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

A1 First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 30 September 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the period up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with applicable Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2011.

In preparing its MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transaction from FRS to MFRS is described in Note A2 below.

A2 Significant accounting policies

2.1 Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

Foreign currency translation reserve

Under FRS, the Group recognized translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency transition differences of RM43,459,000 (30 September 2011: RM43,459,000; 31 December 2011: RM43,459,000) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

	FRS as at 1/1/2011 RM'000	**Reclassifications RM'000**	**MFRS as at 1/1/2011 RM'000**
Non-current assets	1,113,604	-	1,113,604
Current assets	1,581,334	-	1,581,334
Total assets	2,694,938	-	2,694,938
Current liabilities	1,269,085	-	1,269,085
Non-current liabilities	548,793	-	548,793
Total liabilities	1,817,878	-	1,817,878
Equity			
Share capital	570,050	-	570,050
Equity portion of RCSLS	68,655	-	68,655
Foreign currency translation reserves	(43,459)	43,459	-
Capital reserves	4,084	-	4,084
Asset revaluation reserves	239,493	-	239,493
Retained earnings	15,381	(43,459)	(28,078)
Equity attributable to owners of the parent	854,204	-	854,204
Non-controlling interests	22,856	-	22,856
Total equity	877,060	-	877,060
Total equity and liabilities	2,694,938	-	2,694,938

Reconciliation of equity as at 30 September 2011

	FRS as at 30/9/2011 RM'000	**Reclassifications RM'000**	**MFRS as at 30/9/2011 RM'000**
Non-current assets	1,471,212	-	1,471,212
Current assets	1,644,514	-	1,644,514
Total assets	3,115,726	-	3,115,726
Current liabilities	1,454,513	-	1,454,513
Non-current liabilities	612,776	-	612,776
Total liabilities	2,067,289	-	2,067,289
Equity			
Share capital	570,050	-	570,050
Equity portion of RCSLS	73,099	-	73,099
Foreign currency translation reserves	31,436	43,459	74,895
Capital reserves	4,084	-	4,084
Asset revaluation reserves	239,493	-	239,493
Retained earnings	105,037	(43,459)	61,578
Equity attributable to owners of the parent	1,023,199	-	1,023,199
Non-controlling interests	25,238	-	25,238
Total equity	1,048,437	-	1,048,437
Total equity and liabilities	3,115,726	-	3,115,726

Reconciliation of equity as at 31 December 2011

	FRS as at 31/12/2011 RM'000	Reclassifications RM'000	MFRS as at 31/12/2011 RM'000
Non-current assets	1,512,037	-	1,512,037
Current assets	1,682,104	-	1,682,104
Total assets	3,194,141	-	3,194,141
Current liabilities	1,564,814	-	1,564,814
Non-current liabilities	595,718	-	595,718
Total liabilities	2,160,532	-	2,160,532
Equity			
Share capital	570,050	-	570,050
Equity portion of RCSLS	73,574	-	73,574
Foreign currency translation reserves	45,191	43,459	88,650
Capital reserves	4,084	-	4,084
Asset revaluation reserves	244,345	-	244,345
Retained earnings	71,241	(43,459)	27,782
Equity attributable to owners of the parent	1,008,485	-	1,008,485
Non-controlling interests	25,124	-	25,124
Total equity	1,033,609	-	1,033,609
Total equity and liabilities	3,194,141	-	3,194,141

The transition from FRS to MFRS has not had a material impact on the statements of financial position, statements of comprehensive income and statements of cash flows.

2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		**Effective for annual periods beginning on or after**
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012

MFRSs, Amendments to MFRSs and IC Interpretation		**Effective for annual periods beginning on or after**
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A3 Discontinued operation

Consequent to the proposed disposal of MBF Cards (M'sia) Sdn Bhd ("MBF Cards") as elaborated in Note A13(a), for the current period under review, the assets and liabilities related to MBF Cards have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results accordingly presented separately on the income statement as "Profit from discontinued operation, net of tax".

Statement of financial position disclosures

The major classes of assets and liabilities related to MBF Cards classified as held for sale and the reserves as at 30 September 2012 are as follows:

	Group RM'000
Assets:	
Property, plant and equipment	12,256
Intangible assets	25,222
Investment in associate	15,134
Investment securities	16,941
Deferred tax assets	147
Inventories	421
Trade and other receivables	621,581
Cash and bank balances	169,837
Assets directly associated with disposal group classified as held for sale	**861,539**
Liabilities:	
Loans and borrowings	596,273
Deferred tax liabilities	947
Trade and other payables	125,103
Income tax payable	4,370
Liabilities directly associated with disposal group classified as held for sale	**726,693**
Net assets directly associated with disposal group classified as held for sale	**134,846**
Reserves:	
Accumulated profits	**225,779**

Statement of comprehensive income disclosures

The results of MBF Cards for the period ended 30 September are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
Revenue	**62,069**	60,544	**180,910**	177,094
Operating expenses	**(44,267)**	(38,842)	**(130,856)**	(125,201)
Other income	**7,305**	7,188	**23,987**	20,604
Profit before finance costs	**25,107**	28,890	**74,041**	72,497
Finance costs	**(8,631)**	(8,146)	**(25,793)**	(24,347)
Share of results of associate	**865**	-	**2,705**	1,319
Profit before tax	**17,341**	20,744	**50,953**	49,469
Taxation	**(4,198)**	(3,633)	**(11,774)**	(10,880)
Profit after tax	**13,143**	17,111	**39,179**	38,589
Intercompany elimination	**(1,267)**	(1,252)	**(3,631)**	(3,593)
Profit from discontinued operation, net of tax	**11,876**	15,859	**35,548**	34,996

A4 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.

A5 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 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
i) Provision for floods losses in Fiji – net of insurance claim	-	-	(5,631)	-
ii) Loss on deconsolidation of subsidiaries	-	-	(77)	-
	-	-	(5,708)	-

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
i) Net gain from fair value adjustment of Investment Properties	-	-	-	113,528
ii) Gain on disposal of property, plant and equipment	-	-	5,459	-
	-	-	5,459	113,528

A6 Profit before tax

The following have been included in arriving at profit before tax:

(I) Continuing operations

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
(a) Interest income	(469)	(164)	(1,477)	(457)
(b) Foreign exchange gain	(2,073)	(9,167)	(11,721)	(18,020)
(c) Net gain on disposal of property, plant and equipment	(136)	(167)	(5,721)	(296)
(d) Net gain from fair value adjustment of Investment Properties	-	-	-	(113,528)
(e) Other income including investment income	(5,290)	(3,798)	(14,965)	(10,413)
(f) Interest expense	20,366	16,742	59,202	42,837
(g) Depreciation and amortization	15,456	11,012	44,771	32,017
(h) Allowance for impairment of trade and other receivables	1,936	3,533	5,171	5,988
(i) Write down of inventories	365	6,746	804	7,749
(j) Foreign exchange (gain)/loss	(523)	9,118	5,770	13,750

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
(k)	Net fair value loss/(gain) on financial instruments:				
	- held for trading investment securities	2	5	6	4
	- derivatives	202	(1,826)	(367)	(1,255)
	- designated at fair value through profit or loss	(305)	(42)	(396)	(487)
(l)	Stock written off	7,753	235	7,753	235

(II) Discontinued operation

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
(a)	Interest income	(1,183)	(1,048)	(3,439)	(3,015)
(b)	Foreign exchange loss/(gain)	96	(225)	138	(151)
(c)	Net loss/(gain) on disposal of property, plant and equipment	32	3	(205)	11
(d)	Other income including investment income	(4,160)	(3,751)	(12,600)	(11,029)
(f)	Interest expense	8,631	8,146	25,793	24,347
(g)	Depreciation and amortization	1,600	1,938	5,192	6,063
(h)	Allowance for impairment of trade and other receivables	11,151	3,701	32,154	25,448
(i)	Write (back)/down of inventories	(9)	14	41	8
(j)	Net fair value gain on financial instruments:				
	- designated at fair value through profit or loss	(687)	(743)	(3,693)	(2,332)

A7 Changes in estimates

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

A8 Pre-acquisition profits

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

A9 Dividends paid

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

A10 Debt and equity securities

Subsequent to the year ended 31 December 2011 and up to the date of this announcement, the issued and paid-up share capital has been increased as follows :-

a. On 10 September 2012, Onglory Holdings Limited, a wholly owned subsidiary had fully redeemed in cash the entire outstanding Class B United States Dollar denominated Redeemable Convertible Secured Loan Stock ("RCSLS-B") of USD5,665,323.28 which was issued pursuant to the Scheme of Arrangement of MBfH in June 2003.

b. On 3 October 2012 and 8 November 2012, 2,791,085 and 4,581,595 ordinary shares of RM1.00 each were issued pursuant to the conversion of USD916,011 and USD1,522,125 Class A United States Dollar denominated Redeemable Convertible Secured Loan Stock ("RCSLS A") equivalent to nominal amount of RM1.00 of RCSLS A for 1 new ordinary share.

c. On 1 November 2012, 60 ordinary shares of RM1.00 were issued pursuant to the conversion of 60 warrants 2003/2013 at an exercise price of RM1.00 per share.

A11 Segment information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2012 RM'000	**PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000**	**CURRENT YEAR TO DATE 30/9/2012 RM'000**	**PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000**
Revenue				
Continuing operations				
Papua New Guinea - Automotive	**221,279**	152,199	**645,179**	395,340
Papua New Guinea - Agriculture	**70,541**	100,924	**216,269**	261,250
Fiji - Retail and Wholesale	**117,102**	103,681	**328,080**	278,934
Fiji - Automotive	**67,197**	75,513	**191,440**	187,491
Fiji - Property	**5,232**	6,465	**15,149**	19,265
Shipping	**31,618**	40,138	**104,696**	112,841
Others *	**138,385**	124,160	**389,436**	361,229
Adjustments and eliminations	**(5,794)**	(11,293)	**(29,259)**	(30,148)
	645,560	591,787	**1,860,990**	1,586,202
Discontinued operation				
Card and Payment Services	**62,069**	60,544	**180,910**	177,094
Total revenue	**707,629**	652,331	**2,041,900**	1,763,296

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2012 RM'000	**PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000**	**CURRENT YEAR TO DATE 30/9/2012 RM'000**	**PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000**
Results				
Continuing operations				
Papua New Guinea - Automotive	**29,226**	10,893	**88,144**	21,041
Papua New Guinea - Agriculture	**4,102**	(4,391)	**(18,373)**	17,484
Fiji - Retail and Wholesale	**609**	1,239	**(4,038)****	(10,075)
Fiji – Automotive	**3,238**	1,960	**6,553**	3,396
Fiji – Property	**2,278**	4,001	**6,527**	10,860
Shipping	**(10,477)**	(8,628)	**(23,014)**	(29,362)
Others *	**(6,732)**	(16,283)	**(12,752)**	108,890**
Adjustments and eliminations ***	**(20,808)**	(14,024)	**(60,977)**	(40,097)
Profit from operations	**1,436**	(25,233)	**(17,930)**	82,137
Share of results of associates	**79**	(42)	**201**	(309)
Profit/(loss) before tax	**1,515**	(25,275)	**(17,729)**	81,828
Discontinued operation				
Card and Payment Services				
Profit before interest and tax	**23,840**	27,638	**70,410**	68,904
Finance costs	**(8,631)**	(8,146)	**(25,793)**	(24,347)
	15,209	19,492	**44,617**	44,557
Share of result of associate	**865**	-	**2,705**	1,319
Profit before tax	**16,074**	19,492	**47,322**	45,876
Total profit before tax	**17,589**	(5,783)	**29,593**	127,704

Note:
The segment results above are presented before finance costs and tax. Finance costs are included in "Adjustments and eliminations".

* Others 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.

** Includes unusual item as in Note A5.

***Includes finance costs, profit from inter-segment sales and share of results of associates.

A12 Subsequent events

There were no material subsequent events during the quarter under review except for the conversion of warrants and RCSLS A as mentioned in Note A10.

A13 Changes in composition of the Group

a) On 10 July 2012 the Company together with its wholly owned subsidiaries, Atox Cards Sdn Bhd and Jastura Sdn Bhd entered into a conditional share sale agreement with AMMB Holdings Berhad for the proposed disposal of 100% equity interest held by them in MBF Cards for a total cash consideration of RM623.40 million (subject to adjustment on completion).

As at the date of this report, the proposed disposal has yet to be completed.

b) On 17 July 2012, the Company disposed off its wholly owned subsidiary, MBf Protection Services Sdn Bhd to Mohd Dahili Bin Mansor and Raj Kumar A/L Gurusawmi for a total cash consideration of RM20.00. MBf Protection Services Sdn Bhd's principal activity was the provision of security services to the MBfH Group of companies and had ceased business in 2008.

A14 Commitments

As at 30 September 2012 the commitments were:-

		RM'000
a)	Capital commitments	
	Authorised and contracted for:	
	- Purchase of property, plant and equipment	921
	- Purchase of investment in unquoted shares	24,213
		25,134
	Authorised but not contracted for:	
	- Purchase of property, plant and equipment	**6,934**
b)	Operating expenditure:	
	Not later than one year	27,470
	Later than one year and not later than two years	10,037
	Later than two years and not later than five years	6,801
	Later than 5 years	53,216
		97,524

A15 Contingent liabilities

The contingent liabilities as at 30 September 2012 were:-

		RM'000
a)	Guarantees extended in support of banking and other credit facilities granted to an associate – (secured)	1,805
b)	Others – unsecured	604
		2,409

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

B1 Review of performance

Note :
Results presented below are profit before tax whereas those presented in Note A11 are profit before finance costs and tax.

Group - Quarter ended 30 September 2012

	Q3 2012	Q3 2011	Increase/(Decrease)	
	RM'mil	RM'mil	RM'mil	%
Revenue				
- Continuing operations	645.56	591.79	53.77	9
- Discontinued operation	62.07	60.54	1.53	3
Total	**707.63**	**652.33**	**55.30**	**8**
Operating profits/(loss) before tax				
- Continuing operations	1.52	(25.27)	26.79	106
- Discontinued operation	16.07	19.49	(3.42)	(18)
Total	**17.59**	**(5.78)**	**23.37**	**404**
Taxation	**(13.97)**	**(7.00)**	**(6.97)**	**(100)**
Profit/(loss), net of tax				
- Continuing operations	(8.26)	(28.64)	20.38	71
- Discontinued operation	11.88	15.86	(3.98)	(25)
Total	**3.62**	**(12.78)**	**16.40**	**128**

The higher revenue was principally contributed by the continuing operations in the South Pacific:-

- Papua New Guinea (RM48.07 million) - mainly from its Automotive segment (RM69.08 million) and boosted by the stronger Kina relative to Malaysian Ringgit of 19% (Kina 1: RM1.2748 in Q3 2011 vs. Kina1: RM1.5171 in Q3 2012), mitigated by the lower sales in the Agriculture segment due to declined production volume and commodity prices (RM30.38 million); and
- Fiji (RM4.95 million) – from its Retail & Wholesale segment (RM13.42 million), offset by the reduction in Automotive sales (RM8.32 million).

The much improved operating profit before tax of RM17.59 million compared to operating loss before tax of RM5.78 million in the corresponding quarter of 2011 was due principally to:-

- the increased revenue as explained above;
- the increased profit in the PNG Automotive segment (RM26.22 million vs. RM8.85 million in Q3 2011) as a result of the continuing strong demand from the LNG projects; and its improved profit margin
- lower loss in the PNG-Agriculture segment consequent of cost control measures being put in place.

Group - Period ended 30 September 2012

	Year to date Q3 2012	Year to date Q3 2011	Increase/(Decrease)	
	RM'mil	RM'mil	RM'mil	%
Revenue				
- Continuing operations	1,860.99	1,586.20	274.79	17
- Discontinued operation	180.91	177.09	3.82	2
Total	**2,041.90**	**1,763.29**	**278.61**	**16**
Operating profits before tax & non-recurring items				
- Continuing operations	(17.48)	(31.71)	14.23	45
- Discontinued operation	47.32	45.88	1.44	3
Total	**29.84**	**14.17**	**15.67**	**111**
Non- recurring items	**(0.25)**	**113.53**	**(113.78)**	**(100)**
Taxation	**(29.94)**	**(35.24)**	**5.30**	**15**
(Loss)/Profit, net of tax				
- Continuing operations	(35.89)	57.47	(93.36)	(162)
- Discontinued operation	35.55	34.99	0.56	2
Total	**(0.34)**	**92.46**	**(92.80)**	**(100)**

The increased revenue for the nine months ended 30 September 2012 was principally attributed to the higher contributions from the continuing operations in South Pacific, particularly - Papua New Guinea (RM221.84 million) mainly from its Automotive segment (RM249.84 million) boosted by the stronger Kina relative to Malaysian Ringgit and Fiji (RM56.71 million)'s Retail & Wholesale and Automotive segments.

The Group's profit before tax was RM29.59 million for the current period versus last year's corresponding period of a profit before tax of RM127.70 million, lower by RM98.11 million or 77%. Included therein were the non-recurring items as disclosed in Note A5 above.

Disregarding the non-recurring items the Group would be reporting an operating profit before tax of RM29.84 million (2011: profit of RM14.17 million) due principally to the favourable performance of the Papua New Guinea operations, namely its Automotive segment, Shipping and the retail and wholesale segment in Fiji.

Operations Review - Period Ended 30 September 2012

a) Card and Payment Services

Current quarter
The Card segment registered marginally higher revenue by approximately RM1.53 million or 3% compared to RM60.54 million in the corresponding quarter of 2011 due to higher interest and discount revenue from Flexi Easypay programme. Profit before taxation of RM16.48 million was however lower than the previous year's corresponding quarter of approximately RM20.74 million, principally the result of increased credit loss provision and credit management cost.

For the nine month period
This segment registered revenue of RM180.91 million for the first nine months of 2012, an increase by 2% from the same period of last year of RM177.09 million. The PBT was RM48.25 million, RM0.10 million or 0.2% higher than the RM48.15 million achieved in the corresponding period of 2011, due to reasons mentioned for the third quarter above.

b) Papua New Guinea – Automotive

Current quarter
This segment registered a higher revenue by 29% compared to the corresponding quarter of 2011 mainly due to increase in number of vehicles sold by 183 units boosted by the LNG projects in PNG. The profit before tax for the current quarter was higher by 154% compared to the 3rd quarter result of 2011 due to the Group's ability to maintain the gross profit margins.

For the nine month period
This segment registered an increase of 63% in revenue boosted by the strengthening of the Kina currency and the increased number of vehicles sold in PNG of 2,575 versus 1,901 in the corresponding period of 2011. The profit before tax was Kina52.33 million (RM79.39 million), 340% higher than the Kina11.89 million (RM15.16 million) reported for the corresponding period in 2011 consequent to the increased revenue.

c) Papua New Guinea – Agriculture

Current quarter
This segment reported sales of Kina46.23 million (RM70.54 million), a decrease by 38% compared to the previous corresponding quarter of 2011 of Kina74.49 million (RM100.92 million) due to lower coconut oil ("CNO") prices aggravated further by the declining coffee prices. Tonnage of CNO and coffee sold was lower than the previous year's corresponding quarter by 15% and 58% respectively. Copra sold was also lower compared to the previous year's corresponding quarter by 2,134 MT. Pretax loss of Kina1.01 million (RM1.63 million) was lower compared to the previous year corresponding quarter of Kina7.61 million (RM9.16 million) despite the decrease in revenue due to cost cutting measure undertaken by this segment.

For the nine month period
The lower revenue was due principally to the decrease in CNO prices from an average price of Kina4,147 per MT to Kina2,475 per MT, partially offset by the higher export copra sales (Kina 12.1 million or 10,810 MT). Total tonnage of coconut oil sold was lower than previous year's corresponding period by 40%. Consequently this segment reported loss of Kina23.84 million (RM36.17 million) versus a profit of Kina4.36 million (RM5.56 million) for the corresponding period in 2011.

d) Fiji – Retail and Wholesale

Current quarter
The revenue for the current quarter was higher than the corresponding quarter of previous year by 12% due to improved sales of MH and strong export and improved stock range in respect of Hardware. Despite registering higher revenue, this segment recorded a pretax loss of FJD0.39 million (RM0.70 million) compared to the previous year's corresponding quarter of pretax profit of FJD0.71 million (RM1.10 million) due to higher overhead cost incurred in the current quarter.

For the nine month period
Total revenue for the period under review was FJD189.48 million (RM328.08million) compared to the corresponding period in 2011 of FJD163.55 million (RM278.93 million) despite a flat economy and fierce competition. Improved revenue and controlled expenses were the attributes for the segment turning around with a nominal operating loss of FJD0.005 million (RM0.009 million) from the previous year's loss of FJD6.11 million (RM10.43 million).

e) Fiji – Automotive

Current quarter
Revenue was lower by 12% compared to the corresponding quarter in previous year due to lower sales volume for used vehicles, auto parts and car rental business. Despite the lower revenue, profit before tax was 20% higher than the corresponding quarter of the previous year, mainly driven by the high gross profit in new and used vehicles and improved control of overheads.

For the nine month period
Revenue for the period under review was marginally higher by 0.6% compared to the corresponding period in 2011 generally because of the higher sales volume for in both the new and used vehicles, autoparts and car rental business. Profit before tax was 68% higher than the previous year's corresponding period consequent to the increased revenue and improved control of overheads.

f) Fiji – Property

Current quarter
This segment recorded lower revenue by 20% compared to the corresponding quarter of 2011 due to lower rental income on reduced internal rates. In tandem with the reduction in revenue, the segment registered a lower operating profit before tax by 74% compared to the preceding year's corresponding quarter.

For the nine month period
Revenue was lower by 23% compared to the preceding year's corresponding period primarily due to lower rental rates. The profit before tax for the current period was 75% lower than FY2011's corresponding period due generally to the decrease in revenue.

g) Shipping

Current quarter
This segment registered a lower revenue by RM8.52 million and higher pretax loss by RM7.15 million as compared to the corresponding quarter of 2011 consequent to the reduced fleet size from 4 vessels to 2 and the operating cost of the new Coastal shipping business. The performance of the main line had shown an improvement subsequent to the re-organisation of fleet size and voyage routes as its Southbound voyages were full and the cargo volumes improving in its northbound voyages.

For the nine month period
Total revenue for the Shipping segment was 7% lower compared to the corresponding period of 2011. Despite the reduction in revenue, the planned revenue enhancements and re-organisation of fleet size have contributed to the improvement of the shipping's main line operation. The slightly increased pre-tax loss by 1% compared to the previous year's corresponding period of RM27.25 million. This was on the back of the significant restructuring of the shipping main line from June 2011 onwards which saw a reduction in fleet and withdrawal from the Fiji, New Zealand and Australia markets.

h) Others

Current quarter
The revenue of Others increased by RM14.23 million or 11% to RM138.39 million from last year's corresponding quarter of RM124.16 million principally due to the strengthening of the Kina currency against the Malaysian Ringgit.

The favourable variance of RM12.91 million in pre-tax loss was primarily due to improved performance in Fiji of RM5.17 million and PNG of RM1.86 million and the strengthening of Ringgit Malaysia against US Dollars.

Year to date
Included in the results of Others are non recurring items totaling RM5.38 million (2011: RM113.53 million) as disclosed in Note A5.

While revenue of Others increased by RM28.21 million or 8% to RM389.44 million from last year's corresponding period of RM361.23 million, net losses from these operations (excluding the non-recurring items) increased from RM25.05 million to RM41.45 million primarily due to :-

- Higher losses reported by operations in PNG (by RM10.77 million), a consequence of higher write down of inventories, impairment allowance for trade receivables and higher operating expenses;
- Higher expenses (RM7.35 million) incurred by Vintage Developers Sdn Bhd for quit rent and interest on the land in Kulim, Kedah.
- Adverse performance (by RM4.10 million) reported by the subsidiary in China, Hangzhou Xinma Elevator Company Limited which reported a loss of RM3.97 million versus a profit before tax of RM0.13 million for the corresponding period of 2011 due to extremely keen competition from the other more established foreign brands; and
- Higher interest expenses incurred by the Group (of RM2.91 million) for the higher borrowings and banking facilities for its operations.

B2 Variation of results against preceding quarter

The current quarter's pre-tax profit including MBF Cards of RM17.59 million was RM2.76 million or 14% lower than the preceding quarter's pre-tax profit of RM20.35 million. The adverse variance was due to the exceptional performance by the PNG Automotive segment in the second quarter (PBT after finance costs Q3 : RM26.22 million vs Q2 : RM33.26 million) and higher losses from Shipping due to its newly commenced coastal operation.

B3 Prospects for 2012

With continuing uncertainties in the global economy, the Group maintains an increasingly challenging outlook for its continuing operations:-

- PNG Operations – The PNG economy remains strong spurred by its internal/government capital expenditure and this augurs well for the Group's operations particularly its Automotive segment. However, its Agriculture segment, is expected to be affected by uncertain global demand, high import inflation and the appreciating PNG currency which may stifle foreign demand.

- Fiji Operations – Fiji's growth outlook is expected to remain relatively quiet but the Group is optimistic that its operations should perform better than the previous year.

- Shipping – The Group having re-organised its fleet size and voyage routes is seeing profits from the South Bound voyages and will strive to reduce the losses of its North Bound voyages. The Group will continue to monitor its revenue enhancements and the cost efficiencies achieved to steer the shipping operation to profitability.

The Company's focus for 2012 remains the same which are to achieve greater group synergies, managing costs and production efficiency. Efforts shall include expanding its existing operations to increase market share and venturing into businesses which complement its shipping and retail 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 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011 RM'000	CURRENT YEAR TO DATE 30/9/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011 RM'000
Current income tax				
- Malaysian	**3,992**	3,385	**12,142**	9,798
- Foreign	**10,222**	3,095	**27,494**	13,979
- Under/(Over) provision in prior year	**19**	-	**(85)**	111
	14,233	6,480	**39,551**	23,888
Deferred taxation	**(265)**	521	**(9,614)**	11,352
	13,968	7,001	**29,937**	35,240
Attributable to:-				
- Continuing operations	**9,770**	3,368	**18,163**	24,360
- Discontinued operation	**4,198**	3,633	**11,774**	10,880
	13,968	7,001	**29,937**	35,240

In Q4 2011 the unused tax losses incurred prior to 1 January 2011 was de-recognised as deferred assets following the amendment of Income Tax (Amendment) Decree 2012 (Decree No 6 of 2012) in Fiji wherein all carrying forward of income tax losses ceased to continue from 1 January 2012. Thereafter on 24 April 2012 the Fiji Revenue & Customs Authority amended the ruling to permit the carrying forward of such losses for up to four (4) years from the year of loss instead of eight (8) years (prior to Decree No. 6 of 2012). Arising therefrom provision for deferred taxation of RM8.61 million was reversed in the first quarter of 2012.

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 September 2012 were as follows:-

		Quoted in Malaysia RM'000	Quoted outside Malaysia RM'000
(i)	Cost	29	6,386
	Provision for diminution in value	(15)	-
(ii)	Net book value	14	6,386
(iii)	Market value	14	6,386

B8 Status of corporate proposals

A wholly owned subsidiary, Carpenters Properties Limited had entered into a Sale and Purchase Agreement to 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 pending further directions and continuation of hearing.

B9 Group borrowings

(a) Redeemable Convertible Secured Loan Stocks ("RCSLS") And Secured Bonds

	RM'000	**RM'000**
RCSLS A (USD19,236,664)		58,912
RCSLS B (USD5,665,323)		17,350
		76,262
Less: Repayment of RCSLS B *		(17,350)
Total RCSLS		58,912
Less : Equity portion of RCSLS		
Total equity portion of RCSLS	(73,632)	
Less: Repayment of RCSLS B	16,738	
		(56,894)
Net RCSLS		**2,018**
Secured Bonds (USD12,700,000)		**38,894**
		40,912

* RCSLS B had been redeemed on 10 September 2012.

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) Secured Bonds	USD1 each	25 years	5.12.2020	} Weekly floating rate as determined by the Remarketing Agent – averaging 0.19% p.a. for the period ended 30 September 2012.

(b) Long term loans and borrowings

	Continuing operations RM'000	**Discontinued operation RM'000**	**Total RM'000**
Secured			
- Hire purchase and lease payable	24,487	-	24,487
- Term loans	369,309	-	369,309
	393,796	-	393,796

(c) Short term loans and borrowings

	Continuing operations RM'000	Discontinued operation RM'000	Total RM'000
Secured			
- Bank overdrafts	453,812	11,732	465,544
- Revolving credits	24,079	186,315	210,394
- Trust receipts and bankers' acceptances	12,703	-	12,703
- Hire purchase and lease payable	17,050	-	17,050
- Term loans	41,818	-	41,818
- Medium term notes	-	50,000	50,000
- Commercial papers	-	348,226	348,226
	549,462	596,273	1,145,735
Total loans and borrowings	943,258	596,273	1,539,531

Loans and borrowings denominated in foreign currencies are as follows:-

	Foreign Currency '000
Fijian Dollar	120,209
Papua New Guinea Kina	361,319
United States Dollar	31,937
Vanuatu Vatu	618,088
Solomon Dollar	26,529

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	13,255	358	(367)
	13,255	**358**	**(367)**

During the current financial quarter, the Group recognized a loss of RM0.20 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:-

(i) 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 for rescission, assessment of value of the goods supplied by GrandTech for a credit card campaign and damages for misrepresentation, attrition and loss of customers.

The subsequent GrandTech Action for approximately RM6.4 million was filed for the goods delivered, anticipated profit from the remaining undelivered goods and related expenses.

GrandTech had filed an application for summary relief and interim payment for about RM4.0 million which application was dismissed. Its appeal to the Court of Appeal against the said order was subsequently withdrawn.

Both the actions have been consolidated and the full trial of the consolidated matters scheduled for 26 and 27 March 2012 was vacated. The matter is now fixed for continued trial between 3rd and 10th of May 2013.

(ii) 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 allegations of impropriety or irregularity or illegality of whatever nature against the Plaintiffs or any of their respective subsidiaries or affiliates.

In 1996, Wee Choo Keong's and Houng Hai Kong's application to set aside the ex-parte injunction was refused by the High Court. However their appeal against the order was allowed by the Court of Appeal in April 2007.

The Defendants obtained an order to assess damages based on the Plaintiffs' undertaking given when the ex-parte injunction was granted. Pursuant thereto, Wee Choo Keong filed an application for assessment of damages for approximately RM40 million is now fixed for hearing on 5th and 6th March 2013.

Whereas Houng Hai Kong's application for assessment of damages is fixed for hearing on 10th January 2013.

It is not possible to ascertain the quantum of damages payable by the Plaintiffs to Wee Choo Keong at this juncture and the Board is 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.

(iii) 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, Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain, Shaikh Mohd Bin Mohd Zain, Syed Abdul Rashad Bin Syed Ali, Wonderful Sunrise Sdn Bhd & Total Binary Sdn Bhd (collectively called "the Defendants")

The claim is to recover the Plaintiffs' assets which were disposed of 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 (now known as Taylor's Education Sdn Bhd) & a parcel of land in Subang on which Taylor's College is constructed. These assets are presently registered under companies owned and/or controlled by the Loy Family.

The applications by the 8th and 9th Defendants, Lim Tian Huat and Chew Cheng Leong to strike off the suit against themselves were dismissed on 7 July 2011. Their appeals against the dismissal were also dismissed by the Court of Appeal.

The Plaintiffs had applied for the inclusion of additional defendants whom are Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain, Shaikh Mohd Bin Mohd Zain, Syed Abdul Rashad Bin Syed Ali, Wonderful Sunrise Sdn Bhd and Total Binary Sdn Bhd which was allowed by the Court on 25 June 2012.

The final for the case commences on 5 December 2012 with further trial dates fixed in January 2013 and thereafter from May to July 2013.

The Board believes that if the Plaintiffs succeed in their claim, it would have a positive impact on the Group's financials.

B12 Dividend

No dividend was declared during the quarter under review.

B13 Earnings per share ("EPS")

(a) Basic

Basic EPS or loss per share ("LPS") is calculated by dividing the net profit or loss 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 30/9/2012	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011	CURRENT YEAR TO DATE 30/9/2012	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011
RM'000				
Net profit/(loss)	**3,253**	(12,638)	**(437)**	91,873
Less: Profit from discontinued operation, net of tax	**(11,876)**	(15,859)	**(35,548)**	(34,996)
Net profit/(loss) from continuing operations	**(8,623)**	(28,497)	**(35,985)**	56,877
Weighted average number of ordinary shares in issue ('000)	**570,050**	570,050	**570,050**	570,050
Basic EPS/(LPS) (sen)				
- attributable to owners of the parent	**0.57**	(2.21)	**(0.08)**	16.12
- from continuing operations	**(1.51)**	(4.99)	**(6.31)**	9.98
- from discontinued operations	**2.08**	2.78	**6.23**	6.14

(b) Diluted

For the purpose of calculating the diluted earnings or loss 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 30/9/2012	**PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011**	**CURRENT YEAR TO DATE 30/9/2012**	**PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011**
RM'000				
Net profit/(loss)	**3,253**	(12,638)	**(437)**	91,873
Net adjustment for effects of RCSLS conversion	**(425)**	(401)	**(1,335)**	(1,191)
Adjusted net (loss)/profit	**2,828**	(13,039)	**(1,772)**	90,682
Less: Profit from discontinued operation, net of tax	**(11,876)**	(15,859)	**(35,548)**	(34,996)
Adjusted net (loss)/profit from continuing operations	**(9,048)**	(28,898)	**(37,320)**	55,686

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 30/9/2012	**PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011**	**CURRENT YEAR TO DATE 30/9/2012**	**PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011**
Number of ordinary shares in issue ('000)	**570,050**	570,050	**570,050**	570,050
On full conversion of RCSLS ('000):	**78,877**	76,835	**78,877**	76,835
Weighted average number of ordinary shares in issue and to be issued on conversion of RCSLS ('000)	**648,927**	646,885	**648,927**	646,885
Diluted (LPS)/EPS (sen)*				
- attributable to owners of the parent	**0.44**	(2.02)	**(0.27)**	14.02
- from continuing operations	**(1.39)**	(4.47)	**(5.75)**	8.61
- from discontinued operation	**1.83**	2.45	**5.48**	5.41

* The conversion of warrants (conversion price pre-determined at RM1.00 per ordinary share) into ordinary shares is anti-dilutive, and hence excluded in the calculation of diluted earnings per share.

B14 Realised and Unrealised Profits/(Losses)

	AS AT 30/9/2012 RM'000	**AS AT 31/12/2011 RM'000**
Total retained profits of MBfH and its subsidiaries		
- Realised	**(62,885)**	(47,880)
- Unrealised	**80,640**	71,921
	17,755	24,041
Total share of retained profits from associated companies:		
- Realised	**6,647**	3,741
Total Group retained profits	**24,402**	27,782
Analysed as:		
Continuing operations retained profits/accumulated losses	**(201,377)**	27,782
Reserve of disposal group classified as held for sale	**225,779**	-
	24,402	27,782

By Order Of The Board
MBf HOLDINGS BERHAD

Chong Siew Hoong (MIA 5062)
Lau Wing Hong (MAICSA 7010572)
Company Secretaries

Date : 30 November 2012