices, mindfully implementing lighting sensors, replacing old air-conditioners and inefficient appliances. In 2023, the group has recorded 1,353.28MWh of net electricity usage.



The Group remains committed to amplifying ongoing efforts to raise awareness of climate impact and roll out initiatives to combat climate change and achieve other pertinent objectives.



For our Environmental Sustainability data for Energy, please refer to the Bursa Malaysia Common Sustainability Matters and Indicators table on page 62.

Sustainability Statement

(cont'd.)

Paper Consumption

With our increasing emphasis on digitalisation, office documents are now stored and circulated electronically. Since the start of the Transformation Programme in 2021, Magnum has introduced several digital processes to enhance efficiency for internal business operations while reducing paper usage. We have successfully reduced approximately 50% of our office paper consumption since implementing these measures.

Magnum advocates for recycling practices and encourages our employees and agencies to recycle their wastepaper, contributing to our efforts to combat climate change. Additionally, by reducing our reliance on paper, we are also becoming more cost-effective over time, especially as the costs of resources like clean paper continue to rise due to factors such as deforestation and diminishing clean water supplies worldwide.

Water Consumption

As of 2023, our yearly collective water consumption has remained consistent at about 7.759 megalitres across all offices.

For our Environmental Sustainability data for Water Consumption, please refer to the Bursa Malaysia Common Sustainability Matters and Indicators table on page 62.

Waste Management

To maintain effective systems to ensure the responsible collection, recycling, and disposal of waste, in 2023, Magnum initiated a monthly recycling day and this effort resulted in significant savings, diverting over 5,000kg of recyclable items from landfills, thereby mitigating the impact of climate change.

Green Initiatives with Magnum Volunteering Programme

In 2023, our Magnum Volunteering Programme ("MVP") for employees resulted in 2,210 hours dedicated to various activities. This programme encompassed 'Green' initiatives such as recycling practices, tree planting, and assisting in food distribution to minimise wastage, further promoting sustainable living and education. Additionally, we extended our support to community-based NGOs, collaborating on environmental and conservation efforts, while also educating stakeholders on the significance of environmental stewardship.



Assessing the Impact of Climate-related Risks

Since 2022, we've been analysing climate-related risks and opportunities within high-ESG risk sectors that are significant to the Group. Through analysis of the value chain, we identified the impact that climate change would have on specific risk drivers and consequently, the impact that these climate-related risks and opportunities will have on Magnum and our customers.

Sustainability Statement (cont'd.)

Sustainability Statement (cont'd.)

7 OUR CONTRIBUTIONS TO THE UNSDGs THROUGH CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

SUSTAINABLE DEVELOPMENT GOALS

THE SDGs, PART OF THE MAGNUM'S GROUP BUSINESS STRATEGY

MAIN FOCUS

INDIRECT

OUR ALIGNMENT WITH THE UNSDGs

We actively engage with a wide array of audiences and stakeholders through our CSR efforts to deliver sustainable value and achieve our objectives in creating positive societal and environmental impacts, while aligning with the United Nations Sustainable Development Goals (“UNSDGs”). Internally, our efforts also empower our employees by fostering a shared sense of purpose to drive meaningful engagement in our sustainability efforts.

Over **RM1.5 million** CSR contributions to the nation in 2023:



43,000+ Underserved individuals from **B40, children, seniors, special needs (OKU), medically-chronic patients, and Orang Asli communities**



3,500+ **Students** nationwide



300+ **Welfare homes, schools, non-profit organisations** nationwide



and **20+** **frontliners in need**

MAGNUMCARES ACCELERATING ‘FOR YOU, WITH YOU’

This epitomises our Corporate Social Responsibility (“CSR”) initiative’s ethos. We believe that our most impactful efforts occur in the field, where we stand shoulder to shoulder, advocating causes and supporting diverse communities across the nation. MagnumCares remained resolute in seeking innovative and practical solutions to enhance the well-being of our communities.



During the post pandemic period, we maintained our mission to provide assistance and care across a diverse group of communities. We aim to enhance our support and offer sustainable solutions for our society’s wellbeing through various avenues.

#PROJECTMAGNUMHEARTS – THE FIRST DIGITAL CSR PLATFORM IN THE NFO INDUSTRY

‘Project Magnum Hearts’ (#ProjectMagnumHearts), our new digital platform empowering community driven initiatives for the betterment of our society. As a socially conscious brand, Magnum 4D believes in the power of ‘nobody can do everything, but everybody can do something’ and invites its passionate players to join in supporting various life-changing, community-driven initiatives together. We also offer volunteering opportunities for our customers to register and participate in activities with organisations and causes of their choice. In doing so, Magnum is not just focused on developing our games, we also aim to cultivate a more compassionate society by fostering community heroes who are dedicated to making positive changes in the world.

With #ProjectMagnumHearts, our players can contribute to their desired project by simply scanning a Magnum 4D ticket to gain a ‘Magnum Heart’, exclusively available to our MyMagnum 4D app users and M Premium members.

Through #ProjectMagnumHearts, the Group contributed RM200,000 to 4 NGOs dedicated to impactful societal actions. The NGOs are:

- The Lost Food Project
- Great Heart Association
- Yayasan Maha Karuna
- National Autism Society of Malaysia (NASOM)



Sustainability Statement
(cont'd.)

Name of NGO	Areas that Project Magnum Hearts Contributed Towards	UNSDG
<p>The Lost Food Project (TLFP)</p> 	<p>The Lost Food Project (“TLFP”) is a Malaysian not-for-profit organisation dedicated to a sustainable future by rescuing ‘lost’ food and finding it a new home for people who need it the most. TLFP prevents quality, nutritious food and other surplus goods from going to landfills and redistributes this food and other essential items to those in need.</p> <p>TLFP has distributed over 19.3 million meals since starting their operations in February 2016 and redirected a total of 6.7 million kg of food from landfills, to feed those in need.</p> <p>Our collaboration with TLFP aided in distributing wholesome ‘lost’ food and goods to underserved communities nationwide.</p>	  
<p>Great Heart Association</p> 	<p>Food security is a significant issue facing low-income residents in Malaysia. The PPR (Program Perumahan Rakyat) is a government-led initiative designed to provide affordable housing for low-income households. However, many residents of PPR homes still struggle to meet their basic needs, including access to sufficient, safe, and nutritious food.</p> <p>The Community Day with residents of PPR project is an initiative undertaken by the Great Heart Charity Association, a non-governmental organisation that is committed to supporting underprivileged communities in Malaysia. The project aims to address the issue of food insecurity faced by low-income residents of PPR homes.</p> <p>Our collaboration with Great Heart Association helped distribute essential groceries such as rice, cooking oil, dried noodles, and other crucial items so that underprivileged PPR residents have access to basic food necessities.</p>	  

Sustainability Statement
(cont'd.)

Name of NGO	Areas that Project Magnum Hearts Contributed Towards	UNSDG
<p>Yayasan Maha Karuna</p> 	<p>Many underprivileged and B40 students do not have access to basic essential learning materials to support their educational journey. They undergo various hardships to fulfil this basic necessity which hinders their educational progress and opportunities for a better future.</p> <p>Through their ‘EDUCare’ programme, Yayasan Maha Karuna has supported many underprivileged students by providing essential learning and educational materials, so these students can continue their schooling with adequate resources.</p> <p>Our collaboration with Yayasan Maha Karuna facilitated the provision of crucial learning materials and necessities to underprivileged students across the nation.</p>	
<p>National Autism Society of Malaysia (NASOM)</p> 	<p>The welfare support bursary of NASOM caters to underprivileged children with autism by granting them access to their Early Intervention Programme (“EIP”). The EIP is a specialised programme that focuses on providing essential support and therapies tailored to the unique needs of children with autism, providing them valuable interventions that aid in their development so that they can reach their full potential. This programme is offered at 17 NASOM centres spread across the country.</p> <p>Beyond the EIP, the bursary also extends their support by enabling children with autism to participate in their Vocational Programme, designed to equip these bright young minds with vocational skills that empowers them to lead independent lives to thrive and make meaningful contributions to society.</p> <p>Our collaboration enabled NASOM to offer their specialised programmes to a larger group of underprivileged autistic children, granting these children opportunities they may not have had before.</p>	 

Sustainability Statement

(cont'd.)

OUR DIVERSE CSR INITIATIVES AIMED FOR THE COMMUNITY

SUSTAINABLE DEVELOPMENT GOALS



We are Contributing Towards

- Assisting the extreme poor.
- Providing equal rights access to economic resources.
- Enhancing living conditions of underprivileged communities.

Our Initiatives

- Magnum CSR Community Support Programme.
- Home Enhancement Programme (HEP).
- Festivities donations and sponsorships to underserved communities (orphanages and senior homes, OKU, and B40).
- #ProjectMagnumHearts

Our Progress in 2023

- Contributions during Festivals (Chinese New Year, Gawai, and Deepavali celebrations).
 - Magnum assisted more than 260 welfare homes and charitable organisations, giving out donations, food aids and educational materials, carrying out home restorations project, and various other community development programmes.
 - RM800,000 in donations was contributed to uplift the wellbeing and living conditions of welfare homes, schools, and charitable organisations.
- Home Enhancement Programme.
 - Annually, Magnum implements the 3R (restore, replace, refurbish) project to improve the conditions of welfare homes nationwide.
 - We helped a total of 8 welfare homes in 2023.
- #ProjectMagnumHearts.
 - Magnum assisted more than 20,000 individuals by providing food essentials and meals.



Sustainability Statement

(cont'd.)



We are Contributing Towards

- Promoting mental health and well-being.
- Reducing problem gaming.
- Providing quality health coverage.

Our Initiatives

- Magnum's CSR Community Support Programme and Cepat-cepat Tolong.
- Magnum Volunteering Programme for employees.
- Frontliner Aid Scheme.
- Responsible Gaming Programme and RG Week.
- 'I Can See Clearly Now' Programme.

Our Progress in 2023

- Magnum's CSR Community Support Programme and 'Cepat-cepat Tolong' Initiative.
 - Supported 100 underprivileged individuals who are critically ill, contributing towards their medical bills, surgery, and life-threatening emergency payments.
- Magnum Volunteering Programme.
 - Magnum established the 'Magnum Volunteering Programme', empowering our employees to contribute their time in giving back to the communities. Besides increasing empathy, this programme helps increase work-life harmony and mental positivity.
 - More than 2,210 volunteering hours recorded with 100% employee participated at least once.
- Frontliners Aid Scheme.
 - Benefited more than 20 frontliners in supporting critical medical cases and providing education grants and awards for their children.
- Responsible Gaming (RG).
 - Organised the RG Week in May 2023 to educate players on playing responsibly to reduce excessive gaming habits.
 - Partnered with Gamblers Rehab Centre to support players that required assistance in problem gambling.
- I Can See Clearly Now (ICSCN).
 - Provided eye check-ups and free spectacles for underprivileged and special needs students in SRJK (C) Kampung Baru Ampang.



Sustainability Statement (cont'd.)



We are Contributing Towards

- Providing access to quality education.
- Enhancing skills for employment, decent jobs, and entrepreneurship.
- Providing access to education for the vulnerable.

Our Initiatives

- Partnering with education driven NGOs to provide educational materials to B40 communities and high-achieving students.
- Empowering the 'OKU' and special needs community in developing learning skills.

Our Progress in 2023

- Supported the National Mandarin Debate Competition to inspire and strengthen more than 300 students' skills in the language.
- Supported upskilling and training programmes for the 'OKU' community.
- #ProjectMagnumHearts.
- Magnum assisted more than 3,500 underprivileged students by providing essential educational and learning materials.
- Magnum assisted more than 300 B40 students with autism to pursue their specialised education according to their needs.



Sustainability Statement (cont'd.)



We are Contributing Towards

- Supporting positive economic, social, and environmental links between urban, peri-urban (suburban) and rural areas by strengthening development planning.

Our Initiatives

- Supported green energy consumption in welfare homes.
- Contribution to Orang Asli Initiative.

Our Progress in 2023

- Supported various green community projects in schools and learning centres.
- Provided organic vegetable towers to 5 welfare homes to introduce self-sustained and homegrown organic vegetables for healthy diet while also promoting sustainable living.
- Assisted the Orang Asli community with setting-up a poultry farming project by providing equipment, starter stock, and the necessary skills and knowledge for sustainable and economically independent poultry farming.



We are Contributing Towards

- Volunteering and caring for rescued animals.
- Protecting and preventing the extinction of threatened species.

Our Initiatives

- Partaking in tree planting, recycling, and animal welfare in our Magnum Volunteering Programme for employees.

Our Progress in 2023

- More than 50 Magnum employees successfully planted 700 trees to support our sustainability movement in combating climate change together with the Malaysian Nature Society (MNS) at Kuala Selangor Nature Park.
- Kuala Selangor Nature Park provides refuge to diverse wildlife and habitats and has attracted more than 150 species of birds and an estimated 100,000 wading birds, passing through during their annual migration.
- Magnum employees volunteered to care for more than 500 rescued dogs and cats in animal shelters nationwide and fed more than 300 rescued animals through our Pet Care Programme with SPCA Malaysia.



Sustainability Statement

(cont'd.)



We are Contributing Towards

- Substantially reduce corruption and bribery in all their forms.
- Develop effective, accountable, and transparent institutions at all levels.

Our Initiatives

- Ensuring sound governance practices.
- Ensuring compliance with regulatory requirements across our markets of operation.
- Upholding high standards of integrity and sound business ethics.



Our Progress in 2023

- Formalised Board commitment and dedicated Executive-level ESG committee.
- Obtained the highest level of Responsible Gaming certification in Malaysia (Level 3) from the World Lottery Association (WLA) to equip our stakeholders on the importance of Responsible Gaming.
- Successfully recertified against the new WLA SCS:2020 standards and recertified against the ISO27001:2013 standards for constantly establishing, implementing, maintaining, and continually improving an information security management system.
- In 2023, the Group revised our ABAC policy to enhance the depth of information and procedures, while our ABAC training remained exclusive to onboarding employees.



We are Contributing Towards

- Committing towards multi-stakeholder partnerships to support the achievement of the SDGs.

Our Initiatives

- Collaborating actively with regulators and community development programme partners.



Our Progress in 2023

- We have collaborated with multiple programme partners to conduct internal and external programmes to support our community development initiatives.
- MCSB is a member of the Asia Pacific Lottery Association (“APLA”) and World Lottery Association (“WLA”). We are committed to streamline all operations processes according to their Security Controls Standards, and Responsible Gaming guidelines and certifications.



Sustainability Statement

(cont'd.)

8

BURSA MALAYSIA COMMON SUSTAINABILITY MATTERS AND INDICATORS

Indicator	Measurement Unit	2023
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	98.00
Executive	Percentage	97.00
Non-Executive	Percentage	88.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	52.00
Management Above 50	Percentage	48.00
Executive Under 30	Percentage	22.00
Executive Between 30-50	Percentage	59.00
Executive Above 50	Percentage	19.00
Non-Executive Under 30	Percentage	16.00
Non-Executive Between 30-50	Percentage	49.00
Non-Executive Above 50	Percentage	35.00
Gender Group by Employee Category		
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executive Male	Percentage	61.00
Executive Female	Percentage	39.00
Non-Executive Male	Percentage	31.00
Non-Executive Female	Percentage	69.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.43
Female	Percentage	28.57
Under 30	Percentage	0.00
Between 30-50	Percentage	14.29
Above 50	Percentage	85.71

Sustainability Statement

(cont'd.)

Indicator	Measurement Unit	2023
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	367
Executive	Hours	1,131
Non-Executive	Hours	418
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	16.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	4
Executive	Number	36
Non-Executive	Number	22
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,353.28
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	7.759000
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,566,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	43,977

Sustainability Statement

(cont'd.)

9

STATEMENT OF ASSURANCE ON THE SUSTAINABILITY REPORT OF MAGNUM GROUP

(AS PUBLISHED IN ITS INTEGRATED ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023)

Pursuant to the Main Market Listing Requirement and Sustainability Reporting Guide issued by Bursa Malaysia, the Board of Directors ("the Board") confirmed that the Sustainability Report for the financial year ended 31 December 2023 was subjected to a review by the Group Internal Audit Department ("GIAD") to enhance its accuracy and reliability.

Assurance Undertaken

In strengthening the credibility of the Sustainability Report, this Sustainability Report has been subjected to an internal review by the Internal Audit team after taking into consideration various practicalities and limitations. This Statement of Assurance has been reviewed by the Group Risk Management Committee ("GRMC") and approved by the Board on 27 March 2024.

Subject Matter

The subject matters covered by the Internal Audit team include all the indicators stated in the Sustainability Report for the financial year ended 31 December 2023.

Scope

The boundary of the internal review includes all companies within the Magnum Group's financial control and the assurance was provided with data from 1 January 2023 to 31 December 2023, based on the reasonable information currently available.

Conclusion

The Internal Audit team confirmed that the data related to the subject matters reviewed were reliably ascertained and adequately supported. Throughout the assurance exercise, nothing had come to Internal Audit's attention that caused the Internal Audit team to believe that the disclosures for the subject matters could be inaccurate in any material way and not in line with the expectation set by Bursa Malaysia.

Board of Directors' Profile

Board of Directors' Profile (cont'd.)

Tan Sri Dato' Surin Upatkoon

Non-Independent Non-Executive Chairman

Age : 75
Nationality : Thai
Gender : Male

Board Meeting Attendance in 2023: 5/5

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Tan Sri Dato' Surin Upatkoon was appointed Executive Director of Multi-Purpose Holdings Berhad (now known as Magnum Berhad) ("Magnum") on 4 August 2000. Subsequently, on 28 August 2002, he was appointed Managing Director of Magnum where he played a major role in formulating the business strategies and direction of Magnum Group and was actively involved in the policy making aspects of the operations of Magnum Group. On 26 June 2013, he relinquished his executive position and was re-designated to Non-Executive Chairman of Magnum. Tan Sri Surin does not sit on any Board Committee of Magnum.

Tan Sri Surin completed his secondary education in Han Chiang High School, Penang in 1970. He began his career with MWE Weaving Mills Sdn. Bhd. in 1971 as a manager and he was appointed as the Managing Director of MWE Spinning Mills Sdn. Bhd. in 1974 where he was in charge of its daily operations. Subsequently, he was appointed the Managing Director of MWE Weaving Mills Sdn. Bhd. and a Director of MWE Holdings Berhad (now known as MWE Holdings Sdn. Bhd.). Tan Sri Surin has vast working experience and has played a key role in the expansion and development of the MWE Group of Companies.

Currently, he also sits on the Board of MPH Capital Berhad (a public listed company), Magnum 4D Berhad, MWE Golf & Country Club Berhad and several private limited companies in Malaysia and overseas. He is also a Trustee of Chang Ming Thien Foundation.

Age : 67
Nationality : Malaysian
Gender : Male

Board Meeting Attendance in 2023: 5/5

Dato' Lawrence Lim Swee Lin

Non-Independent Executive Director

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Dato' Lawrence Lim Swee Lin was appointed to the Board of Magnum Berhad ("Magnum") on 28 June 2013 as a Non-Executive Director and was redesignated as Executive Director on 25 February 2014. He is a member of the Group Risk Management Committee of Magnum.

Dato' Lim started his career with a leading merchant bank in Malaysia where he was principally involved in syndications, debt securitisation and project financing. He was appointed to the Board of MWE Holdings Berhad in August 1989 as Executive Director and was involved in the management and operation of MWE Holdings Berhad Group of Companies until he relinquished the executive position in MWE Holdings Berhad in August 2002. Following the conclusion of a privatisation exercise of MWE Holdings Berhad in October 2018, Dato' Lim had resigned as a director of MWE Holdings Berhad on 31 October 2018.

On 28 August 2000 and 4 October 2002, Dato' Lim was appointed to the Boards of Magnum 4D Berhad and Magnum Corporation Sdn. Bhd. respectively. He is currently the Chief Executive Officer of Magnum Corporation Sdn. Bhd. and Executive Director of Magnum 4D Berhad. He also holds directorships in various subsidiary companies in the Magnum Group and a number of other private and public limited companies, both in Malaysia and overseas. He is a Trustee of Magnum Foundation. He also sits on the Board of Directors of Malaysian South-South Corporation Berhad.

Since 21 November 2018, Dato' Lim has been the Chair, Security and Risk Management Committee of the World Lottery Association ("WLA"). He was appointed as an Executive Committee Member of WLA on 19 October 2022. Dato' Lim was a member of the Executive Committee of the Asia Pacific Lottery Association ("APLA") from November 2006 to October 2018. He also held the position of the Chairman of APLA from November 2014 to October 2018.

Dato' Lim holds a Bachelor of Arts (Honours) degree in Economics from the University of Sheffield, United Kingdom and a Master of Business Administration degree from the Victoria University of Manchester, United Kingdom.

Board of Directors' Profile

(cont'd.)

Krian Upatkoon

Non-Independent Executive Director

Age : 44
Nationality : Thai
Gender : Male

Board Meeting Attendance in 2023: 5/5

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Krian Upatkoon was appointed as Executive Director of Magnum Berhad ("Magnum") on 18 February 2019. He has also been an Executive Director of Magnum 4D Berhad since 17 May 2018. He joined the Group on 6 April 2014 as Senior Manager of Business Development & E-Marketing. He was later appointed Head of Business Development & E-Marketing on 1 February 2016 and subsequently promoted to Deputy General Manager of Magnum 4D Group on 1 March 2017. Krian does not sit on any Board Committee of Magnum.

Krian has more than 10 years of working experience in web and application development and has previously managed large deployments of IT infrastructure. Prior to this, he was employed in companies providing streaming content delivery services, network architecture, video games development and mobile technologies research.

Krian is also the Executive Director of MWE Holdings Sdn. Bhd. (previously known as MWE Holdings Berhad) ("MWE") which was a public company listed on the Main Market of Bursa Malaysia Securities Berhad until October 2018. He also sits on the Board of Directors of Davex Holdings Berhad and MWE Golf & Country Club Berhad, both subsidiaries of MWE. In addition, he holds directorships in various subsidiaries and associated companies in the Magnum Group and a number of other private companies. He is also a Trustee of Magnum Foundation.

Krian holds a Master of Science in Engineering in Computer Engineering and a Bachelor of Science in Engineering in Computer Engineering, both from University of Michigan, Ann Arbor, USA.

Datuk Vijeyaratnam a/I V. Thamoatham Pillay

Non-Independent
Non-Executive Director

Age : 72
Nationality : Malaysian
Gender : Male

Board Meeting Attendance in 2023: 5/5

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Datuk Vijeyaratnam a/I V. Thamoatham Pillay was appointed to the Board of Multi-Purpose Holdings Berhad (now known as Magnum Berhad) ("Magnum") on 16 November 1999. He is a member of the Nomination Committee and the Group Audit Committee of Magnum.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. Datuk Vijeyaratnam has considerable experience in the fields of auditing, financial planning, general management and corporate advisory in various business environments. He is currently the Managing Director of his own corporate advisory and consultancy company.

Presently, Datuk Vijeyaratnam sits on the Board of several private limited companies in Malaysia.

Board of Directors' Profile

(cont'd.)

Dato' Seri Lim Tiong Chin

Independent Non-Executive Director

Age : 71
Nationality : Malaysian
Gender : Male

Board Meeting Attendance in 2023: 5/5

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Dato' Seri Lim Tiong Chin was appointed to the Board of Magnum Berhad ("Magnum") on 22 August 2017. He is the Chairman of the Group Audit Committee, the Nomination Committee and the Remuneration Committee of Magnum. He is also a member of the Group Risk Management Committee of Magnum.

Dato' Seri Lim is a Public Accountant by profession, and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also an Associate Member of the Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Dato' Seri Lim was the Managing Director of A.A. Anthony Securities Sdn. Bhd. from 2001 to February 2013. Prior to joining A.A. Anthony Securities Sdn. Bhd., he was a Partner of Kiat & Associates from 1977 to 1983; the General Manager of A.A. Anthony & Co. Sdn. Bhd. from 1983 to 1985, and the Chairman and Managing Director of A.A. Anthony & Co. Sdn. Bhd. from 1985 to 3 September 2001.

Currently, he also sits on the Board of MPH Capital Berhad (a public listed company) and several private limited companies in Malaysia.

Board of Directors' Profile

(cont'd.)

Jean Francine Goonting

Independent Non-Executive Director

Age : 56
Nationality : Malaysian
Gender : Female

Board Meeting Attendance in 2023: 5/5

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Jean Francine Goonting was appointed to the Board of Magnum Berhad ("Magnum") on 20 August 2019. She is the Chairperson of the Group Risk Management Committee of Magnum. She is also a member of the Group Audit Committee, the Nomination Committee and the Remuneration Committee of Magnum.

Francine holds degrees in Economics (majoring in accounting) and Law from Monash University, Melbourne, Australia. She is also an Advocate and Solicitor of the High Court of Malaya and has held a Capital Markets and Services Representative Licence for Corporate Finance under the Capital Markets and Services Act 2007.

Having commenced her career in merchant banking, Francine has over 30 years of experience in debt and capital markets, corporate finance and advisory, cross border transactions and mezzanine finance. She was also the Group Treasurer of a public listed company.

Ng Siew Hong

Independent Non-Executive Director

Age : 67
Nationality : Malaysian
Gender : Female

Board Meeting Attendance in 2023: 4/4

(numbers of meetings attended and held after her appointment as a director of Magnum on 15 March 2023.)

OCCUPATION, WORKING EXPERIENCE AND QUALIFICATIONS:

Ng Siew Hong (also known as Marcia) was appointed to the Board of Magnum Berhad ("Magnum") on 15 March 2023. She is a member of the Remuneration Committee of Magnum.

Marcia graduated with a degree in law (LL.B Hons) from University of Southampton in 1989. She was admitted as a Barrister-at-law of the Lincoln's Inn, London in 1981 and as an Advocate and Solicitor of the High Court of Malaya in 1982.

Marcia is a retired lawyer. She has more than 30 years of experience in corporate and commercial legal work. She started her legal career in Rashid & Lee (now known as Shahrizat Rashid & Lee) in 1983. She was the first female legal assistant promoted to the status of a partner in the firm. During her practice in Rashid & Lee, she had led a team of lawyers in advising clients and attending to the legal documentations in a broad spectrum of transactions such as reconstruction exercise, revival of abandoned housing projects, advising landowners in negotiation with foreign companies in development/management of hotels and shopping centres, sale and purchase of land/business operations, joint ventures between landowners and developers and project development/management of commercial projects. She left Rashid & Lee in 2003.

Marcia set up her own legal practice in 2004 and subsequently became a partnership with 2 other partners (known as Marcia Ng & Associates) focusing mainly on corporate and commercial legal work, and perusal and research on the law and its implications on commercial transactions between private entities and state authorities. She retired from Marcia Ng & Associates in 2014. She currently sits on the Board of Directors of MPHB Capital Berhad (a public listed company).

Board of Directors' Profile

(cont'd.)

Additional Information:

1. Interest in the shares of the Company and its subsidiaries

Save as disclosed below, none of the other Directors has any interest in the shares of the Company and its subsidiaries as at 3 April 2024:

MAGNUM BERHAD Name	Direct Interest		Indirect/Deemed Interest	
	No. of shares	%	No. of shares	%
Tan Sri Dato' Surin Upatkoorn	–	–	527,651,223 ^(a)	36.714
Dato' Lawrence Lim Swee Lin	8,265,664	0.575	3,030,000 ^(b)	0.211
Krian Upatkoorn	–	–	3,030,000 ^(b)	0.211
Datuk Vijeyaratnam a/l V. Thamothearam Pillay	1,487,800	0.104	160,600 ^(c)	0.011
Dato' Seri Lim Tiong Chin	4,984,350	0.347	10,617,120 ^(d)	0.739

Notes:-

- ^(a) Deemed interest by virtue of Section 8(4) of the Act through his shareholding interest of not less than 20% in Casi Management Sdn. Bhd. and Pinjaya Sdn. Bhd.; and indirect interest held through his children pursuant to Section 59(11) of the Companies Act 2016 ("the Act").
- ^(b) Deemed interest by virtue of Section 8(4) of the Act through his shareholding interest of not less than 20% in Zenbell Holdings Sdn. Bhd. and its subsidiary, Zenbell (Selangor) Sdn. Bhd.
- ^(c) Deemed interest by virtue of his indirect interest held through his spouse pursuant to Section 59(11) of the Act.
- ^(d) Deemed interest by virtue of Section 8(4) of the Act through his shareholding interest of not less than 20% in Keetinsons Sdn. Bhd. and T.C. Holdings Sdn. Bhd.

By virtue of his deemed interest of not less than 20% in the voting shares of Magnum, Tan Sri Dato' Surin Upatkoorn is also deemed to have an interest in the shares of all the subsidiaries of Magnum to the extent of Magnum's interest in these subsidiaries.

2. Family relationship

The family relationship between Tan Sri Dato' Surin Upatkoorn, the Non-Independent Non-Executive Chairman, and Krian Upatkoorn, the Non-Independent Executive Director, are father and son respectively.

Save as disclosed above, none of the other Directors has any family relationship with any other director and/or major shareholder of Magnum.

3. Conflict of interests

None of the Directors has any conflict of interest or potential conflict of interest with Magnum or its subsidiaries.

4. List of convictions for offences and public sanction or penalty

None of the Directors has:

- been convicted of any offence within the past five years other than traffic offences, if any; and
- been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

Key Senior Management's Profile

Dato' Lawrence Lim Swee Lin

Positions:

- Executive Director, Magnum Berhad and Magnum 4D Berhad
- Chief Executive Officer, Magnum Corporation Sdn. Bhd.

Age : 67
Nationality : Malaysian
Gender : Male

Academic/Professional Qualifications:

- Master of Business Administration, Victoria University of Manchester, United Kingdom
- Bachelor of Arts in Economics (Honours), University of Sheffield, United Kingdom

WORKING EXPERIENCE:

Dato' Lawrence Lim Swee Lin was appointed to the Board of Magnum Berhad ("Magnum") on 28 June 2013 as a Non-Executive Director and was redesignated as Executive Director on 25 February 2014.

On 28 August 2000 and 4 October 2002, Dato' Lim was appointed to the Boards of Magnum 4D Berhad and Magnum Corporation Sdn. Bhd. respectively. He was redesignated as Chief Executive Officer of Magnum Corporation Sdn. Bhd. from Executive Director with effect from 1 August 2008. His scope of work involves strategic planning & development, managing the overall operations and resources of the company.

Dato' Lim also holds directorships in various subsidiaries of the Magnum Group and a number of other private and public limited companies, both in Malaysia and overseas. He is a Trustee of Magnum Foundation. He also sits on the Board of Directors of Malaysian South-South Corporation Berhad.

Since 21 November 2018, Dato' Lim has been the Chair, Security and Risk Management Committee of the World Lottery Association ("WLA"). He was appointed as an Executive Committee Member of WLA on 19 October 2022. Dato' Lim was a member of the Executive Committee of the Asia Pacific Lottery Association ("APLA") from November 2006 to October 2018. He also held the position of the Chairman of APLA from November 2014 to October 2018.

Dato' Lim started his career with a leading merchant bank in Malaysia where he was principally involved in syndications, debt securitisation and project financing. He was appointed to the Board of MWE Holdings Berhad on 1 August 1989 as Executive Director and was involved in the management and operations of MWE Holdings Berhad Group of Companies until he relinquished his executive position in MWE Holdings Berhad in August 2002. Following the conclusion of a privatisation exercise of MWE Holdings Berhad in October 2018, Dato' Lim had resigned as a director of MWE Holdings Berhad on 31 October 2018.

Key Senior Management's Profile (cont'd.)

Krian Upatkoon

Positions:

- Executive Director, Magnum Berhad and Magnum 4D Berhad

Age : 44
Nationality : Thai
Gender : Male

Academic/Professional Qualifications:

- Master of Science in Engineering, Computer Engineering; University of Michigan, Ann Arbor, USA
- Bachelor of Science in Engineering, Computer Engineering; University of Michigan, Ann Arbor, USA

WORKING EXPERIENCE:

Krian Upatkoon was appointed as Executive Director of Magnum Berhad on 18 February 2019. He has also been an Executive Director of Magnum 4D Berhad since 17 May 2018. He joined the Group on 6 April 2014 as Senior Manager of Business Development & E-Marketing. He was later appointed Head of Business Development & E-Marketing on 1 February 2016 and subsequently promoted to Deputy General Manager of Magnum 4D Group on 1 March 2017.

He has more than 10 years of working experience in web and application development and has previously managed large deployments of IT infrastructure. Prior to this, he was employed in companies providing streaming content delivery services, network architecture, video games development and mobile technologies research.

Krian is also the Executive Director of MWE Holdings Sdn. Bhd. (previously known as MWE Holdings Berhad) ("MWE") which was a public company listed on the Main Market of Bursa Malaysia Securities Berhad until October 2018. He also sits on the Board of Directors of Davex Holdings Berhad and MWE Golf & Country Club Berhad, both subsidiaries of MWE. In addition, he holds directorships in various subsidiaries and associated companies in the Magnum Group and a number of other private companies. He is also a Trustee of Magnum Foundation.

Lum Fook Seng

Positions:

- Executive Vice President - Group Chief Financial Officer, Magnum Berhad and Magnum Corporation Sdn. Bhd.

Age : 59
Nationality : Malaysian
Gender : Male

Academic/Professional Qualifications:

- Registered Accountant and a Fellow member of the Chartered Association of Certified Accountants (ACCA)
- Graduate of the Institute of Chartered Secretaries and Administrators (ICSA)
- Diploma in Business Management from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management & Technology), Malaysia

WORKING EXPERIENCE:

Lum Fook Seng was appointed as Chief Financial Officer of Magnum Berhad and Magnum Corporation Sdn. Bhd. on 1 June 2018 and was redesignated as Executive Vice President-Group Chief Financial Officer on 29 March 2023. He joined Magnum 4D Berhad (formerly known as Leisure Management Berhad) on 12 February 1992 and was promoted to Acting Finance Manager on 10 May 1993 before assuming the Finance Manager role on 1 January 1994. He was promoted to Head, Finance and Administration of Magnum 4D Berhad on 1 January 2013.

Fook Seng also sits on the Board of various gaming and non-gaming subsidiaries of Magnum Berhad Group.

Fook Seng started his accountancy career in the Property sector, staying for 3 years before joining Magnum 4D Berhad on 12 February 1992. To-date, he has more than 32 years of experience in the Gaming industry, particularly in back-room operations.

Currently, his key responsibilities include financial and management reporting, regulatory and tax compliance, treasury, financing and administration matters of Magnum Group.

Key Senior Management's Profile

(cont'd.)

Datuk Chan Chee Fai

Position:

- Executive Vice President - Group Chief Commercial Officer, Magnum 4D Berhad

Age : 60

Nationality : Malaysian

Gender : Male

Academic/Professional Qualifications:

- Executive Master of Business Administration; University of Lincoln, United Kingdom
- Fellow of Malaysian Institute of Management

WORKING EXPERIENCE:

Datuk Chan Chee Fai was appointed as Group Chief Commercial Officer of Magnum 4D Berhad in March 2021 and on 15 February 2023, redesignated as Executive Vice President-Group Chief Commercial Officer. He joined the company in June 1991 as an Operations Officer and went on to become the Chief Commercial Officer in April 2015.

One of his main areas of responsibility is to oversee the new Strategic Gaming Division which was set up to oversee the Corporate Communications, Customer Insights, Brand, Corporate Social Responsibility, Customer Service, and Product Administration functions of the Group.

He has more than 30 years of working experience in various capacities including managing sales and marketing, customer service, operations, and corporate communications. He has developed comprehensive communication strategies that support the company's vision and objectives, including spearheading and establishing a dominant brand presence to internal and external stakeholders.

Datuk Chan is also entrusted to provide strategic leadership and guidance on Governmental regulations and compliance for our business.

Chong Fhui

Positions:

- Executive Vice President - Group Chief Operating Officer, Magnum 4D Berhad and Magnum Corporation Sdn. Bhd.

Age : 43

Nationality : Malaysian

Gender : Male

Academic/Professional Qualifications:

- Executive Master of Business Administration; Asia Metropolitan University, Malaysia
- Chartered Fellow of Chartered Management Institute, United Kingdom
- Green and Sustainable Finance Professional; Chartered Banker Institute, United Kingdom
- Post-graduate Diploma in Business Administration; Anglia Ruskin University, United Kingdom
- Bachelor's Degree in Human Development; University Putra Malaysia
- Executive Programme in Digital Transformation Strategies; Judge Business School, University of Cambridge, United Kingdom
- Executive Programme in Organisational Leadership; NUS Business School, National University of Singapore.
- Certified Investment Manager; Member of the Federation of Investment Managers Malaysia (FIMM)

WORKING EXPERIENCE:

Chong Fhui joined the Group on 1 July 2021 as Chief Operating Officer ("COO") of Magnum 4D Berhad and Deputy Chief Transformation Officer of Magnum Corporation Sdn. Bhd. Thereafter, he was appointed Group Chief Operating Officer and on 15 February 2023, he was redesignated as Executive Vice President-Group Chief Operating Officer, overseeing National Retail and Operations, Technical Services, Human Resources, as well as the Group's Strategic Planning, and Digital Assets business functions. Under Chong Fhui's leadership, he played a pivotal role in pioneering transformative initiatives in the Group's digitalisation journey, propelling innovation in spearheading retail automation and driving operational excellence towards enhancing the customer value proposition. These efforts drove differentiated and elevated customer experiences, setting new standards in the NFO industry.

Prior to joining Magnum Group, Chong Fhui served as Chief Commercial Officer of the nation's largest Fintech group, spearheading the fintech revolution and digital transformation within Malaysia's mobility ecosystem.

His career has also seen him helm the roles of Chief Sales Officer in one of the world's largest insurance companies, and Head of Enterprise Business in Malaysia's leading content and entertainment company.

During the formative years of his career, Chong Fhui acquired multi-disciplinary exposure and expertise in Retail Banking, Wealth Management and Retail Distribution through his influential leadership roles held in both local and multinational financial banking groups.

Key Senior Management's Profile

(cont'd.)

Additional Information:

1. Interest in the shares of the Company and its subsidiaries

As disclosed below, all of the Key Senior Management has interest in the shares of the Company as at 3 April 2024:

MAGNUM BERHAD Name	Direct Interest		Indirect/Deemed Interest	
	No. of shares	%	No. of shares	%
Dato' Lawrence Lim Swee Lin	8,265,664	0.575	3,030,000*	0.211
Krian Upatkoon	-	-	3,030,000*	0.211
Lum Fook Seng	131,038	0.009	-	-
Datuk Chan Chee Fai	25,250	0.002	-	-
Chong Fhui	50,000	0.003	-	-

Note:-

* Deemed interest by virtue of Section 8(4) of the Companies Act 2016 through his shareholding interest of not less than 20% in Zenbell Holdings Sdn. Bhd. and its subsidiary, Zenbell (Selangor) Sdn. Bhd.

None of the Key Senior Management has any interest in the shares of the subsidiaries of Magnum as at 3 April 2024.

2. Directorships in public companies and listed issuers

Save as disclosed in the profiles of Dato' Lawrence Lim Swee Lin and Krian Upatkoon above, none of the other Key Senior Management has any directorship in public companies and listed issuers.

3. Family relationship

Save for Krian Upatkoon who is the son of Tan Sri Dato' Surin Upatkoon, the Non-Independent Non-Executive Chairman and a major shareholder of Magnum Berhad, none of the other Key Senior Management has any family relationship with any director and/or major shareholder of Magnum.

4. Conflict of interests

None of the Key Senior Management has any conflict of interest or potential conflict of interest with Magnum or its subsidiaries.

5. List of convictions for offences and public sanction or penalty

None of the Key Senior Management has:

- been convicted of any offence within the past five years other than traffic offences, if any; and
- been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

Corporate Governance Overview Statement

The Board of Directors (“Board”) of Magnum Berhad (“Magnum” or “Company”) presents this Statement to provide shareholders and other stakeholders of Magnum with an overview of the manner in which Magnum and its subsidiaries (collectively “Group”) have, during the financial year ended 31 December 2023 and where applicable, up to the date of this Statement, adopted and applied the three key principles in the Malaysian Code on Corporate Governance 2021 (“MCCG”) published by the Securities Commission Malaysia as follows:-



This Statement is also in compliance with Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) issued by Bursa Malaysia Securities Berhad.

The detailed application by the Group for each practice prescribed in the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is available on the Company’s website at www.magnum.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1 Board Responsibilities

1.1 Clear Duties and Responsibilities of the Board

The Board as a whole is explicitly responsible for the stewardship of the Company, and in discharging its obligations diligently with integrity and in an objective manner. Each Director has a legal duty to act in good faith and in the best interest of the Company at all times.

The Directors are aware of their collective and individual responsibilities to all stakeholders for the manner in which the affairs of the Company are managed, controlled and operated. The Board is satisfied that it has fulfilled these duties and obligations during the year under review.

The principal duties and responsibilities of the Board are set out in the Board Charter and disclosed in the CG Report for the financial year ended 31 December 2023 which can be downloaded from the Company’s website at www.magnum.my.

1.2 Division of roles and responsibilities of the Board members

The roles and responsibilities of the Chairman, the Executive Directors and the Non-Executive Directors are clearly segregated, each having separate responsibilities and authorities.

The Chairman of the Board provides overall leadership to the Board in decision making, instil good governance practices and is primarily responsible for the orderly conduct and working of the Board.

Corporate Governance Overview Statement (cont’d.)

The Executive Directors are responsible for the day-to-day running of the Group’s business and implementation of Board’s policies and decisions.

The Non-Executive Directors play a key supporting role in contributing their knowledge and experience in the decision-making process and towards the formulation of the Company’s goals and policies.

The distinct and separate roles with clear division of responsibilities on the Board ensures a balance of power and authority at all times, such that no one individual has unfettered decision-making powers.

1.3 Clear functions for the Board and Management

The Board has a formal schedule of matters reserved specifically for its decision set out in the Authority Chart, which includes the approval of corporate and business continuity plans, annual budgets, acquisitions and disposal of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

The Authority Chart also guides the Management, headed by the Executive Directors, in the day-to-day running of the Group’s business. The Authority Chart spells out the approving limits and the types of authority delegated by the Board to Senior Management who is responsible for the implementation of the Board’s policies and decisions. The Authority Chart is periodically reviewed and updated to reflect the changes in the business, operational and organisational environment.

The Management establishes targets and milestones which are presented to and approved by the Board. These targets and milestones are monitored and reviewed regularly and responsibilities re-aligned when necessary to ensure the Group’s needs are consistently met.

1.4 Board Charter

Since February 2013, the Board has established a Board Charter which sets out the composition, principal roles and responsibilities of the Board, its various Board Committees, individual directors and Management.

The Board Charter also outlines the processes and procedures for the Board and its Committees to be effective and efficient. The Board Charter was last reviewed by the Nomination Committee in November 2023.

The Board Charter is available on the Company’s website at www.magnum.my.

1.5 Code of Business Conduct and Ethics

The Board has adopted the Directors’ Code of Business Conduct and Ethics which serves as a guide for the Board in discharging its oversight role effectively. This Code of Business Conduct and Ethics requires all Directors to observe high ethical business standards, honesty and integrity, and to apply these values to all aspects of the Group’s business and professional practice, and act in good faith and in the best interests of the Group and its shareholders at all times.

The Directors’ Code of Business Conduct and Ethics is available on the Company’s website at www.magnum.my.

In addition to the Directors’ Code of Business Conduct and Ethics which is accessible by the public on the Company’s website, the Company, since May 2013, has in place a Code of Conduct which sets out the standards on ethical conduct and responsibility for all employees of the Group. The scope of this employees’ Code of Conduct includes confidentiality, conflict of interest, gifts and entertainment and, the use of the Company’s assets. All employees including Management must comply with this employees’ Code and a non-disclosure agreement therein. This Code of Conduct is accessible only by employees of the Group on its intranet created for the Group’s Information Security Policies and Procedures.

Corporate Governance Overview Statement

(cont'd.)

1.6 Board Committees

The Board has delegated certain functions to the Committees it established to assist and complement the Board in the execution of its responsibilities. Each Board Committee operates within its terms of reference, which clearly defines its functions and authority. The terms of reference of all the Board Committees, which are periodically reviewed to ensure that they are consistent with the MMLR and MCGG, are available on the Company's website at www.magnum.my.

Although specific authority is delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairman of the Board Committee and the tabling of minutes of the Board Committee meetings at Board meetings. The various Board Committees, their compositions, and the number of meetings held and attended by each Committee member during the year 2023 are summarised as follows:

(a) Nomination Committee

The Nomination Committee currently consists exclusively of the following Non-Executive Directors, the majority of whom are independent:

	No. of meetings attended/held in 2023	%
• Chairman		
Dato' Seri Lim Tiong Chin ⁽¹⁾ (Independent Non-Executive Director)	3/3	100
• Members		
Datuk Vijeyaratnam a/I V. Thamotheeram Pillay ⁽²⁾ (Non-Independent Non-Executive Director)	3/3	100
Jean Francine Goonting (Independent Non-Executive Director)	3/3	100

Notes:

⁽¹⁾ Redesignated from a member to the Chairman in March 2023.

⁽²⁾ Redesignated from the Chairman to a member in March 2023.

The key responsibilities of the Nomination Committee are as follows:

- Identify and recommend new nominees to the Board and Committees of the Board of the Company and its subsidiary companies;
- Assist the Board to systematically assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director on an annual basis; and
- Assist the Board in reviewing its required mix of skills and experience and other qualities which Non-Executive Directors should bring to the Board.

Corporate Governance Overview Statement

(cont'd.)

The main activities of the Nomination Committee during the financial year 2023 are summarised as follows:

- evaluated the suitability of a potential candidate as an additional Independent Director of the Company – Ng Siew Hong;
- engaged an independent expert to facilitate the assessment of performance of individual Directors and the Board as a whole as part of the annual assessment which covered effectiveness of the Board; its Group Audit Committee; the contributions of each individual Directors, any conflict of interest, and the Board Meeting discussion topics for assessment year 2022. These assessments were benchmarked against its recognised frameworks namely, the Board Charter and the relevant Board Committee's Terms of Reference as well as requirements and best practices recommended by the regulators;
- through the independent facilitator, reviewed the composition of the Board in terms of its appropriate size, tenure in office and diversity in knowledge, skills, experience, core competencies, gender, age, ethnicity and background;
- through the independent facilitator, reviewed the Non-Executive Directors' remuneration;
- through the independent facilitator, assessed the independence of Independent Directors;
- through the independent facilitator, assessed the training needs of the Directors;
- determined those Directors who would retire by rotation at the 47th Annual General Meeting based on the Company's Constitution including reviewing the retiring directors' eligibility, their competencies pursuant to the Directors' Fit And Proper Policy, and make the necessary recommendations for their re-elections;
- reviewed the Group's compliance status and application status with the Main Market Listing Requirements and MCGG respectively in terms of corporate governance; and
- reviewed the Board Charter.

(b) Remuneration Committee

On 15 March 2023, Tan Sri Dato' Surin Upatkoorn, who is also the Chairman of the Board, had relinquished his positions as Chairman and member of the Remuneration Committee in line with Practice 1.4 of the MCGG. The Remuneration Committee currently consisted exclusively of the following Independent Non-Executive Directors:-

	No. of meetings attended/held in 2023	%
• Chairman		
Dato' Seri Lim Tiong Chin ⁽¹⁾ (Independent Non-Executive Director)	1/1	100
• Members		
Jean Francine Goonting (Independent Non-Executive Director)	1/1	100
Ng Siew Hong ⁽²⁾ (Independent Non-Executive Director)	1/1	100

Notes:

⁽¹⁾ Redesignated from a member to the Chairman in March 2023.

⁽²⁾ Appointed as a member in March 2023.

Corporate Governance Overview Statement

(cont'd.)

The principal responsibilities of the Remuneration Committee include the formulation of a fair remuneration policy such as rewards and benefits and other terms of employment of the Executive Directors as well as for the Key Senior Management. The Remuneration Committee reviews and ensures that the remuneration fairly reflects the responsibilities, the expertise required by the Group and the complexity of its operations. The said remuneration should also be in line with the business strategy and long-term objectives of the Group.

(c) Group Audit Committee

The Group Audit Committee currently consists exclusively of the following Non-Executive Directors, the majority of whom are Independent:

	No. of meetings attended/held in 2023	%
• Chairman		
Dato' Seri Lim Tiong Chin (Independent Non-Executive Director)	5/5	100
• Members		
Datuk Vijeyaratnam a/I V. Thamothearam Pillay (Non-Independent Non-Executive Director)	5/5	100
Jean Francine Goonting (Independent Non-Executive Director)	5/5	100

The Group Audit Committee reviews the Group's financial reporting process, the system of internal controls, the audit process and the Group's process for monitoring compliance with laws and regulations, and such other matters which may be delegated by the Board from time to time.

(d) Group Risk Management Committee

The Group Risk Management Committee currently consists of the following Directors, the majority of whom are Independent Non-Executive Directors:

	No. of meetings attended/held in 2023	%
• Chairman		
Jean Francine Goonting ⁽¹⁾ (Independent Non-Executive Director)	2/2	100
• Members		
Dato' Lawrence Lim Swee Lin (Non-Independent Executive Director)	2/2	100
Dato' Seri Lim Tiong Chin ⁽²⁾ (Independent Non-Executive Director)	2/2	100

Notes:

⁽¹⁾ Redesignated from a member to the Chairman in March 2023.

⁽²⁾ Redesignated from the Chairman to a member in March 2023.

The principal responsibilities of the Group Risk Management Committee include the review of the adequacy of the Group's risk management policies and framework and ensuring that adequate infrastructure, resources, and systems are in place for risk management in the Group.

Corporate Governance Overview Statement

(cont'd.)

1.7 Support from Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries. Every Director has ready and unhindered access to the advice and services of the Company Secretaries. Both Company Secretaries are qualified to act as a company secretary and meet the requirements under Section 235 of the Companies Act 2016. They also hold valid practising certificates issued by the Registrar of Companies under Section 241 of the Companies Act 2016.

The Company Secretaries play an advisory role to the Board particularly with regard to the Company's constitution, Board policies and procedures, corporate governance issues and Directors' responsibilities in complying with regulatory requirements, codes, guidance, and legislation.

The Company Secretaries also regularly update the Board on changes to statutory and regulatory requirements and advise the Board on the impact, if any, to the Company and the Board. The Company Secretaries attend all Board and Board Committees' meetings as well as general meetings and ensure that deliberations and decisions are well documented and kept, and subsequently communicated to the relevant Management for appropriate actions.

The Company Secretaries also serve notices to the Directors and principal officers to notify and periodically remind them of the closed periods for dealings in the Company's shares pursuant to the provisions under the MMLR. In addition, they work closely with Management to facilitate the flow of timely and accurate information to the Board.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes, and developments through attendance at relevant conferences and continuous training programmes.

The Board is satisfied with the support and performance provided by the Company Secretaries in assisting the Board to discharge its duties.

1.8 Board Meetings and Supply of Information to the Board

The Board formally meets not less than five times a year principally to review and approve the quarterly results for announcements. The dates of the meetings of the Company's Board are planned ahead of schedule and a commitment is obtained from the Directors on their availability to attend the Board meetings. All Directors of the Company in office have complied with the minimum requirement to attend 50% of the Board meetings held.

The attendance of each Director at Board meetings, where a total of five meetings were held during the financial year ended 31 December 2023, are as set out below:

Director	Number of Board Meetings in 2023		
	Attended	Held	%
Tan Sri Dato' Surin Upatkoorn	5	5	100
Dato' Lawrence Lim Swee Lin	5	5	100
Krian Upatkoorn	5	5	100
Datuk Vijeyaratnam a/I. V. Thamothearam Pillay	5	5	100
Dato' Seri Lim Tiong Chin	5	5	100
Jean Francine Goonting	5	5	100
Ng Siew Hong	4*	4*	100

Note:

* Number of Board Meetings attended and held after her appointment as an Independent Non-Executive Director in March 2023.

Corporate Governance Overview Statement

(cont'd.)

All members of the Board have complied with the provision in the MMLR, which stipulates that each member shall not hold more than five directorships in public listed companies to ensure that their commitment, resources, and time are more focused to enable them to discharge their duties effectively.

The Board recognises that decision-making processes are highly dependent on the quality of information furnished. As such, the Board expects and receives adequate, timely and quality information on an ongoing basis to enable the Board to discharge its duties effectively.

The Board receives updates from the Management on the Group's operations and performance as well as the status of implementation of the Board's policies and decisions during the Board meetings.

Prior to a meeting, a formal agenda and the relevant proposal papers together with supporting documents are provided to the Board members not less than five business days or a shorter period, where deliberations involve price-sensitive information in accordance with MMLR, before the relevant Board and Board Committee meetings to ensure that they have sufficient time to peruse, deliberate, obtain additional information and/or seek further clarification on the matters to be tabled at the meetings.

The Board has direct access to Senior Management staff and has full and unrestricted access to all information pertaining to the Group's businesses and affairs, whether as a full Board or in their individual capacity. The Directors may, if necessary, obtain independent professional advice in the furtherance of their duties from external consultants at the Company's expense.

1.9 Anti-Bribery and Anti-Corruption Policy and Procedure including Whistle Blowing Policy

Since May 2020, the Group has adopted a new Anti-Bribery and Anti-Corruption Policy and Procedure (collectively "ABAC Policy"). The ABAC Policy has incorporated the revised Whistle Blowing Policy. The latter establishes a clear, transparent, and secured communication channel for all stakeholders to raise their legitimate concerns of any unethical, questionable, or improper conduct within the Group and thus, enable swift, fair, and effective corrective actions to be taken.

Both the ABAC Policy and the Whistle Blowing Policy will be reviewed periodically and are available on the Company's website at www.magnum.my.

1.10 Strategies promoting Sustainability

The Board is aware of the importance of business sustainability and ethical practices. The Board continuously instils the need to cultivate and promote good corporate values throughout the Group by upholding the value of 'Tone at the Top'.

The Board also ensures that there is a plan for promoting sustainability embedded in the development of the Group's strategies, taking into account the economic, environmental, social and governance aspects of its business operations. These strategies seek to meet the expectations of stakeholders such as customers, shareholders, regulators, bankers, and the communities in which the Group operates.

A summary of the Group's management of material economic, environmental, and social risks and opportunities is provided in the Sustainability Statement of this Integrated Annual Report.

Corporate Governance Overview Statement

(cont'd.)

1.11 Directors' Training

The Board places the responsibility for training of directors upon the Nomination Committee which on a yearly basis, evaluates and determines the training needs of Directors.

During the year 2023, all the Directors in office were periodically updated on new regulations and statutory requirements, particularly on changes or amendments made to the MMLR. Besides these periodical updates, the Directors have attended the following training programmes during the financial year ended 31 December 2023:

Director	Seminar/Workshop/Training Courses attended
Tan Sri Dato' Surin Upatkoon	<ul style="list-style-type: none"> 30 March 2023: Bond Fund – An Alternative Investment 07 – 10 August 2023: Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
Dato' Lawrence Lim Swee Lin	<ul style="list-style-type: none"> 30 March 2023: Bond Fund – An Alternative Investment 07 – 10 August 2023: Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 3 October 2023: Management of Cyber Risk
Krian Upatkoon	<ul style="list-style-type: none"> 30 March 2023: Bond Fund – An Alternative Investment 07 – 10 August 2023: Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 3 October 2023: Management of Cyber Risk
Datuk Vijeyaratnam a/I V. Thamothers Pillay	<ul style="list-style-type: none"> 30 March 2023: Bond Fund – An Alternative Investment 07 – 10 August 2023: Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Seri Lim Tiong Chin	<ul style="list-style-type: none"> 30 March 2023: Bond Fund – An Alternative Investment 07 – 10 August 2023: Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Jean Francine Goonting	<ul style="list-style-type: none"> 25 & 26 July 2023: SSM National Conference 2023 on Shared Responsibility in Strengthening AML/CFT Compliance – Risks, Challenges and Collaborations 19 – 20 September 2023: Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 25 October 2023: Management of Cyber Risk
Ng Siew Hong	<ul style="list-style-type: none"> 30 March 2023: Bond Fund – An Alternative Investment 22 – 23 August 2023: Mandatory Accreditation Programme Part II : Leading for Impact (LIP) 27 November 2023: Audit Oversight Board Conversation with Audit Committees

All the Directors have successfully completed the Mandatory Accreditation Programme (MAP) in compliance with the MMLR.

The Board is mindful of the need to keep abreast of the changes in both regulatory and business environments as well as with new developments within the industry in which the Group operates. The Directors will continue to undergo other relevant training programmes to upgrade themselves to effectively discharge their duties as Directors.

Corporate Governance Overview Statement

(cont'd.)

2 Board Composition

2.1 Board Size and Balance

Since March 2023, the Board had seven members, which were made up of a Non-Executive Chairman, two Executive Directors and four Non-Executive Directors, of whom three are Independent Directors. The composition of these three Independent Non-Executive Directors in the Company meets the one-third and the one female director requirements for Independent Non-Executive Directors under the MMLR.

The Board comprises individuals of high calibre and integrity, and they possess a diverse range of backgrounds, skills, and expertise, all of which complement each other. The composition of the Board remains adequate to provide for a diversity of views, facilitate effective decision making, and appropriate balance of Executive, Independent and Non-Independent Directors. A brief profile of each Director is set out in this Integrated Annual Report.

The Board is mindful of Practice 5.2 of the MCGG which stated that at least half of the board comprises Independent Directors and for Large Companies, the Board comprises a majority of Independent Directors.

Notwithstanding this, the Board is of the opinion that there is no issue in regard to the balance of power and authority on the Board as the roles of the Non-Executive Chairman, Executive Directors and Non-Executive Directors are clearly set out, separated, and established. The decision-making process of the Board is based on collective decisions without any individual exercising any considerable concentration of power or influence and well balanced by the presence of strong elements of independence with a large majority of Non-Executive Directors on the Board.

The Board had in March 2023 concurred to extend the timeframe for application of Practice 5.2 of the MCGG for 3 years i.e. by the year end of 2025.

2.2 Board Independence

Since March 2023, the Board comprised two Executive Directors and five Non-Executive Directors whereby, more than one-third are Independent Non-Executive Directors. The Non-Executive Directors are not employees of the Company and they do not participate in the day-to-day management of the Company. Thus, they remain objective and independent minded when they participated in the deliberations and decision making of the Board. This ensures effective check and balance in the functioning of the Board.

Should a Director be interested in any transaction to be entered into by the Company, the interested Director will abstain from deliberations and decisions of the Board on the stated transaction. Hence, the Directors retain the ability to exercise their duties and make decisions which are in the best interest of the Company.

2.3 Tenure of Independent Directors

The Board is mindful of the Step Up Practice 5.4 of the MCGG on a policy of limiting the tenure of Independent Directors to nine years of service.

As at 31 December 2023, none of the Independent Directors in office namely, Dato' Seri Lim Tiong Chin, Jean Francine Goonting and Ng Siew Hong, has served the Board in such capacity for more than nine years. Each of these three Independent Directors of the Company has provided a written confirmation of his/her independence to the Nomination Committee.

Corporate Governance Overview Statement

(cont'd.)

2.4 Board Diversity Policy

Since November 2014, the Board has adopted a Board Diversity Policy which sets out the approach to achieve boardroom diversity. This policy aspires to ensure the mix and profiles of the Board members from a number of aspects including but not limited to gender, age, ethnicity, background, skills, knowledge, and length of service.

The Board recognises diversity, including the facet of gender, as an important criterion to determine board composition as it provides the necessary range of perspectives, experiences and expertise required to achieve effective stewardship and management of the Company and the Group.

The Board is mindful of Practice 5.9 of the MCGG which stated that the Board comprises at least 30% women Directors.

There was one female Director on the Board before March 2023 and in March 2023, another female Director was appointed to the Board. This current new composition of women Directors made up to one third of the total seven Board members.

The Board is of the view that the current female representation on the Board is adequate for the business model of the Group and has considered that the Company has applied Practice 5.9 of the MCGG.

On the Management front, the Board's commitment to promote the Group's 'Diversity, Inclusive and Gender Policy' for the workplace is reflected in the Group's healthy employee gender profile as at 31 December 2023 of 51% (2022: 47.4%) female to 49% (2022: 52.6%) male employees, and 40% (2022: 38.1%) female employees holding supervisory and managerial positions.

2.5 Nomination and Appointment to the Board

The Nomination Committee oversees the overall composition of the Board in terms of the appropriate size, balance between the numbers of Executive, Non-Executive and Independent Directors, and a wide mix of various elements required to be appointed as Directors of the Company in accordance with the MMLR.

The Nomination Committee will undertake several concerted steps to ensure that suitable candidates are sought from various sources including professional bodies as part of its recruitment exercise. The Nomination Committee will also consider candidates recommended by the existing Board members, Management or major shareholders, former Directors or Senior Management.

In respect of the appointment of Directors, the Nomination Committee practices a clear and transparent nomination process which involves the following:

Stage 1: Identification of candidates

Stage 2: Meeting up with the candidates

Stage 3: Evaluation of suitability of candidates

Stage 4: Final deliberation by the Nomination Committee

Stage 5: Recommendation to the Board

Corporate Governance Overview Statement

(cont'd.)

The Nomination Committee considers, among others, the following aspects in making the selection of candidates to be appointed as Director:

- (a) the person must have the key qualities such as honesty and integrity;
- (b) the person must have the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the position;
- (c) the person must manage his debts and financial affairs prudently; and
- (d) the person must be apolitical.

All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board and the overall effectiveness of the Board, taking into account the nature of the industry and the highly regulated environment in which the Group operates. The proposed appointment of a new Director to the Board will be approved by the full Board based on the recommendation of the Nomination Committee.

During the financial year 2023, an additional female Independent Director was appointed to the Board.

2.6 Annual Assessment of Board, its Committees and individual Directors

The Nomination Committee has a formal assessment in place to assess the effectiveness of the Board as a whole, the performance of its Committees and the contribution of each individual Director on an annual basis. The evaluation process is led by the Chairman of the Nomination Committee and supported by the Company Secretaries. All assessments and evaluations carried out by the Nomination Committee are properly documented. The Board Effectiveness Evaluation ("BEE") exercise shall be facilitated by a professional, experienced and independent expert every three years.

In line with Practice 6.1 of the MCGG, the Company had last engaged an independent expert to facilitate its Board Effectiveness Evaluation ("BEE") exercise in March 2023 for assessment year 2022.

For the assessment year under review, the BEE was carried out internally through directors' self-assessment questionnaires, which are tailored-made and premised on qualitative and quantitative criteria. The assessment criteria are benchmarked against good governance practices prescribed by the regulators and best practices as well as the Board's and its Committees' duties and responsibilities set out the Board Charter, the Terms of Reference of each Committee and other internal policy documents.

The assessment of the Board is based on specific criteria, covering areas such as board conduct, board processes, board accountability, board governance, succession planning and interaction with Management and Stakeholders.

Each Board Committee is assessed based on the extent to which it had discharged its roles and functions set out in its terms of reference and each Committee Member's contribution to interaction, discussion and participation in the Committee's activities.

Corporate Governance Overview Statement

(cont'd.)

For individual self-assessment, the assessment criteria include integrity, commitment, leadership, knowledge and communication ability.

The criteria for assessing the Independent Directors include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

Based on the assessments conducted for the financial year 2023, the Nomination Committee is satisfied with the contribution and performance of each individual director, the Board as a whole and the Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

2.7 Re-election of Directors

The Constitution of the Company provides that all Directors shall retire from office at least once every three years and that at every Annual General Meeting, at least one-third of the Board for the time being shall retire from office and shall be eligible for re-election. The Constitution further provides that those Directors appointed during the financial year shall retire from office at the next Annual General Meeting and they may offer themselves for re-election.

The process of re-election of Directors ensures that shareholders have a regular opportunity to reassess the composition of the Board. The election of each Director is voted on separately by the shareholders at the Annual General Meeting.

Retiring Directors who are seeking re-elections are subject to Directors' assessment overseen by the Nomination Committee.

Upon the recommendation of the Nomination Committee, the Directors namely, Tan Sri Dato' Surin Upatkoon and Dato' Seri Lim Tiong Chin, will be retiring by rotation at the forthcoming 48th Annual General Meeting and being eligible, they have offered themselves for re-elections.

3 Remuneration

3.1 Remuneration Policy

The Board has in place a Remuneration Policy which guides the Group in formulating a fair and competitive remuneration needed to attract, retain, motivate and reward its Directors and Senior Management of high quality to manage the businesses of the Magnum Group successfully.

This remuneration policy is subject to regular review by the Board through its Remuneration Committee and will be amended as appropriate to reflect the current best practices. The Remuneration Policy is available on the Company's website at www.magnum.my.

Corporate Governance Overview Statement

(cont'd.)

3.2 Disclosure of Director's Remuneration

The details on the remuneration received or to be received by each Director of the Company, including the remuneration for services rendered as a group, during the financial year ended 31 December 2023 are as follows:

	Company			Subsidiaries			Group	
	Directors' Fees	Meeting Allowance	Benefits-in-kind based on estimated money value	Directors' Fees	Salaries	Bonuses and Other Emoluments	Benefits-in-kind based on estimated money value	Total
Non-Executive Director								
TSU	-	-	-	50.0	-	-	-	50.0
DVJ	130.0	-	32.2	-	-	-	-	162.2
DSLTC	130.0	7.5	-	-	-	-	-	137.5
JFG	130.0	7.5	-	-	-	-	-	137.5
NSH	104.0	4.0	-	-	-	-	-	108.0
Executive Director								
DLSL	-	-	-	55.0	1,248.4	426.5	22.1	1,752.0
KU	-	-	-	5.0	865.2	265.3	-	1,135.5

Notes:

TSU – Tan Sri Dato' Surin Upatkoon

DVJ – Datuk Vijeyaratnam a/I V. Thamotharam Pillay

DSLTC – Dato' Seri Lim Tiong Chin

JFG – Jean Francine Goonting

NSH – Ng Siew Hong

DLSL – Dato' Lawrence Lim Swee Lin

KU – Krian Upatkoon

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4. Group Audit Committee

4.1 Effective and Independent Group Audit Committee

The Group's financial reporting and internal control system are reviewed by the Group Audit Committee which comprises three Non-Executive Directors with a majority of two Independent Directors.

The Chairman of the Group Audit Committee is an Independent Non-Executive Director and is not the Chairman of the Board. All Group Audit Committee members are financially literate and have sufficient understanding of the Group's businesses.

The Group Audit Committee operates within its Terms of Reference which clearly defines its functions and authority. The Terms of Reference of the Group Audit Committee are available on the Company's website at www.magnum.my.

The Group Audit Committee meets not less than four times a year and often before the Board Meeting to ensure that all critical issues highlighted by the internal and external auditors can be brought to the attention of the Board on a timely basis. The minutes of the Group Audit Committee meetings are tabled at the Board Meeting for notation and action where appropriate.

Corporate Governance Overview Statement

(cont'd.)

A summary of the activities of the Group Audit Committee in the discharge of its functions and duties including how it has met its responsibilities for the financial year 2023 are set out in the Group Audit Committee Report in this Integrated Annual Report.

4.2 Relationship with the Auditors

The Board maintains a transparent and professional relationship with the Company's auditors, both internal and external, through the Group Audit Committee.

The Group Audit Committee has been explicitly accorded the power to communicate directly with both the internal and external auditors. The external auditors, Ernst & Young PLT ("EY"), are invited to attend the Group Audit Committee meetings at least twice a year to review the audit process and to discuss the Company's annual financial statements, the audit findings, the audit plan as well as problems and reservations arising from the final audit. The Group Audit Committee also meets with the external auditors whenever it deems necessary.

In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions relating to the conduct of the statutory audit and the preparation and contents of their audit report. The external auditors will report to the Group Audit Committee and the Management on any weaknesses in the internal control systems and any non-compliance of accounting standards that come to their attention in the course of their audit.

The Group Audit Committee is tasked with the authority from the Board to review any matters concerning the appointment and re-appointment, audit fee, resignation or dismissal of external auditors.

Though the declaration of independence, integrity and objectivity made by the external auditors in their status audit report for each financial year end would suffice to serve as a written assurance from the external auditors on their independence and integrity, the Group Audit Committee ensures that the independence and objectivity of the external auditors are not compromised by conducting annual assessment to review and monitor the suitability and independence of the external auditors. This assessment task forms part of the Group Audit Committee's functions as set out in its Terms of Reference.

The Group Audit Committee is satisfied with EY's performance, technical competency and audit independence including the reasonableness of fees for the financial year 2023. Accordingly, the Group Audit Committee has recommended EY's re-appointment as the Company's external auditors for the financial year ending 31 December 2024.

5. Risk Management And Internal Control Framework

5.1 Risk Management and Internal Control System

The Board affirms its overall responsibility for the Group's system of internal controls, risk management and reviewing the adequacy and integrity of these systems. The Group acknowledges its overall responsibilities for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders interest and the Company's assets.

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls. It should be noted that the system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group and can only provide reasonable but not absolute assurance against material financial misstatement or loss. Nevertheless, the Board will continue to maintain and review its internal control procedures to ensure the protection of the shareholders' investment and Group's assets.

Corporate Governance Overview Statement

(cont'd.)

The Group Risk Management Committee (“GRMC”) assumes the role in overseeing the risk management function together with the Management and to ensure effectiveness of the Group’s internal control systems. The GRMC also discusses with the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation and makes relevant recommendations to the Board to manage residual risks.

The overview of the state of internal control and risk management within the Group is set out in the Statement on Risk Management and Internal Control in this Integrated Annual Report.

5.2 Internal Audit Function

The Group’s internal audit function is outsourced to MPH Capital Berhad’s Group Internal Audit (“GIA”) Department, which reports directly to the Group Audit Committee (“GAC”) to maintain the objectivity and independence of the internal audit function. The role of GIA is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactory and effectively in the Group. The GIA undertakes their activities using a risk-based approach and guided by the International Professional Practices Framework (“IPPF”) and the relevant guidelines and recommendations from the relevant authorities. Risk-based audit approach is implemented to ensure that higher risk activities in each auditable area are audited more frequently and appropriate instituted controls are in place and effectively applied, and risk exposure are mitigated to an acceptable level.

In addition, all the internal auditors have successfully completed the ISO27001:2013 Information Security Management System Internal Audit Training Course/ Lead Auditor Training Course. This means the internal auditors are trained to conduct an Information Security Management System (“ISMS”) audit in accordance with internationally recognised best practice (ISO 19011 Guidelines for Auditing Management Systems).

During the financial year ended 31 December 2023, internal audit engagements were conducted in accordance with its Internal Audit Charter and 2023 Annual Audit Plan that were reviewed and approved by the GAC. All internal audit reports were deliberated by the GAC at GAC meetings on a quarterly basis and corrective action plans were duly acted upon by the Management. Follow-up audit reviews were conducted and reported to the GAC to ensure that all matters arising from each audit were adequately and promptly addressed by the Management.

The summaries of activities of the internal audit function during the financial year are set out in the Group Audit Committee Report.

5.3 Financial Reporting

The Board is responsible for the quality and completeness of publicly disclosed financial reports. In presenting the annual financial statements and quarterly results announcement of the Group, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board is assisted by the Group Audit Committee to oversee the Group’s financial reporting processes and the quality of its financial reporting to ensure that information to be disclosed are accurate, adequate and in compliance with relevant disclosure requirements.

Corporate Governance Overview Statement

(cont'd.)

5.4 Corporate Disclosure Policy

The Board acknowledges the importance of ensuring that it has in place, appropriate corporate disclosure policies and procedures which leverages on information technology.

The Board has established an internal Corporate Disclosure Policy to facilitate the handling and disclosure of material information in compliance with the provisions of the MMLR. It also serves as a guide to enhance the awareness among employees of the Company’s disclosure requirements and practices. Clear roles and responsibilities of Directors, Management and Employees are provided together with levels of authority to be accorded to designated persons in the handling and disclosure of material information. It also sets out the measures to be taken by the Company to ensure proper handling of confidential information by Directors, employees and relevant parties to avoid leakage and improper use of such information.

5.5 Procedural Manual For Related Party Transactions

Since May 2011, the Group has in place a Procedural Manual For Related Party Transactions to ensure related party transactions within the Group are being carried out fairly and are not detrimental to the interest of minority holders of the Company.

The Board through the Group Audit Committee also reviews any related party transactions and every half-yearly, reviews the recurrent related party transactions at its quarterly meeting to ensure that these transactions were made at arm’s length and on normal commercial terms which are generally available to the public or on terms and conditions negotiated between the Group and the related parties, in either case, these transactions are not detrimental to any shareholders.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6. Engagement with Stakeholders

6.1 Communication with Shareholders and Other Stakeholders

The Board recognises the importance of timely and equal dissemination of clear, relevant and comprehensive information on major developments of the Group to shareholders and other stakeholders, which is carried out by means of various disclosures, press releases and announcements to the stock exchange, taking into consideration the legal and regulatory framework governing the release of material and price-sensitive information.

The Group’s performance is reported quarterly to the stock exchange and on a yearly basis, the Integrated Annual Report is an important channel used by the Company to provide its shareholders and other stakeholders with information on its business, financial performance and other key activities.

The Company has, from time to time, held meetings and dialogues with investors and research or investment analysts to convey information regarding the Group’s progress, performance and business strategies. Press interviews were also conducted on significant corporate developments to keep the investing community and shareholders updated on any major developments of the business of the Group.

In addition, the Group maintains a website at www.magnum.my which is updated from time to time to provide shareholders and members of the public the current information and events relating to the Group.

Corporate Governance Overview Statement

(cont'd.)

7. Conduct of General Meetings

7.1 Annual General Meeting

The Annual General Meeting (“AGM”) is the principal forum for dialogue with the shareholders and serves as a platform for shareholders to obtain full understanding on the Company and its operations. At every AGM, either the Executive Director or the Executive Vice President-Group Chief Financial Officer presents a brief review of the Group’s operational and financial performance to the shareholders.

Shareholders are given both the opportunity and time to raise questions pertaining to issues in the Integrated Annual Report, resolutions being proposed and the Group’s operations, performance and direction. Board members, key senior management, the external auditors and the relevant advisors are available to answer questions raised and give clarifications as required.

During the year 2023, the Company had conducted a virtual 47th AGM which was held on 19 May 2023 at the Meeting room of the Registered Office (Broadcast Venue) by leveraging technology in accordance with Section 327(1) and (2) of the Companies Act 2016 and the Securities Commission Malaysia’s Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. Six members of the Board including the Executive Directors were physically present at the Broadcast Venue together with the Company Secretaries and the Executive Vice President-Group Chief Financial Officer whilst, the remaining one Board member, who is located overseas, and the other members of the key senior management were in attendance virtually via video conferencing.

In line with Practice 13.1 of the MCCG, the Notice of the 47th AGM dated 20 April 2023 was issued at least twenty-eight days before the meeting on 19 May 2023. Each item of special business included in the Notice of the AGM was accompanied by a full explanation of the effects of the proposed resolution to facilitate full understanding and evaluation of the issues involved.

The detailed results of the voting in terms of the number of votes and percentages for and against each resolution transacted at a general meeting were announced to the stock exchange and made available on the Company’s website, www.magnum.my.

The minutes of the 47th AGM which set out the summary of the key matters discussed at the AGM were made available on the Company’s website, www.magnum.my, no later than 30 business days after the meeting.

The Company will continue to explore and take leverage of newer technology to enhance the quality of engagement with its shareholders and to facilitate further participation by shareholders at the Company’s general meetings.

Corporate Governance Overview Statement

(cont'd.)

CONCLUSION

The Board is mindful of the need to regularly review and refine the Group’s corporate governance practices against the principles in the MCCG with the view of ensuring that they remain relevant in meeting with the challenges of its business environment.

The Board is satisfied that, save for the following items in two practice areas, the Company has substantially adopted and applied the principles and best practices prescribed in the MCCG during the year 2023 and up to the date of this Statement, where applicable:

	Application Timeframe
5.2 (Majority board members are Independent Directors)	2 years
8.2 (Disclosure of top 5 senior management’s remuneration on named basis in bands of RM50,000)	Not disclosing

The explanations for the above departures are further disclosed in the CG Report that has been announced to Bursa Malaysia Securities Berhad together with this Integrated Annual Report. The CG Report is available at the Company’s corporate website, www.magnum.my.

This Statement was approved by the Board on 27 March 2024.

Group Audit Committee Report

Group Audit Committee Report (cont'd.)

COMPOSITION

The Group Audit Committee (“GAC”) was established by the Board from amongst its non-executive members for Magnum Berhad (“Magnum” or “Company”) and its subsidiaries (collectively “Magnum Group” or “Group”). The GAC comprises three members, all of whom are Non-Executive Directors with a majority of two Independent Directors. The members of the GAC during the financial year ended 31 December 2023 were as follows:

- 1. Dato’ Seri Lim Tiong Chin**
(Chairman/Independent Non-Executive Director)
- 2. Datuk Vijeyaratnam a/I V. Thamothearam Pillay**
(Member/Non-Independent Non-Executive Director)
- 3. Jean Francine Goonting**
(Member/Independent Non-Executive Director)

The GAC Chairman is an Independent Non-Executive Director and is not the Chairman of the Board. All GAC members are financially literate and have sufficient understanding of the Group’s businesses. Two members, Datuk Vijeyaratnam a/I V. Thamothearam Pillay and Dato’ Seri Lim Tiong Chin, are fellow members of the Institute of Chartered Accountants in England and Wales and members of the Malaysian Institute of Accountants.

The GAC operates within its Terms of Reference which clearly define its functions and authority. The GAC’s policy that requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least three years before being appointed as a member of the GAC is embedded in its Terms of Reference. The Terms of Reference of the GAC is available on the Company’s website at www.magnum.my.

EVALUATION OF THE GROUP AUDIT COMMITTEE

In March 2024, the Board through its Nomination Committee assessed the performance of the GAC and its members during the year 2023 through an annual Board Committee effectiveness evaluation with the assistance from the Company Secretaries.

The individual GAC members were assessed on their tenure, trustworthiness, integrity, their financial literacy and competency in performing their duties under the purview of the GAC including the financial reporting process, and reviewing and recommending the re-appointment of external and internal auditors for the subsequent financial year.

Having considered the outcome of the evaluation, the Board is satisfied that the GAC and its members have discharged their functions, duties and responsibilities in accordance with the GAC’s Terms of Reference and has supported the Board in ensuring the Group upholds the appropriate corporate governance standards during the year 2023. All of the Independent Directors also satisfy the test of independence under Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

The GAC is mindful of the need to continuously undertake professional development training to keep themselves abreast with the developments of the relevant accounting and auditing standards, practices and rules. Details of the training programmes attended by the GAC members during the year 2023 are disclosed in the Corporate Governance Overview Statement in this Integrated Annual Report.

MEETINGS AND ATTENDANCE

The GAC meets quarterly, and additionally, whenever required. The meetings’ dates are planned ahead at the end of every financial year with each date coinciding with the key dates in the Company’s financial reporting cycle. The GAC meetings were appropriately structured through the use of agendas which were distributed to members together with the papers and reports relevant to the items on the agenda not less than five business days or a shorter period, where deliberations involve price-sensitive information pursuant to the listing requirements, before the meeting to enable the members to prepare for the meeting.

Meetings of the GAC were held with the presence of the Executive Directors, the Executive Vice President - Group Chief Financial Officer, Head of Group Internal Auditors and the representatives of the external auditors as and when required. Other directors and employees shall attend any particular GAC meeting only at the GAC’s invitation, specific to the relevant meeting.

The Executive Directors and the Executive Vice President - Group Chief Financial Officer were invited to all GAC meetings to facilitate direct communications as well as to provide clarifications on audit issues and the Group’s performance and operations. The Head of the Group Internal Auditors attended all GAC meetings to table the internal audit reports.

The external auditors were also invited to attend relevant GAC meetings to present their audit plan and audit findings, and to assist the GAC in its review of year-end financial statements.

The GAC also meets at least twice a year with the external auditors without the presence of any Executive Board members and Senior Management to provide the external auditors an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

Minutes of each GAC meeting were recorded and tabled for confirmation at the following GAC meeting and subsequently presented to the Board for notation. The GAC Chairman will convey to the Board matters of significant concern as and when raised by the external auditors or internal auditors.

During the financial year ended 31 December 2023, the GAC held a total of five meetings to conduct and discharge its functions in accordance with its Terms of Reference. The GAC meetings were held in the months of February, March, May, August and November of 2023. The details of attendance of the GAC members are as follows:-

GAC Members	Number of GAC meetings in 2023		
	Attended	Held	%
Dato’ Seri Lim Tiong Chin	5	5	100
Datuk Vijeyaratnam a/I V. Thamothearam Pillay	5	5	100
Jean Francine Goonting	5	5	100

Group Audit Committee Report

(cont'd.)

SUMMARY OF WORK DURING THE FINANCIAL YEAR 2023

During the financial year ended 31 December 2023, the GAC worked closely with Management, internal and external auditors to carry out its duties and responsibilities as set out in its Terms of Reference. The GAC discharged its oversight role by carrying out the following activities during the financial year 2023:

1. Financial Reporting

- Review with Management of the quarterly unaudited financial results of the Magnum Group against preceding and corresponding quarters as well as cumulative periods, and recommended the same for the Board's consideration and approval before release to the stock exchange. The review covers, among others, assessment of the Group's businesses and investments, the adequacy of disclosures and the appropriateness of the accounting policies applied.

The GAC had sought explanations from Senior Management including the Executive Vice President – Group Chief Financial Officer for the following matters:

- any significant variances in the financial performance of the Group;
 - any significant changes in accounting policies and adoption of new or updated accounting standards, and its impact to the Group's financial results; and
 - the assumptions, significant judgements and estimates made by Management.
- Reviewed and discussed the annual audited financial statements of the Group with the external auditors, Ernst & Young PLT and the Management focusing on the following:
 - significant matters highlighted in the financial statement including any significant financial reporting issues;
 - any change in accounting policies and practices;
 - significant judgements and estimates made by the Management;
 - audit differences and how these matters were addressed or significant adjustments arising from the audit;
 - going concern assumptions; and
 - compliance with applicable accounting standards and other legal requirements.

The GAC had discussed the key audit matters raised by the external auditors with the Management and the disclosure thereof in the Auditors' Report for the financial year ended 31 December 2023 for the Magnum Group.

Having satisfied that the financial statements and reports complied with the relevant accounting standards and other applicable laws and regulations, the GAC recommended the same for the Board's consideration and approval at the subsequent Board meeting.

2. Matters relating to external audit

- Reviewed the Audit Planning Memorandum of the external auditors, which outlines the audit scope, methodology and timeline for completion of the audit, areas of audit emphasis and focus on key audit matters, fraud considerations and the risk of management override and impact of new and revised auditors' reporting standards including recurring and non-recurring non-audit services that may be provided by the external auditors for the financial year ended 31 December 2023. The audit plan also encompasses the affirmation of the external auditors' independence.
- Discussed and considered the audit results in terms of the significant accounting adjustments, auditing issues and representation letters arising from the audit.

Group Audit Committee Report

(cont'd.)

- Had two private meetings with the external auditors during the financial year, once in March 2023 and another in November 2023, without the presence of any Executive Board members and Management, to discuss issues arising from the final audits, or any other matters the auditors may wish to discuss, including the level of assistance provided by the Group's employees to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information. There were no areas of concern raised by the external auditors that needed to be escalated to the Board.

- Reviewed the performance of the external auditors including assessment of their independence, objectivity and effectiveness in regard to several factors including the qualification, experience and technical knowledge of the engagement partner and audit staff, the resources of the audit firm, their quality control processes, communication and interactions with clients, and the level of non-audit services.

Based on the results of the evaluation, the GAC is of the view that the provision of non-audit services by the external auditors as cost effective and efficient due to their knowledge and understanding of the operations of the Group, with no undue compromise to their independence, objectivity and judgement. The GAC is satisfied with the external auditors' technical competency, audit independence and performance including the reasonableness of fees for the financial year 2023. Accordingly, the GAC had recommended the re-appointment of the external auditors for the ensuing financial year.

3. Matters relating to internal audit

- Reviewed the Group Internal Auditors' progress of audit activities and the internal audit reports of the Group, which highlighted issues, recommendations and Management's responses to ensure appropriate actions were taken to improve the system of internal controls based on improvement opportunities identified in the internal audit reports.
- Reviewed and approved the Group Internal Audit's Annual Audit Plan in ensuring scope adequacy and comprehensive coverage on the audit activities and principal risk areas are adequately identified and covered during the year 2023.

The GAC acknowledged that the internal control system of the Group, which was enforced throughout the financial year up to the date of this report, provided reasonable although not absolute assurance against material financial misstatements or loss. The internal controls were also deemed sufficient in ensuring the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of financial risks.

The GAC arrived at these conclusions as there was no evidence that there had been any shortcoming in the abovementioned processes. Nevertheless, the GAC noted that the internal control system cannot provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

- Reviewed the adequacy of resources and the competencies of the Group Internal Auditors to ensure satisfactory performance by Group Internal Auditors.

The GAC is satisfied with the objectivity, independence and performance of the Group Internal Auditors. The Group Internal Auditors had sufficient resources to carry out and complete all audit assignments planned for the year 2023 in a timely manner and in accordance with its Internal Audit Charter. The Group Internal Auditors had also promptly responded to all issues raised by the GAC, provided constructive observations and recommendations in areas which required improvements in the internal control system to the Management, and has shown to be objective and independent in carrying out the internal audit functions for the Group.

Group Audit Committee Report

(cont'd.)

4. Matters relating to risk management and internal control

- Reviewed with the Group's AML/CFT Compliance Officer, the records and documents relating to compliance with the internal policy and compliance procedures in relation to the Group's reporting obligations to Bank Negara Malaysia under the Anti-Money Laundering and Counter Financing of Terrorism Act 2001 (AML/CFT) and any subsequent amendments.
- Reviewed with the Group's ABAC Officer, the records and documents relating to compliance with the Group's Anti-Bribery and Anti-Corruption (ABAC) Framework, Policy and Procedure under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and any subsequent amendments.
- Monitored and reviewed with the internal auditors the progress of agreed corrective actions on audit findings to ensure all audit issues are resolved within the agreed stipulated period.
- Reviewed with the external auditors the Statement on Risk Management and Internal Control and recommended the same to the Board for approval prior to its inclusion in the Company's Integrated Annual Report.

5. Matters relating to related party transactions and conflicts of interest

- Reviewed every half-yearly the terms and procedures of recurrent related party transactions entered into by the Group, and the nature and extent of any conflict of interest or potential conflict of interest situations arising from those transactions to ensure that these transactions, which are necessary for the day-to-day operations of the Magnum Group, were made:
 - in the ordinary course of business;
 - at arm's length; or
 - on normal commercial terms (which are generally available to the public) or on terms and conditions negotiated between the Magnum Group and the related parties, in either case, these transactions are not detrimental to any shareholders.

The GAC took note that there were no conflicts of interest or potential conflict of interest situations reported by the Management at the quarterly GAC meetings held during the financial year under review.

6. Other Matters

- Reviewed the Group Audit Committee Report, the Corporate Governance Overview Statement and the Corporate Governance Report, and recommended the said Reports and Statements to the Board for approval prior to their inclusion in the Company's Integrated Annual Report.

SUMMARY OF INTERNAL AUDIT FUNCTION AND ACTIVITIES

During financial year 2023, the internal audit function of the Group was outsourced to MPH Capital Berhad's Group Internal Audit ("GIA") Department to assist the GAC in discharging its duties and responsibilities. GIA helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

Group Audit Committee Report

(cont'd.)

The GIA reports directly to the GAC to maintain the objectivity and independence of the internal audit function. The Internal Audit Charter, which sets out the objectives, independence, authority, responsibility and scope of work of the internal audit function, was reviewed and approved by the GAC to ensure an appropriate structure, scope of activities, access and reporting arrangements are in place. To ensure that the responsibilities of GIA are fully discharged in accordance with the International Professional Practices Framework ("IPPF"), the GAC reviews the adequacy of the scope and resources of the internal audit function as well as the competency and experience of the Internal Auditors.

The internal audit activities undertaken by the GIA Department during the financial year ended 31 December 2023 included the following:-

- Formulated the annual audit plan based on risk-based approach, which involved risk-assessment conducted by the internal audit function, and was reviewed and approved by the GAC prior to the commencement of the audits. The audit approach was to focus on high risk business processes and to assess the effectiveness of internal controls therein.

Risk-based audits and governance reviews that were planned to be performed included the information security management system, anti-money laundering and counter financing of terrorism and selected regional offices, among others.
- Updated the GAC on its work done at every GAC meeting comprising the progress of the 2023 Annual Audit Plan and highlighted changes in the plan for GAC's approval, taking into account changes in the business and operating environment.
- Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal control on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
- Conducted ad-hoc assignments requested by the Management and/or the GAC.
- Performed regular observations and verifications of the normal and special draws.
- Performed verification of the submissions to the Ministry of Finance for pool betting and gaming tax and unclaimed prize money.
- Issued audit reports to the GAC and Management with opinion on the adequacy and operation effectiveness of the operating unit's governance, risk management and internal control processes, incorporating corrective actions in relation to audit findings on weaknesses in the system and controls. Such corrective actions were developed based on a root-cause analysis performed and were acted upon by Management within agreed timeline.
- Conducted follow-up reviews to determine the status of implementation of issues highlighted in previous audit reports and ensured the Management's actions had been effectively implemented, and subsequently, provided updates on their status to the GAC at GAC's quarterly meetings.

During the year under review, the GIA had completed all 10 approved assignments, covering areas on regional offices, operations, compliance with WLA-SCS:2020 and ISO27001:2013 standards as well as regulatory requirements.

The costs incurred for the internal audit function of the Group for financial year ended 31 December 2023 was RM0.74 million (For the financial year ended 31 December 2022, the cost was RM0.64 million).

This Report was approved by the Board on 27 March 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“Board”) is committed to continuously improve the Group’s risk management and internal control system and is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2023. The statement is prepared in accordance with the Paragraph 15.26(b) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirement (“MMLR”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The following statement outlines the nature and scope of the Group’s risk management and internal control system in 2023.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility in maintaining a sound risk management and internal control system to safeguard the interest of shareholders, customers, employees and Group’s assets.

The Board is equally aware that the risk management and internal control system are designed to manage the Group’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the Group business objectives. In this regard, such system of internal control and risk management can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

The adequacy and effectiveness of internal controls are reviewed by the Group Audit Committee (“GAC”) in relation to the audits conducted by Group Internal Audit (“GIA”). Audit issues and actions taken by Management to address the issues tabled by GIA are deliberated on during the quarterly GAC meetings. Minutes of the GAC meetings which recorded these deliberations are presented to the Board.

The Group Risk Management Committee (“GRMC”) provides an oversight on risk management matters relating to the activities of the Group to ensure prudent risk management over the Group’s business and operations.

Internal control and risk-related matters which warranted the attention of the Board are recommended by the GAC and GRMC to the Board for its deliberations and approval and matters or decisions made within the GAC’s and GRMC’s purview are escalated to the Board for its notation.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

1. Risk Management

The Group has established sound risk management practices guided by the Enterprise Risk Management Framework (“ERM Framework”) to safeguard the Group’s business interest from risk events that may impede the achievement of its business strategies and growth opportunities. To fortify its risk resilience position, the Group is unwaveringly committed to implement and uphold risk management best practices.

The Risk Governance Structure sets out the structure used to assign responsibility for risk management and facilitate the process for assessing and communicating risk issues from operational levels to the Board. The structure consists of the Board, GRMC and the Management which is represented by the Management Risk Committee (“MRC”) and Heads of Departments. The structure enables effective strategic risk communication to take place between the Board, GRMC and Management on half-yearly basis.

The Management is responsible for implementing the ERM Framework and having in place an ongoing process of identifying, assessing, evaluating, communicating, monitoring, and reporting the key risks affecting the achievement of the business objectives and strategies of the Group throughout the financial year. All identified risks are recorded in the Risk Register to facilitate systematic and comprehensive review with proper mitigation action plans developed to manage the risks to an acceptable level and monitored on a continuous basis.

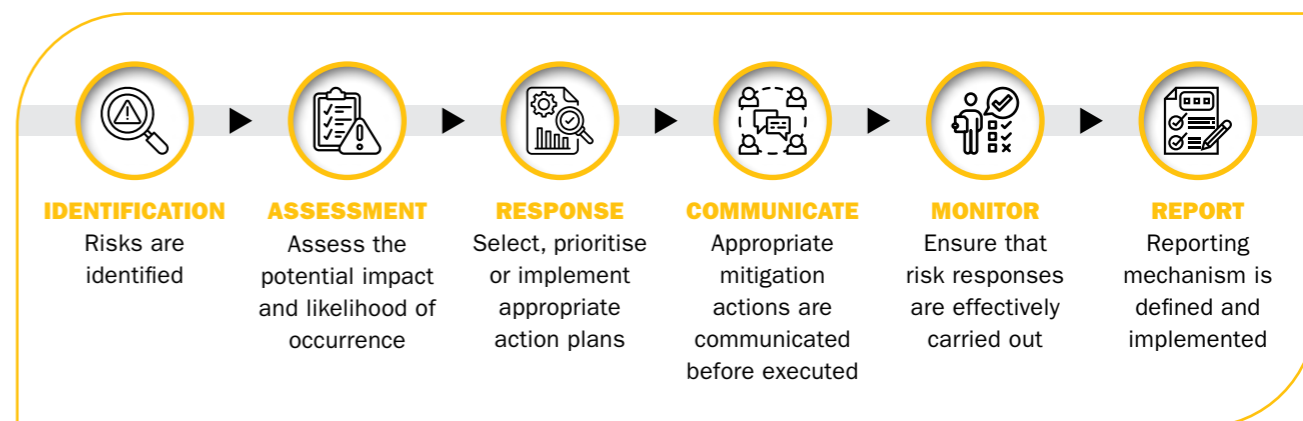
Statement on Risk Management and Internal Control (cont’d.)

Every year, there is an audit conducted by external certified WLA Auditor, DNV to assess that we continue to comply with the World Lottery Association Security Control Standard (“WLA-SCS:2020”) & International Standards Organisation (“ISO27001:2013”). The scope covers the management, operations and maintenance of the information system assets and information systems of the Group’s principal subsidiary, Magnum Corporation Sdn. Bhd. (“MCSB”). Internal audits are also conducted by a competent team of personnel to ensure compliance with the WLA-SCS and ISO27001 standards. MCSB consistently attain its re-certification every 3 years and commits to establish a comprehensive information security management system to ensure its information security risks are managed according to global standards and industry best practices.

2. Risk Management Process

The Board has established an ERM Framework to proactively identify, evaluate, monitor, and communicate all relevant and potential significant risks to an acceptable level based on a set of parameters, which aims to provide an integrated, sustainable, and organised approach.

The risk management process as stated in the ERM Framework is illustrated below:



- The Heads of every department/company under the Group are required to identify the risks that could prevent the Group from achieving its objectives.
- The identified risks are analysed based on its likelihood of occurrence and its impact to the respective company, in order to determine the overall risk level. An appropriate risk treatment is implemented based on the overall risk exposure and the company’s risk tolerance.
- Internal control policies and procedures are established to ensure the risk responses and treatments decided are effectively carried out. This includes establishing clearly defined roles and responsibilities, approving authority limits and key performance indicators and having control measures/compliance check to ensure adherence of policies and procedures established.
- Information and communication channels are in place to ensure all levels of the company are aware of their roles and responsibility under the company’s ERM Framework to ensure appropriate mitigation actions are executed against events that may affect the achievement of the company’s goals and objectives.
- Regular monitoring and reporting mechanism is defined and implemented by each company to ensure the internal control policies and procedures are adhered accordingly.

During the financial year, GRMC meetings had been conducted twice to review and evaluate the adequacy of risk management activities, to monitor the progress of any risk factors and internal control matters relating to the operations raised by the MRC, as well as recommend measures to be adopted to mitigate their business risk exposures.

Statement on Risk Management and Internal Control

(cont'd.)

3. Internal Control System

The following internal control components have been embedded to assist the Board to maintain a sound system of internal controls in the Group:

- Board Committees, i.e. GAC, GRMC, Nomination Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. The Board Committees assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matter for areas within their scope of work.
- The organisation structure with defined lines of responsibility, limits of authority and accountability that aligned to the Group's business objectives is in place to ensure effective and independent stewardship.
- The Authority Chart provides guidance on the division of responsibilities between the Board and Management. It also governs decision making process in the Group as well as ensures that a system of internal control and checks and balances are incorporated therein. The Authority Chart is periodically reviewed and updated to reflect changes in the business, operational and organisational environment.
- An annual budget is reviewed and approved by the Board. The actual performance is assessed against the approved budget where explanations, clarifications and corrective actions taken for significant variances are regularly reported by the Management to the Board. Regular reports on key operating statistics, including legal and regulatory matters are also submitted to the Board for review. The Board also approves any changes or amendments to the Group's policies.
- Sustainability represents an important value creation driver to ensure business resilience and future organisational success. It is integrated into the Group's long term corporate strategies, policies and planning processes as the Group translates its sustainability aspirations into business practices. Environmental, Social and Governance ("ESG") Committee, which is led by Senior Management Members, supported by a sub-committee made out of key working-level members, ensures the Group's policies and operations are in line with the sustainability related targets and goals approved by the Board. The ESG Committee oversees the implementation of the Group's sustainability initiatives. The Group's Sustainability Report is aligned with the MMLR guidelines to enable the Group to effectively communicate its sustainability progress and strive for higher levels of transparency.
- Clear, formalised, and documented internal policies, standards and procedures are in place to ensure compliance with internal controls, relevant laws, and regulations, i.e.:
 - The lottery-specific security and IT security of the Group adopt the international standard, WLA-SCS:2020 and ISO27001:2013 for an effective information security management structure. The Information Security Management System ("ISMS") policies and procedures are in place to guide and improve its information security corporate governance;
 - The Group has in place internal policies and procedures relating to Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") to detect money laundering and terrorism financing activities. The Compliance Officer is appointed to review and monitor any suspicious transactions and reports to Bank Negara Malaysia ("BNM") accordingly;
 - The Group has in place a Whistleblowing Policy to provide an avenue for employees, third party service providers, vendors, and members of the public to raise genuine concerns, disclose alleged, suspected, or actual wrongdoings or known improper conduct in a safe and confidential environment. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, discrimination, or any other disciplinary actions by the Group. Allegations of improprieties which are reported via the whistleblowing channels are appropriately followed up and the outcomes will be reported to the Board. All the disclosures made under the Policy will be handled with strict confidence;

Statement on Risk Management and Internal Control

(cont'd.)

- An Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure has been duly approved by the Board and adopted across the Group. ABAC Policy and Procedure adopted is in line with the enforcement of the new provision of the Malaysian Government on Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") on 1 June 2020, which imposes liability on a commercial organisation for corruption committed by persons associated with the commercial organisation. This policy outlines a clear zero-tolerance policy for bribery and corruption. Under this policy, controls and procedures are adopted to prevent and mitigate the Group's bribery risks; and
- Internal policies and procedures with regards to core operations, gaming operations, finance and accounting and compliance with regulatory requirements, which are set out in standard operating manuals, have been formalised and documented to ensure the uniformity and consistency of practices and controls within the Group.

The policies and procedures are subject to review, updates, and continuous improvement to reflect changing risks and process enhancement, as and when required. This is to ensure that they remain effective and relevant to support the business activities at all times as it continues to grow.

- Designated compliance officers are appointed to review and monitor the Group's compliance status with relevant regulatory requirements as well as to update the Group's policies in the event there is any changes to the laws and regulations. These designated compliance officers are Anti-Money Laundering and Anti-Terrorism Financing Act ("AMLATFA") Officer, ABAC Officer, Sustainability Officer, Information Security Officer and Enterprise Risk Management Officer.
- Training and development programmes are provided to equip employees with appropriate knowledge and skills to enable employees to carry out their job functions productively and effectively. Employees are encouraged to embrace the culture of continuous learning for personal competency and career development.
- Regular management committees' meetings, (including monthly Steerco meeting, quarterly Task Force meeting and meetings for Information Security Committee ("ISC"), Management Risk Committee ("MRC"), Environmental, Social and Governance ("ESG") Committee and respective Departments) are held to raise issues, discuss, review and monitor the business development and resolve operational and management issues as well as review financial performance against the business plans, targets and budgets.
- Regular visits by Management team to each operating units as and when necessary and communicates with various levels of staff to gauge the effectiveness of the strategies discussed and implemented as well as understand their problems and concerns with regard to daily operations. This is to ensure transparent and open channel of communication is maintained and enable prompt corrective actions taken for any deficiencies noted.
- Appropriate system with adequate capacity, security arrangements, facilities and resources are in place to mitigate risks that could cause interruptions to the Group's critical business functions. The Group has a comprehensive Business Continuity Plan ("BCP"), including a Disaster Recovery Plan ("DRP") which is tested at least once annually to ensure critical business functions can be maintained, or restored in a timely fashion, in the event of material disruptions arising from internal or external events.
- GIA assesses and reports the adequacy and effectiveness of the Group's governance, risk management and internal control processes to the GAC based on the engagements carried out within the financial year. The GAC takes note of the review results (which include the state of internal controls, exceptions, and root cause analysis) and subsequently GIA would carry out follow-up review to ensure that the auditee has implemented the corrective actions within the agreed timeline.
- In addition to the above internal controls, the GAC also reviews the detailed audit reports and Management letter from its external auditors.

Statement on Risk Management and Internal Control

(cont'd.)

ASSURANCE FROM MANAGEMENT

In respect of the year ended 31 December 2023, the Board through the GRMC and GAC has assessed the adequacy and effectiveness of the risk management and internal control system. Based on the results of these reviews as well as the assurance it has received from the Executive Directors and Executive Vice President – Group Chief Financial Officer, the Board is of the view that the Group risk management and internal control system are operating adequately and effectively, in all material aspects.

CONCLUSION

For the financial year under review and up to the date of this statement, there were no significant deficiencies in the design or operations of risk management and internal control of the Group that could adversely affect the Group's ability in meeting its business objectives.

Nevertheless, the Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the type of business and operations of the Group. As such, the Board, in striving for continuous improvement, will put in place appropriate measures to further enhance and strengthen the Group's system of risk management and internal control.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. This review was performed in accordance with Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* ("AAPG 3") issued by the Malaysian Institute of Accountants ("MIA"). Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system within the Group.

AAPG 3 does not required the external auditors to consider whether the Statement on Risk Management and Internal Control covers all the risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon.

This Statement was approved by the Board on 27 March 2024.

Directors' Responsibility Statement

The Directors are required by law to prepare financial statements for each financial year which have been drawn up in accordance with the requirements of the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that the financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the year ended 31 December 2023, the Directors have:

- adopted and applied appropriate and relevant accounting policies consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared financial statements on a going concern basis.

The Directors have ensured that proper accounting records are kept which enable the preparation of the financial statements with reasonable accuracy.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

This Statement was approved by the Board on 27 March 2024.

Directors' Report and 2023 Audited Financial Statements

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Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Group consist of:

- investment holding and management services; and
- operation and management of a licensed four digit numbers forecast betting and its variation games.

The principal activity of the Company is investment holding.

Other information relating to the subsidiaries are disclosed in Note 34 to the financial statements.

RESULTS

	Group	Company
	RM'000	RM'000
Profit for the financial year	126,495	57,430
Profit attributable to:		
Owners of the Company	125,273	57,430
Non-controlling interests	1,222	-
	126,495	57,430

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report

(cont'd.)

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
Fourth interim single-tier dividend of 1.5 sen per share on 1,437,178,945 ordinary shares declared on 28 February 2023 and paid on 31 March 2023	21,558
In respect of the financial year ended 31 December 2023:	
First interim single-tier dividend of 1.0 sen per share on 1,437,178,945 ordinary shares declared on 18 May 2023 and paid on 30 June 2023	14,372
Second interim single-tier dividend of 2.0 sen per share on 1,437,178,945 ordinary shares declared on 17 August 2023 and paid on 13 September 2023	28,743
Third interim single-tier dividend of 1.0 sen per share on 1,437,178,945 ordinary shares declared on 22 November 2023 and paid on 19 December 2023	14,372
	79,045

Subsequent to the financial year end, the Directors had on 28 February 2024 declared a fourth interim single-tier dividend of 2.0 sen per share on 1,437,178,945 ordinary shares amounted to RM28,743,000 in respect of financial year ended 31 December 2023. The dividend was paid on 22 March 2024.

This dividend payment will be accounted for in equity as an appropriation of retained profits during the financial year ending 31 December 2024.

The Directors do not recommend any payment of final dividend in respect of financial year ended 31 December 2023.

DIRECTORS

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Surin Upatkoon*
 Dato' Lawrence Lim Swee Lin*
 Krian Upatkoon*
 Datuk Vijeyaratnam a/l V. Thamotheeram Pillay*
 Dato' Seri Lim Tiong Chin
 Jean Francine Goonting
 Ng Siew Hong

* These directors are also Directors of the Company's certain subsidiaries.

Directors' Report

(cont'd.)

DIRECTORS (cont'd.)

The Director of the Company's subsidiaries in office since the beginning of the financial year to the date of this report, excluding those Directors listed above is:

Lum Fook Seng

In accordance to Clause 90 of the Company's Constitution, Tan Sri Dato' Surin Upatkoon and Dato' Seri Lim Tiong Chin retire by rotation from the Board. Tan Sri Dato' Surin Upatkoon and Dato' Seri Lim Tiong Chin being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Group as shown below) by reason of a contract made by the Group or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

The directors' benefit are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	2,485	19
Fees	594	494
Defined contribution plan	340	-
Estimated money value of benefit-in-kind	54	32
	3,473	545

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the Company maintained a Directors' and Officers' Liability Insurance Policy ("the Policy") for the purpose of Section 289 of the Companies Act 2016 in Malaysia. This insurance covers any legal liability incurred by the Directors and Officers of the Company and its subsidiaries in the discharge of their duties while holding office for the Company and its subsidiaries. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The premium paid for the Policy for the current financial year amounted to RM139,116.

Directors' Report

(cont'd.)

Directors' Report

(cont'd.)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1.1.2023	Acquired	Disposed	31.12.2023
Tan Sri Dato' Surin Upatkoon				
Deemed interest [#]	527,651,223	-	-	527,651,223
Dato' Lawrence Lim Swee Lin				
Direct interest	8,265,664	-	-	8,265,664
Deemed interest*	3,030,000	-	-	3,030,000
Datuk Vijeyaratnam a/I V. Thamothearam Pillay				
Direct interest	1,487,800	-	-	1,487,800
Indirect interest [^]	160,600	-	-	160,600
Krian Upatkoon				
Deemed interest*	3,030,000	-	-	3,030,000
Dato' Seri Lim Tiong Chin				
Direct interest	4,984,350	-	-	4,984,350
Deemed interest**	10,617,120	-	-	10,617,120

[#] Deemed interest held through his shareholdings in Casi Management Sdn. Bhd., Pinjaya Sdn. Bhd. and indirect interest held through his children.

* Deemed interest held through Zenbell Holdings Sdn. Bhd. and its subsidiary, Zenbell (Selangor) Sdn. Bhd..

[^] Indirect interest held through his spouse.

** Deemed interest held through Keetinsons Sendirian Berhad and T.C. Holdings Sendirian Berhad.

Tan Sri Dato' Surin Upatkoon, by virtue of his interest of more than 20% in the voting shares in the Company, is also deemed interested in the shares or securities of the subsidiaries of the Company to the extent of the Company's interest in these subsidiaries.

Save as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares or securities in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- For the financial year ended 31 December 2023, the Group's current liabilities exceeded its current assets. The Directors are confident that the Group will be able to meet their obligation as and when they fall due based on the various factors disclosed in Note 2.1 to the financial statements; and
 - no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors' Report

(cont'd.)

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remunerations is as follows:

	Group	Company
	RM'000	RM'000
Ernst & Young PLT	641	109
Other auditor	34	-
	675	109

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit, to the extent such claims result from or arise out of any misrepresentation or fraudulent act or omission by the Company, its staff or agents on the Company's behalf. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2023.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 27 March 2024.

Dato' Lawrence Lim Swee Lin

Krian Upatkoon

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, **Dato' Lawrence Lim Swee Lin** and **Krian Upatkoon**, being two of the Directors of Magnum Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 117 to 194 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 27 March 2024.

Dato' Lawrence Lim Swee Lin

Krian Upatkoon

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lum Fook Seng**, being the officer primarily responsible for the financial management of Magnum Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 117 to 194 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, **Lum Fook Seng** at Kuala Lumpur in the Federal Territory on 27 March 2024.

Lum Fook Seng

Before me,
Ong Siew Kee (Licence No. W839)
Commissioner for Oaths

Independent Auditors' Report

To the members of Magnum Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Magnum Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 117 to 194.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Independent Auditors' Report

To the members of Magnum Berhad
(Incorporated in Malaysia)
(cont'd.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd.)

Key audit matters (cont'd.)

Revenue and cost of sales

(Refer to Note 4 and 5 to the financial statements.)

A significant proportion of the Group's revenues and cost of sales are derived from gaming activities with large volume of data, which consist of individually low value transactions.

The gaming revenue and cost of sales derived from gaming activities amounting to RM2,160 million and RM1,836 million, represent approximately 100% of total revenue and cost of sales of the Group.

The Group relies on information technology systems for the processing and recording of the voluminous transactions. We focused on this area because many of the key financial controls which we seek to rely on in our audit are related to information technology and automated controls.

We involved our information technology specialists to test the operating effectiveness of automated controls over the revenue and cost of sales processes, including accuracy of calculations of prize payments. We also tested the non-automated controls in place to ensure completeness and accuracy of revenue recognised. In addition, using data analytics, we performed correlation analysis between revenue, trade receivables and cash and bank balances.

Impairment of intangible assets

(Refer to summary of material accounting policies in Note 2.4(b) and 2.8, significant accounting estimates and judgements in Note 3(a), and the disclosure of gaming rights and goodwill in Note 17 to the financial statements.)

The gaming rights and goodwill amounting to RM1,836 million and RM902 million, represent approximately 52% and 26% respectively, of total assets of the Group.

The gaming rights and goodwill are subject to an annual impairment test. The Group estimated the recoverable amount of the gaming rights and goodwill based on value in use ("VIU"). We focused on this area because estimating the VIU of the cash-generating units ("CGU") involves significant judgements and estimates about future cash inflows and outflows. Specifically, we focused on the assumptions relating to revenue growth rate, payout ratio, discount rate and terminal growth rate.

We obtained an understanding of the methodology adopted by the management in estimating the recoverable amount of the gaming rights and goodwill and assessed whether such methodology is consistent with those used in the industry. We evaluated the management's key assumptions on revenue growth rate and payout ratio by comparing to the historical trends and future economic outlook. We also involved our internal valuation specialists in the evaluation of the discount rate and terminal growth rate to assess whether the rates used reflect the current market assessments. In addition, we also evaluated the adequacy of the disclosures of key assumptions on which the Group based its projections on.

Independent Auditors' Report

To the members of Magnum Berhad
(Incorporated in Malaysia)
(cont'd.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd.)

Key audit matters (cont'd.)

Valuation of unquoted investments at fair value through other comprehensive income ("OCI")

(Refer to summary of material accounting policies in Note 2.10, significant accounting estimates and judgement in Note 3(b), and Note 16 to the financial statements.)

The Group and the Company held unquoted investments at fair value through OCI amounting to RM385 million, represent approximately 11% and 12% of the total assets of the Group and of the Company respectively. The estimated fair value of its unquoted investments at fair value through OCI are based on the income approach. Such valuation is based on assumptions that are highly judgemental. Due to the significance of the unquoted investment at fair value through OCI and the subjective nature of the valuation, we consider this to be an area of audit focus.

In addressing this area of audit focus, we obtained an understanding of the methodology adopted by the management in estimating the fair value of the unquoted investments. We involved our internal valuation specialists to assess whether such methodology is consistent with those used in the industry and to evaluate the management's key assumptions relating to revenue growth, direct expenses and long term growth rate by comparing to the historical performance of the investee and the future market outlook. We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive. In addition, we also evaluated the adequacy of the disclosures of key assumptions on which the Group and the Company based their projections on.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Independent Auditors' Report

To the members of Magnum Berhad
(Incorporated in Malaysia)
(cont'd.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd.)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report

To the members of Magnum Berhad
(Incorporated in Malaysia)
(cont'd.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors is disclosed in Note 34 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
27 March 2024

Ng Wai San

No. 03514/08/2024 J
Chartered Accountant

Statements of Profit or Loss

For the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	2,159,926	2,031,100	58,499	145,968
Cost of sales	5	(1,835,749)	(1,715,976)	-	-
Gross profit		324,177	315,124	58,499	145,968
Other income	6	13,242	10,958	6,109	5,545
Administrative expenses		(41,616)	(40,410)	(2,551)	(2,242)
Other expenses		(62,976)	(80,037)	(443)	(3,011)
Operating profit		232,827	205,635	61,614	146,260
Finance costs	7	(44,394)	(45,777)	(2,854)	(3,690)
Profit before tax	8	188,433	159,858	58,760	142,570
Income tax expense	9	(61,938)	(58,782)	(1,330)	(1,334)
Profit for the financial year		126,495	101,076	57,430	141,236
Profit attributable to:					
Owners of the Company		125,273	100,605	57,430	141,236
Non-controlling interests		1,222	471	-	-
		126,495	101,076	57,430	141,236
Earnings per share attributable to owners of the Company (sen per share)					
Basic	10	8.72	7.00		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the financial year	126,495	101,076	57,430	141,236
Other comprehensive income				
Item to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation, representing net other comprehensive income that may be reclassified to profit or loss in subsequent periods	-	(19)	-	-
Items that will not be reclassified to profit or loss in subsequent periods:				
Change in fair value of financial assets, representing net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	17	(324)	-	-
Other comprehensive income/(loss) for the year, net of tax	17	(343)	-	-
Total comprehensive income for the financial year	126,512	100,733	57,430	141,236
Attributable to:				
Owners of the Company	125,290	100,262	57,430	141,236
Non-controlling interests	1,222	471	-	-
Total comprehensive income for the financial year	126,512	100,733	57,430	141,236

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	64,917	59,164	-	50
Right-of-use assets	13(a)	14,364	15,061	-	-
Investment properties	14	512	519	621	628
Investment in subsidiaries	15	-	-	2,756,893	2,756,493
Investment securities	16	395,493	398,494	385,429	385,429
Intangible assets	17	2,738,272	2,738,287	-	-
Deferred tax assets	25	1,663	5,545	-	-
		3,215,221	3,217,070	3,142,943	3,142,600
Current assets					
Investment securities	16	23,095	22,565	20,077	22,565
Inventories	18	861	985	-	-
Receivables	19	94,232	72,957	35,592	31,635
Tax recoverable		4,770	9,264	909	857
Deposits, cash and bank balances	20	174,232	191,357	1,129	2,223
		297,190	297,128	57,707	57,280
Total assets		3,512,411	3,514,198	3,200,650	3,199,880
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	21	2,154,357	2,154,357	2,154,357	2,154,357
Treasury shares	21	(1,163)	(1,163)	(1,163)	(1,163)
Other reserves	22	(567,462)	(567,479)	201,501	201,501
Retained profits	23	851,824	805,596	739,103	760,718
		2,437,556	2,391,311	3,093,798	3,115,413
Non-controlling interests		21,415	20,266	-	-
Total equity		2,458,971	2,411,577	3,093,798	3,115,413
Non-current liabilities					
Borrowings	24	623,891	704,114	-	-
Lease liabilities	13(b)	3,379	4,005	-	-
Deferred tax liabilities	25	2,581	1,215	-	-
		629,851	709,334	-	-
Current liabilities					
Amounts due to subsidiaries	26	-	-	96,110	83,905
Borrowings	24	153,006	189,930	-	-
Lease liabilities	13(b)	1,638	1,394	-	-
Payables	27	267,421	200,921	10,742	562
Tax payable		1,524	1,042	-	-
		423,589	393,287	106,852	84,467
Total liabilities		1,053,440	1,102,621	106,852	84,467
Total equity and liabilities		3,512,411	3,514,198	3,200,650	3,199,880

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

Group	Attributable to owners of the Company					Total equity
	Non-distributable		Total			
	Share capital (Note 21)	Other reserves (Note 22)	Treasury shares (Note 21)	Retained profits (Note 23)	Non-controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	2,154,357	(567,479)	(1,163)	805,596	2,391,311	20,266
Total comprehensive income for the financial year	-	17	-	125,273	125,290	1,222
Transactions with owners						
Dividends paid (Note 11)	-	-	-	(79,045)	(79,045)	(73)
At 31 December 2023	2,154,357	(567,462)	(1,163)	851,824	2,437,556	21,415
At 1 January 2022	2,154,357	(567,181)	(1,163)	776,851	2,362,864	21,329
Total comprehensive income for the financial year	-	(343)	-	100,605	100,262	471
Realisation of fair value loss on available-for-sale investments upon maturity	-	45	-	-	45	-
Transactions with owners						
Dividends paid (Note 11)	-	-	-	(71,860)	(71,860)	(1,532)
Acquisition of additional shares in a subsidiary from non-controlling interests	-	-	-	-	-	(2)
Total transactions with owners	-	-	-	(71,860)	(71,860)	(1,534)
At 31 December 2022	2,154,357	(567,479)	(1,163)	805,596	2,391,311	20,266

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 December 2023

Company	Non-distributable				Total equity
	Share capital (Note 21)	Other reserves (Note 22)	Treasury shares (Note 21)	Retained profits (Note 23)	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	2,154,357	201,501	(1,163)	760,718	3,115,413
Total comprehensive income for the financial year	-	-	-	57,430	57,430
Transactions with owners					
Dividends paid (Note 11)	-	-	-	(79,045)	(79,045)
At 31 December 2023	2,154,357	201,501	(1,163)	739,103	3,093,798
At 1 January 2022	2,154,357	201,501	(1,163)	691,342	3,046,037
Total comprehensive income for the financial year	-	-	-	141,236	141,236
Transactions with owners					
Dividends paid (Note 11)	-	-	-	(71,860)	(71,860)
At 31 December 2022	2,154,357	201,501	(1,163)	760,718	3,115,413

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

Group	2023 RM'000	2022 RM'000
Operating activities		
Profit before tax	188,433	159,858
Adjustments for:		
Depreciation of property, plant and equipment	7,797	8,082
Depreciation of investment properties	7	7
Depreciation of right-of-use assets	1,815	1,716
Finance costs	44,394	45,777
Amortisation of intangible assets	15	15
Gain on disposal of property, plant and equipment	(231)	(152)
Gain on disposal of quoted investments	(162)	-
Interest income	(11,889)	(10,255)
Dividend income	(140)	(142)
Property, plant and equipment written off	51	36
Gain on lease modifications	(1)	(7)
Unrealised (gain)/loss on foreign exchange	(261)	198
Realisation of fair value loss on AFS investments upon maturity	-	45
Net (gain)/loss arising from fair value changes in investment in quoted shares	(302)	2,529
Operating cash flows before changes in working capital	229,526	207,707
Changes in working capital:		
decrease in inventories	124	307
increase in receivables	(15,797)	(20,356)
increase in payables	67,617	33,262
Cash flows generated from operations	281,470	220,920
Net income tax paid	(51,714)	(43,659)
Finance costs paid	(375)	(391)
Net cash flows generated from operating activities	229,381	176,870

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023
(cont'd.)

Group	2023 RM'000	2022 RM'000
Investing activities		
Proceeds from disposals of:		
- property, plant and equipment	234	210
- investment securities	4,947	10,000
Purchase of:		
- additional shares in a subsidiary from non-controlling interests	-	(2)
- property, plant and equipment	(13,604)	(6,999)
- investment securities	(1,995)	(10,145)
Dividend received from quoted shares	140	142
Interest received	6,414	4,771
Movement in cash deposits pledged	4,746	(74)
Movement in cash deposits with licensed banks	(2,870)	-
Net cash flows used in investing activities	(1,988)	(2,097)
Financing activities		
Net repayment of medium term notes	(117,500)	(55,000)
Transaction cost of medium term notes	(842)	(318)
Repayment of lease liabilities	(1,772)	(1,645)
Interest paid	(43,671)	(45,613)
Dividends paid to:		
- owners of the Company	(79,045)	(71,860)
- non-controlling interests	(73)	(1,532)
Net cash flows used in financing activities	(242,903)	(175,968)
Net decrease in cash and cash equivalents	(15,510)	(1,195)
Effects of exchange rate on cash and cash equivalents	261	(198)
Cash and cash equivalents at 1 January	174,877	176,270
Cash and cash equivalents at 31 December (Note 20)	159,628	174,877

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Cash Flows

For the financial year ended 31 December 2023

Company	2023 RM'000	2022 RM'000
Cash flows from operating activities		
Profit before tax	58,760	142,570
Adjustments for:		
Depreciation of property, plant and equipment	50	76
Depreciation of investment properties	7	7
Gain on disposal of quoted investments	(162)	-
Net (gain)/loss arising from fair value change in investment securities	(302)	2,529
Net allowance for ECL for amount due from subsidiaries	35	28
Unrealised gain in foreign exchange	(1)	-
Dividend income	(58,499)	(145,968)
Finance costs	2,854	3,690
Interest income	(5,641)	(5,539)
Operating cash flows before changes in working capital	(2,899)	(2,607)
Changes in working capital:		
decrease in other receivables	(4)	(6)
increase in other payables	10,155	12
decrease/(increase) in inter-company balances	10,868	(70,966)
Cash flows generated from/(used in) operations	18,120	(73,567)
Net tax paid	(1,382)	(1,413)
Net cash flows generated from/(used in) operating activities	16,738	(74,980)
Cash flows from investing activities		
Investment in a subsidiary	(400)	-
Purchase of investment securities	(1,995)	-
Proceeds from disposal of quoted investments	4,947	-
Dividends received	58,499	145,968
Interest received	162	62
Net cash flows generated from investing activities	61,213	146,030
Cash flows from financing activity		
Dividends paid, representing net cash flows used in financing activity	(79,045)	(71,860)
Net decrease in cash and cash equivalents	(1,094)	(810)
Cash and cash equivalents at 1 January	2,223	3,033
Cash and cash equivalents at 31 December (Note 20)	1,129	2,223

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and the principal place of business of the Company are both located at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 34. There have been no significant changes in the nature of these principal activities during the financial year.

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 March 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

During the financial year, the Group's current liabilities exceed its current assets.

In 2012, a wholly owned subsidiary, Magnum Corporation Sdn. Bhd. ("MCSB"), took up a 20 years Medium Term Note ("MTN") programme of up to RM1,000,000,000 at nominal value. As at 31 December 2023, total medium term notes amounting to RM777,500,000 (2022: RM895,000,000) in nominal value remain outstanding, of which RM152,500,000 is maturing in the next 12 months. In view thereof and barring any unforeseen circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due as there are sufficient unutilised facilities arising from the MTN programme and other financing facilities as at the year end; coupled with the ability of the Company to generate net positive operating cash inflow historically.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis given that the Directors are confident that the Group will be able to meet their obligations, as and when they fall due in the next 12 months from the date of the Directors' Report.

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and amended MFRSs which are mandatory for financial periods beginning on or after 1 January 2023 as fully described in Note 2.2.

The financial statements have been prepared on the historical cost basis other than as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except on 1 January 2023, the Group and the Company adopted the following amended MFRSs which are mandatory for financial periods beginning on or after 1 January 2023.

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial application of MFRS 17 and MFRS 9	
- Comparative information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above amendments did not result in material impact to the financial statements of the Group and of the Company besides the below.

The adoption of the amendments to MFRS 101 Disclosure of Accounting Policies has impacted the extend of the accounting policy information disclosures of the Group and the Company. The Group and the Company have revisited the accounting policy information disclosures to only include material accounting policy disclosures. In making these assessment, the Group and the Company have considered whether standardised information, or information that only duplicates or summaries the requirements of the standards is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates	
- Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2.4 Subsidiaries and basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The Group controls an investee if, and only if, the Group has:

- (i) power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.4 Subsidiaries and basis of consolidation (cont'd.)

(b) Basis of consolidation (cont'd.)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement(s) with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.4 Subsidiaries and basis of consolidation (cont'd.)

(b) Basis of consolidation (cont'd.)

Business combinations and goodwill (cont'd.)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of comprehensive income. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the profit or loss.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.5 Transactions with non-controlling interest ("NCI")

NCI represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and is presented separately in the consolidated profit or loss and within equity in the statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group and the Company depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings on freehold land	2% - 5%
Plant and equipment	5% - 33.3%
Computer equipment	12.5% - 30%

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

2.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold land is depreciated over the shorter of the residual lease period and estimated useful life. Freehold land has an unlimited useful life and therefore is not depreciated.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its use or disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

(a) Gaming rights

The costs of gaming rights ("Rights") acquired in a business combination are their fair values at the date of acquisition. Following the initial recognition, the Rights are carried at cost less any accumulated impairment losses. The Rights comprise:

- a license for four digit number forecast betting operations in Malaysia under Section 5 of the Pool Betting Act, 1967 ("License") which is renewable annually; and
- trademarks, trade dress, gaming design and processes and agency network.

The License has been renewed annually since 1969.

(b) Research and development costs

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditures during development. Deferred development costs have a finite useful life and are amortised over the period of expected sales from the related project on a straight line basis.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

2.9 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.9 Impairment of non-financial assets (cont'd.)

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group and the Company base their impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's and of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statements of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for intangible assets by assessing the recoverable amount of each CGU to which the intangible assets relate. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payment of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, such as the date that the Group and the Company commit to purchase or sell the asset.

(ii) Subsequent measurement

Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial asset in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.10 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as revenue or other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Unquoted shares in Malaysia are classified and measured as fair value through OCI. The Group and the Company elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior years.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.10 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition. If doing so, it eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes quoted shares in Malaysia and outside Malaysia, which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as revenue in the statement of profit or loss when the right of payment has been established.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a 'pass-through' arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of the Group's and of the Company's continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.10 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(iii) Derecognition (cont'd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, lease liabilities, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

Trade and other payables, lease liabilities, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statements of profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.11 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit experience. The Group considers forward-looking factors do not have significant impact to credit risk given the nature of its industry and the amount of ECL is insensitive to changes to forecast economic conditions.

For debt instruments at fair value through OCI, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument. In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Other financial assets including investment securities, short-term deposits and cash and cash equivalents are placed with reputable financial institutions. The Group and the Company consider these counterparties have a low risk of default and a strong capacity to meet contractual cash flows, and are of low credit risk. The impairment provision is determined based on the 12-month ECL.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statements of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.12 Taxes (cont'd.)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.12 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

The Group and the Company offset deferred tax assets and deferred tax liabilities if and only if they have legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.13 Inventories

Inventories are stated at lower of cost and net realisable value.

Ticket stocks are stated at the lower of cost and net realisable value, with cost being determined on the first in, first out basis. Cost includes actual cost of materials and incidentals in bringing stocks into store. In arriving at net realisable value, due allowance is made for obsolete and slow moving items.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits which have a maturity of three months or less which are subject to an insignificant risk of changes in value. These may also include bank overdrafts that form an integral part of the Group's and of the Company's cash management.

2.15 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.16 Treasury shares

Own equity shares repurchased are recognised at amount of consideration paid, including directly attributable costs, in equity. Repurchased shares are held as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the purchase, sale, reissuance or cancellation of the treasury shares. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity, as appropriate.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.17 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other expenses.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is classified as current when:

- (i) it is expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within twelve months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.20 Revenue and other income recognition

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (i) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- (ii) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (iii) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, an entity satisfies the performance obligation at a point in time.

The specific recognition criteria described below must also be met before revenue and other income is recognised:

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Revenue from gaming activities

Revenue from gaming activities is recognised based on ticket sales at a point in time net of gaming tax and Services Tax ("ST") in respect of draw days within the financial year.

(c) Revenue from services

Revenue from services rendered is recognised over a period of time net of discounts as and when the services are rendered.

(d) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield of the asset.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.21 Employee benefits (cont'd.)

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.22 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in statement of profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.22 Foreign currencies (cont'd.)

(b) Foreign currency transactions (cont'd.)

The principal exchange rates used in the translation of foreign monetary assets of the Group and of the Company and financial statements of a foreign subsidiary are as follows:

	2023 RM	2022 RM
1 Pound Sterling	5.85	5.32
100 Philippine Peso	8.27	7.92
100 Hong Kong Dollar	58.86	56.61

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and income and expenses are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land and buildings

2 - 50 years

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.23 Leases (cont'd.)

The Group as lessee (cont'd.)

(i) Right-of-use assets (cont'd.)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to Note 2.9 for the Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings such as those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.24 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Segment reporting

Segment reporting in the financial statements are presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to operating segments. Operating segments are distinguishable components of the Group that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance, and for which discrete financial information is available.

All transactions between operating segments are conducted based on mutually agreed allocation bases, with intra-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

2.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) in the principal market for the asset or liability; or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd.)

2.26 Fair value measurement (cont'd.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Impairment of goodwill and gaming rights

The Group determines whether the goodwill and gaming rights which have indefinite useful lives, are tested for impairment either annually or on a more frequent interval, depending on events or changes in circumstances that indicate the carrying value may be impaired. This requires an estimation of the value in use of the CGU to which the goodwill and gaming rights belongs to.

In assessing value in use, the management is required to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate to their present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and gaming rights and sensitivity analysis to changes in the assumptions are as disclosed in Note 17.

The Group will continue the annual renewal of the license for the four digit numbers forecast betting operation in Malaysia ("License") indefinitely and considers the License to contribute to the Group's net cash inflows indefinitely. Historically, there has been no compelling challenge to the License renewal. The technology used in the gaming activities is provided by an overseas software supplier and is further supported by a subsidiary of the Group and is not expected to be replaced by another technology at any time in the foreseeable future.

(b) Valuation of unquoted financial assets carried at fair value through OCI

The Group and the Company carry its unquoted financial assets at fair value through OCI of which is determined using valuation techniques based on market conditions existing at the reporting date. The valuation was based on income approach and comparative valuation to test the key assumptions. Valuation techniques are subjective in nature and significant judgement is involved in establishing the fair value of the unquoted financial assets carried at fair value through OCI as the valuations are dependent on market conditions and the management is required to make certain key assumptions about the model inputs, including revenue growth, direct expenses and long term growth rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted financial assets carried at fair value through OCI.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(c) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax, tax recoverable and deferred tax provisions in the period in which such determination is made. Details of income tax expense and deferred tax are disclosed in Note 9 and Note 25 respectively.

The Directors of the Group and of the Company are of the opinion that total tax recoverable of RM4,770,000 and RM909,000 (2022: RM9,264,000 and RM857,000) are recoverable, subject to the agreement of the Inland Revenue Board of Malaysia.

4. REVENUE

The Group's and the Company's revenue are recognised at a point in time and all are transacted in Malaysia, except for gross dividend from investment security quoted outside Malaysia.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investment income in respect of gross dividends from:				
- subsidiaries	-	-	58,359	145,826
- investment securities in quoted outside Malaysia	140	142	140	142
	140	142	58,499	145,968
Sale of four digit forecast tickets	2,159,704	2,030,871	-	-
Sale of computer software and consultancy services	82	87	-	-
	2,159,926	2,031,100	58,499	145,968

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

5. COST OF SALES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of gaming activities	1,835,749	1,715,976	-	-

6. OTHER INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain on disposal:				
- property, plant and equipment	231	152	-	-
- quoted investments	162	-	162	-
Interest income (Note 6(a))	11,889	10,255	5,641	5,539
Net gain arising from fair value change in quoted shares	302	-	302	-
Unrealised gain on foreign exchange	261	1	1	-
Gain on lease modifications	1	7	-	-
Others	396	543	3	6
	13,242	10,958	6,109	5,545
(a) Interest income				
Interest income on:				
- short term deposits	5,675	4,266	124	61
- Malaysian Government Securities	510	511	-	-
- Investment securities	5,516	5,478	5,516	5,478
- Other deposits	188	-	1	-
	11,889	10,255	5,641	5,539

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

7. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on:				
- bank overdrafts	130	33	-	-
- medium term notes	42,414	44,716	-	-
- loan from subsidiaries	-	-	2,819	3,690
- lease liabilities (Note 13(b))	273	296	-	-
Unwinding of transaction costs (Note 24)	1,015	374	-	-
Others	562	358	35	-
	44,394	45,777	2,854	3,690

8. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation of investment properties (Note 14)	7	7	7	7
Depreciation of property, plant and equipment (Note 12)	7,797	8,082	50	76
Depreciation of right-of-use assets (Note 13(a))	1,815	1,716	-	-
Directors' remuneration (Note 8(a))	3,473	3,165	545	333
Auditors' remuneration (Note 8(b))	681	686	116	109
Amortisation of intangible assets (Note 17)	15	15	-	-
Employee benefits expense (Note 8(c))	38,801	37,220	201	196
Allowance for ECL:				
- subsidiaries (Note 19(d))	-	-	35	28
Net loss arising from fair value change in quoted shares	-	2,529	-	2,529
Unrealised loss on foreign exchange	-	199	-	-
Realised loss on foreign exchange	-	2	-	-
Realisation of fair value loss on financial assets upon maturity	-	45	-	-
Property, plant and equipment written off	51	36	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

8. PROFIT BEFORE TAX (cont'd.)

(a) Directors' remuneration

The details of remuneration receivable by Directors of the Company during the financial years are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive Directors' remuneration:				
- fees	50	50	-	-
- salaries and other emoluments	2,806	2,706	-	-
- benefits-in-kind	22	26	-	-
	2,878	2,782	-	-
Non-executive Directors' remuneration:				
- fees	544	335	494	285
- allowances	19	15	19	15
- benefits-in-kind	32	33	32	33
	595	383	545	333
Total Directors' remuneration	3,473	3,165	545	333
Less: Estimated money value of benefits-in-kind	(54)	(59)	(32)	(33)
Total Directors' remuneration excluding benefits-in-kind	3,419	3,106	513	300

The number of Directors of the Company whose total remuneration excluding benefits-in-kind for the Group during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2023	2022
Executive Directors:		
RM1,000,001 - RM1,500,000	1	1
RM1,500,001 - RM2,000,000	1	1
Non-executive Directors:		
RM0 - RM50,000	1	1
RM50,001 - RM100,000	-	1
RM100,001 - RM150,000	4	2
	7	6

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

8. PROFIT BEFORE TAX (cont'd.)

(b) Auditors' remuneration

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors of the Company:				
- statutory audit	641	691	109	103
- overprovision in prior years	(6)	(15)	-	-
- other services	12	10	7	6
Other auditor:				
- statutory audit	34	-	-	-
	681	686	116	109

(c) Employee benefits expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and bonuses	32,887	32,847	159	155
Defined contribution plan	3,949	3,866	12	13
Other staff related expenses	1,965	507	30	28
	38,801	37,220	201	196

Included in employee benefits expense of the Group are Executive Directors' remuneration amounting to RM2,856,000 (2022: RM2,756,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2023 and 31 December 2022 are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statements of profit or loss:				
Current income tax:				
Malaysian income tax	56,009	59,338	1,350	1,330
Under/(over) provision in prior years	681	(758)	(20)	4
	56,690	58,580	1,330	1,334
Deferred tax (Note 25):				
Origination and reversal of temporary differences	3,053	1,417	-	-
Under/(over) provision in prior years	2,195	(1,215)	-	-
	5,248	202	-	-
Income tax expense	61,938	58,782	1,330	1,334

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

9. INCOME TAX EXPENSE (cont'd.)

Reconciliations between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	2023 RM'000	2022 RM'000
Group		
Profit before tax	188,433	159,858
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	45,224	38,366
Income not subject to tax	(168)	(108)
Non-deductible expenses	14,006	16,750
Effect on additional Malaysian income tax rate (Cukai Makmur)	-	5,747
Under/(over) provision of income tax in prior years	681	(758)
Under/(over) provision of deferred tax in prior years	2,195	(1,215)
Income tax expense	61,938	58,782
Company		
Profit before tax	58,760	142,570
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	14,102	34,217
Income not subject to tax	(14,112)	(35,032)
Non-deductible expenses	1,360	2,145
(Over)/under provision of income tax in prior years	(20)	4
Income tax expense	1,330	1,334

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2022: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdictions.

The Finance Act 2021 gazetted on 31 December 2021 enacted Cukai Makmur on companies that generate chargeable income up in excess of RM100 million. The first RM100 million was taxed at 24% and any excess was taxed at 33% for year of assessment 2022.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

10. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue (net of treasury shares) during the financial year.

	Group	
	2023 RM'000	2022 RM'000
Profit for the financial year attributable to owners of the Company	125,273	100,605
	2023 '000	2022 '000
Weighted average number of ordinary shares in issue	1,437,179	1,437,179
	2023 Sen	2022 Sen
Basic earnings per share	8.72	7.00

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted earnings per share has not been presented.

There have been no other transactions involving ordinary shares or potential shares since the reporting date and before the completion of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

11. DIVIDENDS

	Group/Company				
	Dividends in respect of year			Dividends recognised in year	
	2023	2022	2021	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
First interim single-tier dividend of 1.5 sen per share on 1,437,178,945 ordinary shares	-	-	21,558	-	21,558
First interim single-tier dividend of 1.0 sen per share on 1,437,178,945 ordinary shares	-	14,372	-	-	14,372
Second interim single-tier dividend of 1.5 sen per share on 1,437,178,945 ordinary shares	-	21,558	-	-	21,558
Third interim single-tier dividend of 1.0 sen per share on 1,437,178,945 ordinary shares	-	14,372	-	-	14,372
Fourth interim single-tier dividend of 1.5 sen per share on 1,437,178,945 ordinary shares	-	21,558	-	21,558	-
First interim single-tier dividend of 1.0 sen per share on 1,437,178,945 ordinary shares	14,372	-	-	14,372	-
Second interim single-tier dividend of 2.0 sen per share on 1,437,178,945 ordinary shares	28,743	-	-	28,743	-
Third interim single-tier dividend of 1.0 sen per share on 1,437,178,945 ordinary shares	14,372	-	-	14,372	-
	57,487	71,860	21,558	79,045	71,860

Subsequent to the financial year end, the Directors had on 28 February 2024 declared a fourth interim dividend of 2.0 sen per share on 1,437,178,945 ordinary shares amounted to RM28,743,000 in respect of financial year ended 31 December 2023. The dividend was paid on 22 March 2024.

This dividend payment will be accounted for in equity as an appropriation of retained profits during the financial year ending 31 December 2024.

The Directors do not recommend any payment of final dividend in respect of financial year ended 31 December 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

12. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings on freehold land					Total
	Freehold land	freehold land	Plant and equipment	Computer equipment	Capital work-in-progress	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2023						
Cost						
At 1 January 2023	9,580	22,151	47,948	54,411	8,186	142,276
Additions	-	-	1,689	646	11,269	13,604
Disposals	-	-	(1,579)	(4)	-	(1,583)
Write-off	-	-	(311)	(578)	-	(889)
Reclassification	-	-	156	86	(242)	-
At 31 December 2023	9,580	22,151	47,903	54,561	19,213	153,408
Accumulated depreciation						
At 1 January 2023	-	11,398	33,207	38,204	-	82,809
Depreciation charge for the year (Note 8)	-	464	3,191	4,142	-	7,797
Disposals	-	-	(1,577)	(3)	-	(1,580)
Write-off	-	-	(300)	(538)	-	(838)
At 31 December 2023	-	11,862	34,521	41,805	-	88,188
Accumulated impairment losses						
At 1 January 2023/ 31 December 2023	-	303	-	-	-	303
Net carrying amount						
At 31 December 2023	9,580	9,986	13,382	12,756	19,213	64,917

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

12. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

Group	Buildings on freehold land					Capital work-in-progress	Total
	Freehold land	freehold land	Plant and equipment	Computer equipment			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2022							
Cost							
At 1 January 2022	9,580	22,151	46,816	58,831	6,191	143,569	
Additions	-	-	1,056	2,541	3,402	6,999	
Disposals	-	-	(506)	(7,360)	-	(7,866)	
Write-off	-	-	(203)	(223)	-	(426)	
Reclassification	-	-	785	622	(1,407)	-	
At 31 December 2022	9,580	22,151	47,948	54,411	8,186	142,276	
Accumulated depreciation							
At 1 January 2022	-	10,934	30,764	41,227	-	82,925	
Depreciation charge for the year (Note 8)	-	464	3,094	4,524	-	8,082	
Disposals	-	-	(463)	(7,345)	-	(7,808)	
Write-off	-	-	(188)	(202)	-	(390)	
At 31 December 2022	-	11,398	33,207	38,204	-	82,809	
Accumulated impairment losses							
At 1 January 2022/ 31 December 2022	-	303	-	-	-	303	
Net carrying amount							
At 31 December 2022	9,580	10,450	14,741	16,207	8,186	59,164	

Included in property, plant and equipment of the Group are fully depreciated assets which are still fully in use costing RM67,011,000 (2022: RM52,744,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

12. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

Company	Plant and equipment	Computer equipment	Total
	RM'000	RM'000	RM'000
At 31 December 2023			
Cost			
At 1 January 2023/31 December 2023	384	20	404
Accumulated depreciation			
At 1 January 2023	336	18	354
Depreciation charge for the year (Note 8)	48	2	50
At 31 December 2023	384	20	404
Net carrying amount			
At 31 December 2023	-	-	-
At 31 December 2022			
Cost			
At 1 January 2022/31 December 2022	384	20	404
Accumulated depreciation			
At 1 January 2022	260	18	278
Depreciation charge for the year (Note 8)	76	-	76
At 31 December 2022	336	18	354
Net carrying amount			
At 31 December 2022	48	2	50

Included in property, plant and equipment of the Company are fully depreciated assets which are still fully in use costing RM404,000 (2022: RM26,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

13. LEASES

Group as lessee

The Group has lease contracts for land and buildings used in its operations with lease terms between 2 to 50 years (2022: 2 to 50 years).

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold land and buildings
	RM'000
As at 1 January 2022	16,501
Additions	235
Remeasurement	274
Early termination of lease contract	(233)
Depreciation charge for the year (Note 8)	(1,716)
As at 31 December 2022/as at 1 January 2023	15,061
Additions	887
Remeasurement	241
Early termination of lease contract	(10)
Depreciation charge for the year (Note 8)	(1,815)
As at 31 December 2023	14,364

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

13. LEASES (cont'd.)

Group as lessee (cont'd.)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 RM'000	2022 RM'000
As at 1 January	5,399	6,479
Addition	887	235
Remeasurement	241	274
Early termination of lease contract	(11)	(240)
Accretion of interest (Note 7)	273	296
Payments	(1,772)	(1,645)
As at 31 December	5,017	5,399
Current	1,638	1,394
Non-current	3,379	4,005
	5,017	5,399

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets (Note 8)	1,815	1,716
Interest expenses on lease liabilities (Note 7)	273	296
Expenses related to short-term leases (included in other expenses)	108	106
Gain on lease modifications (Note 6)	1	7

The Group had total cash outflows for leases amounting to RM1,880,000 (2022: RM1,751,000) for the financial year ended 31 December 2023.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

14. INVESTMENT PROPERTIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost				
At 1 January/at 31 December	580	580	658	658
Accumulated depreciation				
At 1 January	61	54	30	23
Depreciation charge for the year (Note 8)	7	7	7	7
At 31 December	68	61	37	30
Net carrying amount	512	519	621	628
Estimated fair value	658	658	658	658

Investment properties comprise freehold land and leasehold land. Freehold land has an unlimited useful life and therefore is not depreciated while leasehold land is depreciated over the lease term of 99 years (2022: 99 years).

Investment properties are stated at cost. The estimated fair values are based on Directors' estimation, on direct comparison method. The fair values are categorised as Level 3 under the fair value hierarchy.

Valuation technique	Significant unobservable inputs
Direct comparison method	Selling price per square foot of comparable properties adjusted for location, accessibility, size, title conditions and restrictions, land tenure, zoning or designated use, building, improvements and amenities and time element.

Direct comparison method

Under the direct comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	4,036,579	4,036,579
Add: Addition (a)	400	-
Less: Accumulated impairment losses	(1,280,086)	(1,280,086)
	2,756,893	2,756,493

Details of the subsidiaries are disclosed in Note 34.

(a) During the financial year, the Company has increased its investment in Marincos Holdings Sdn. Bhd., a wholly owned subsidiary, through subscription of an additional 400,000 ordinary shares at 1.00 per share.

16. INVESTMENT SECURITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Fair value through other comprehensive income				
Unquoted shares in Malaysia	385,429	385,429	385,429	385,429
Malaysian Government Securities	10,064	13,065	-	-
Total non-current investment securities	395,493	398,494	385,429	385,429
Current				
Fair value through other comprehensive income				
Malaysian Government Securities	3,018	-	-	-
Fair value through profit or loss				
Quoted shares in Malaysia	4,896	4,642	4,896	4,642
Quoted shares outside Malaysia	15,181	17,923	15,181	17,923
Total current investment securities	23,095	22,565	20,077	22,565
Total investment securities	418,588	421,059	405,506	407,994

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

16. INVESTMENT SECURITIES (cont'd.)

The following table provides information on the interest rate of Malaysian Government Securities at the reporting date.

	Group	
	2023 %	2022 %
Interest rate per annum	3.88 - 4.06	3.88 - 4.06

17. INTANGIBLE ASSETS

Group	Development cost for Jackpot games			Total
	Goodwill	Four digit gaming rights	Development cost for Jackpot games	
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January 2023/31 December 2023/ 1 January 2022/31 December 2022	901,531	1,836,199	748	2,738,478
Accumulated amortisation				
At 1 January 2023	-	-	191	191
Amortisation for the year (Note 8)	-	-	15	15
At 31 December 2023	-	-	206	206
At 1 January 2022	-	-	176	176
Amortisation for the year (Note 8)	-	-	15	15
At 31 December 2022	-	-	191	191
Net carrying amount				
At 31 December 2023	901,531	1,836,199	542	2,738,272
At 31 December 2022	901,531	1,836,199	557	2,738,287

The development cost for Jackpot games represents internal development cost capitalised and have remaining amortisation period of 36 to 40 years (2022: 37 to 41 years).

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

17. INTANGIBLE ASSETS (cont'd.)

Key assumptions used in value-in-use calculations

The gaming rights and goodwill have been allocated to the Group's Cash-Generating Unit ("CGU") identified from the gaming segment.

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections based on financial budget approved by the Board of Directors covering a five-year period (2022: five-year period). As at 31 December 2023 and 2022, the recoverable amount of CGU to which gaming rights and goodwill was allocated exceeded its carrying amount. The directors did not identify any impairment for gaming rights and goodwill.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of gaming rights and goodwill:

(i) Revenue

The bases used to determine the future earnings potential are historical sales and expected growth rates of the relevant industry.

(ii) Payout ratio

Payout ratio is based on the average payout ratio offered in the previous year after taking into account the theoretical payout ratio.

(iii) Discount rate

The pre-tax discount rate used is 10.86% (2022: 10.86%) and reflects specific risks relating to the gaming segment.

(iv) Terminal growth rate

The terminal growth rate of 1.10% (2022: 1.10%) represents the growth rate applied to extrapolate cash flow beyond the five year financial budget period. This growth rate is based on management's assessment of future trends in the gaming industry and based on both external and internal sources.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for the gaming segment, management believes that at any reasonably possible change in any of the above key assumptions will not cause the carrying amount to materially exceed its recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

18. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At cost:		
Ticket stocks	861	985

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM3,481,000 (2022: RM3,673,000).

19. RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade receivables (a)	42,935	27,935	-	-
Less: Allowance for expected credit losses ("ECL")	(2)	(2)	-	-
Trade receivables, net	42,933	27,933	-	-
Other receivables (b)	38,666	33,474	34,745	29,275
Prepayments	13,160	12,077	1,013	1,002
Amounts due from subsidiaries (c)	-	-	413	1,887
	51,826	45,551	36,171	32,164
Less: Allowance for ECL (d)	(527)	(527)	(579)	(529)
Other receivables, net	51,299	45,024	35,592	31,635
Total receivables	94,232	72,957	35,592	31,635
Total receivables	94,232	72,957	35,592	31,635
Add: Deposits, cash and bank balances (Note 20)	174,232	191,357	1,129	2,223
Less: Prepayments	(13,160)	(12,077)	(1,013)	(1,002)
Total financial assets carried at amortised cost	255,304	252,237	35,708	32,856

19. RECEIVABLES (cont'd.)

(a) Trade receivables

The Group has no significant concentration of credit risk, disclosed in Note 30(c), that may arise from exposures to a single debtor or to group of debtors.

Gaming

The Group adopted a new agency settlement model and the trade receivables amounted to RM42,933,000 (2022: RM27,933,000) represents the weekly sales collections that are due and payable, and shall be banked in on the following Monday.

The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date.

Information technology services

Normal credit term for information technology services is 60 days (2022: 60 days). The Group applies the simplified approach whereby allowance for impairment are measured at lifetime ECL.

Ageing analysis of trade receivables for information technology services

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
Neither past due nor impaired	-	-
Impaired	2	2
	2	2

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

19. RECEIVABLES (cont'd.)

(a) Trade receivables (cont'd.)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for ECL used to record the impairment are as follows:

	Group Individually impaired	
	2023 RM'000	2022 RM'000
Trade receivables - nominal amounts	2	2
Less: Allowance for ECL	(2)	(2)
	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Breakdown of other receivables of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	1,839	1,754	644	649
Others	36,827	31,720	34,101	28,626
	38,666	33,474	34,745	29,275

(c) Amounts due from subsidiaries

The amounts due from subsidiaries consist of amount which are unsecured, repayable on demand and non-interest bearing.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

19. RECEIVABLES (cont'd.)

(d) Other receivables and amount due from subsidiaries that are impaired

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. Movement in allowance for ECL are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables				
At 1 January/31 December	527	527	166	166
Amount due from subsidiaries				
At 1 January	-	-	363	316
Allowance for expected credit loss during the year	-	-	35	28
Unrealised gain on foreign exchange	-	-	15	19
At 31 December	-	-	413	363
Total allowance for ECL	527	527	579	529

20. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand	42,774	25,937	429	623
Short term deposits with financial institutions	131,458	165,420	700	1,600
Deposits, cash and bank balances	174,232	191,357	1,129	2,223
Less:				
Cash deposits pledged (Note 24)	(11,734)	(16,480)	-	-
Cash deposits with licensed banks with maturity period of more than 3 months	(2,870)	-	-	-
Cash and cash equivalents	159,628	174,877	1,129	2,223

Included in deposits placed with financial institutions of the Group is an amount of RM11,734,000 (2022: RM16,480,000) which is pledged to financial institutions as security for banking facilities granted to subsidiaries and borrowings as disclosed in Note 24.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

20. DEPOSITS, CASH AND BANK BALANCES (cont'd.)

The range of interest rate (per annum) and maturity tenure of deposits are as follows:

	Group		Company	
	2023	2022	2023	2022
Interest rate (%)	0.25 - 3.30	0.25 - 3.05	2.90 - 3.30	1.75 - 2.90
Maturities (days)	1 - 365	1 - 365	1 - 35	1 - 35

21. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	← Number of ordinary shares →		← Amount →	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid)	Treasury shares
	'000	'000	RM'000	RM'000
At 1 January 2023/31 December 2023	1,437,749	(569)	2,154,357	(1,163)
At 1 January 2022/31 December 2022	1,437,749	(569)	2,154,357	(1,163)

The Company has not issued any new shares or debentures during the financial year.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Treasury Shares

The share buy-back mandate expired and was renewed at the 47th Annual General Meeting held on 19 May 2023.

The Company has not repurchased any shares from the open market during the current financial year.

Accordingly of the total 1,437,748,654 (2022: 1,437,748,654) issued and fully paid ordinary shares as at 31 December 2023, 569,709 (2022: 569,709) are held as treasury shares by the Company. The total cost of acquisition of the treasury shares as at 31 December 2022 amounted to RM1,163,000 (2022: RM1,163,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

22. OTHER RESERVES

	Capital reserve	Revaluation reserve	Other reserve	Total
	RM'000 Note 22(a)	RM'000 Note 22(b)	RM'000 Note 22(c)	RM'000
Group				
At 1 January 2023	20,832	108,091	(696,402)	(567,479)
Total other comprehensive income	-	17	-	17
At 31 December 2023	20,832	108,108	(696,402)	(567,462)
At 1 January 2022	20,832	108,370	(696,383)	(567,181)
Total other comprehensive income	-	(324)	(19)	(343)
Transfer to profit or loss	-	45	-	45
At 31 December 2022	20,832	108,091	(696,402)	(567,479)
Company				
At 1 January 2022/31 December 2022/ 1 January 2023/31 December 2023	93,398	108,103	-	201,501

(a) Capital reserve

In accordance with Article 138 of the Company's Constitution of a subsidiary, the capital reserve arose from the gain on disposal of investments transferred from retained profits.

(b) Revaluation reserve

Revaluation reserve represents the cumulative fair value changes, net of tax, of financial assets at fair value through other comprehensive income.

(c) Other reserve

Mainly represents the difference of non-controlling interest acquired and the fair value of consideration paid arising from acquisition of additional shares in subsidiaries and exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency is different from the Group's presentation currency.

23. RETAINED PROFITS

The Company's retained profits are available for distribution as dividends.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

24. BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Current		
Secured:		
Medium term notes	153,006	189,930
Non-current		
Secured:		
Medium term notes	623,891	704,114
Total loans and borrowings	776,897	894,044

The remaining maturities of the borrowings are as follows:

	Group	
	2023 RM'000	2022 RM'000
On demand within one year	153,006	189,930
Later than 1 year and not later than 2 years	174,716	190,061
Later than 2 years and not later than 3 years	144,975	174,554
Later than 3 years and not later than 4 years	179,755	159,786
Later than 4 years	124,445	179,713
	776,897	894,044
At 1 January	894,044	948,988
Net repayment	(117,500)	(55,000)
Transaction cost capitalised	(662)	(318)
Unwinding of transaction costs (Note 7)	1,015	374
At 31 December	776,897	894,044
Due within a year	153,006	189,930
Due within two to five years	623,891	704,114
	776,897	894,044

In 2012, a subsidiary, Magnum Corporation Sdn. Bhd. ("MCSB"), took up a 20 years Medium Term Notes ("MTN") programme of up to RM1,000,000,000 at nominal value. As at 31 December 2023, total medium term notes amounting to RM777,500,000 (2022: RM895,000,000) in nominal value remain outstanding.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

24. BORROWINGS (cont'd.)

The MTN shall mature and be redeemed in the following years:

Series	Maturity	Tenure	Group	
			2023 RM'000	2022 RM'000
5.45% p.a. fixed rate MTN	January 2023	5 years	-	125,000
5.55% p.a. fixed rate MTN	September 2023	8 years	-	50,000
3.85% p.a. fixed rate MTN	November 2023	2 years	-	15,000
5.15% p.a. fixed rate MTN	September 2024	8 years	50,000	50,000
5.16% p.a. fixed rate MTN	September 2024	5 years	87,500	125,000
4.30% p.a. fixed rate MTN	November 2024	3 years	15,000	15,000
3.45% p.a. fixed rate MTN	September 2025	5 years	125,000	125,000
3.61% p.a. fixed rate MTN	September 2025	4 years	50,000	50,000
5.35% p.a. fixed rate MTN	September 2026	7 years	60,000	60,000
3.70% p.a. fixed rate MTN	September 2026	6 years	35,000	50,000
3.90% p.a. fixed rate MTN	September 2026	5 years	50,000	50,000
5.23% p.a. fixed rate MTN	November 2027	6 years	60,000	60,000
5.40% p.a. fixed rate MTN	September 2027	5 years	120,000	120,000
6.20% p.a. fixed rate MTN	January 2028	5 years	125,000	-
			777,500	895,000

The MTN is secured by the following:

- (i) first and third party charges over all the shares directly or indirectly, legally and beneficially owned by MCSB in Magnum 4D Berhad ("M4DB");
- (ii) first and third party charges over all the shares held directly or indirectly, legally and beneficially owned by M4DB in certain gaming subsidiaries; and
- (iii) all monies deposited or held in Cash Deposit Account (Note 20).

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

24. BORROWINGS (cont'd.)

Reconciliation of movement in liabilities to cash flows arising from financing activities:

	Lease liabilities	Borrowings	Accrual of MTN interest	Total
	RM'000 (Note 13(b))	RM'000	RM'000	RM'000
At 1 January 2023	5,399	894,044	13,186	912,629
Changes from financing cash flows				
Repayment of lease liabilities	(1,772)	-	-	(1,772)
Interest paid	-	-	(43,671)	(43,671)
Repayment of borrowings	-	(117,500)	-	(117,500)
Transaction cost paid	-	(662)	-	(662)
Total changes from financing cash flows	(1,772)	(118,162)	(43,671)	(163,605)
Other changes				
Accretion of interest	273	-	42,414	42,687
Additional lease liabilities	887	-	-	887
Early termination of lease contract	(11)	-	-	(11)
Remeasurement	241	-	-	241
Unwinding of transaction costs (Note 7)	-	1,015	-	1,015
At 31 December 2023	5,017	776,897	11,929	793,843
At 1 January 2022	6,479	948,988	14,083	969,550
Changes from financing cash flows				
Repayment of lease liabilities	(1,645)	-	-	(1,645)
Interest paid	-	-	(45,613)	(45,613)
Repayment of borrowings	-	(55,000)	-	(55,000)
Transaction cost paid	-	(318)	-	(318)
Total changes from financing cash flows	(1,645)	(55,318)	(45,613)	(102,576)
Other changes				
Accretion of interest	296	-	44,716	45,012
Additional lease liabilities	235	-	-	235
Early termination of lease contract	(240)	-	-	(240)
Remeasurement	274	-	-	274
Unwinding of transaction costs (Note 7)	-	374	-	374
At 31 December 2022	5,399	894,044	13,186	912,629

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

25. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
At 1 January	4,330	4,532
Recognised in profit or loss (Note 9)	(5,248)	(202)
At 31 December	(918)	4,330
Presented after appropriate offsetting as follows:		
Deferred tax assets (a)	1,663	5,545
Deferred tax liabilities (b)	(2,581)	(1,215)
	(918)	4,330

The components and movements of deferred tax assets and liabilities during the financial years prior to offsetting are as follows:

(a) Deferred tax assets of the Group

	Unabsorbed business losses and capital allowances	Lease liabilities and payables	Total
	RM'000	RM'000	RM'000
At 1 January 2023	3,985	8,079	12,064
Recognised in profit or loss	(1,362)	(1,898)	(3,260)
At 31 December 2023	2,623	6,181	8,804
At 1 January 2022	4,876	8,570	13,446
Recognised in profit or loss	(891)	(491)	(1,382)
At 31 December 2022	3,985	8,079	12,064

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

25. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd.)

(b) Deferred tax liabilities of the Group

	Right-of-use assets	Property, plant and equipment	Total
	RM'000	RM'000	RM'000
At 1 January 2023	(2,657)	(5,077)	(7,734)
Recognised in profit or loss	165	(2,153)	(1,988)
At 31 December 2023	(2,492)	(7,230)	(9,722)
At 1 January 2022	(3,190)	(5,724)	(8,914)
Recognised in profit or loss	533	647	1,180
At 31 December 2022	(2,657)	(5,077)	(7,734)

26. AMOUNTS DUE TO SUBSIDIARIES

Amounts due to subsidiaries are unsecured, interest-free and repayable on demand except for amounts owing to subsidiaries of RM89,500,000 (2022: RM80,600,000) which bears interest ranging 2.75% - 3.00% per annum (2022: 1.95% - 2.75% per annum).

27. PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade payables (a)	203,621	148,857	-	-
Other payables and accruals (b)	61,338	49,622	10,741	560
Provisions (c)	2,462	2,442	1	2
Total payables	267,421	200,921	10,742	562
Add:				
- Loans and borrowings (Note 24)	776,897	894,044	-	-
- Amounts due to subsidiaries (Note 26)	-	-	96,110	83,905
- Lease liabilities (Note 13(b))	5,017	5,399	-	-
Less: Provisions	(2,462)	(2,442)	(1)	(2)
Total financial liabilities carried at amortised cost	1,046,873	1,097,922	106,851	84,465

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

27. PAYABLES (cont'd.)

(a) Trade payables

The normal trade credit terms granted to the Group is 30 days (2022: 30 days).

(b) Other payables and accruals

Other payables are non-interest bearing, unsecured and repayable on demand except for an amount of RM10,100,000 (2022: Nil), which bears interest rate at 3% (2022: Nil).

(c) Provisions

Provisions include provision for employee benefits with the movement as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As at 1 January	2,442	3,457	2	2
Charge/(reversal) to profit or loss	117	(491)	-	-
Utilisation of provisions	(97)	(524)	(1)	-
As at 31 December	2,462	2,442	1	2

28. CAPITAL COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure approved and contracted for:		
Plant and equipment	510	355
Renovation	9,170	171
	9,680	526
Capital expenditure approved and not contracted for:		
Plant and equipment	20,854	-
Renovation	-	2,294
	20,854	2,294

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

29. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>With subsidiaries:</u>				
Dividend income	-	-	(58,359)	(145,826)
Interest expense payable on loans	-	-	2,819	3,690
<u>With other related parties:</u>				
Management fees payable	830	720	98	52
Professional fees payable	1,459	1,230	1,431	1,193
Computer software service income	(78)	(78)	-	-

(i) The Directors of the Group and the Company are of the opinion that the above transactions are entered into in the normal course of business and based on negotiated and mutually agreed terms. Outstanding balances in respect of the above transactions with subsidiaries are disclosed in Note 26. There are no outstanding balances in respect of transactions with related parties.

(ii) Related parties refer to the following:

- Metra Management Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial interest.
- Wejay Consult Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial interest.
- MPH Capital Berhad, incorporated in Malaysia, which is a company in which a Director has a substantial interest.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

29. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd.)

(b) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel includes all the Directors of the Group and certain members of senior management of the Group and the Company.

The remuneration and compensation of the Directors of the Company and other members of key management during the financial year were as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employee benefits	5,122	5,741	545	333
Post-employment benefits:				
- Defined contribution plan	597	674	-	-
- Other long-term benefits	6	15	-	-
	5,725	6,430	545	333

Included in the total compensation of key management personnel are Directors' remuneration as detailed in Note 8(a).

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign exchange risk, liquidity risk, credit risk and market price risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its foreign exchange, liquidity, credit risks and market price risk. The Group operates within clearly defined guidelines that are approved by the Board.

It is, and has been throughout the current and previous financial year, the Group's policy not to engage in speculative transactions. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to transactional currency risk that is denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Philippine Peso and Pound Sterling.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(a) Foreign exchange risk (cont'd.)

The net unhedged financial assets of the Group that are not denominated in their functional currencies are as follows:

Group	Deposit, cash and bank balances
	RM'000
At 31 December 2023	
Pound Sterling	40
Philippine Peso	6,133
At 31 December 2022	
Pound Sterling	42
Philippine Peso	5,866

The Group does not have any significant exposure to the fluctuations in foreign exchange rates.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations. The Group maintains sufficient levels of cash to fund the Group's operations.

At the reporting date, approximately 20% (2022: 21%) of the Group's borrowings (Note 24) will mature in less than one year at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Financial liabilities:	On demand or within one year	One to two years	Two to three years	Three to four years	More than four years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023						
Group						
Trade, other payables and accruals	264,959	-	-	-	-	264,959
Lease liabilities	1,868	1,707	1,057	446	430	5,508
Loans and borrowings	190,407	204,855	168,740	197,347	128,907	890,256
Total undiscounted financial liabilities	457,234	206,562	169,797	197,793	129,337	1,160,723
Company						
Payables, representing total undiscounted financial liabilities	106,851	-	-	-	-	106,851
2022						
Group						
Trade, other payables and accruals	198,479	-	-	-	-	198,479
Lease liabilities	1,635	1,592	1,461	850	424	5,962
Loans and borrowings	229,202	222,637	197,614	176,565	189,618	1,015,636
Total undiscounted financial liabilities	429,316	224,229	199,075	177,415	190,042	1,220,077
Company						
Payables, representing total undiscounted financial liabilities	84,465	-	-	-	-	84,465

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group's and the Company's exposure to credit risk arises primarily from receivables. For other financial assets including investment securities and deposits, cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The impairment provision is determined based on the 12-month ECL.

Credit risks are mainly associated with the risk of selling agents defaulting and the cash deposits placed with financial institutions. The risks relating to the selling agents are minimised by obtaining security deposits from agents as well as applying strict credit approval, monitoring and enforcement policies. The management minimises the risk by placing the cash deposits with financial institutions with good credit rating.

The Group and the Company do not have any significant exposure to any individual agent nor does it have any major concentration of credit risk related to any financial instruments.

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia, whereas the quoted equity instruments outside Malaysia are listed on Philippine Stock Exchange in Philippines and the quoted debt instruments relate to Malaysian Government Securities. These instruments are classified as held for trading or fair value through other comprehensive income financial assets. The Group does not have exposure to commodity price risk.

At the reporting date, the exposure to listed equity securities at fair value was RM33,159,000 (2022: RM35,630,00). A decrease of 10% on the market price could have an impact of approximately RM2,008,000 (2022: RM2,257,000) and RM1,308,000 (2022: RM1,307,000) on the income and equity attributable to the Group respectively.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

	Note
Lease liabilities	13(b)
Receivables	19
Deposits, cash and bank balances	20
Borrowings	24
Amounts due to subsidiaries	26
Payables	27

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(b) Fair value measurements

The fair values of all the financial assets for which fair values are disclosed are categorised as below under the fair value hierarchy as described in Note 2.26.

The following table provides the fair value measurement hierarchy of the Group's assets:

Quantitative disclosure for fair value measurement hierarchy for assets as at 31 December 2023

At 31 December 2023		Total			
		Level 1	Level 2	Level 3	
At 31 December 2023	Date of valuation	RM'000	RM'000	RM'000	RM'000
Non-current asset					
Financial assets at fair value through other comprehensive income					
Unquoted shares in Malaysia	31 December 2023	385,429	-	-	385,429
Malaysian Government Securities	31 December 2023	10,064	10,064	-	-
Current assets					
Financial assets at fair value through profit or loss					
Quoted securities	31 December 2023	20,077	20,077	-	-
Financial assets at fair value through other comprehensive income					
Malaysian Government Securities	31 December 2023	3,018	3,018	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(b) Fair value measurements (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's assets: (cont'd.)

Quantitative disclosure for fair value measurement hierarchy for assets as at 31 December 2022

Group

At 31 December 2022	Date of valuation	Total	Level 1	Level 2	Level 3
		RM'000	RM'000	RM'000	RM'000
Non-current asset					
Financial assets at fair value through other comprehensive income					
Unquoted shares in Malaysia	31 December 2022	385,429	-	-	385,429
Malaysian Government Securities	31 December 2022	13,065	13,065	-	-
Current assets					
Financial assets at fair value through profit or loss					
Quoted securities	31 December 2022	22,565	22,565	-	-

There has been no transfer between Level 1, Level 2 and Level 3 for the financial year under review.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(b) Fair value measurements (cont'd.)

The following table provides the fair value measurement hierarchy of the Company's assets:

Quantitative disclosure for fair value measurement hierarchy for assets as at 31 December 2023

Company

At 31 December 2023	Date of valuation	Total	Level 1	Level 2	Level 3
		RM'000	RM'000	RM'000	RM'000
Non-current asset					
Financial assets at fair value through other comprehensive income					
Unquoted shares in Malaysia	31 December 2023	385,429	-	-	385,429
Current asset					
Financial assets at fair value through profit or loss					
Quoted securities	31 December 2023	20,077	20,077	-	-

Quantitative disclosure for fair value measurement hierarchy for assets as at 31 December 2022

Company

At 31 December 2022	Date of valuation	Total	Level 1	Level 2	Level 3
		RM'000	RM'000	RM'000	RM'000
Non-current asset					
Financial assets at fair value through other comprehensive income					
Unquoted shares in Malaysia	31 December 2022	385,429	-	-	385,429
Current asset					
Financial assets at fair value through profit or loss					
Quoted securities	31 December 2022	22,565	22,565	-	-

There has been no transfer between Level 1, Level 2 and Level 3 for the financial year under review.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(b) Fair value measurements (cont'd.)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Deposits, cash and bank balances, lease liabilities, receivables, payables and borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the lease liabilities and loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Quoted investments

The fair value of quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business at the reporting date.

(iii) Malaysian Government Securities

The Malaysian Government Securities Indicative Price is listed on Bank Negara Malaysia website.

(iv) Unquoted shares in Malaysia

The fair values of unquoted shares in Malaysia have been measured using valuation models which uses both observable and non-observable data. The non-observable inputs to the models include assumptions of revenue growth, direct expenses and long term growth rate.

(v) Amount due from/to subsidiaries

The Company does not anticipate the carrying amounts recorded at the reporting date that would eventually be received or settled to be significantly different from the fair values as the amounts are repayable on demand.

32. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholders' value. The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic condition. To maintain or adjust its capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitor capital using a gearing ratio, which is the net debt divided by equity attributable to owners of the Company. The Group and the Company include within its net debt, borrowings, payables, amount due to subsidiaries, lease liabilities, less cash and bank balances and short term deposits.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

32. CAPITAL MANAGEMENT (cont'd.)

The gearing ratios as at 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payables	267,421	200,921	10,742	562
Amounts due to subsidiaries	-	-	96,110	83,905
Borrowings	776,897	894,044	-	-
Lease liabilities	5,017	5,399	-	-
Less:				
Deposits, cash and bank balances	(174,232)	(191,357)	(1,129)	(2,223)
Net debt	875,103	909,007	105,723	82,244
Equity attributable to owners of the Company	2,437,556	2,391,311	3,093,798	3,115,413
Gearing ratio	35.9%	38.0%	3.4%	2.6%

33. SEGMENT INFORMATION

The Group is organised into two major business segments:

- (i) Gaming
- (ii) Investment holdings and others

Other business segments include information technology services and dormant companies.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business based on negotiated and mutually agreed terms.

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

33. SEGMENT INFORMATION (cont'd.)

	Investment holdings and others			Total
	Gaming	Investment holdings and others	Eliminations	
	RM'000	RM'000	RM'000	RM'000
31 December 2023				
Revenue				
External	2,159,704	222	-	2,159,926
Inter-segment	-	59,830	(59,830)	-
Total revenue	2,159,704	60,052	(59,830)	2,159,926
Results				
Segment results	232,699	62,777	(62,649)	232,827
Finance costs				(44,394)
Profit before tax				188,433
Income tax expense				(61,938)
Profit for the year				126,495
Assets and liabilities				
Segment assets	3,153,547	5,419,203	(5,066,772)	3,505,978
Unallocated corporate assets				6,433
Total assets				3,512,411
Segment liabilities	1,035,762	106,819	(93,246)	1,049,335
Unallocated corporate liabilities				4,105
Total liabilities				1,053,440
Other information				
Capital expenditure (Note 12)	13,586	18	-	13,604
Depreciation on investment properties, property, plant and equipment	7,741	63	-	7,804
Depreciation on right-of-use assets	1,638	177	-	1,815
Amortisation of intangible assets	15	-	-	15
Net change arising from fair value in quoted shares (Note 6 and Note 8)	-	(302)	-	(302)
Non-cash expenses other than depreciation, amortisation and impairment losses (Note 8)	51	-	-	51

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

33. SEGMENT INFORMATION (cont'd.)

	Investment holdings and others			Total
	Gaming	Investment holdings and others	Eliminations	
	RM'000	RM'000	RM'000	RM'000
31 December 2022				
Revenue				
External	2,030,871	229	-	2,031,100
Inter-segment	-	143,713	(143,713)	-
Total revenue	2,030,871	143,942	(143,713)	2,031,100
Results				
Segment results	209,156	143,882	(147,403)	205,635
Finance costs				(45,777)
Profit before tax				159,858
Income tax expense				(58,782)
Profit for the year				101,076
Assets and liabilities				
Segment assets	3,063,443	5,406,185	(4,970,239)	3,499,389
Unallocated corporate assets				14,809
Total assets				3,514,198
Segment liabilities	1,096,824	84,566	(81,026)	1,100,364
Unallocated corporate liabilities				2,257
Total liabilities				1,102,621
Other information				
Capital expenditure (Note 12)	6,999	-	-	6,999
Depreciation on investment properties, property, plant and equipment	8,003	86	-	8,089
Depreciation on right-of-use assets	1,539	177	-	1,716
Amortisation of intangible assets	15	-	-	15
Net change arising from fair value in quoted shares (Note 6 and Note 8)	-	2,529	-	2,529
Non-cash expenses other than depreciation, amortisation and impairment losses (Note 8)	272	7	-	279

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

33. SEGMENT INFORMATION (cont'd.)

Inter-segment revenue are eliminated upon consolidation and reflected in the 'eliminations' column. All other adjustments and eliminations are part of detail reconciliation presented below:

Notes: Nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements

A. Inter-segment revenues are eliminated on consolidation

B. Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment written off	51	36
Realisation of fair value loss on financial assets upon maturity	-	45
Net unrealised loss on foreign exchange (Note 6 and Note 8)	-	198
	51	279

C. Capital expenditure consist of:

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment	13,604	6,999

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

34. SUBSIDIARIES

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group [#]		% of ownership interest held by non-controlling interests [#]	
			2023	2022	2023	2022
Direct subsidiaries of the Company						
Magnum Holdings Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	39.44	39.44	- [^]	- [^]
Multi-Purpose International Limited ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-
Leisure Management (Hong Kong) Limited ⁽¹⁾	Hong Kong	Investment holding	100.00	100.00	-	-
Dynamic Pearl Sdn. Bhd. ⁽²⁾	Malaysia	Investment holding	100.00	100.00	-	-
Marinco Holdings Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-
MP Property Management Sdn. Bhd. ⁽²⁾	Malaysia	Property management	100.00	100.00	-	-
Asia 4D Company Limited ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-
Subsidiary of Magnum Holdings Sdn. Bhd.						
Magnum Corporation Sdn. Bhd.	Malaysia	Investment holding and operation of four digit numbers forecast betting game	100.00	100.00	-	-
Subsidiaries of Magnum Corporation Sdn. Bhd.						
Magnum 4D Berhad	Malaysia	Investment holding and management services	99.45	99.45	0.55	0.55
ENE (Sabah) Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-
Tiara Vega Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-
Secure Tangent Sdn. Bhd. ⁽¹⁾	Malaysia	Providing information technology services	100.00	100.00	-	-
Magnum Online Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

34. SUBSIDIARIES (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group [#]		% of ownership interest held by non-controlling interests [#]	
			2023	2022	2023	2022
Subsidiaries of Magnum 4D Berhad						
ENE (Selangor) Sdn. Bhd.	Malaysia	Forecast betting	92.39	92.39	7.61	7.61
ENE (Perak) Sdn. Bhd.	Malaysia	Forecast betting	96.96	96.96	3.04	3.04
ENE (Penang) Sdn. Bhd.	Malaysia	Forecast betting	96.48	96.48	3.52	3.52
ENE (Negeri Sembilan) Sdn. Bhd.	Malaysia	Forecast betting	91.26	91.26	8.74	8.74
ENE (Melaka) Sdn. Bhd.	Malaysia	Forecast betting	90.08	90.08	9.92	9.92
M4D (Johor) Sdn. Bhd.	Malaysia	Forecast betting	85.84	85.84	14.16	14.16
ENE (East Coast) Sdn. Bhd.	Malaysia	Forecast betting	90.08	90.08	9.92	9.92
ENE (East Malaysia) Sdn. Bhd.	Malaysia	Forecast betting	99.72	99.72	0.28	0.28
Longterm Profit Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding and four digit agency management	100.00	100.00	-	-
Magnum Information Technology Sdn. Bhd. ⁽²⁾	Malaysia	Providing information technology services	60.00	60.00	-*	-*
Choicevest Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100.00	100.00	-	-
Subsidiary of Dynamic Pearl Sdn. Bhd.						
MP Solutions Sdn. Bhd. ⁽²⁾	Malaysia	Providing information technology services	100.00	100.00	-	-

⁽¹⁾ Audited by firms of auditors other than Ernst & Young PLT.

⁽²⁾ In liquidation.

[#] Equals to the proportion of voting rights held.

* The remaining 40% is interest held through Magnum Corporation Sdn. Bhd..

^ The remaining 38.39% and 22.17% are interests held through Asia 4D Company Limited and Multi-Purpose International Limited, respectively.

34. SUBSIDIARIES (cont'd.)

Summarised financial information of subsidiary which has non-controlling interests that is material to the Group is set out below. The summarised financial information below is the amount before inter-company elimination.

(i) Summarised consolidated statement of financial position:

	Magnum 4D Berhad Group	
	2023 RM'000	2022 RM'000
Non current assets	73,632	76,130
Current assets	456,952	429,748
Total assets	530,584	505,878
Non current liabilities	9,275	8,557
Current liabilities	52,189	62,786
Total liabilities	61,464	71,343
Net assets	469,120	434,535
Total equity	469,120	434,535
Attributable to non-controlling interests	21,415	20,266

(ii) Summarised consolidated statement of comprehensive income:

	Magnum 4D Berhad Group	
	2023 RM'000	2022 RM'000
Revenue	216,222	204,197
Profit for the year	47,918	40,552
Profit/(loss) attributable to non-controlling interests	1,222	471
Dividend paid to non-controlling interests	73	1,532

Notes to the Financial Statements

For the financial year ended 31 December 2023
(cont'd.)

34. SUBSIDIARIES (cont'd.)

(iii) Summarised consolidated statement of cash flows:

	Magnum 4D Berhad Group	
	2023 RM'000	2022 RM'000
Net cash (used in)/generated from operating activities	(3,546)	84,175
Net cash generated from investing activities	952	1,494
Net cash used in financing activities	(24,417)	(92,265)
Net decrease in cash and cash equivalents	(27,011)	(6,596)
Effects of exchange rate on cash and cash equivalents	259	(192)
Cash and cash equivalents at 1 January	129,621	136,409
Cash and cash equivalents at 31 December	102,869	129,621

Top 10 List of Properties Owned by Magnum Group

As at 31 December 2023

LOCATION	TENURE	RESIDUAL LEASE (YEARS)	EXPIRY DATE	APPROX. AREA	DESCRIPTION	AGE OF BUILDING (YEARS)	NBV (RM'000)	LAST REVALUATION DATE/ACQUISITION DATE
FEDERAL TERRITORY OF KUALA LUMPUR								
Wisma Magnum 111, Jalan Pudu 55100 Kuala Lumpur	Freehold	-	-	795.44 sq.m.	Commercial 5 1/2-Storey Office Building	81	1,529	10.12.1980
17 & 19 Jalan Maharajalela 50150 Kuala Lumpur	Freehold	-	-	248.95 sq.m.	Commercial 4-Storey Shoplot	45	1,335	15.11.1972
SELANGOR								
Unit No. 038 PT. No. 36922 Bandar Kinrara	Freehold	-	-	3,320 sq.ft.	Residential Double Storey Semi-Detached	21	1,212	16.05.2002
PERAK								
No. 1 & 1A Hala Datuk 5 Jalan Datoh 30000 Ipoh	Freehold	-	-	3,692 sq.ft.	Commercial Double Storey Corner Shoplot	16	1,887	15.10.2014
PENANG								
Lot PT 18 HS(D) 6800 Bandar Bukit Bendera Daerah Timor Laut Mukim 12 District of Barat Daya	Leasehold	32	2055	3,921.40 sq.m.	Residential Double Storey Bungalow	-	2,652	31.12.2002
2, Jalan Bahaudin Tanjung Bungah 11200 Penang	Freehold	-	-	5,438 sq.ft.	Residential Single Storey Bungalow	36	2,159	26.09.1979
294 & 296 Vantage Point Jalan Jelutong 11600 Penang	Freehold	-	-	6,846 sq.ft.	Commercial 3-Storey Shoplot	20	4,891	20.11.2014
NEGERI SEMBILAN								
14, Jalan Era Square 2 Era Square 70200 Seremban	Freehold	-	-	1,541 sq.ft.	Commercial 3-Storey Office Shoplot	20	1,224	31.03.2013
SARAWAK								
Lot 12227 Block 16 KCLD P1B-6-1 Jalan Datuk Tawi Sli (Trinity Hub) 93250 Kuching Sarawak	Leasehold	-	-	6,716.73 sq.ft.	Commercial 3-Storey Office Building	8	4,548	01.03.2016
United Kingdom								
Whaddon House William Mews London SW1X9HG	Leasehold	81	2104	1,144 sq.ft.	Residential Apartment & Parking Space	43	6,542	22.11.2010

Analysis of Equity Securities

As at 3 April 2024

Class of Security	: Ordinary Shares
Total Issued Share Capital	: 1,437,748,654 (inclusive of TS)
Total Shares held as Treasury Shares ("TS")	: 569,709
Voting rights	: One (1) vote per ordinary share

	No. of Holders	% of Holders	No. of Shares	% of Shares
LARGEST SHAREHOLDERS	30	0.07	843,572,610	58.69
SIZE OF HOLDINGS				
Less than 100 shares	3,713	9.27	113,489	0.01
100 to 1,000 shares	5,320	13.29	2,792,774	0.19
1,001 to 10,000 shares	22,456	56.09	81,305,623	5.66
10,001 to 100,000 shares	7,689	19.20	196,436,248	13.67
100,001 to less than 5% of issued shares	858	2.14	719,036,137	50.03
5% and above of issued shares	2	0.00	437,494,674	30.44
TOTAL	40,038	100.00	1,437,178,945	100.00

THIRTY (30) MAJOR SHAREHOLDERS AS SHOWN IN THE RECORD OF DEPOSITORS AS AT 3 APRIL 2024

Name	Shareholdings	%
1. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Casi Management Sdn. Bhd.	333,300,000	23.19
2. Casi Management Sdn. Bhd.	104,194,674	7.25
3. Shan Hijauan Sdn. Bhd.	50,254,761	3.50
4. HLB Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for MWE Holdings Sdn. Bhd. (PJCAC)	45,189,098	3.14
5. Cartaban Nominees (Asing) Sdn. Bhd. Qualifier: Exempt An for Union Bancaire Privee, UBP SA, Singapore Branch	36,365,319	2.53
6. Shamara Finance Limited	28,553,978	1.99
7. Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged securities account for MWE Holdings Sdn. Bhd. (30-00098-000)	21,500,000	1.50
8. Allamanda Growth Limited	21,462,500	1.49
9. Asmara Land Sdn. Bhd.	20,641,572	1.44
10. Citigroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	20,271,241	1.41
11. Multi-Purpose Capital Holdings Sdn. Bhd.	19,210,200	1.34

Analysis of Equity Securities

As at 3 April 2024
(cont'd.)

Name	Shareholdings	%
12. HSBC Nominees (Asing) Sdn. Bhd. Qualifier: Exempt An for Credit Suisse (SG BR-TST-Asing)	14,137,172	0.98
13. Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. Qualifier: Sakarin Uppatthangkul	13,327,050	0.93
14. Cartaban Nominees (Asing) Sdn. Bhd. Qualifier: Exempt An for State Street Bank & Trust Company (West CLT OD67)	11,740,836	0.82
15. Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. Qualifier: Suthera Uppaputthangkul	10,519,384	0.73
16. Citigroup Nominees (Asing) Sdn. Bhd. Qualifier: CBLDN For Union Bancaire Privee	8,534,500	0.60
17. T C Holdings Sendirian Berhad	8,231,500	0.57
18. Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier: CIMB For Kuah Hun Liang (PB)	8,119,310	0.56
19. Cartaban Nominees (Asing) Sdn. Bhd. Qualifier: SSBT Fund J724 For SPDR Portfolio Emerging Markets ETF	7,549,643	0.52
20. Aitacom Holdings Sdn. Bhd.	7,070,000	0.49
21. UOB Kay Hian Nominees (Asing) Sdn. Bhd. Qualifier: Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	5,984,774	0.42
22. Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier: Exempt An for CIMB Commerce Trustee Berhad for Pearson Trust (PB)	5,968,999	0.41
23. Tanah Subor Sdn. Bhd.	5,918,711	0.41
24. Khan Asset Management Sdn. Bhd.	5,555,000	0.39
25. Lawrence Lim Swee Lin	5,235,664	0.36
26. Citigroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	5,176,041	0.36
27. Citigroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 4)	5,050,000	0.35
28. Lim Tiong Chin	4,984,350	0.35
29. Citigroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (LSF)	4,968,900	0.34
30. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Lim Tiong Boon	4,557,433	0.32
TOTAL	843,572,610	58.69

Analysis of Equity Securities

As at 3 April 2024
(cont'd.)

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 APRIL 2024

Name	Direct Interest		Indirect/Deemed Interest	
	No. of shares	%	No. of shares	%
Casi Management Sdn. Bhd.	437,494,674	30.441	20,138,491 ^(a)	1.401
Tan Sri Dato' Surin Upatkoon	-	-	527,651,223 ^(b)	36.714

Notes:-

^(a) Deemed interest by virtue of its shareholding interest of not less than 20% in MPH Capital Berhad and its subsidiary, Multi-Purpose Capital Holdings Sdn. Bhd., pursuant to Section 8(4) of the Companies Act 2016 ("the Act").

^(b) Deemed interest by virtue of his shareholding interest of not less than 20% in Casi Management Sdn. Bhd. and Pinjaya Sdn. Bhd. pursuant to Section 8(4) of the Act; and indirect interest held through his children pursuant to Section 59(11) of the Act.

DIRECTORS' INTEREST AS SHOWN IN THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 3 APRIL 2024

(I) Interest In Securities In Magnum Berhad ("Magnum")

	Direct Interest		Indirect/Deemed Interest	
	No. of shares	%	No. of shares	%
Tan Sri Dato' Surin Upatkoon	-	-	527,651,223 ^(a)	36.714
Dato' Lawrence Lim Swee Lin	8,265,664	0.575	3,030,000 ^(b)	0.211
Krian Upatkoon	-	-	3,030,000 ^(b)	0.211
Datuk Vijeyaratnam a/l V. Thamothearam Pillay	1,487,800	0.104	160,600 ^(c)	0.011
Dato' Seri Lim Tiong Chin	4,984,350	0.347	10,617,120 ^(d)	0.739
Jean Francine Goonting	-	-	-	-
Ng Siew Hong	-	-	-	-

Notes:-

^(a) Deemed interest by virtue of Section 8(4) of the Act through his shareholding interest of not less than 20% in Casi Management Sdn. Bhd. and Pinjaya Sdn. Bhd.; and indirect interest held through his children pursuant to Section 59(11) of the Act.

^(b) Deemed interest by virtue of Section 8(4) of the Act through his shareholding interest of not less than 20% in Zenbell Holdings Sdn. Bhd. and its subsidiary, Zenbell (Selangor) Sdn. Bhd.

^(c) Deemed interest by virtue of his indirect interest held through his spouse pursuant to Section 59(11) of the Act.

^(d) Deemed interest by virtue of Section 8(4) of the Act through his shareholding interest of not less than 20% in Keetinsons Sendirian Berhad and T.C. Holdings Sendirian Berhad.

(II) Interest In Securities In Related Corporations

Tan Sri Dato' Surin Upatkoon, by virtue of his interest of not less than 20% in the voting shares of Magnum, is also deemed to have interest in the securities of the subsidiaries of Magnum to the extent of Magnum's interest in these subsidiaries.

Save as disclosed above, none of the Directors of Magnum had any interest in the securities of the subsidiaries of Magnum as at 3 April 2024.

Additional Compliance Information

1. Status of Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during the financial year 2023.

2. Audit and Non-Audit Fees

During the financial year ended 31 December 2023, the following audit and non-audit fees were paid to the Group's external auditors, Ernst & Young PLT ("EY"):-

Services rendered by EY	Subsidiaries	Company	Total (Group)
	RM	RM	RM
Audit	580,795	103,740	684,535
Non-Audit			
(a) Review of Statement on Risk Management and Internal Control	-	6,930	6,930
(b) Professional Service in connection with Magnum Corporation Sdn. Bhd.'s Medium Term Notes			
– Review of agreed-upon-procedures	4,040	-	4,040
Total	584,835	110,670	695,505

3. Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts entered into by the Company and/or subsidiaries involving the interests of Directors and/or Major Shareholders, either still subsisting at the end of the financial year 2023 or entered into since the end of the previous financial year.

Notice of Annual General Meeting

Notice of Annual General Meeting (cont'd.)

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting (“**48th AGM**”) of Magnum Berhad (“**Magnum**” or the “**Company**”) will be held virtually via live streaming and online remote voting from the Broadcast Venue at the Meeting Room, 35th Floor, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur on Wednesday, 29 May 2024 at 9:30 a.m. for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To consider and receive the Report of the Directors and the Audited Financial Statements for the year ended 31 December 2023 together with the Report of the Auditors thereon. **(Please refer to Explanatory Note 1)**
2. (a) To approve the payment of Directors’ fees of RM130,000 per annum for each of the Non-Executive Directors in respect of the year ended 31 December 2023 totalling RM494,000, an increase of RM35,000 for each Non-Executive Director (*Year 2022: RM95,000 each per annum totalling RM285,000*). **(Resolution 1)**
- (b) To approve the payment of the Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors of up to an amount of RM100,000 for the period from 29 May 2024 until the next Annual General Meeting of the Company. **(Resolution 2)**
3. (a) To re-elect the Director, Tan Sri Dato’ Surin Upatmoon, who is retiring by rotation in accordance with Clause 90 of the Constitution of the Company. **(Resolution 3)**
- (b) To re-elect the Director, Dato’ Seri Lim Tiong Chin, who is retiring by rotation in accordance with Clause 90 of the Constitution of the Company. **(Resolution 4)**
4. To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following **Ordinary Resolutions**:

(A) PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

(Resolution 6)

“THAT, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals of any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required by law to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting.”

(B) PROPOSED RENEWAL OF THE AUTHORITY FOR MAGNUM TO PURCHASE ITS OWN SHARES

(Resolution 7)

“THAT, subject always to the Companies Act 2016, the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, approval be and is hereby given for the renewal of the authority granted by the shareholders of the Company at the Forty-Seventh Annual General Meeting of the Company held on 19 May 2023, authorising the Company to purchase and/or hold as treasury shares from time to time and at any time such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company (“**Proposed Share Buy-Back Renewal**”) provided that:

- (1) The maximum number of shares which may be purchased and/or held as treasury shares by the Company at any point of time pursuant to the Proposed Share Buy-Back Renewal shall not exceed ten per centum (10%) of the total issued shares of the Company (including the shares previously purchased and held as treasury shares) provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the open market of the Bursa Securities or distribution of treasury shares to shareholders as dividend, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall, in aggregate with the shares then still held by the Company, not exceed ten per centum (10%) of the total issued shares of the Company for the time being quoted on the Bursa Securities;
- (2) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back Renewal shall not exceed the sum of retained profits of the Company. As at 31 December 2023, the audited retained profits of the Company amounted to approximately RM739.1 million;

AND THAT authority is hereby given to the Directors to decide in their absolute discretion to deal in any of the following manners the shares in the Company purchased by the Company pursuant to the Proposed Share Buy-Back Renewal:

- (i) to cancel the shares purchased; or
- (ii) to retain the shares purchased as treasury shares, to be either distributed as share dividends to the shareholders and/or re-sold on the open market of the Bursa Securities and/or subsequently cancelled; or
- (iii) a combination of (i) and (ii) above; or in any other manners as allowed by the Companies Act 2016;

Notice of Annual General Meeting

(cont'd.)

AND THAT such authority shall commence immediately upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or at the expiry of the period within which the next Annual General Meeting is required by law to be held, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever is earlier but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back Renewal with full powers to assents to any conditions, modifications, variations and/or amendments (if any) as may be required or imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter in accordance with the Companies Act 2016, the provisions of the Company's Constitution and the requirements and/or guidelines of Bursa Securities for the Main Market and all other relevant governmental and/or regulatory authorities."

- To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

BY ORDER OF THE BOARD

LEONG KUAN YING (SSM PC No.: 201908000848 (MAICSA 7041318))

NG SOOK YEE (SSM PC No.: 201908002432 (MAICSA 7020643))

Chartered Secretaries

Kuala Lumpur
30 April 2024

NOTES:-

VIRTUAL 48TH AGM

- The 48th AGM of the Company will be held virtually via live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities provided by the Company's Share Registrar, Metra Management Sdn. Bhd. ("Metra"), via its online website portal at www.metramanagement.com.my. This is in line with the Guidance Notes and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and revised on 7 April 2022 (including any amendments that may be made from time to time).
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 58 of the Company's Constitution which require the Chairman of the Meeting to be present at the main venue of the meeting.
- Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys WILL NOT BE ALLOWED to be physically present nor will be admitted at the Broadcast Venue on the day of the 48th AGM, instead are to attend, speak (through posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively "participate") remotely at the 48th AGM via the RPV provided by Metra. Please follow the procedures as set out in the ADMINISTRATIVE GUIDE for the 48th AGM which is made available on the Company's website at www.magnum.my in order to register, participate and vote remotely via the RPV facilities.

Notice of Annual General Meeting

(cont'd.)

PROXY

- A member whose name appears in the Record of Depositors on **20 MAY 2024** shall be regarded as a member entitled to participate at the meeting or to appoint proxy to participate on its behalf at the meeting.
- A proxy may but need not be a member of the Company.
- A member, other than an authorised nominee or an exempt authorised nominee, shall be entitled to appoint one or more proxies (or in the case of a corporation, to appoint representative(s) in accordance with Section 333 of the Companies Act 2016) to participate at the same meeting in his stead.
- A member who is an authorised nominee may appoint one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- If the appointor is a corporation, the form of proxy must be executed either under its Common Seal or under the hand of its officer or attorney duly authorised.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited to the Company not less than 48 hours before the time for holding the meeting:
 - In hard copy form: The form of proxy duly completed and signed must be deposited at the registered office of the Company at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur; or
 - In electronic means: The proxy appointment must be made electronically via Metra's Portal at www.metramanagement.com.my. Please refer to the procedures provided in the ADMINISTRATIVE GUIDE for the 48th AGM which is made available on the Company's website at www.magnum.my.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Directors' Report, Audited Financial Statements and Auditors' Report

Agenda item 1 is meant for discussion only. The provisions of Sections 248(2) and 340(1) of the Companies Act 2016 and the Constitution of the Company require that the Audited Financial Statements and Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. Hence, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. Resolutions 1 and 2 – Payment of Directors' Fees and Other Remuneration

The proposed ordinary Resolution 1, if passed, will authorise the payment of RM130,000 per annum (Year 2022: RM95,000 each per annum) as Directors' fees for each of the Non-Executive Directors for the financial year 2023 totalling RM494,000 (Year 2022: RM285,000), an increase of RM35,000 for each Non-Executive Director pursuant to Clause 99 of the Company's Constitution.

Notice of Annual General Meeting

(cont'd.)

In March 2024, the Board through the Remuneration Committee had conducted a review of the Directors' Fees and in view of the increasing duties and responsibilities of Directors, the higher costs of living due to inflation and based on the outcome of an independent review on the Non-Executive Directors' remuneration, the Remuneration Committee has recommended an increase in the Directors' Fees for the financial year 2023 from RM95,000 per annum to RM130,000 per annum for each Non-Executive Director of the Company.

The proposed ordinary Resolution 2 is to seek shareholders' approval pursuant to Section 230 of the Companies Act 2016 for the payment of up to RM100,000 as Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors for the period from 29 May 2024 to the next Annual General Meeting.

The total estimated amount of Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors is calculated based on the number of scheduled Board's and Board Committees' meetings, and other benefits such as club memberships and cars for the Non-Executive Chairman and Directors, including allocation of additional allowances to any new Non-Executive Directors to be appointed during the period from 29 May 2024 until the next Annual General Meeting in 2025.

The payment of Directors' remuneration (excluding Directors' fees) will be made on monthly basis and/or as and when incurred if the ordinary Resolution 2 has been passed at the 48th AGM. This authority under ordinary Resolution 2, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The breakdown and details of the Directors' remuneration including Directors' Fees are set out in the Integrated Annual Report 2023 under the Corporate Governance Overview Statement.

3. Resolutions 3 and 4 – Re-election of Retiring Directors

Clause 90 of the Constitution of the Company provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. All Directors shall retire from office at least once in three (3) years but, shall be eligible for re-election.

The proposed ordinary Resolutions 3 and 4 are to seek shareholders' approvals for the re-elections of Tan Sri Dato' Surin Upatkoon and Dato' Seri Lim Tiong Chin respectively as Directors of the Company. Both Tan Sri Dato' Surin Upatkoon and Dato' Seri Lim Tiong Chin, who are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

The Board through the Nomination Committee had in March 2024 conducted the assessments and considered the results of the assessment on areas which include commitment, contributions and the overall performance of the retiring Directors. The Board is satisfied that these Directors have met the performance criteria set out in the assessments in the discharge of their duties and responsibilities. The retiring Directors have also confirmed that they have satisfied all the requirements set out in the Directors' Fit And Proper Policy.

The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval for the re-elections of the retiring Directors namely, Tan Sri Dato' Surin Upatkoon and Dato' Seri Lim Tiong Chin at the 48th AGM. The profile of the respective Directors is set out in the Company's Integrated Annual Report 2023.

Notice of Annual General Meeting

(cont'd.)

4. Resolution 5 – Re-appointment of Ernst & Young PLT (Firm No. AF: 0039) as Auditors of the Company and Audit Fees

The proposed ordinary Resolution 5 is to re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix the remuneration of the external auditors for the financial year 2024. The Board had at a meeting held in March 2024 approved the recommendation by the Group Audit Committee ("GAC") on the re-appointment of Ernst & Young PLT as Auditors of the Company for the ensuing financial year 2024. The Board is satisfied that Ernst & Young PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements, which was concluded through the assessment carried out by the GAC on the suitability and independence of the external auditors.

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. Resolution 6 – Renewal of the Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed ordinary Resolution 6 is a renewal of the mandate obtained from the members at the last Annual General Meeting held on 19 May 2023, and if passed, will give the Directors of the Company, from the date of the 48th AGM, authority to allot shares from the unissued capital of the Company of up to 10% of the total issued shares of the Company for such purposes as the Directors deem fit and in the best interest of the Company. The authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required by law to be held after the approval was given, whichever is earlier.

This general mandate sought will provide flexibility to the Company of any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions without any delay and without incurring additional expenses in convening a general meeting to approve the issuance of such shares.

The Company did not issue any new ordinary shares pursuant to the shareholders' mandate obtained at the last Annual General Meeting held on 19 May 2023 and to-date, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

6. Resolution 7 – Renewal of the Authority for the Company to purchase its own shares

The proposed ordinary Resolution 7 is a renewal of the mandate for the Company to repurchase its own shares and if passed, will empower the Company to purchase and/or hold from time to time up to ten per centum (10%) of the total issued shares of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The details of the Proposed Share Buy-Back Renewal are set out in the Share Buy-Back Statement dated 30 April 2024, which is accessible online on the Company's website at www.magnum.my or on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

VOTING BY POLL

Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions set out in this notice are to be voted by poll.

Statement Accompanying the Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking for new election as a Director at the 48th Annual General Meeting of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Notes on Special Business of the Notice of 48th Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the 48th AGM and/or any adjournment thereof, a member of the Company:- (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the 48th AGM; (b) preparation and compilation of the attendance lists, minutes and other documents relating to the 48th AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**the Purposes**"); (ii) warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.



MAGNUM BERHAD (197501002449) (24217-M)
(Incorporated in Malaysia)

Form of Proxy

CDS ACCOUNT NUMBER **NO. OF SHARES**

--	--

I/We _____ Tel No. _____
(FULL NAME IN BLOCK CAPITALS)

I.C No. _____ (old) _____ (new)/Co. No. _____

of _____
(ADDRESS)

being a member/members of **MAGNUM BERHAD**, hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate):

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty-Eighth Annual General Meeting ("**48th AGM**") of the Company to be held virtually **via live streaming and online remote voting from the Broadcast Venue at the Meeting room, 35th Floor, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur on Wednesday, 29 May 2024 at 9:30 a.m.** and any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTIONS		*FOR	*AGAINST
1.	The approval for the payment of Directors' fees of RM130,000 per annum for each of the Non-Executive Directors in respect of the year ended 31 December 2023 totalling RM494,000, an increase of RM35,000 for each Non-Executive Director		
2.	The approval for the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of up to an amount of RM100,000 for the period from 29 May 2024 until the next Annual General Meeting of the Company		
3.	The re-election of Tan Sri Dato' Surin Upatkoon as a Director of the Company		
4.	The re-election of Dato' Seri Lim Tiong Chin as a Director of the Company		
5.	The re-appointment of Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and the authority for the Board of Directors to fix their remuneration		
6.	The renewal of the authority for the Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	The renewal of the authority for the Company to purchase its own shares		

* Please indicate with an "X" in the space provided on how you wish your votes to be cast. If you do not do so, your proxy shall vote or abstain from voting at his/her discretion.

Dated this _____ day of _____, 2024.

Signature(s) of Shareholder/Joint Shareholders

Notes:

1. The 48th AGM of the Company will be held virtually via live streaming and online remote voting using the Remote Participation and Voting Facilities (“**RPV**”) provided by the Company’s Share Registrar, Metra Management Sdn. Bhd. (“**Metra**”), via its online website portal at www.metramanagement.com.my. This is in line with the Guidance Notes and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and revised on 7 April 2022 (including any amendments that may be made from time to time).
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 58 of the Company’s Constitution which require the Chairman of the Meeting to be present at the main venue of the meeting.
3. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys WILL NOT BE ALLOWED to be physically present nor will be admitted at the Broadcast Venue on the day of the 48th AGM, instead they are to attend, speak (through posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively “**participate**”) remotely at the 48th AGM via the RPV provided by Metra.
4. A member whose name appears in the Record of Depositors as at **20 MAY 2024** shall be regarded as a member entitled to participate at the meeting or to appoint proxy to participate on its behalf at the meeting.
5. A proxy may but need not be, a member of the Company.
6. A member, other than an authorised nominee or an exempt authorised nominee, shall be entitled to appoint one or more proxies (or in the case of a corporation, to appoint representative(s) in accordance with Section 333 of the Companies Act 2016) to participate at the same meeting in his stead.
7. A member who is an authorised nominee may appoint one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
8. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds.
9. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
10. If the appointor is a corporation, the form of proxy must be executed either under its Common Seal or under the hand of its officer or attorney duly authorised.

STAMP

**THE COMPANY SECRETARIES
MAGNUM BERHAD**

(197501002449) (24217-M)

35th Floor, Menara Multi-Purpose
Capital Square, No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia

11. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited to the Company not less than 48 hours before the time for holding the meeting:
 - (i) In hard copy form: The form of proxy duly completed and signed must be deposited at the registered office of the Company at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur; or
 - (ii) In electronic means: The proxy appointment must be made electronically via Metra’s Portal at www.metramanagement.com.my. Please refer to the procedures provided in the ADMINISTRATIVE GUIDE for the 48th AGM which is made available on the Company’s website at www.magnum.my.
12. Please type or write clearly using BLOCK LETTERS. The Company reserves the right to reject any form of proxy that is illegible or incorrectly filled.

VOTING BY POLL

Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, all resolutions set out in the notice of the 48th AGM are to be voted by poll.

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Notice

There will be no distribution of door gifts or e-vouchers.



有万能，有惊喜，有快乐
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