**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 has no significant impact on the financial statements of the Group other than for the application of FRS 7, which will entail 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 operating expenses are the following non-recurring items:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  |  | **CURRENT**  **YEAR**  **QUARTER**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010**  **RM’000** |
| i) | Compensation sum payable to related party for a settlement arrangement | - | - | - | (5,400) |
| ii) | Impairment losses on Investment Properties | - | (4,922) | - | (4,922) |
|  |  | - | (4,922) | - | (10,322) |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  |  | **CURRENT**  **YEAR**  **QUARTER**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010**  **RM’000** |
| i) | Net gains from fair value adjustment of Investment Properties | **-** | 24,179 | **113,528 \*** | 24,179 |
| ii) | Provision for liabilities no longer required \*\* | **12,539** | 57 | **12,539** | 17,068 |
| iii) | Fire insurance claim | **5,837** | - | **5,837** | - |
|  |  | **18,376** | 24,236 | **131,904** | 41,247 |

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

\*\* Consequent to the discharge by the parties concerned on fulfillment of settlement arrangements by MBf Holdings 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 do 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 **Segment information**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010**  **RM’000** |
| **Revenue** |  |  |  |  |
| Card and Payment Services | **59,968** | 53,529 | **237,641** | 235,364 |
| Papua New Guinea - Automotive | **181,384** | 127,788 | **576,724** | 500,362 |
| Papua New Guinea - Agriculture | **100,820** | 68,475 | **359,985** | 222,442 |
| Fiji - Retail and Wholesale | **119,116** | 94,795 | **398,050** | 328,226 |
| Fiji - Automotive | **66,247** | 54,265 | **253,738** | 242,763 |
| Fiji - Property | **10,474** | 5,853 | **29,739** | 24,922 |
| Shipping | **33,492** | 33,488 | **146,333** | 74,004 |
| Other segments \* | **120,711** | 123,685 | **482,099** | 445,381 |
| Adjustments and eliminations | **(12,565)** | (7,131) | **(42,713)** | (29,826) |
|  | **679,647** | 554,747 | **2,441,596** | 2,043,638 |

* Includes 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**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010**  **RM’000** |
| **Results** |  |  |  |  |
| Card and Payment Services | **25,286** | 28,079 | **98,284** | 109,821 |
| Papua New Guinea - Automotive | **9,239** | 10,598 | **30,280** | 46,759 |
| Papua New Guinea - Agriculture | **(10,077)** | 7,011 | **7,407** | 9,571 |
| Fiji - Retail and Wholesale | **(1,789)** | (16,729) | **(11,864)** | (34,451) |
| Fiji - Automotive | **1,202** | 1,377 | **4,598** | 9,032 |
| Fiji - Property | **6,267** | 12,856 | **17,127** | 24,793 |
| Shipping | **(12,436)** | (13,638) | **(41,798)** | (40,677) |
| Other segments | **(5,502)** | 1,806 | **99,898\*** | 39,939 |
| Adjustments and eliminations | **(34,307)** | (16,450) | **(99,355)** | (81,331) |
| Profit from operations | **(22,117)** | 14,910 | **104,577** | 83,456 |
| Share of results of associates | **900** | 319 | **1,910** | 2,359 |
| Profit before tax | **(21,217)** | 15,229 | **106,487** | 85,815 |

* Includes unusual items as elaborated in Note A4.

A10 **Subsequent event**

There were no material events subsequent to the quarter under review.

A11 **Changes in composition of the Group**

During the quarter under review, four (4) wholly owned subsidiaries were incorporated in Papua New Guinea, each with paid up share capital of Kina 2 comprising 2 ordinary shares of K1 each :-

|  |  |
| --- | --- |
| Name of subsidiary | Intended Activity |
| 1. COPM Limited | General Trading |
| 1. COPM Madang Limited | Copra Mill and Trading |
| 1. COPM Trader Limited | Copra Processing Mill and Trading |
| 1. Carpenter Coastal Shipping Limited | Shipping Agency |

A12 **Commitments**

As at 31 December 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 | 6,927  24,543 |
|  |  | **31,470** |
|  | Authorised but not contracted for:   * Purchase of property, plant and equipment | **2,207** |
|  |  |  |
| b) | Operating expenditure: |  |
|  | Not later than one year | 35,550 |
|  | Later than one year and not later than two years | 15,780 |
|  | Later than two years and not later than five years | 9,916 |
|  | Later than 5 years | 18,073 |
|  |  | **79,319** |

A13 **Contingent liabilities**

The contingent liabilities as at 31 December 2011 were:-

|  |  |  |
| --- | --- | --- |
|  |  | **RM’000** |
| a) | Guarantees extended in support of banking and other credit facilities  granted to an associate – (secured) | 2,631 |
|  |  |  |
| b) | Others – unsecured | 724 |
|  |  | **3,355** |

**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 RM679.65 million, an increase of RM124.90 million or 22.51% compared to last year’s corresponding quarter of RM554.75 million. The increased revenue was contributed principally by its PNG (RM84.70 million) and Fiji (RM36.80 million) operations i.e. the Automotive and Agriculture segments in PNG, Retail & Wholesale and Automotive segments in Fiji.

The Group’s loss before tax was RM21.22 million for the current quarter compared to the previous year’s corresponding quarter which reported a profit before tax of RM15.23 million, a reduction of RM36.45 million or 239.33%. Disregarding the non-recurring items as disclosed in Note A4 (RM18.38 million for this quarter and RM19.31 million for previous year’s corresponding quarter), the current quarter’s operating loss before taxation of RM39.60 million was higher by RM35.52 million or 870.59% due primarily to the generally lower commodities prices and other factors as discussed below.

For the year ended 31 December 2011, the Group recorded revenue of RM2.442 billion compared to the previous year of RM2.044 billion, an increase of RM0.398 billion or 19.47%. Disregarding the non-recurring items, the Group’s loss before taxation for the year was RM25.42 million, a decrease of RM80.31 million or 146.31% relative to last year’s profit before taxation of RM54.89 million. This was due to the general adverse performance across the Group:-

1. **Cards and Payment Services**

The Card segment managed to record a marginal increase in revenue despite the stiff competition in the credit card business. Profit before taxation was however lower than previous year’s, principally the result of increased marketing and acquisition activities (2011: RM21.40 million vs 2010: RM15.24 million) to acquire more cards and to grow the receivables.

1. **Papua New Guinea – Automotive**

This segment registered a much higher increase in revenue boosted by the strengthening of the Kina currency (3% real increase and 16% increase in Ringgit Malaysia). The Malaysian Ringgit had depreciated 9% against the Kina in 2011. The total number of vehicles sold in 2011 was 2,498 verses 2,584, a reduction of 86 units or 3.3 % due to the supply disruption following the tsunami in Japan and the floods in Bangkok. The stock supply improved in the last quarter of 2011 and sales picked up with 624 units sold verses 667 units sold in the corresponding quarter of 2010. Profitability was also eroded due to higher operating costs.

1. **Papua New Guinea – Agriculture**

The higher revenue was due principally to the improved coconut oil prices from an average price of Kina 2,609 per MT to Kina 3,677 per MT, boosted by higher export copra sales (Kina 20.18 million or 11,032 MT) via the Group’s shipping line. Total tonnage of coconut oil was higher than previous year by 7,484 MT or 23.71%. However profit was lower due to the unrealised foreign exchange loss of RM4.9 million reported by the Australian cattle farm operations as a result of the weakened Australian currency against the PNG Kina. Excluding the unrealised foreign exchange loss, this segment would report a higher profit (RM12.3 million as compared to the previous year's profit of RM9.6 million).

1. **Fiji – Retail and Wholesale**

Total revenue increased by RM69.82 million or 21.27% compared to previous year despite a flat economy and fierce competition. Expenses were tightly controlled resulting in a much reduced operating loss of RM11.86 million from the previous year’s loss of RM34.4 million.

1. **Shipping**

Total revenue for the Shipping segment was RM146.3 million (12 months operations) compared to RM74.0 million (9 months operations) in 2010. Losses from the main line had reduced but the high operating costs of an agency in PNG had contributed to a higher loss in 2011.

1. **Other segments**

Included in other segments are non recurring items totaling RM131.90 million (2010: RM30.93 million) as disclosed in Note A4.

B2 **Variation of results against preceding quarter**

The current quarter’s pre-tax loss of RM21.22 million was RM15.44 million or 267.13% higher than the preceding quarter’s pre-tax loss of RM5.78 million. Disregarding the non-recurring items of RM18.38 million arising from the fulfillment of a settlement arrangement and a fire insurance claim, the current quarter’s operating loss before tax would be RM39.60 million.

The operating loss before tax was higher by RM33.82 million, primarily due to the lower contributions from PNG (RM30.56 million) where its Agriculture segment particularly its coconut oil mill operation was affected by the volatility in the commodity prices.

B3 **Prospects for 2012**

With the continuing uncertainties and negativities in the global economies, the Group anticipates an increasingly challenging outlook for all its segments. The main challenges are:-

* Card segment - the new guidelines put in place by the central bank to curb household debts;
* operations in PNG - escalating operating costs due to the buoyant local economy consequent to the ongoing oil and gas projects;
* operations in Fiji – the expected flat economy which is further weighed down by the pessimistic global climate; and
* shipping – volatility of demand caused by oversupply of capacities, reduced exports globally and the increasing fuel costs.

The Group’s focus for 2012 will be on achieving group synergies and controlling operating costs. Efforts shall include expanding its existing operations such as the retail operations to capture more market share and by venturing into businesses to complement its shipping and trading operations.

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**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010**  **RM’000** | **CURRENT**  **YEAR TO DATE**  **31/12/2011**  **RM’000** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010**  **RM’000** |
| Current income tax |  |  |  |  |
| - Malaysian | **2,102** | 5,164 | **11,900** | 18,178 |
| - Foreign | **(1,455)** | 6,884 | **12,524** | 19,391 |
| - Under provision of income tax  - Malaysian  - Foreign | **-**  **2** | 580  (828) | **-**  **113** | 580  (831) |
|  | **649** | 11,800 | **24,537** | 37,318 |
| Deferred taxation | **11,773** | (1,607) | **40,154** | (2,325) |
|  | **12,422** | 10,193 | **64,691** | 34,993 |

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.

Included in deferred taxation is RM15.93 million relating to deferred tax assets on unused tax losses which was derecognized consequence of changes in tax law in Fiji wherein all tax losses as at 31 December 2011 will lapse and will not be available for carry forward.

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 31 December 2011 were as follows:-

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Quoted in**  **Malaysia**  **RM’000** | **Quoted outside Malaysia**  **RM’000** |
| (i) | Cost  Provision for diminution in value | 29  (9) | 19,244  - |
| (ii) | Net book value | 20 | 19,244 |
| (iii) | Market value | 20 | 19,244 |

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 7th 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 4th 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) | 60,932 |
| RCSLS B (USD5,665,323) | 17,945 |
| Total RCSLS | 78,877 |
| Less : Equity portion of RCSLS | (73,574) |
| **Net RCSLS** | **5,303** |
| **Secured Bonds (USD12,700,000)** | **40,227** |
|  | **45,530** |

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 0.23% p.a. for

the year ended 31 December 2011.

1. **Long term borrowings**

|  |  |
| --- | --- |
|  | **RM’000** |
| **Secured** |  |
| - Hire purchase and lease payable | 22,326 |
| - Term loans | 339,379 |
| - Medium term notes | 30,000 |
|  | 391,705 |
|  |  |

1. **Short term borrowings**

|  |  |
| --- | --- |
|  | **RM’000** |
| **Secured** |  |
| - Bank overdrafts | 377,085 |
| - Revolving credits | 210,403 |
| - Trust receipts and bankers' acceptances | 21,377 |
| - Hire purchase and lease payable | 17,162 |
| - Term loans | 49,519 |
| - Medium term notes | 105,600 |
| - Commercial papers | 246,717 |
| Sub-total | 1,027,863 |

|  |  |
| --- | --- |
| **Unsecured** |  |
| - Term loans | 3,000 |
| **Total** | 1,030,863 |

Borrowings denominated in foreign currencies are as follows:-

|  |  |
| --- | --- |
|  | Foreign  Currency  ’000 |
| Fijian Dollar | 118,222 |
| Papua New Guinea Kina | 298,861 |
| United States Dollar  Vanuatu Vatu  Solomon Dollar | 37,602  520,888  10,994 |

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 | 17,009 | 536 | (46) |
|  |  |  |  |
|  | **17,009** | **536** | **(46)** |

During the current financial quarter, the Group recognized a loss of RM0.83 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 5th March 2010, GrandTech had withdrawn its appeal against the High Court's Order. | |
|  |
|  |
|  |
|  |
|  |
|  | Both the actions have been consolidated and is fixed for full trial on 26th and 27th March 2012.  The Board is confident that MBF Cards has a sound claim for the MBF Cards Action and a reasonably 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 9th 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 30th November 2007. His application for assessment of damages amounting to approximately RM40 million fixed for mention on 26th January 2012 had been vacated and is pending notification of a new date. |
|
|
|
|
|
| Houng Hai Kong's application on the assessment of damages is fixed for hearing on 9th April 2012.  As for Houng Hai Kong’s application for the review on the bill of cost, the parties had reached an amicable settlement for RM24,800 by the Plaintiffs subject to further negotiation on the interest portion on 26th January 2012.  It is not possible to ascertain the quantum of damages payable by the Plaintiffs to Wee Choo Keong 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 deemed as 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.

Lim Tian Huat and Chew Cheng Leong’s application to strike off the suit was dismissed on 7th July 2011 and thereafter they filed an appeal to the Court of Appeal and served the Notice of Appeal to the Plaintiffs on 12th July 2011. They also had filed the Notice of motion for a stay of proceedings on 22nd July 2011. On 8th August 2011, the Court of Appeal allowed the said application and stayed the entire action in the High Court pending the disposal of Lim Thian Huat and Chew Cheng Leong’s appeal in the Court of Appeal. The said Appeal was fixed for hearing on 15th February 2012. On the said day, the said appeal was dismissed by the Court of Appeal. The effect of the said dismissal is that the stay of proceeding in the High Court is no longer in force.

The entire action in the High Court was fixed for case management on 20th February 2012. On the said day, the court fixed the said matter for further case management on 28th March 2012.

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**  **31/12/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010** | **CURRENT**  **YEAR TO DATE**  **31/12/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010** |
|  |  |  |  |  |
| Net profit/(loss) (RM’000) | **(33,366)** | 3,088 | **41,478** | 45,032 |
|  |  |  |  |  |
| Weighted average number of ordinary shares in issue ('000) | **570,050** | 570,050 | **570,050** | 570,050 |
|  |  |  |  |  |
| Basic EPS (sen) | **(5.85)** | 0.54 | **7.28** | 7.90 |

**(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**  **31/12/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010** | **CURRENT**  **YEAR TO DATE**  **31/12/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010** |
|  |  |  |  |  |
| Net profit/(loss) (RM’000) | **(33,366)** | 3,088 | **41,478** | 45,032 |
|  |  |  |  |  |
| Adjustment for after tax effects of interest savings  on: |  |  |  |  |
| - USD RCSLS | **(382)** | (322) | **(1,573)** | (1,294) |
| - Warrants | **-** | - | **-** | 14,910 |
| Adjusted net profit/(loss) | **(33,748)** | 2,766 | **39,905** | 58,648 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | **CURRENT**  **YEAR**  **QUARTER**  **31/12/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **QUARTER**  **31/12/2010** | **CURRENT**  **YEAR TO DATE**  **31/12/2011** | **PRECEDING YEAR**  **CORRESPONDING**  **PERIOD**  **31/12/2010** |
|  |  |  |  |  |
| 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 |
| * - Warrants | - | **-** | - | 265,064 |
| Weighted average number of ordinary shares in issue and to be issued on conversion of RCSLS (’000) | **646,885** | 655,327 | **646,885** | 920,391 |
| Diluted earnings per share (sen) | **(5.22)** | 0.42 | **6.17** | 6.37 |

B14 **Realised and Unrealised Profits/Losses**

|  |  |  |
| --- | --- | --- |
|  | **AS AT 31/12/2011**  **RM’000** | **AS AT 31/12/2010**  **RM’000** |
|  |  |  |
| Total retained profits of MBfH and its subsidiaries |  |  |
| * Realised | **(32,881)** | (3,754) |
| * Unrealised | **83,017** | 17,304 |
|  | **50,136** | 13,550 |
|  |  |  |
| Total share of retained profits from associated companies: |  |  |
| * Realised | **3,741** | 1,831 |
| Total Group retained profits | **53,877** | 15,381 |

By Order Of The Board

**MBf HOLDINGS BERHAD**

**Chong Siew Hoong (MIA 5062)**

**Ong Hua Meng (MIA 6346)**

**Company Secretaries**

**Date : 29 February 2012**