



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Revenue	791,276	792,545
Cost of sales	<u>(622,042)</u>	<u>(641,985)</u>
Gross profit	169,234	150,560
Other income	4,932	6,775
Administrative expenses	(7,714)	(7,690)
Other expenses	<u>(24,814)</u>	<u>(18,038)</u>
<b>Operating profit</b>	141,638	131,607
Finance costs	<u>(12,633)</u>	<u>(12,759)</u>
<b>Profit before tax</b>	129,005	118,848
Income tax expense	<u>(35,472)</u>	<u>(34,182)</u>
<b>Profit for the period</b>	<b><u>93,533</u></b>	<b><u>84,666</u></b>
<b>Other comprehensive income</b>		
Foreign currency translation	<u>(8)</u>	<u>(1)</u>
Changes in fair value of available-for-sale ("AFS") assets	<u>87</u>	<u>2</u>
	79	1
<b>Total comprehensive income for the period</b>	<b><u>93,612</u></b>	<b><u>84,667</u></b>
<b>Profit for the period attributable to:</b>		
Owners of the parent	90,763	82,534
Non-controlling interests	<u>2,770</u>	<u>2,132</u>
	<b><u>93,533</u></b>	<b><u>84,666</u></b>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the parent	90,842	82,535
Non-controlling interests	<u>2,770</u>	<u>2,132</u>
	<b><u>93,612</u></b>	<b><u>84,667</u></b>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>		
Basic, for profit of the period	<u>6.4</u>	<u>5.8</u>

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	(UNAUDITED) AS AT 31.03.2015 RM'000	(AUDITED) AS AT 31.12.2014 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	49,532	44,091
Investment properties	580	580
Investment securities	246,987	246,900
Intangible assets	2,738,403	2,738,407
Deferred tax assets	9,413	9,413
	3,044,915	3,039,391
<b>Current assets</b>		
Inventories	1,369	1,131
Investment securities	63,530	67,745
Receivables	29,891	34,475
Tax recoverable	55,215	58,291
Cash and bank balances	467,329	462,110
	617,334	623,752
<b>Total Assets</b>	<b>3,662,249</b>	<b>3,663,143</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	1,437,749	1,437,749
Treasury Shares	(26,579)	(25,588)
Reserves	1,050,828	1,031,214
<b>Shareholders' equity</b>	2,461,998	2,443,375
<b>Non-controlling interests</b>	40,536	37,766
<b>Total equity</b>	2,502,534	2,481,141
<b>Non-current liabilities</b>		
Borrowings	941,515	940,990
Deferred tax liabilities	2,530	2,530
	944,045	943,520
<b>Current liabilities</b>		
Borrowings	49,940	49,915
Payables	160,936	184,886
Provision for retirement benefits	1,085	1,085
Tax payable	3,709	2,596
	215,670	238,482
<b>Total liabilities</b>	1,159,715	1,182,002
<b>Total equity and liabilities</b>	<b>3,662,249</b>	<b>3,663,143</b>
<b>Net assets per share attributable to ordinary equity holders of the company (RM)</b>	<b>1.73</b>	<b>1.71</b>

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2015**

	----- Attributable to Equity Holders of the Company -----						NON- CONTROLLING INTERESTS RM'000	TOTAL RM'000
	[----- Non-distributable -----]							
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000			
<b>At 1 January 2014</b>	1,437,749	716,608	(675,513)	(17,656)	1,018,875	35,882	2,515,945	
Total comprehensive income for the period	-	-	1	-	82,534	2,132	84,667	
Dividends paid	-	-	-	-	(71,366)	-	(71,366)	
<b>At 31 March 2014</b>	<b>1,437,749</b>	<b>716,608</b>	<b>(675,512)</b>	<b>(17,656)</b>	<b>1,030,043</b>	<b>38,014</b>	<b>2,529,246</b>	
<b>At 1 January 2015</b>	1,437,749	716,608	(675,585)	(25,588)	990,191	37,766	2,481,141	
Total comprehensive income for the period	-	-	79	-	90,763	2,770	93,612	
Dividends paid	-	-	-	-	(71,228)	-	(71,228)	
Purchase of own shares	-	-	-	(991)	-	-	(991)	
<b>At 31 March 2015</b>	<b>1,437,749</b>	<b>716,608</b>	<b>(675,506)</b>	<b>(26,579)</b>	<b>1,009,726</b>	<b>40,536</b>	<b>2,502,534</b>	

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2015

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	129,005	118,848
Adjustments for:		
Amortisation of intangible assets	4	3
Changes in fair value of investment securities	(61)	(2,594)
Depreciation of property, plant and equipment	1,096	1,991
Interest expense	12,633	12,759
Interest income	(4,213)	(3,620)
Loss on disposal of investment securities	2	-
Property, plant and equipment written off	2	5
Provision for retirement benefits	-	231
Operating cash flows before working capital changes	<u>138,468</u>	<u>127,623</u>
Changes in working capital:		
Inventories	(238)	296
Receivables	4,628	8,139
Payables	(11,992)	(20,119)
Cash flows generated from operations	<u>130,866</u>	<u>115,939</u>
Income tax refund	-	52,096
Income tax paid	(31,282)	(35,655)
Retirement benefits paid	-	(175)
<b>Net cash flows generated from operating activities</b>	<u>99,584</u>	<u>132,205</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investment securities	199	21
Purchase of :		
- property, plant and equipment	(6,539)	(346)
- investment securities	-	(3,163)
Movement in cash deposits pledged	282	(37)
Net dividend received from unit trusts	91	-
Withdrawal of investment funds	4,170	-
Interest paid	(24,324)	(24,221)
Interest received	4,257	3,581
<b>Net cash flows used in investing activities</b>	<u>(21,864)</u>	<u>(24,165)</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(71,228)	(71,366)
Net movement in fixed deposits with licensed bank	(3)	-
Net repayment of borrowings	-	(25,000)
Purchase of own shares	(991)	-
<b>Net cash flows used in financing activities</b>	<u>(72,222)</u>	<u>(96,366)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,498	11,674
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	440,999	404,308
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u><b>446,497</b></u>	<u><b>415,982</b></u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	467,329	437,663
Cash deposits pledged	(20,399)	(21,481)
Cash deposits with licensed banks with maturity period of more than 3 months	(433)	(200)
	<u><b>446,497</b></u>	<u><b>415,982</b></u>

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

**A2 Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statement for the year ended 31 December 2014, except for the adoption of the following MFRSs and amendments to MFRSs during the current financial period :

**Effective for financial periods beginning on or after 1 July 2014**

Amendments to MFRS 119	Defined Benefit Plans : Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

The adoption of the above does not have a material impact on the financial statements of the Group in the period of initial application.

At the date of authorisation of this unaudited interim financial statements, the following MFRSs and the Amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group :

**Effective for financial periods beginning on or after 1 January 2016**

Annual Improvements to MFRSs 2012-2014 Cycle	
Amendments to MFRS 116 and MRFS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MRFS 141	Agriculture : Bearer Plants
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 101	Disclosure Initiatives
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities : Applying the Consolidation Exception
MFRS 14	Regulatory Deferral Accounts

**Effective for financial periods beginning on or after 1 January 2017**

MFRS 15	Revenue from Contracts with Customers
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**Effective for financial periods beginning on or after 1 January 2018**

MFRS 9	Financial Instruments
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**A EXPLANATORY NOTES PURSUANT TO MFRS 134****A2 Significant Accounting Policies (Contd.)**

The directors expect that the adoption of the above MFRSs and Amendments to MFRSs will have no material impact on the financial statements of the Group upon their initial application, except as discussed below :

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments : Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

**A3 Seasonal or Cyclical Factors**

The business operations of the Group are generally dependent on the state of the overall economic environment.

**A4 Unusual Items Affecting Interim Financial Report**

There were no unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the period ended 31 March 2015.

**A5 Accounting Estimates**

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

**A6 Changes in Debt and Equity Securities**

The Company had on 16 February 2015 and 31 March 2015 purchased 364,600 of its own shares from open market at the market price ranging from RM2.69 to RM2.75 per share. The total consideration which amounted to RM0.991 million were financed by internally generated funds. These shares are being held as treasury shares.

**A7 Dividends Paid**

During the financial period ended 31 March 2015, the Company has paid a fourth interim single tier dividend of 5 sen per share in respect of financial year ended 31 December 2014, amounting to RM71.2 million on 27 March 2015.

**A8 Segmental Information**

	<b>3 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>Segmental Revenue</b>		
Gaming	791,239	792,437
Investment holding & others	72,666	61,085
	<u>863,905</u>	<u>853,522</u>
Eliminations	(72,629)	(60,977)
Total	<u>791,276</u>	<u>792,545</u>
<b>Segmental Results</b>		
Gaming	129,093	117,488
Investment holding & others	71,148	61,390
	<u>200,241</u>	<u>178,878</u>
Eliminations	(71,236)	(60,030)
Profit Before Tax	<u>129,005</u>	<u>118,848</u>

**A EXPLANATORY NOTES PURSUANT TO MFRS 134****A9 Material Subsequent Events**

There were no material subsequent events since the end of the current financial period up to the date of this announcement.

**A10 Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 31 March 2015.

**A11 Fair Value Hierarchy**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at the reporting date, the Group held the following financial assets that are measured at fair value:

		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 March 2015</b>					
Current	FVTPL	63,530	-	-	63,530
Non-current	AFS & Other investment	13,204	-	233,783	246,987
		<u>76,734</u>	<u>-</u>	<u>233,783</u>	<u>310,517</u>
<b>31 December 2014</b>					
Current	FVTPL	67,745	-	-	67,745
Non-current	AFS & Other investment	13,117	-	233,783	246,900
		<u>80,862</u>	<u>-</u>	<u>233,783</u>	<u>314,645</u>

**A12 Contingent Liabilities**

There were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2014.

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

**B1 Review of Performance of the Group**

**Current Quarter vs Previous Year Corresponding Quarter**

The Group recorded a marginal decline of RM1.3 million in revenue to RM791.3 million in the current quarter with one less draw. Notwithstanding the lower revenue, profit before tax has increased by RM10.2 million to RM129 million mainly contributed by higher gaming profit.

**Gaming**

Gaming sales for the current quarter at RM791.3 million was lower than the previous year corresponding quarter by RM1.2 million. The decrease is due to one less draw which was mitigated by higher sales from the jackpot game and contribution from the new game. Gaming pre-tax profit increased by RM11.6 million from RM117.5 million recorded in the previous year corresponding quarter to RM129.1 million achieved in the current quarter mainly due to lower prizes payout.

**Investment Holding and Others**

Investment Holding and Others division recorded an unfavourable variance in the current quarter mainly due to lower fair value gain on investments in this quarter.

**B2 Material change in Profit Before Tax for the current quarter compared with the immediate preceding quarter**

The pre-tax profit for the current quarter was higher at RM129.0 million as compared to RM85.6 million recorded in the immediate preceding quarter. The Gaming division register a higher profit by RM39.3 million mainly due to higher seasonal Chinese New Year festival sales in the current quarter as compared to the immediate preceding quarter. The Investment Holding and Others division registered a lower loss mainly due to fair value gain on investments in the current quarter as compared to fair value loss on investment in the immediate preceding quarter.

**B3 Prospects**

Following the implementation of the Goods and Services Tax ("GST") on 1 April 2015, gaming sales has recorded a decline. However, it is still early to assess the full impact of GST on sales especially the indirect impact on the disposable income and consumption patterns of consumers in the overall economy. In view of the above, the Board expects the operating environment in the immediate future to be challenging.

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

Not applicable

**B5 Profit Forecast and Profit Guarantee**

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

**B6 Income Tax Expense**

	<b>3 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Current income tax:		
Malaysian income tax	35,471	34,182
Under-provision of Malaysian income tax in prior years	1	-
<b>Total income tax expense</b>	<b>35,472</b>	<b>34,182</b>

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



**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B7 Corporate Proposals**

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

**B8 Borrowings**

The Group's borrowings as at 31 March 2015 is as follows:

	<b>Secured RM'000</b>
<b>Long term</b>	
Medium term notes	941,515
<b>Short term</b>	
Medium term notes	49,940
<b>Total</b>	<b><u>991,455</u></b>

The borrowings is denominated in Ringgit Malaysia.

**B9 Material Litigation**

There is no pending material litigation as at the date of this announcement.

**B10 Dividends**

The Board of Directors is pleased to declare a first interim single tier dividend of 5% for the financial year ending 31 December 2015 to be paid on 26 June 2015 to shareholders registered on the Register of Depositors at the close of business on 12 June 2015.

**B11 Basic Earnings Per Share**

Basic earnings per share ("EPS") is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>3 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
Profit for the period attributable to owners of the parents (RM'000)	<u>90,763</u>	<u>82,534</u>
Weighted average number of ordinary share in issue ('000)	<u>1,424,642</u>	<u>1,427,321</u>
<b>Basic EPS (sen)</b>	<b><u>6.4</u></b>	<b><u>5.8</u></b>

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

**B12 Auditor's Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

**B13 Profit before tax**

	<b>3 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>The profit before taxation for the period is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	4	3
Changes in fair value of investment securities	(61)	(2,594)
Depreciation of property, plant and equipment	1,096	1,991
Interest expense	12,633	12,759
Interest income	(4,213)	(3,620)
Loss on disposal of investment securities	2	-
Property, plant and equipment written off	2	5
Provision for retirement benefits	-	231

**B14 Retained profits**

	<b>As at</b>	<b>As at</b>
	<b>31.03.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits		
- realised	2,847,136	2,831,916
- unrealised	10,319	14,030
Less: Consolidation adjustments	(1,847,729)	(1,855,755)
Retained profits as per Statement of Changes in Equity	<u>1,009,726</u>	<u>990,191</u>

**By Order Of The Board**

**Company Secretary**  
28 May 2015