



MULTI-PURPOSE

MULTI-PURPOSE HOLDINGS BERHAD
(24217 - M)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
for the 2nd quarter ended 30 June 2008
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended		6 months ended	
	30-Jun 2008 RM'000	30-Jun 2007 RM'000	30-Jun 2008 RM'000	30-Jun 2007 RM'000
Revenue	754,217	791,614	1,551,671	1,616,441
Cost of sales	(610,402)	(689,980)	(1,263,429)	(1,339,315)
Gross profit	143,815	101,634	288,242	277,126
Other income	72,475	113,514	128,866	354,635
Administrative expenses	(49,105)	(19,948)	(71,748)	(39,739)
Other expenses	(92,539)	(22,900)	(184,835)	(61,303)
Finance costs	(1,687)	(14,065)	(6,645)	(28,291)
Share of profits of associates and jointly controlled entities	495	1,393	679	1,627
Profit before tax	73,454	159,628	154,559	504,055
Income tax expense	(30,867)	(26,319)	(57,774)	(75,190)
Profit for the period	42,587	133,309	96,785	428,865
Attributable to:				
Equity holders of the parent	50,888	118,125	98,929	291,014
Minority interest	(8,301)	15,184	(2,144)	137,851
	42,587	133,309	96,785	428,865
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (Sen)	5.3	12.4	10.3	30.5
Diluted, for profit for the period (Sen)	4.5	10.3	8.8	25.4

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007.)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	30.06.2008	31.12.2007
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	184,976	274,757
Land held for property development	128,322	128,322
Investment properties	414,963	514,410
Prepaid lease payments	4,690	585
Associated companies	122,388	121,994
Jointly controlled entities	-	8,867
Other investments	75,760	530,281
Goodwill on consolidation	2,916,077	800,439
Long term receivables	39,864	39,864
Deferred tax assets	8,439	13,621
	3,895,479	2,433,140
Current assets		
Inventories	7,106	9,000
Investment in money market fund	-	10,878
Loans to customers	93,359	188,565
Other receivables	322,266	334,791
Tax Recoverable	10,807	31,472
Short term deposits and investments	814,990	707,810
Cash and Bank balances	213,975	50,831
	1,462,503	1,333,347
Assets classified as held for sales	404,925	-
	1,867,428	1,333,347
	5,762,907	3,766,487
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	958,766	954,586
Reserves	974,850	874,814
	1,933,616	1,829,400
Minority interest	856,558	807,805
Total equity	2,790,174	2,637,205
Non-current liabilities		
Borrowings	2,200,000	102,861
Reserves for unexpired risks	74,582	65,129
Deferred tax liabilities	11,996	18,075
Provision for retirement benefits	2,540	1,616
	2,289,118	187,681
Current liabilities		
Other payables	553,192	513,583
Borrowings	4,536	156,172
Exchangeable bonds 2003/2008	-	260,500
Current tax payable	7,656	11,346
	565,384	941,601
Liabilities directly associated with assets classified as held for sale	118,231	-
	683,615	941,601
Total liabilities	2,972,733	1,129,282
	5,762,907	3,766,487
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.02	1.92

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2008

CASH FLOWS FROM OPERATING ACTIVITIES	6 months ended	
	30.06.2008 RM'000	30.06.2007 RM'000 (Restated)
Net profit before taxation from:		
Continuing operations	154,559	504,055
Adjustments for :		
Non-cash items	19,791	18,932
Non-operating items	(43,997)	(410,222)
Operating profit before changes in working capital	130,353	112,765
Changes in working capital :		
Net change in current assets	(5,803)	(185,265)
Net change in current liabilities	(12,568)	392,315
Cash generated from operations	111,982	319,815
Net tax paid	(43,457)	(57,970)
Net cash generated from operating activities	68,525	261,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(3,179)	137,078
Equity Investments	(4,225)	(143,931)
Other investments	70,116	484,973
Interest paid	(6,645)	(28,291)
Interest income	22,301	28,787
	78,368	478,616
Net cash generated from investing activities	146,893	740,461
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of ordinary shares & RCULS	727,836	-
Borrowings	1,943,139	(262,852)
Payment of dividend to minority Interest	-	(117,396)
Acquisition of minority interest	(2,488,660)	(247,573)
Net cash generated from/(used in) financing activities	182,315	(627,821)
NET CHANGE IN CASH AND CASH EQUIVALENTS	329,208	112,640
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	440,598	858,168
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	769,806	970,808
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	817,463	1,049,471
Bank overdrafts	(4,536)	(25,996)
Cash held in trust accounts	(43,121)	(52,667)
	769,806	970,808

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2008

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	RETAINED PROFITS/ (ACCUMULATED LOSSES) RM'000	MINORITY INTEREST RM'000	TOTAL RM'000
At 1 January 2007	953,867	803,211	44,733	(403,189)	1,302,191	2,700,813
Prior year adjustments	-	-	-	(3,509)	-	(3,509)
At 1 January 2007 (restated)	953,867	803,211	44,733	(406,698)	1,302,191	2,697,304
Issue of new ordinary shares from warrant conversion	718	-	-	-	-	718
Profit for the period	-	-	-	291,014	137,851	428,865
Dividend	-	-	-	(34,842)	(234,792)	(269,634)
Exchange differences arising from translation of foreign currency financial statements	-	-	3	-	-	3
Changes in Group Structure	-	-	1,890	27	(106,908)	(104,991)
Increase in shareholding in subsidiary	-	-	-	-	(84,597)	(84,597)
At 30 June 2007	954,585	803,211	46,626	(150,499)	1,013,745	2,667,668
At 1 January 2008	954,586	803,211	44,663	26,940	807,805	2,637,205
Issue of new ordinary shares from warrant conversion	4,180	-	-	-	-	4,180
Profit/(Loss) for the year	-	-	-	98,929	(2,144)	96,785
Disposal of shares in subsidiaries	-	-	-	-	71,277	71,277
Acquisition of additional shares in subsidiaries	-	-	-	-	(19,394)	(19,394)
Capital reduction and repayment by a subsidiary company	-	-	-	-	(724,643)	(724,643)
Issuance of shares & RCULS by a subsidiary company	-	-	-	-	723,657	723,657
Exchange differences arising from translation of foreign currency financial statements	-	-	1,107	-	-	1,107
At 30 June 2008	958,766	803,211	45,770	125,869	856,558	2,790,174

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007.)

A EXPLANATORY NOTES PURSUANT TO FRS134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2008:

FRS 107 - Cash Flow Statement
 FRS 111 - Construction Contracts
 FRS 112 - Income Taxes
 FRS 118 - Revenue
 FRS 134 - Interim Financial Reporting
 FRS 137 - Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRS does not have significant financial impact on the Group.

A2 Auditors' Report on Preceding Annual Financial Statement

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

A3 Seasonal or Cyclical Factors

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

A4 Segmental Information

	3 months ended		6 months ended	
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
Segmental Revenue				
Gaming	695,227	734,744	1,429,358	1,501,326
Stockbroking	7,936	14,331	17,797	32,873
Financial Services	42,276	37,637	79,155	72,243
Corporate & others	13,734	5,685	31,100	11,488
	759,173	792,397	1,557,410	1,617,930
Eliminations	(4,956)	(783)	(5,739)	(1,489)
	754,217	791,614	1,551,671	1,616,441
Segmental Results				
Gaming	10,759	76,728	47,955	369,533
Stockbroking	894	15,961	2,574	30,608
Financial Services	2,294	10,265	7,603	16,857
Corporate & others	59,507	56,674	96,427	87,057
	73,454	159,628	154,559	504,055
Profit before taxation				

A5 Accounting Estimates

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

A6 Dividends Paid

There was no payment of dividend in the current quarter.

A7 Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A8 Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the second quarter except for the followings:-

- (i) The Company has fully redeemed all the remaining RM121.52 million nominal value of the Exchangeable Bonds ("EB"), by way of exchange for 40,238,406 Magnum Corporation Berhad ("MCB") shares at RM3.02 per share.
- (ii) The Company has utilised part of the proceeds from MCB's privatisation to repay RM262.86 million debts.
- (iii) 4,179,527 ordinary shares were issued pursuant to the exercise of 2004/2009 warrants at exercise price of RM1.00 per share. As at 30 June 2008, the number of warrants 2004/2009 remaining unexercised was 195,100,376.

A9 Contingent Liabilities

As at 27 August 2008, the Board is not aware of any material contingent liabilities which have become enforceable or are likely to become enforceable which will effect the ability of the Company or any of its subsidiaries to meet its obligations as and when they fall due other than the following where in the normal course of business, the gaming, insurance and stockbroking subsidiary companies make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

A10 Material Subsequent Events

There were no material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report.

A11 Changes in Composition of the Group

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

A12 Goodwill on Consolidation

The capital reduction and repayment exercise of MCB has resulted in a significant increase in the goodwill on consolidation.

A13 Unusual Items Affecting Interim Financial Report

There were no unusual items affecting the interim financial report of the Group for the current quarter under review.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of Performance

The Group's profit before taxation and minority interest of RM154.56 for the period ended 30 June 2008 was 69% lower than RM504.06 million achieved in the previous corresponding financial period. Non-recurring gains on disposal of property and quoted investments within the Group contributed to the higher results in the previous corresponding period.

The Gaming Division recorded a profit before taxation and minority interest of RM47.96 million which was substantially lower compared with RM369.53 million in the corresponding period last year. The decrease was mainly due to lower gaming sales, higher prizes payout ratio and losses incurred by investment holding activities. Included in the profit reported in previous corresponding period were non-recurring gains on disposals of property and quoted investments.

The Stockbroking Division posted a profit before taxation of RM2.57 million as compared to RM30.61 million in the previous corresponding financial period. Poor stock market performance in the first half year has resulted in lower trading volume.

Profit before taxation of the Financial Service Division at RM7.60 million was lower than RM16.86 million registered in the previous corresponding financial period. The decrease was mainly due to higher claims experienced in the medical and motor class as well as poor investment climate which has adversely affected the investment portfolio.

B2 Comment on Material Change in Profit Before Taxation

The Group's profit before taxation for the current quarter of RM73.45 million was lower when compared to RM81.11 million in the immediate preceding quarter. The decline in the results was mainly due to lower profit from gaming division.

B3 Prospects for 2008

In spite of the current challenging business environment, the Group hopes to maintain the current satisfactory performance for the year.

B4 Profit Forecast and Profit Guarantee

There were no profits forecast or profits guarantee issued by the Company.

B5 Income Tax Expense

	3 months ended		6 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	30,867	28,126	57,774	77,692
Foreign tax	-	11	-	11
	<u>30,867</u>	<u>28,137</u>	<u>57,774</u>	<u>77,703</u>
Overprovision of Malaysian income tax in prior years	-	(1,689)	-	(2,384)
	<u>30,867</u>	<u>26,448</u>	<u>57,774</u>	<u>75,319</u>
Deferred tax	-	(129)	-	(129)
Total income tax expense	<u>30,867</u>	<u>26,319</u>	<u>57,774</u>	<u>75,190</u>

The effective tax rate for the period under review was higher than the statutory tax rate, due to certain expenses and provisions not deductible for tax purpose.

B6 Sale of unquoted investments and/or properties

The gains on disposal of unquoted investments and property for the current period and financial period to-date year are as follows:

	3 months ended 30.06.2008 RM'000	6 months ended 30.06.2008 RM'000
Net gain on disposal of unquoted investments	-	844

B7 Quoted Securities

(a) Total purchases and disposals of quoted securities for the current period and financial period to-date are as follows:

	3 months ended 30.06.2008 RM'000	6 months ended 30.06.2008 RM'000
Total purchases	9,625	9,638
Total sale proceeds	9,500	10,874
Total gain on disposal	330	1,016

(b) Total investments in quoted securities as at 30 June 2008 are as follows:

	RM'000
Total investments at cost	586,821
Total investments at carrying value/book value (after impairment loss)	227,619
Market value	431,664

(Note: Investments held by the stockbroking and insurance subsidiaries have not been disclosed under this Note.)

B8 Corporate Proposals

- a) **Proposed Issuance By Magnum Corporation Berhad ("MCB") of the following:-**
- (i) **Commercial Papers ("CP") Pursuant To A 7-Year CP Programme Of Up To RM800 million in nominal value; and**
 - (ii) **Medium Term Notes ("MTN") Pursuant To A 15-Year MTN Programme Of Up To RM800 Million In Nominal Value**
- (Both Programmes Having A Combined Limit Of RM800 Million In Nominal Value)**

MCB had on 19 June 2008 notified RAM Rating Services Bhd ("RAM") of MCB's decision not to proceed with the issuance of both the proposed CP Programme and MTN Programme after the completion of its selective capital reduction and repayment exercise on 17 June 2008.

RAM had in turn on 23 June 2008 released a press announcement on withdrawal ratings of MCB's proposed CP Programme and MTN Programme.

B8 Corporate Proposals (Con't)

b) Privatisation Proposals

- (i) Proposed privatisation of MCB ("Proposed Privatisation")
- (ii) Proposed transfer of Multi-Purpose Holdings Berhad's ("MPHB") entire equity interest in MCB to Magnum Holdings Sdn Berhad ("MH"), a joint venture company established by MPHB and Asia 4D Holdings Limited ("Asia 4D"), after the completion of the Proposed Privatisation ("Proposed Transfer")

The selective capital reduction and repayment exercise of MCB under Section 64 of the Companies Act, 1965 ("SCR") were completed on 17 June 2008. Immediately upon the completion of the SCR, MPHB had also completed the Proposed Transfer with the sale of 1,000 MCB shares held by MPHB to MHSB, representing the entire issue and paid-up share capital of MCB.

The entire issued and paid-up share capital of MCB was removed from the Official List of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. Wednesday, 2 July 2008.

- c) Implementation of Section 34A of the Securities Commission Act, 1993 pursuant to the offer by CIMB Investment Bank Berhad ("CIMB") on behalf of MCB for all the remaining ordinary shares of RM1.00 each in Magnum 4D Berhad ("M4D") ("M4D Shares") not already owned by MCB ("Offer Shares") for a consideration of RM3.00 per M4D Share ("Offer")

Pursuant to the requirements under Part II of the Malaysian Code on Take-Overs and Mergers, 1998, CIMB had served on behalf of MCB, a notice on the Board of M4D to inform M4D of MCB's intention to undertake the Offer.

MCB had, as at 13 June 2008, received acceptances from the holders of the Offer Shares resulting in them, together with its nominee or related corporation, holding more than 90% of the value of ordinary shares in M4D. Any holder of the Offer Shares who has not accepted the Offer may now exercise his rights pursuant to Section 34A of the Securities Commission Act 1993 ("SCA") by serving a notice on MCB to require MCB to acquire his Offer Shares on the same terms and conditions as set out in the offer document dated 5 June 2008 for the Offer, or such other terms as may be agreed.

Pursuant to Section 34A(2) of the SCA, MCB had on 1 July 2008 despatched to the holders of the Offer Shares who have not accepted the Offer, a notice in the manner prescribed under the Malaysian Code on Take-Overs and Mergers 1998 ("Notice"). Any holder of the Offer Shares who has not accepted the Offer may, within three (3) months from the date of the Notice, give notice to MCB that he requires MCB to acquire his Offer Shares.

B9 Borrowings

The Group's borrowings as at 30 June 2008 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term			
Bank Overdraft	2,777	1,759	4,536
Long Term			
Term Loan	2,200,000	-	2,200,000
Total	2,202,777	1,759	2,204,536

All the borrowings are denominated in Ringgit Malaysia.

B10 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk.

B11 Material Litigation

a) JB High Court Civil Suit Nos. 22-355,22-456 and 22-516

AA Anthony Securities Sdn Bhd ("AAAS") is currently engaged in legal proceedings as the defendant, whereby a remisier Ng Hong Chai is taking action against AAAS for alleged unfair suspension of his trading since 1994 and thereby resulting in his loss of income. The amount claimed by Ng Hong Chai for years 1995 to 1997 is RM5.8 million, while the amount subsequent to July 1997 had yet to be quantified.

The plaintiff's claims were dismissed by the High Court on 23 July 2004, 30 September 2004 and 29 August 2006. The plaintiff had filed appeals against the court decisions.

b) Sandakan High Court Suit No. S(22)-61 of 1995

Sandakan Turf Club ("STC") has filed a suit against a subsidiary of MCB for breach of the provisions of an Agreement dated 26 November 1987 between the parties. The amount claimed by STC amounted to RM13.0 million and the matter has been heard before the High Court at Sandakan in October 2000.

On 10 July 2003, the High Court had delivered the decision that the said subsidiary was only liable to pay the sum of RM238,271 and interest at 8% per annum for the special damages claimed. The claim for general damages was dismissed.

However, STC has filed Notice of Appeal ("Notice") to the Court of Appeal against the decision by the High Court in respect of its claim for general damages. On 27 August 2007, the Court of Appeal granted STC's application to file their supplementary records of appeal in three volumes. Currently, the hearing date has yet to be fixed.

c) Kuala Lumpur High Court Originating Petition No. D5-26-39-2004

On 14 May 2004, a petition was presented pursuant to Section 181 of the Companies Act 1965 ("Petition"). The Petition was served on MCB, Magnum 4D Berhad ("M4DB"), Magnum 4D (Perak) Sdn. Bhd. ("M4D Perak") and Longterm Profit Sdn. Bhd. ("LPSB") by Kejutaan Holdings Sdn. Bhd. ("Petitioner"). In the Petition, MCB, M4DB, M4D Perak, LPSB and the Directors of M4D Perak were cited as the Respondents. In December 2004, the Petition was amended to include a director of the Company, M4DB and LPSB as an additional Respondent.

The Petitioner has alleged that its interests in M4D Perak were oppressed by the Respondents and has sought for, inter alia, an order that MCB, M4DB and LPSB to jointly and severally acquire its shares in M4D Perak based on the valuation of a Court-appointed valuer.

On 10 March 2008, the High Court had dismissed the Petition against all the Respondents with costs. However, the Petitioner had on 17 March 2008 filed a Notice of Appeal in the Court of Appeal against the judgement of the High Court of 10 March 2008. The Record of Appeal was filed on 7 May 2008 and served on the solicitors of the Company on the same date. The hearing date has been fixed on 2 March 2009.

B12 Dividend

The Board of Directors is pleased to declare an interim dividend of 5 sen gross per share less tax for the financial year ending 31 December 2008 payable on a date to be determined later.

B13 Earnings Per Share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	3 months ended		6 months ended	
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
Net profit for the period	50,888	118,125	98,929	291,014
Weighted average number of ordinary shares in issue	954,799	954,267	954,799	954,267
Basic earnings per share (sen)	<u>5.3</u>	<u>12.4</u>	<u>10.3</u>	<u>30.5</u>

b) Fully diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of dilutive potential ordinary shares from conversion of 195,100,376 warrants (B) exercised at a price of RM1.00.

	3 months ended		6 months ended	
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
Net profit for the period	50,888	118,125	98,929	291,014
Adjustment for after tax effects of interest on exercise of warrants	<u>1,148</u>	<u>1,071</u>	<u>2,346</u>	<u>2,255</u>
	52,036	119,196	101,275	293,269
Weighted average number of ordinary shares in issue	954,799	954,267	954,799	954,267
Adjustment for assumed Weighted Average number exercise of Warrant B	<u>195,100</u>	<u>199,281</u>	<u>195,100</u>	<u>199,281</u>
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>1,149,899</u>	<u>1,153,548</u>	<u>1,149,899</u>	<u>1,153,548</u>
Fully diluted earnings per share (sen)	<u>4.5</u>	<u>10.3</u>	<u>8.8</u>	<u>25.4</u>

By Order Of The Board

Lim Kong Yow
COMPANY SECRETARY

27 August 2008