

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

INTERIM FINANCIAL STATEMENTS
for the first quarter ended 31 March 2009
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended	
	31-Mar 2009 RM'000	31-Mar 2008 RM'000 (Restated)
Revenue	831,201	797,068
Cost of sales	(645,780)	(651,999)
Gross profit	185,421	145,069
Other income	8,803	55,237
Administrative expenses	(19,536)	(19,741)
Other expenses	(26,565)	(45,621)
Operating profit	148,123	134,944
Finance costs	(42,580)	(4,502)
Share of profits of associates and jointly controlled entities	(137)	184
Profit before tax	105,406	130,626
Income tax expense	(28,303)	(25,418)
Profit for the period from continuing operations	77,103	105,208
Discontinued operations		
Loss for the period from discontinued operations	(2,211)	(51,010)
Profit for the period	74,892	54,198
Attributable to:		
Equity holders of the Company	45,024	48,041
Minority interests	29,868	6,157
	74,892	54,198
Earnings per share attributable to equity holders of the Company (sen):		
Basic, for profit from continuing operations	4.9	10.3
Basic, for loss from discontinued operations	(0.2)	(5.3)
Basic, for profit of the period	4.7	5.0
Diluted, for profit from continuing operations	n.a.	8.7
Diluted, for loss from discontinued operations	n.a.	(4.4)
Diluted, for profit of the period	n.a.	4.3

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	(UNAUDITED) AS AT 31.03.2009 RM'000	(AUDITED) AS AT 31.12.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	204,433	201,164
Land held for property development	18,372	-
Investment properties	540,121	541,074
Prepaid lease payments	3,943	3,955
Associated companies	104,372	104,509
Other investments	126,138	127,876
Intangible assets	2,890,884	2,890,463
Long term receivables	39,966	39,966
Deferred tax assets	125,485	136,332
	<u>4,053,714</u>	<u>4,045,339</u>
Current assets		
Inventories	5,797	6,297
Receivables	429,965	458,566
Tax recoverable	62,439	72,128
Short term deposits and investments	860,771	762,164
Cash and bank balances	122,933	59,013
	<u>1,481,905</u>	<u>1,358,168</u>
Assets of disposal group/Non-current assets classified as held for sale	241,337	242,332
	<u>1,723,242</u>	<u>1,600,500</u>
	<u>5,776,956</u>	<u>5,645,839</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,077,749	962,427
Treasury Shares	(82,431)	(50,871)
Reserves	957,702	952,961
Shareholders' equity	<u>1,953,020</u>	<u>1,864,517</u>
Minority interests	547,320	518,025
Total equity	<u>2,500,340</u>	<u>2,382,542</u>
Non-current liabilities		
Borrowings	2,098,122	2,095,381
Redeemable Convertible Unsecured Loan Stocks	514,185	524,607
Reserves for unexpired risks	72,507	72,452
Deferred tax liabilities	20,379	24,468
Provision for retirement benefits	653	653
	<u>2,705,846</u>	<u>2,717,561</u>
Current liabilities		
Payables	549,193	510,603
Borrowings	7,138	28,136
Tax payable	431	315
	<u>556,762</u>	<u>539,054</u>
Liabilities associated with assets classified as held for sale	14,008	6,682
	<u>570,770</u>	<u>545,736</u>
Total liabilities	<u>3,276,616</u>	<u>3,263,297</u>
TOTAL EQUITY AND LIABILITIES	<u>5,776,956</u>	<u>5,645,839</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>1.94</u>	<u>2.03</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2009

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS/ (ACCUMULATED LOSSES) RM'000	MINORITY INTERESTS RM'000	TOTAL RM'000
At 1 January 2008	954,586	803,211	44,663	-	26,940	807,805	2,637,205
Profit for the period	-	-	-	-	48,041	6,157	54,198
Acquisition of additional shares in subsidiaries	-	-	-	-	-	(7,849)	(7,849)
Disposal of shares in subsidiary	-	-	-	-	-	31,118	31,118
Exchange differences arising from translation of foreign currency financial statements	-	-	2,826	-	-	2,530	5,356
At 31 March 2008	954,586	803,211	47,489	-	74,981	839,761	2,720,028
At 1 January 2009	962,427	803,211	44,652	(50,871)	105,098	518,025	2,382,542
Issue of new ordinary shares from warrant conversion	115,322	-	-	-	-	-	115,322
Profit for the period	-	-	-	-	45,024	29,868	74,892
Dividend paid	-	-	-	-	(30,152)	-	(30,152)
Repurchase of own shares	-	-	-	(31,560)	-	-	(31,560)
Change in fair value of securities available-for-sale (Note 1)	-	-	(2,670)	-	-	(573)	(3,243)
Exchange differences arising from translation of foreign currency financial statements	-	-	(7,461)	-	-	-	(7,461)
At 31 March 2009	1,077,749	803,211	34,521	(82,431)	119,970	547,320	2,500,340

Note 1: Unrealised loss on investments held by insurance subsidiary classified as Available for Sale. This new valuation basis for securities is in accordance with Bank Negara's guidelines under the Risk Base Capital Framework which was effective from 1 January 2009.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2009

	3 months ended	
	31.03.2009 RM'000	31.03.2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
Continuing operations	105,406	130,626
Discontinued operations	(2,131)	(49,521)
	<u>103,275</u>	<u>81,105</u>
Adjustments for:		
Non-cash items	4,467	9,367
Non-operating items	32,481	(4,688)
	<u>140,223</u>	<u>85,784</u>
Operating profit before changes in working capital		
Changes in working capital:		
Net change in current assets	12,119	(2,787)
Net change in current liabilities	38,942	(59,263)
	<u>191,284</u>	<u>23,734</u>
Cash generated from operations		
Dividend paid	(30,152)	-
Net tax paid	(11,740)	(13,853)
	<u>149,392</u>	<u>9,881</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(6,649)	(1,026)
Equity Investments	-	(26,046)
Other and short term investments	(50,282)	32,226
Interest paid	(42,580)	(4,958)
Interest income	8,454	9,176
	<u>(91,057)</u>	<u>9,372</u>
Net cash (used in)/generated from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of treasury shares	(31,560)	-
Proceeds from conversion of warrants	115,322	-
Borrowings	(26,000)	6,000
	<u>57,762</u>	<u>6,000</u>
Net cash generated from financing activities		
Effect of exchange rate changes on cash and cash equivalents	-	5,356
	<u>116,097</u>	<u>30,609</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>468,940</u>	<u>440,598</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>585,037</u></u>	<u><u>471,207</u></u>
Cash and cash equivalents consist of:		
Deposits, cash and bank balances	628,048	533,933
Bank overdrafts	(7,138)	(6,906)
Cash held in trust accounts	(35,873)	(55,820)
	<u>585,037</u>	<u>471,207</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008.)

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 Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Chapter 9 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 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008. The Group has not adopted the following FRSs and Issues Committee ("IC") Interpretations that were issued but not yet effective:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretations 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretations 10 : Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2008 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

	Segmental Revenue 3 months ended		Profit before tax 3 months ended	
	31.03.2009 RM'000	31.03.2008 RM'000	31.03.2009 RM'000	31.03.2008 RM'000
Gaming	767,930	733,745	85,795	86,717
Stockbroking	5,376	9,861	2,623	890
Financial services	44,414	36,879	(793)	5,309
Corporate & others	14,899	17,366	32,873	37,710
	<u>832,619</u>	<u>797,851</u>	<u>120,498</u>	<u>130,626</u>
Eliminations	(1,418)	(783)	(15,092)	-
Continuing operations	<u>831,201</u>	<u>797,068</u>	<u>105,406</u>	<u>130,626</u>
Discontinued operations	-	386	(2,131)	(49,521)
Total	<u>831,201</u>	<u>797,454</u>	<u>103,275</u>	<u>81,105</u>

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

During the current financial period ended 31 March 2009, the following dividend was paid:

RM'000

- a) In respect of the financial year ending 31 December 2009:
- Interim dividend of 4 sen, less 25% tax paid on 25 March 2009

30,152

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 were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter except for the following:

- (i) 115,321,779 ordinary shares of RM1.00 each were issued pursuant to the exercise of 2004/2009 warrants at exercise price of RM1.00 per share. Prior to the maturity date to the exercise of 2004/2009 on 26 February 2009, the total number of exercised warrants was 123,882,216 representing 61.94% of the total warrants issued.
- (ii) At the Annual General Meeting (AGM) of the Company held on 19 June 2008, the shareholders of the Company had renewed the share buy-back mandate for the Company to purchase up to 10% of the issued and paid-up share capital. The mandate will expire at the next AGM.

During the current quarter, the Company purchased 28,590,300 of its own issued ordinary shares from open market at an average price of RM1.103 per share. The total consideration paid for the purchases including transaction costs was RM31,560,071 and these were financed by internally generated funds. The purchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A9 Contingent Liabilities

As at 26 May 2009, 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 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 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 from continuing operations for current quarter of RM 105.41 million was 19% lower than RM130.63 million achieved in the previous corresponding quarter. Exceptional gains arising from the exchangeable bonds conversion has contributed to the higher profit in the previous corresponding financial period.

The Gaming Division reported a higher profit before taxation and minority interest of RM 83.66 million as compared with RM37.20 million in the previous corresponding period. The significant increase is contributed by a higher gaming sales and lower prizes payout ratio. Losses incurred by investment holding activities has resulted a lower profit in the corresponding previous quarter.

The Stockbroking Division posted a profit before taxation of RM 2.62 million as compared to the profit before taxation of RM0.89 million in the previous corresponding financial period. The favourable results was due to the gain on disposal of investments and write back of provisions.

The Financial Service Division reported a loss before taxation of RM 0.79 million as compared to a profit of RM5.31 million registered in the previous corresponding financial period. The adverse results was mainly due to higher claims incurred.

B2 Comment on Material Change in Profit Before Taxation

The Group recorded a profit before taxation for the current quarter of RM 105.41 million as compared to RM 67.56 million in the immediate preceding quarter. The lower profit in preceding quarter was mainly due to provision of diminution in the value of investments.

B3 Prospects for 2009

The Group will strive to maintain its satisfactory performance despite the continuing economic uncertainties arising from the global financial crisis.

B4 Profit Forecast and Profit Guarantee

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

B5 Income Tax Expense

	3 months ended	
	31.03.2009 RM'000	31.03.2008 RM'000
Current tax:		
Malaysian income tax	21,727	25,418
Foreign tax	-	-
	<u>21,727</u>	<u>25,418</u>
Overprovision of Malaysian income tax in prior years	-	-
	<u>21,727</u>	<u>25,418</u>
Deferred tax	6,576	-
Total income tax expense	<u>28,303</u>	<u>25,418</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

There were no sales of unquoted investments and properties for the period under review.

B7 Quoted Securities

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

	3 months ended 31.03.2009 RM'000
Total purchases	3,033
Total sale proceeds	5,562
Total gain on disposal	<u>791</u>

(b) Total investments in quoted securities as at 31 March 2009 are as follows:

	RM'000
Total investments at cost	563,290
Total investments at carrying value	163,729
Market value	<u>175,742</u>

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

B8 Corporate Proposals

There were no corporate proposals announced.

B9 Borrowings

The Group's borrowings as at 31 March 2009 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term			
Bank Overdraft	2,278	4,860	7,138
Long Term			
Term Loan	2,098,122	-	2,098,122
Total	<u>2,100,400</u>	<u>4,860</u>	<u>2,105,260</u>

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) Kota Kinabalu High Court Suit No. S(22)-61 of 1995

Sandakan Turf Club ("STC") has filed a suit against a subsidiary of MCSB 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. The appeal was heard on 13 April 2009 and 14 April 2009. However, the Court of Appeal reserved their judgment and decision to a date is yet to be fixed.

b) 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 subsidiaries of the Company, Magnum Corporation Sdn. Bhd. ("MCSB"), 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, MCSB, 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 MCSB, 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 MCSB, 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 on 10 March 2008. On 4 March 2009, the Court of Appeal heard part submissions by counsel for the Petitioner and adjourned the Appeal for continued hearing on 22 April 2009, 23 April 2009 and 24 April 2009. The Registry of Court of Appeal had on 17 April 2009 notified that the Appeal for continued hearing has been postponed to 25 May 2009, 26 May 2009 and 27 May 2009.

On 26 May 2009, the Court of Appeal has upheld the decision of the High Court in dismissing the petition against all the Respondents with costs.

c) Kuala Lumpur High Court Suit No. S1-22-946-2008

On 6 October 2008, Leisure Dotcom Sdn Bhd ("LDSB"), a subsidiary of the Company, commenced legal proceedings against Globesource Sdn Bhd ("GSB") claiming for, amongst others, specific performance for delivery of a piece of freehold land and 2 leases in Kuala Lumpur ("Property") pursuant to a conditional sale and purchase agreement entered into between LDSB and GSB ("SPA") on 21 June 2007. Pursuant to the SPA, GSB is to sell and LDSB is to purchase the freehold land and 2 Leases in Kuala Lumpur for a total consideration of RM72,162,000.00 ("Purchase Price"). Upon execution of the SPA, LDSB paid a deposit of RM7,216,200.00 representing 10% of the Purchase Price.

The sealed copy of the Writ indorsed with Statement of Claim was served on GSB's solicitors on 21 November 2008. On 25 November 2008, GSB's solicitors entered appearance on behalf of GSB. On 19 December 2008, LDSB filed an application for interlocutory injunction to restrain GSB, among others, from dealing with the Property ("Injunction Application"). On 19 February 2009, GSB's solicitors served a copy of GSB's defence and counterclaim on LDSB's solicitors. On 6 March 2009, the Kuala Lumpur High Court granted an ad interim injunction against GSB. LDSB filed its reply and defence to counterclaim on 15 April 2009. The injunction application is now fixed for mention on 15 July 2009.

B12 Dividends

The Board of Directors does not recommend the payment of dividend for the current financial period ended 31 March 2009.

B13 Earnings Per Share

a) Basic earnings per share

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

	3 months ended	
	31.03.2009	31.03.2008
	RM'000	RM'000
Profits from continuing operations	47,415	99,051
Loss from discontinued operations	<u>(2,211)</u>	<u>(51,010)</u>
Profit for the period	<u>45,204</u>	<u>48,041</u>
Weighted average number of ordinary share in issue	970,209	954,586
Basic earnings per share for (sen)		
Profits from continuing operations	4.9	10.3
Loss from discontinued operations	<u>(0.2)</u>	<u>(5.3)</u>
Profit for the period	<u>4.7</u>	<u>5.0</u>

B13 Earnings Per Share (cont'd)

b) Fully diluted earnings per share

This is not applicable for the current quarter as the balance of 76,117,784 unconverted warrants (B) has expired on 26 February 2009.

For the purpose of calculating diluted earnings per share in the previous year corresponding quarter, the profit for the period attributable to ordinary equity holders of the Company 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 199,279,903 warrants (B) exercised at a price of RM1.00.

	3 months ended 31.03.2008 RM'000
Profit from continuing operations	99,051
Loss from discontinued operations	<u>(51,010)</u>
Profit for the period	<u>48,041</u>
Adjustment for after tax effects of interest on exercise of warrants	<u>1,198</u>
	<u>97,280</u>
Weighted average number of ordinary shares in issue	954,586
Adjustment for assumed Weighted Average number exercise of Warrant B	<u>199,280</u>
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>1,153,866</u>
Fully diluted earnings per share (sen)	
Profit from continuing operations	8.7
Loss from discontinued operations	<u>(4.4)</u>
Profit for the period	<u>4.3</u>

By Order Of The Board

Lim Kong Yow
COMPANY SECRETARY

26 May 2009