**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134: INTERIM FINANCIAL REPORTING ISSUED BY THE MALAYSIAN ACCOUNTING STANDARDS BOARD**

A1 A1 **Basis of preparation**

The quarterly report has been prepared on a going concern basis and in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This report should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

A2 **Changes in accounting policies arising from the adoption of new/revised Financial Reporting Standards (“FRS”)**

The significant accounting policies and methods of computation adopted for these interim financial statements are consistent with those adopted for the audited financial statement for the financial year ended 31 December 2010 except for the adoption of new and revised FRSs, Amendments to FRSs and Interpretations as listed in the audited financial statements for the financial year ended 31 December 2010 which were effective for the financial periods beginning on or after 1 January 2011.

The adoption of the new FRSs, Amendments to FRSs and Interpretations have no significant impact on the financial statements of the Group other than for the application of FRS 7, which will entail the additional disclosures in the 2011 annual financial statements.

A3 A3 **Seasonal or cyclical factors**

The operations of the Group were not materially affected by any seasonal or cyclical factors except for the Papua New Guinea Agriculture Segment.

A4 **Unusual items due to their nature, size or incidence**

Included in other income are the following non-recurring items:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  |  | **CURRENT**  **YEAR**  **QUARTER**  **30/6/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/6/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **30/6/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/6/2010**  **RM’000** |
| i) | Net gains from fair value adjustment of Investment Properties \* | **113,528** | - | **113,528** | - |
| ii) | Provision for liabilities no longer required \*\* | **-** | (490) | **-** | 17,011 |
|  |  | **113,528** | (490) | **113,528** | 17,011 |

\* Consequent to the completion of Sale and Purchase Agreement during the quarter under review by a wholly owned subsidiary, Vintage Developers Sdn Bhd.

\*\* Consequent to the resolution of litigation between MBf Holdings Berhad and AmBank (M) Berhad.

A5 **Changes in estimates**

There were no changes in estimates that had a material effect on the results of the quarter under review.

A6 **Pre-acquisition profits**

The above results did not comprise any pre-acquisition profit.

A7 **Dividends paid**

There was no dividend paid, proposed or declared during the quarter under review.

A8 **Debt and equity securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the quarter under review.

A9 **Segmental reporting**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **30/6/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/6/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **30/6/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/6/2010**  **RM’000** |
| **Segment Revenue** |  |  |  |  |
| Card and Payment Services | 60,633 | 61,811 | 119,619 | 120,211 |
| Papua New Guinea - Automotive | 113,818 | 108,441 | 243,141 | 223,115 |
| Papua New Guinea - Agriculture | 76,005 | 44,485 | 160,326 | 84,642 |
| Fiji - Retail and Wholesale | 92,062 | 72,677 | 175,253 | 162,586 |
| Fiji - Automotive | 59,485 | 64,104 | 111,978 | 125,762 |
| Fiji - Property | 6,605 | 6,134 | 12,800 | 12,945 |
| Shipping | 40,410 | 13,386 | 72,703 | 19,934 |
| Other segments \* | 123,112 | 108,226 | 235,825 | 192,862 |
| Adjustments and eliminations | (10,245) | (8,847) | (18,855) | (15,025) |
|  | 561,885 | 470,417 | 1,112,790 | 927,032 |

* Include provision of support services for information systems and office equipment, printing of packaging boxes, manufacturing and distribution of tinned food, provision of financial services and investment holding, none of which are of a significant size to be reported separately.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **30/6/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/6/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **30/6/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/6/2010**  **RM’000** |
| **Segment Results** |  |  |  |  |
| Card and Payment Services | 21,439 | 27,016 | 43,970 | 54,097 |
| Papua New Guinea - Automotive | 2,759 | 12,108 | 8,163 | 23,531 |
| Papua New Guinea - Agriculture | (4,901) | 3,527 | 17,708 | 3,305 |
| Fiji - Retail and Wholesale | (3,957) | (7,152) | (7,924) | (9,254) |
| Fiji - Automotive | 962 | 2,548 | 1,396 | 5,648 |
| Fiji - Property | 1,978 | 3,864 | 5,213 | 8,159 |
| Shipping | (9,059) | (19,673) | (20,754) | (15,989) |
| Other segments | 117,857\* | 11,286 | 117,189\* | 31,910 |
| Adjustments and eliminations | (13,265) | (19,414) | (32,526) | (39,695) |
| Profit from operations | 113,813 | 14,110 | 132,435 | 61,712 |
| Share of results of associates | 548 | 882 | 1,052 | 763 |
| Profit before tax | 114,361 | 14,992 | 133,487 | 62,475 |

* Includes net gains from fair value adjustment of investment properties of RM113.53 million as elaborated in Note A4 (i).

A10 **Subsequent event**

There were no material events subsequent to the quarter under review except for the incorporation of three (3) wholly owned subsidiaries, Carpenters Projects Ltd (“CPL”), WRC Waigani Motors Ltd (“WML”) and Camohe Ltd (“CL”) by WR Carpenter (PNG) Ltd, a wholly owned subsidiary of the Company.

The principal activities of CPL and CL are property development and property investment whereas WML is an automotive dealer.

A11 **Changes in composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

A12 **Commitments**

As at 30 June 2011 the commitments were:-

|  |  |  |
| --- | --- | --- |
|  |  | **RM’000** |
| a) | Capital commitments |  |
|  | Authorised and contracted for:   * Purchase of property, plant and equipment * Purchase of investment in unquoted shares | 21,269  24,579 |
|  |  | 45,848 |
|  | Authorised but not contracted for:   * Purchase of property, plant and equipment | 7,629 |
|  |  |  |
| b) | Operating expenditure: |  |
|  | Not later than one year | 39,019 |
|  | Later than one year and not later than two years | 14,183 |
|  | Later than two years and not later than five years | 11,929 |
|  | Later than 5 years | 19,102 |
|  |  | 84,233 |

A13 **Contingent liabilities**

The contingent liabilities as at 30 June 2011 were:-

|  |  |  |
| --- | --- | --- |
|  |  | **RM’000** |
| a) | Guarantees extended in support of banking and other credit facilities  granted to:- |  |
|  | Associate - Secured | 2,636 |
|  |  |  |
| b) | Others – unsecured | 3,128 |
|  |  | 5,764 |

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1 **Review of performance**

For the current quarter, the Group recorded revenue of RM561.89 million, an increase of RM91.47 million or 19.44% compared to last year’s corresponding quarter of RM470.42 million. The increased revenue was contributed principally by its PNG operations (RM54.28 million) from its Agriculture and Trading segments. The Group’s other increases in revenue were from its Shipping business (RM27.02 million) and from Fiji (RM14.30 million).

The Group’s profit before tax was RM114.36 million for the current quarter compared to the previous year’s corresponding quarter of RM14.99 million, an increase of RM99.37 million or 662.91%. Excluding the current quarter’s non-recurring item of net gains from fair value adjustment of investment properties of RM113.53 million (as disclosed in Note A4), the current quarter operating’s profit before taxation of RM0.83 million was lower by RM14.65 million or 94.64%.

For the period ended 30 June 2011, the Group recorded revenue of RM1.113 billion compared to the previous year’s corresponding period of RM0.927 billion, an increase of RM0.186 billion or 20.06%. Disregarding the non-recurring item, the Group’s profit before taxation for the period was RM19.96 million, a decrease of RM25.51 million or 56.10% relative to last year’s corresponding period of RM45.47 million. The reduction was due to the general adverse performance across the Group.

B2 **Variation of results against preceding quarter**

The current quarter’s pre-tax profit of RM114.36 million was RM95.23 million or 497.80% higher than the preceding quarter of RM19.13 million. Disregarding the non-recurring item of RM113.53 million which comprised net gains from fair value adjustment of investment properties, the current quarter’s operating profit before tax would be RM0.83 million.

The operating profit before tax was lower by RM18.30 million, primarily due to the lower contributions from the South Pacific operations (RM15.22 million), especially PNG (RM19.98 million) where its Agriculture segment was affected by the volatility in commodities prices and timing of delivery shipment.

B3 **Prospects for 2011**

With the uncertainties surrounding the global economy, the Group expects its operations in the year 2011 to remain challenging. Stiff competition will continue in the credit card operations and the economy in Fiji will remain difficult but expected to improve with the active initiative undertaken by the Fiji Government. Barring unforeseen circumstances in the commodities prices, the PNG operation is expected to perform favorably for the rest of 2011, supported by its robust local economy.

Despite the challenges in the operating environment both locally and globally, the Group will continue to persevere in managing and growing its businesses especially its liner shipping business. Continued efforts will be made to upgrade operating infrastructure, improve cost structures and resources.

The Group is also re-strategizing its operations and the Board of Directors is contemplating shifting its focus geographically, to the South Pacific where it has a strong presence and the areas of business will be principally trading, retail, plantation and commodities. The Company has accordingly appointed external advisors to explore options for divestment of its assets and businesses in markets outside the Group's focus and these include the 3,450 acres of land bank in Kulim, Kedah held by Vintage Developers Sdn Bhd, the credit card operations undertaken through MBF Cards (M’sia) Sdn Bhd, the cattle farms in Northern Australia, operations in Thailand and the real estate in United States.

As at the date of this report the Company has yet to enter into any formal agreement with any party on this matter.

B4 **Variance of actual profit from forecast profit**

The Company has not provided any forecast or profit guarantee for the period under review.

B5 **Taxation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **30/06/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/06/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **30/06/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/06/2010**  **RM’000** |
| Taxation based on profits for the period |  |  |  |  |
| - Malaysian income tax | 3,187 | 3,289 | 6,413 | 8,095 |
| - Foreign tax | 3,160 | 4,096 | 10,884 | 7,932 |
| - Under provision in prior  years | 111 | - | 111 | (1) |
|  | 6,458 | 7,385 | 17,408 | 16,026 |
| Deferred taxation | 28,022 | (228) | 27,860 | (964) |
|  | 34,480 | 7,157 | 45,268 | 15,062 |

Excluding the non-recurring items, the Group’s effective tax rate was higher than the statutory rates as the tax losses suffered by certain subsidiaries were not available as group relief.

B6 **Profits/(losses) on sale of unquoted investment and properties**

There were no sales of unquoted investment or properties during the financial quarter under review.

B7 **Quoted securities**

There were no dealings in quoted securities for the current financial quarter.

Total investments in quoted securities as at 30 June 2011 were as follows:-

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Quoted in**  **Malaysia**  **RM’000** | **Quoted outside Malaysia**  **RM’000** |
| (i) | Cost  Provision for diminution in value | 29  (8) | 15,837  - |
| (ii) | Net book value | 21 | 15,837 |
| (iii) | Market value | 21 | 15,837 |

B8 **Status of corporate proposals**

A wholly owned subsidiary, Carpenters Properties Limited had entered into a Sale and Purchase Agreementto acquire the 100% share interest in Watson Brothers Limited, a property holding company from Messrs Robin Watson and David Zundel on 7 January 2006. The matter fell into dispute due to an income tax implication to the vendors from this transaction and as a result the matter was referred to Arbitration as provided in the Sale and Purchase Agreement. On 4 September 2009, The Arbitrator ruled for specific performance of the Sale and Purchase Agreement in favour of Carpenters Properties Limited. The matter is still before the Arbitrator and is currently pending further directions and continuation of hearing.

B9 **Group borrowings**

1. **Redeemable Convertible Secured Loan Stocks ("RCSLS") And Secured Bonds**

|  |  |
| --- | --- |
|  | **RM’000** |
| RCSLS A (USD19,236,664) | 58,124 |
| RCSLS B (USD5,665,323) | 17,117 |
| Total RCSLS | 75,241 |
| Less : Equity portion of RCSLS | (68,707) |
| **Net RCSLS** | **6,534** |
| **Secured Bonds (USD12,700,000)** | **38,373** |
|  | **44,907** |

The salient terms of the RCSLS and Secured Bonds are as follows:

Nominal value Tenure Maturity Date Coupon Rate

a) RCSLS A-2003/2013 USD1 each 10 years 30.6.2013 } LIBOR + 1.5% p.a.

b) RCSLS B-2003/2013 USD1 each 10 years 30.6.2013 } LIBOR + 1.5% p.a.

c) Secured Bonds USD1 each 25 years 5.12.2020 } Weekly floating rate as

determined by the Remarketing

Agent – averaging 0.28% p.a. for

the period ended 30 June 2011.

1. **Long term borrowings**

|  |  |
| --- | --- |
|  | **RM’000** |
| **Secured** |  |
| - Hire purchase and lease payable due after one year | 26,307 |
| - Term loans | 325,508 |
| - Medium term notes | 52,100 |
| Sub-total | 403,915 |
|  |  |
| **Unsecured** |  |
| - Term loans | 1,500 |
| **Total** | **405,415** |

1. **Short term borrowings**

|  |  |
| --- | --- |
|  | **RM’000** |
| **Secured** |  |
| - Bank overdrafts | 303,709 |
| - Revolving credits | 128,322 |
| - Trust receipts and bankers' acceptances | 13,191 |
| - Hire purchase and lease payable due within one year | 18,236 |
| - Term loans | 36,173 |
| - Portion of long term loans payable within one year | 3,409 |
| - Medium term notes | 63,500 |
| - Commercial papers | 262,328 |
| Sub-total | 828,868 |

|  |  |
| --- | --- |
| **Unsecured** |  |
| - Portion of long term loans payable within one year | 3,000 |
| **Total** | 831,868 |

Borrowings denominated in foreign currencies are as follows:-

|  |  |
| --- | --- |
|  | Foreign  Currency  ’000 |
| Fijian Dollar | 114,956 |
| Papua New Guinea Kina | 270,573 |
| United States Dollar  Vanuatu Vatu  Solomon Dollar | 37,602  545,318  8,642 |

B10 **Derivative financial instruments**

The forward currency contracts used to hedge the Group’s sales and purchases denominated in various foreign currencies are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | <-------------- Fair Value -------------> | |
|  | Contract/  Notional  Amount  (RM’000) | Assets  (RM’000) | Liabilities (RM’000) |
| **Non-hedging derivatives:** |  |  |  |
| **Current (Less than 1 year)** |  |  |  |
| Forward currency contracts | 18,311 | 10 | (579) |
|  |  |  |  |
|  | 18,311 | 10 | (579) |

During the current financial quarter, the Group recognized a loss of RM0.31 million, arising from fair value changes in derivative assets and liabilities. The fair value changes were attributable to the changes in foreign exchange spot and forward rates.

B11 **Material litigation**

The material litigation as at the date of this announcement are as follows:-

|  |  |  |
| --- | --- | --- |
|  | 1. MBF Cards (M’sia) Sdn. Bhd. (“MBF Cards”) Vs GrandTech Systems Sdn. Bhd. (“GrandTech”) (“MBF Cards Action”) and GrandTech Vs MBF Cards (“GrandTech Action”) | |
|  |
|  | The MBF Cards Action is a claim for approximately RM13.6 million for the non-fulfillment of certain representations by GrandTech, the supplier for goods used in one of MBF Cards’ credit card marketing campaigns. | |
|  |
|  |
|  | The GrandTech Action for approximately RM6.4 million was filed for the goods delivered, anticipated profit from the remaining undelivered goods and other related expenses. GrandTech had also filed an application for summary relief and interim payment for about RM4.0 million with Kuala Lumpur High Court ("KL High Court"). The KL High Court had dismissed GrandTech’s summary relief application and appeal against the said dismissal. GrandTech thereafter filed an appeal to the Court of Appeal against the order. At the hearing on 5 March 2010, GrandTech had withdrawn its appeal against the High Court's Order. | |
|  |
|  |
|  |
|  |
|  |
|  | Both the actions have been consolidated and is fixed for case management on 19 August 2011 to fix new trial date.  The Board is confident that MBF Cards has a sound claim for the MBF Cards Action and a good defence for the Grandtech Action. |
|  |
|  |
|  |  |
|  |  | | |

b) MBf Holdings Bhd & MBf Finance Berhad (now AmBank (M) Berhad) (collectively called the “Plaintiffs”) Vs Wee Choo Keong, Loi Hean Sso and Houng Hai Kong (collectively called the “Defendants”)

|  |  |
| --- | --- |
| The Plaintiffs had on 9 February 1993 obtained an ex-parte injunction to restrain the Defendants from printing, circulating, distributing or publishing in any manner any allegation of impropriety or irregularity or illegality of whatever nature against the Plaintiffs or any of their respective subsidiaries or affiliates. | |
|
|
|
| Wee Choo Keong and Houng Hai Kong (“Appellants”) had applied to set aside the ex-parte injunction which was refused by the High Court in 1996. However the Appellants’ appeal against the court order was allowed by the Court of Appeal in April 2007.  Wee Choo Keong’s application to the High Court for legal and incidental costs was dismissed on 30 November 2007. His application for assessment of damages amounting to approximately RM40 million which hearing had been postponed several times is now fixed on 11 November 2011. | |
|
|
|
|
|
| Whereas Houng Hai Kong's application on the assessment of damages is fixed for hearing on 19 October 2011 and his application for cost is fixed for mention on 14 September 2011.  It is not possible to ascertain the quantum of damages payable by the Plaintiffs at this juncture and the directors are of the view that the Company’s liability, if any, is not material and accordingly the Company had not provided for it in its book. |
|

c) MBf Holdings Berhad (“MBfH”) & MBf Education Group Sdn Bhd (“MEG”) [collectively called “the Plaintiffs”] Vs Dato Loy Teik Ngan, Datin Chong Kwei Kee, Puan Sri Datin Ling Mah Lee, Tan Sri Dato Lim Cheng Pow, Taylor’s Education Bhd, Taylor’s College Sdn Bhd, Educrest Sdn Bhd, Lim Tian Huat & Chew Cheng Leong [collectively called “the Defendants”]

The claim is to recover the Plaintiffs’ assets which were purportedly disposed wrongfully by the directors of MBfH & MEG at the material time. The assets in question are MBfH’s 66.67% equity interest in MBf Taylors Sdn Bhd [renamed as Taylor’s Education Sdn Bhd & later as Taylor’s Education Bhd] & a parcel of land in Subang on which Taylor’s College was constructed & are presently registered under companies owned and/or controlled by the Loy Family. The trial remains fixed on 22 to 25 August 2011.

Lim Tian Huat and Chew Cheng Leong had applied to strike off the suit which was dismissed on 7 July 2011 and they filed an appeal to the Court of Appeal on 12 July 2011. They also had filed the Notice of motion for a stay of proceedings on 22 July 2011 which was granted by the Court of Appeal on 8 August 2011.

The Company is unable to quantify the above claims at this juncture and the Board believes to the best of its knowledge that if the Plaintiffs succeed in its claim, it may have a material impact on the Group’s financials.

B12 **Dividend**

No dividend was declared during the quarter under review.

B13 **Earnings per share ("EPS")**

1. **Basic**

Basic EPS is calculated by dividing the net profit for the periods under review by the weighted average number of ordinary shares in issue during the same periods.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **30/6/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/6/2010** | **CURRENT**  **YEAR TO DATE**  **30/6/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/6/2010** |
|  |  |  |  |  |
| Net profit (RM’000) | 79,657 | 6,941 | 87,482 | 45,800 |
|  |  |  |  |  |
| Weighted average number of ordinary shares in issue ('000) | 570,050 | 570,050 | 570,050 | 570,050 |
|  |  |  |  |  |
| Basic EPS (sen) | 13.97 | 1.22 | 15.35 | 8.03 |

**(b) Diluted**

For the purpose of calculating the diluted earnings per share, the net profit for the periods under review and the weighted average number of ordinary shares in issue during the same periods have been adjusted for the dilutive effects of the potential issue of new ordinary shares on conversion of the RCSLS.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **30/6/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/6/2010** | **CURRENT**  **YEAR TO DATE**  **30/6/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/6/2010** |
|  |  |  |  |  |
| Net profit (RM'000) Net profit (RM’000) | 79,657 | 6,941 | 87,482 | 45,800 |
|  |  |  |  |  |
| Adjustment for after tax effects of interest savings  on: |  |  |  |  |
| - USD RCSLS | (379) | (324) | (790) | (647) |
| Adjusted net profit | 79,278 | 6,617 | 86,692 | 45,153 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **30/6/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **30/6/2010** | **CURRENT**  **YEAR TO DATE**  **30/6/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **30/6/2010** |
|  |  |  |  |  |
| Number of ordinary shares in issue ('000) | 570,050 | 570,050 | 570,050 | 570,050 |
|  |  |  |  |  |
| Adjustment on assumption of the full conversion of (’000): |  |  |  |  |
| - USD RCSLS | 76,835 | 85,277 | 76,835 | 85,277 |
| Weighted average number of ordinary shares in issue and to be issued on conversion of RCSLS (’000) | 646,885 | 655,327 | 646,885 | 655,327 |
| Diluted earnings per share (sen) | 12.26 | 1.01 | 13.40 | 6.89 |

B14 **Realised and Unrealised Profits/Losses**

The breakdown of the retained profits of the Group, into realised and unrealised profits, pursuant to the directives issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

|  |  |  |
| --- | --- | --- |
|  | **AS AT 30/6/2011**  **RM’000** | **AS AT 31/12/2010**  **RM’000** |
|  |  |  |
| Total retained profits of MBfH and its subsidiaries |  |  |
| * Realised | (4,986) | (3,754) |
| * Unrealised | 103,491 | 17,304 |
|  | 98,505 | 13,550 |
|  |  |  |
| Total share of retained profits from associated companies: |  |  |
| * Realised | 2,883 | 1,831 |
| Total Group retained profits | 101,388 | 15,381 |

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By Order Of The Board

**MBf HOLDINGS BERHAD**

**Chong Siew Hoong (MIA 5062)**

**Ong Hua Meng (MIA 6346)**

**Company Secretaries**

**Date : 9 August 2011**