



MULTI-PURPOSE

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

**INTERIM FINANCIAL STATEMENTS**  
for the year ended 31 December 2010  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		12 months ended	
	31-Dec 2010 RM'000	31-Dec 2009 RM'000 (Restated)	31-Dec 2010 RM'000	31-Dec 2009 RM'000 (Restated)
<b>Continuing operations</b>				
Revenue	901,851	873,668	3,616,534	3,322,126
Cost of sales	(701,193)	(670,402)	(2,825,823)	(2,633,050)
Gross profit	200,658	203,266	790,711	689,076
Other income	31,248	89,260	104,464	222,884
Administrative expenses	(23,708)	(24,012)	(73,878)	(71,943)
Other expenses	(37,638)	(64,224)	(162,519)	(160,232)
<b>Operating profit</b>	170,560	204,290	658,778	679,785
Finance costs	(25,242)	(40,776)	(118,414)	(163,040)
Share of profits of associates	1,415	1,545	4,510	3,014
<b>Profit before tax</b>	146,733	165,059	544,874	519,759
Income tax expense	(25,868)	(26,450)	(97,802)	(76,514)
<b>Profit for the period/year from continuing operations</b>	120,865	138,609	447,072	443,245
<b>Discontinued operations</b>				
Profit/(Loss) for the period/year from discontinued operations	-	(33,809)	1,857	(38,438)
<b>Profit for the period/year</b>	120,865	104,800	448,929	404,807
<b>Attributable to:</b>				
Equity holders of the Company	88,464	104,746	303,292	327,903
Minority interests	32,401	54	145,637	76,904
<b>Profit for the period/year</b>	120,865	104,800	448,929	404,807
<b>Earnings per share attributable to equity holders of the Company (sen):</b>				
Basic, for profit from continuing operations	8.2	13.3	28.0	34.8
Basic, for profit/(loss) from discontinued operations	-	(3.2)	0.2	(3.6)
Basic, for profit of the period/year	8.2	10.1	28.2	31.2
<b>Profit for the period/year</b>	120,865	104,800	448,929	404,807
<b>Other comprehensive income</b>				
Foreign currency translation	-	-	2	-
Change in fair value of available-for-sale ("AFS") assets	(4,433)	-	2,496	-
<b>Total comprehensive income for the period/year</b>	116,432	104,800	451,427	404,807
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	84,052	104,746	305,873	327,903
Minority interests	32,380	54	145,554	76,904
<b>Total comprehensive income for the period/year</b>	116,432	104,800	451,427	404,807

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	(UNAUDITED) AS AT 31.12.2010 RM'000	(AUDITED) AS AT 31.12.2009 RM'000 (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	192,468	198,270
Prepaid lease payments	448	-
Investment properties	642,752	640,750
Associated companies	106,621	106,343
AFS assets	200,575	90,794
Held to maturity investments	5,000	5,000
Intangible assets	2,892,365	2,891,863
Long term receivables	33,533	33,833
Deferred tax assets	110,867	120,533
	<u>4,184,629</u>	<u>4,087,386</u>
<b>Current assets</b>		
Inventories	5,201	5,344
Receivables	416,394	443,236
Tax recoverable	163,617	103,835
AFS assets	269,189	146,658
FVTPL assets	251,257	234,320
Short term deposits	541,248	754,030
Cash and bank balances	123,738	51,699
	<u>1,770,644</u>	<u>1,739,122</u>
<b>TOTAL ASSETS</b>	<u><b>5,955,273</b></u>	<u><b>5,826,508</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,077,749	1,077,749
Treasury Shares	(17,657)	(12,117)
Reserves	1,310,617	1,100,460
<b>Shareholders' equity</b>	<u>2,370,709</u>	<u>2,166,092</u>
Minority interests	556,922	439,366
<b>Total equity</b>	<u>2,927,631</u>	<u>2,605,458</u>
<b>Non-current liabilities</b>		
Borrowings	1,715,453	1,991,299
Redeemable Convertible Unsecured Loan Stocks	437,276	482,274
Reserves for unexpired risks	94,951	81,572
Deferred tax liabilities	18,104	22,498
Derivative liabilities	16,885	-
Provision for retirement benefits	679	659
	<u>2,283,348</u>	<u>2,578,302</u>
<b>Current liabilities</b>		
Payables	715,076	635,180
Borrowings	8,172	314
Tax payable	21,046	7,254
	<u>744,294</u>	<u>642,748</u>
<b>Total liabilities</b>	<u>3,027,642</u>	<u>3,221,050</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>5,955,273</b></u>	<u><b>5,826,508</b></u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<u>2.22</u>	<u>2.02</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	MINORITY INTERESTS RM'000	TOTAL RM'000
<b>At 1 January 2009</b>	962,427	803,211	44,652	(50,871)	105,098	518,025	2,382,542
Issue of ordinary shares arising from conversion of warrants	115,322	-	-	-	-	-	115,322
Profit for the year	-	-	-	-	327,903	76,904	404,807
Dividends paid	-	-	-	-	(67,585)	(53,922)	(121,507)
Purchase of treasury shares	-	-	-	(83,067)	-	-	(83,067)
Distribution of treasury shares	-	(121,821)	-	121,821	-	-	-
Accretion of interest in subsidiaries	-	-	-	-	6,622	(6,622)	-
Acquisition of additional shares in subsidiaries	-	-	-	-	-	(60,850)	(60,850)
Dissolution of subsidiary	-	-	-	-	-	(6)	(6)
Minority interests of subsidiaries	-	-	-	-	-	(35,024)	(35,024)
Change of fair value of securities available-for-sale ("AFS") (Note 1)	-	-	869	-	-	-	869
Effect of adopting Risk-Based Capital Framework	-	-	-	-	1,511	861	2,372
<b>At 31 December 2009</b>	<b>1,077,749</b>	<b>681,390</b>	<b>45,521</b>	<b>(12,117)</b>	<b>373,549</b>	<b>439,366</b>	<b>2,605,458</b>
<b>At 1 January 2010</b>	<b>1,077,749</b>	<b>681,390</b>	<b>45,521</b>	<b>(12,117)</b>	<b>373,549</b>	<b>439,366</b>	<b>2,605,458</b>
Effect arising from adoption of FRS 139	-	-	-	-	(23,621)	(19,331)	(42,952)
Profit for the year	-	-	-	-	303,292	145,637	448,929
Dividends paid	-	-	-	-	(72,095)	(7,669)	(79,764)
Purchase of treasury shares	-	-	-	(5,540)	-	-	(5,540)
Total comprehensive income for the year	-	-	2,581	-	-	(83)	2,498
Acquisition of additional shares in a subsidiary	-	-	-	-	-	(138)	(138)
Disposal of subsidiary	-	-	-	-	-	(860)	(860)
<b>At 31 December 2010</b>	<b>1,077,749</b>	<b>681,390</b>	<b>48,102</b>	<b>(17,657)</b>	<b>581,125</b>	<b>556,922</b>	<b>2,927,631</b>

Note 1: Unrealised gain on investments held by insurance subsidiary classified as Available for Sale. This new valuation 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 2009.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2010

	12 months ended	
	31-Dec 2010 RM'000	31-Dec 2009 RM'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation from:		
Continuing operations	544,874	519,759
Discontinued operations	1,857	(38,365)
	<u>546,731</u>	<u>481,394</u>
Adjustments for:		
Non-cash items	(6,554)	(7,300)
Non-operating items	52,812	19,094
	<u>592,989</u>	<u>493,188</u>
Operating profit before changes in working capital		
Changes in working capital:		
Net change in current assets	30,124	272,034
Net change in current liabilities	34,900	2,824
	<u>658,013</u>	<u>768,046</u>
Cash generated from operations		
Income tax paid	(138,520)	(87,181)
Retirement benefit paid	(684)	(1,209)
	<u>518,809</u>	<u>679,656</u>
<b>Net cash generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment	(21,424)	(124,384)
Equity Investments	3,862	(77,482)
Other and short term investments	(209,950)	136,135
Interest paid	(118,414)	(163,040)
Interest income	42,187	38,150
	<u>(303,739)</u>	<u>(190,621)</u>
<b>Net cash used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(72,095)	(67,585)
Dividends paid to minority interests	(7,669)	(53,922)
Repurchase of treasury shares	(5,540)	(83,066)
Proceeds from conversion of warrants	-	115,322
Borrowings	(281,500)	(136,000)
	<u>(366,804)</u>	<u>(225,251)</u>
<b>Net cash used in financing activities</b>		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(151,734)</u>	<u>263,784</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	-	(56)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<u>732,668</u>	<u>468,940</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u><u>580,934</u></u>	<u><u>732,668</u></u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	664,986	805,729
Bank overdrafts	(4,672)	(314)
Cash deposits pledged	(33,066)	(25,241)
Clients' money held in trust	(41,152)	(42,741)
Remisiers' deposits held in trust	(5,162)	(4,765)
	<u>580,934</u>	<u>732,668</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009.)

## A EXPLANATORY NOTES PURSUANT TO FRS134

### A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Main Market 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 financial year ended 31 December 2009.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2009 except for the mandatory adoption of the following new FRS, Amendments to FRS and Interpretations with effect from 1 January 2010.

#### Adoption of New and Revised FRS, IC Interpretations and Amendments

FRS 4 Insurance Contracts  
FRS 7 Financial Instruments: Disclosures  
FRS 101 Presentation of Financial Statements (Revised)  
FRS 139 Financial Instruments: Recognition and Measurement  
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards  
Amendments to FRS 7 Financial Instruments: Disclosures  
Amendments to FRS 8 Operating Segments  
Amendments to FRS 107 Statement of Cash Flows  
Amendments to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors  
Amendments to FRS 110 Events after the Reporting Period  
Amendments to FRS 116 Property, Plant and Equipment  
Amendments to FRS 117 Leases  
Amendments to FRS 118 Revenue  
Amendments to FRS 119 Employee Benefits  
Amendments to FRS 123 Borrowing Costs  
Amendments to FRS 127 Consolidated and Separate Financial Statements  
Amendments to FRS 128 Investments in Associates  
Amendments to FRS 132 Financial Instruments: Presentation  
Amendments to FRS 134 Interim Financial Reporting  
Amendments to FRS 136 Impairment of Assets  
Amendments to FRS 139 Financial Instruments: Recognition and Measurement  
Amendments to FRS 140 Investment Property  
Improvements to FRS issued in 2009  
IC Interpretation 9 Reassessment of Embedded Derivatives  
IC Interpretation 10 Interim Financial Reporting and Impairment  
IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions  
IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRS and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

#### (a) FRS 101: Presentation of Financial Statements (Revised)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of an income statement, a balance sheet, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of comprehensive income, a statement of financial position, a statement of changes in equity, statement of cash flows and notes to the financial statements.

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. This standard does not have any impact on the financial position and results of the Group.

**A1 Basis of Preparation (cont'd.)**

**(b) FRS 139: Financial Instruments - Recognition and Measurement**

FRS 139 requires financial instruments to be recorded initially at fair value. Subsequent measurement of the financial instruments at the statement of financial position date reflects the designation of financial instruments. There were no significant changes to the interim financial report other than below:

**Financial Assets**

**(i) Fair value through profit or loss ("FVTPL")**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Prior to 1 January 2010, these assets were carried at the lower of cost and market value. Under FRS 139, financial assets at FVTPL are carried in the statement of financial position at fair value with gains or losses recognised in the statement of comprehensive income.

**(ii) Loan and receivables**

Prior to the adoption of FRS 139, loans and receivables were stated at cost less provision for doubtful debts. With the adoption of FRS, loan and receivables are initially measured at fair value and subsequently at amortised costs using effective interest rate method. The amortisation of effective interest rate is recognised in the statement of comprehensive income.

**(iii) Available-for-sale**

Prior to the adoption of FRS 139, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in profit and loss and with unrealised gains or losses recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the profit and loss or determined to be impaired, at which time the cumulative loss is recognised in the profit and loss and removed from the AFS reserve.

**(iv) Held-to-maturity**

Prior to 1 January 2010, held-to-maturity financial assets such as non-derivative financial assets with fixed or determinable payments and fixed maturities were accounted for at cost less impairment losses. Under FRS 139, held-to-maturity financial asset is initially measured at fair value and subsequently at amortised cost using the effective interest rate method, less any impairment loss. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortization or accretion process.

**Financial Liabilities**

**(i) Borrowings**

Prior to 1 January 2010, borrowings were stated at the proceeds received less direct attributable transaction costs. Under FRS139, borrowings are initially measured at fair value including direct attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or through the amortisation process.

**(ii) Derivative Financial Instruments**

Prior to 1 January 2010, derivatives were not recognised in the financial statements. Under FRS 139, derivatives are required to be initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivatives that do not qualify for hedge accounting are classified at fair value through profit and loss with any gains or losses arising from changes in fair value on these derivatives being recognised in the profit or loss.

**A1 Basis of Preparation (cont'd.)**

**(c) Amendment to FRS 117: Leases**

The Amendment clarifies the classification of leasehold land and buildings and an entity is to reassess the classification of each asset as a finance lease or an operating lease based on the extent of risks and rewards associated with the asset. Leasehold land and buildings which in substance are finance leases will be reclassified to property, plant and equipment. The adoption of this Amendment will result in a change in the accounting policy which is applied retrospectively in accordance with the transitional provisions. The leasehold land and buildings within the Group has been reclassified to property, plant and equipment with no impact to the profit and loss of the Group. However, the comparative balances as at 31 December 2009 have been restated as a result of the reclassification as shown below:

31 December 2009	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Property, plant and equipment	194,364	3,906	198,270
Prepaid lease payments	3,906	(3,906)	-

**A2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2009 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		12 months ended	
	31.12.2010 RM'000	31.12.2009 RM'000 (Restated)	31.12.2010 RM'000	31.12.2009 RM'000 (Restated)
<b>Segmental Revenue</b>				
Gaming	816,536	779,758	3,303,225	3,021,712
Stockbroking	7,715	7,709	29,052	32,593
Financial services	61,653	49,280	225,271	190,677
Corporate & others	18,110	40,859	66,586	361,779
	<u>904,014</u>	<u>877,606</u>	<u>3,624,134</u>	<u>3,606,761</u>
Eliminations	(2,163)	(3,938)	(7,600)	(284,635)
Continuing operations	<u>901,851</u>	<u>873,668</u>	<u>3,616,534</u>	<u>3,322,126</u>
Discontinued operations	-	211	-	1,162
Total	<u>901,851</u>	<u>873,879</u>	<u>3,616,534</u>	<u>3,323,288</u>
<b>Segmental Results</b>				
Gaming	90,055	45,763	381,461	245,622
Stockbroking	5,094	3,702	12,107	21,141
Financial services	19,341	16,857	60,358	44,910
Corporate & others	46,122	294,173	155,054	688,125
	<u>160,612</u>	<u>360,495</u>	<u>608,980</u>	<u>999,798</u>
Eliminations	(13,879)	(195,436)	(64,106)	(480,039)
Continuing operations	<u>146,733</u>	<u>165,059</u>	<u>544,874</u>	<u>519,759</u>
Discontinued operations	-	(33,963)	1,857	(38,365)
Profit Before Taxation	<u>146,733</u>	<u>131,096</u>	<u>546,731</u>	<u>481,394</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 Dividend Paid**

During the financial year ended 31 December 2010, the following dividends were paid:

	RM'000
a) In respect of the financial year ended 31 December 2009 Final dividend of 5 sen less 25% tax was paid on 15 July 2010	<u>40,053</u>
b) In respect of the financial year ended 31 December 2010 Interim dividend of 4 sen less 25% tax was paid on 29 March 2010	<u>32,042</u>

**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 except for the following:

At the Annual General Meeting ("AGM") of the Company held on 22 June 2010, 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.

There was no further share-buy-back during the current quarter under review. As at 31 December 2010, the Company had repurchased a total of 2,890,600 ordinary shares of its issued share capital from the open market at an average cost of RM1.92 per share. The total consideration paid for the purchases including transaction costs was RM5,539,778 and were financed by internally generated funds. The repurchased shares together with purchases prior to 1 January 2010 amounting to 7,537,431 shares were held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 31 December 2010, the Company held as treasury shares a total of 10,428,031 of its 1,077,748,654 issued ordinary shares at a carrying amount of RM17,656,331.

**A9 Contingent Liabilities**

As at 23 February 2011, the Board is not aware of any other material contingent liabilities which have become enforceable or are likely to become enforceable which will affect 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, whereby the 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 other material subsequent events except as disclosed in Note B8 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 of the Group**

**Current quarter to previous corresponding quarter**

The profit before taxation and minority interests from the continuing operations at RM146.7 million for the current quarter was 11.1% lower than the profit before taxation and minority interests of RM165.1 million achieved in the previous corresponding financial quarter. In the absence of non-recurring exceptional items in the Corporate and others Division recorded in the previous corresponding period, the Gaming, Stockbroking and Financial Services Divisions have recorded improved results in the current quarter.

Gaming Division achieved a profit before taxation of RM90.1 million in the current quarter which is 96.7% higher than the profit before taxation of RM45.8 million recorded in the previous corresponding period. Higher gaming sales, lower payout ratio and lower finance cost have contributed primarily to the increase in the results.

The pretax profit of the Financial Services Division has increased by 14.2% to RM19.3 million from the pretax profit of RM16.9 million recorded in the previous corresponding period. This is mainly due to improved underwriting performance as a result of tightening of underwriting especially in the non-performing classes and greater emphasis on risk management of the insurance business.

The Stockbroking Division recorded a profit before taxation of RM5.1 million, which is 37.8% higher than the profit before taxation of RM3.7 million achieved in the previous corresponding period. This is mainly due to increase in proprietary trading income and gain on fair value adjustment on investments.

**Current year to previous corresponding year**

For year ended 31 December 2010, the Group's profit before taxation and minority interests from continuing operations have increased by 4.8% to RM544.9 million from RM519.8 million recorded in the previous corresponding financial year. Besides the drop in the results of the Stockbroking Division and the absence of non-recurring exceptional items, the other Divisions registered improvement in the current year.

In spite of the increase in the Pool Betting Duty in June 2010, the profit before taxation of the Gaming Division increased by 55.3% to RM381.5 million from RM245.6 million in 2009. The achievement is largely due to the launch of the 4D Jackpot game in September 2009, lower prizes payout ratios and reduced finance costs as a result of the prepayment of term loans.

The Financial Services Division has recorded higher profit before taxation of RM60.4 million which is 34.5% higher than the profit before taxation of RM44.9 million in the previous year due to reasons mentioned above.

**B2 Comment on Material Change in Profit Before Taxation**

**Current quarter to preceding quarter**

The Group recorded a profit before taxation of RM146.7 million for the current quarter which is RM8.6 million higher than RM138.1 million achieved in the immediate preceding quarter. The improvement is mainly due to higher contributions from Gaming, Financial Services and Corporate & Others Divisions.

**B3 Prospects for 2011**

The Group remains confident of achieving satisfactory results in the year ahead. With the impending completion of the proposed acquisition of the remaining 49% equity interest in Magnum Holdings Sdn Bhd ("Magnum") and assets rationalisation programme, the performance of the Group will be further enhanced.

**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		12 months ended	
	31.12.2010 RM'000	31.12.2009 RM'000 (Restated)	31.12.2010 RM'000	31.12.2009 RM'000 (Restated)
Current tax:				
Malaysian income tax	28,314	20,618	87,673	56,857
Foreign tax	-	-	-	-
	<u>28,314</u>	<u>20,618</u>	<u>87,673</u>	<u>56,857</u>
Overprovision of Malaysian income tax in prior years	(4,970)	3,631	(3,351)	5,458
	<u>23,344</u>	<u>24,249</u>	<u>84,322</u>	<u>62,315</u>
Deferred tax	2,524	2,201	13,480	14,199
Total income tax expense	<u>25,868</u>	<u>26,450</u>	<u>97,802</u>	<u>76,514</u>

The effective tax rate for the period under review is lower than the statutory tax rate as a certain portion of the income is not subjected to tax as well as the availability of deductible expenses and unabsorbed losses.

**B6 Sale of Unquoted Investments and/or Properties**

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

	3 months ended 31.12.2010 RM'000	12 months ended 31.12.2010 RM'000
Net gain on disposal of unquoted investments	<u>751</u>	<u>751</u>

**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 31.12.2010 RM'000	12 months ended 31.12.2010 RM'000
<b>FVTPL Financial Assets</b>		
Total purchase considerations	36,262	112,931
Total sale proceeds	23,838	79,008
Gain on disposals	<u>11,253</u>	<u>20,234</u>

(b) The total investments in quoted securities as at 31 December 2010 are as follow:-

	AFS Investments RM'000	FVTPL Investments RM'000
Total investments at cost	13,094	219,289
Total investment at carrying amount/fair value at end of reporting period	<u>13,102</u>	<u>187,828</u>

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

#### B8 Corporate Proposals

As announced on 9 February 2011, the Company had on that day entered into a Memorandum of Understanding ("MOU") with Asia 4D Holdings Limited and Asia 4D Company Limited and another MOU with certain members of the management of Magnum with respect to the proposed acquisition by the Company of the remaining 49% equity interest in Magnum not already owned by the Company and RM674,657,671 nominal value redeemable convertible loan stock class C of Magnum for a total purchase consideration of RM1,637,198,928 to be satisfied via the issuance of 360,000,000 new ordinary shares of RM1.00 each at RM2.30 per share and cash of RM809,198,928.

#### B9 Borrowings

The Group's borrowings as at 31 December 2010 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term</b>			
Bank overdraft	2,399	2,273	4,672
Revolving Credit	<u>3,500</u>	<u>-</u>	<u>3,500</u>
	5,899	2,273	8,172
<b>Long term</b>			
Term loan	1,715,453	-	1,715,453
Total	<u>1,721,352</u>	<u>2,273</u>	<u>1,723,625</u>

All the borrowings are denominated in Ringgit Malaysia.

#### B10 Derivative Liabilities

As at the date of this report, the subsidiaries of the Group had entered into interest rate swaps with the following contract amounts and maturities, at fixed interest rates varying from 3.40% to 4.64%:

Maturities	Contract Amount (RM'000)	Fair value as at 31.12.2010 (RM'000)
1 year to 3 years	942,000-1,675,200	16,885

The contracts were entered into to minimize the Group's exposure to cash flow interest rate risk resulting from adverse fluctuations in interest rates on the existing bank loans.

**B11 Material Litigation**

**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 among 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 Property 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.

On 31 May 2010, the Kuala Lumpur High Court allowed the Injunction Application to restrain GSB, among others, from dealing with the Property, with costs in the cause ("Decision"). On 21 June 2010, GSB's solicitors filed an appeal to the Court of Appeal against the Decision. Currently the hearing date for the appeal has yet to be fixed. Meantime, the Kuala Lumpur High Court has fixed 16 March 2011 for pre-trial case management.

**B12 Dividends**

The Board of Directors recommends a final dividend of 5 sen dividend per share less 25% income tax for the financial year ended 31 December 2010. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. The entitlement and payment dates shall be announced in due course.

**B13 Basic Earnings Per Share**

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

	3 months ended		12 months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit from continuing operations	88,464	138,555	301,435	366,341
Profit/(Loss) from discontinued operations	-	(33,809)	1,857	(38,438)
Profit for the period/year	<u>88,464</u>	<u>104,746</u>	<u>303,292</u>	<u>327,903</u>
Weighted average number of ordinary share in issue	1,075,633	1,052,079	1,075,633	1,052,079
<b>Basic earnings per share for (sen)</b>				
Profit from continuing operations	8.2	13.3	28.0	34.8
Profit/(Loss) from discontinued operations	-	(3.2)	0.2	(3.6)
Profit for the period/year	<u>8.2</u>	<u>10.1</u>	<u>28.2</u>	<u>31.2</u>

By Order Of The Board  
Ng Sook Yee  
COMPANY SECRETARY  
23 February 2011