



MULTI-PURPOSE

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

INTERIM FINANCIAL STATEMENTS
for the first quarter ended 31 March 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended	
	31-Mar-2011	31-Mar-2010
	RM'000	RM'000
		(Restated)
Revenue	945,376	992,620
Cost of sales	(719,184)	(792,278)
Gross profit	226,192	200,342
Other income	25,238	25,441
Administrative expenses	(18,855)	(17,612)
Other expenses	(34,770)	(38,189)
Operating profit	197,805	169,982
Finance costs	(31,762)	(32,128)
Share of profits of associates	1,487	1,150
Profit before tax	167,530	139,004
Income tax expense	(31,689)	(33,415)
Profit for the period	135,841	105,589
Attributable to:		
Owners of the Company	88,543	68,193
Minority interests	47,298	37,396
Profit for the period	135,841	105,589
Earnings per share ("EPS") attributable to owners of the Company (sen):		
Basic EPS	8.3	6.3
Profit for the period	135,841	105,589
Other comprehensive income		
Foreign currency translation	2	-
Change in fair value of available-for-sale ("AFS") assets	2,282	2,180
Total comprehensive income for the period	138,125	107,769
Total comprehensive income attributable to:		
Owners of the Company	90,856	70,405
Minority interests	47,269	37,364
Total comprehensive income for the period	138,125	107,769

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	31-Mar-2011	31-Dec-2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	192,584	195,489
Investment properties	643,588	643,091
Associated companies	107,608	106,621
Investment securities	205,611	205,575
Receivables	14,966	14,966
Intangible assets	2,892,352	2,892,964
Reinsurance assets	354,376	352,148
Deferred tax assets	104,659	111,683
	<u>4,515,744</u>	<u>4,522,537</u>
Current assets		
Inventories	5,162	5,189
Receivables	436,782	432,425
Tax recoverable	117,345	164,603
Investment securities	511,532	520,446
Short term deposits	616,694	541,256
Cash and bank balances	135,025	121,339
	<u>1,822,540</u>	<u>1,785,258</u>
	<u>6,338,284</u>	<u>6,307,795</u>
TOTAL ASSETS	6,338,284	6,307,795
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	1,077,749	1,077,749
Treasury Shares	(17,657)	(17,657)
Reserves	1,398,219	1,307,363
	<u>2,458,311</u>	<u>2,367,455</u>
Shareholders' equity	2,458,311	2,367,455
Minority interests	603,362	556,628
Total equity	<u>3,061,673</u>	<u>2,924,083</u>
Non-current liabilities		
Borrowings	1,578,267	1,715,453
Redeemable Convertible Unsecured Loan Stocks	425,501	437,276
Deferred tax liabilities	17,188	22,962
Provision for retirement benefits	643	679
Derivative financial instruments	11,615	16,885
Insurance contract liabilities	636,228	619,948
	<u>2,669,442</u>	<u>2,813,203</u>
Current liabilities		
Payables	573,968	542,387
Borrowings	9,019	5,773
Tax payable	24,182	22,349
	<u>607,169</u>	<u>570,509</u>
Total liabilities	<u>3,276,611</u>	<u>3,383,712</u>
TOTAL EQUITY AND LIABILITIES	<u>6,338,284</u>	<u>6,307,795</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>2.30</u>	<u>2.22</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2011

	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
At 1 January 2010	1,077,749	681,390	45,521	(12,117)	373,549	439,366	2,605,458
Effect arising from adoption of FRS 139	-	-	-	-	(26,208)	(21,817)	(48,025)
Profit for the period	-	-	-	-	68,193	37,396	105,589
Other comprehensive income	-	-	2,212	-	-	(32)	2,180
Dividends paid	-	-	-	-	(32,042)	-	(32,042)
Purchase of treasury shares	-	-	-	(3,957)	-	-	(3,957)
Acquisition of additional shares in subsidiaries	-	-	-	-	-	(26)	(26)
At 31 March 2010	1,077,749	681,390	47,733	(16,074)	383,492	454,887	2,629,177
At 1 January 2011	1,077,749	681,390	48,102	(17,657)	577,871	556,628	2,924,083
Profit for the period	-	-	-	-	88,543	47,298	135,841
Other comprehensive income	-	-	2,313	-	-	(29)	2,284
Acquisition of additional shares in subsidiary	-	-	-	-	-	(535)	(535)
At 31 March 2011	1,077,749	681,390	50,415	(17,657)	666,414	603,362	3,061,673

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2011

	3 months ended	
	31-Mar-2011 RM'000	31-Mar-2010 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	167,530	139,004
Adjustments for:		
Non-cash items	7,061	5,490
Non-operating items	24,513	7,272
Operating profit before changes in working capital	199,104	151,766
Changes in working capital:		
Net change in current assets	(11,841)	(84,397)
Net change in current liabilities	21,581	43,030
Cash generated from operations	208,844	110,399
Income tax paid	18,653	(28,715)
Retirement benefit paid	(214)	-
Net cash generated from operating activities	227,283	81,684
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(1,412)	(774)
Investment properties	(471)	(438)
Equity Investments	55	(26)
Other and short term investments	26,731	(25,264)
Dividend received	1,165	1,311
Interest paid	(31,762)	(32,128)
Interest income	5,046	9,531
Net cash used in investing activities	(648)	(47,788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	-	(32,042)
Repurchase of treasury shares	-	(3,957)
Borrowings	(143,500)	(41,236)
Net cash used in financing activities	(143,500)	(77,235)
NET CHANGE IN CASH AND CASH EQUIVALENTS	83,135	(43,339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	580,941	757,909
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	664,076	714,570
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	751,719	762,620
Bank overdrafts	(4,019)	(2,536)
Cash deposits pledged	(27,929)	-
Clients' money held in trust	(50,445)	(45,514)
Remisiers' deposits held in trust	(5,250)	-
	664,076	714,570

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010.)

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 2010.

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 2010 except for the mandatory adoption of the following new FRS, Amendments to FRS and Interpretations with effect from 1 January 2011.

Adoption of New and Revised FRS, IC Interpretations and Amendments

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
Amendments to FRS 3 Business Combinations
Amendments to FRS 7 Financial Instruments: Disclosures
Amendments to FRS 101 Presentations of Financial Statements
Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128 Investments in Associates
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 134 Interim Financial Reporting
Amendments to FRS 139 Financial Instruments: Recognition and Measurement
Improvements to FRS issued in 2010
IC Interpretation 4 Determining Whether an Arrangement Contains a Lease

The adoption 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.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 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	
	31-Mar-2011 RM'000	31-Mar-2010 RM'000 (Restated)
Segmental Revenue		
Gaming	863,583	919,148
Stockbroking	8,296	7,905
Financial services	58,582	51,474
Corporate & others	16,229	15,092
	946,690	993,619
Eliminations	(1,314)	(999)
Total	945,376	992,620
Segmental Results		
Gaming	126,100	109,737
Stockbroking	7,280	4,298
Financial services	18,498	7,926
Corporate & others	33,046	33,288
	184,924	155,249
Eliminations	(17,394)	(16,245)
Profit Before Tax	167,530	139,004

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

No dividend was paid during the period under review

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 quarter under review.

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 share buy-back mandate expired at the AGM held on 20 May 2011 and was not renewed.

The purchases made prior to 1 January 2011 amounting to 10,428,031 shares were held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A9 Contingent Liabilities

As at 25 May 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 Group recorded a profit before tax and minority interests of RM167.5 million during the current quarter under review which is 20.5% higher than RM139 million achieved in the previous corresponding period. The Gaming, Stockbroking and Financial Services Divisions have recorded better results in the current quarter.

The profit before tax and minority interest of RM126.1 million achieved by the Gaming Division is RM 16.4 million higher than the profit before tax and minority interest of RM109.7 million reported in the previous corresponding period. Lower payout ratio, increase in the number of draws and reduced finance cost have contributed to the improved performance.

The Financial Services Division contributed a profit before tax of RM18.5 million as compared to RM7.9 million recorded in the previous corresponding financial period. The increase is mainly due to the better underwriting results, higher interest income from loan financing activities as well as fair value gain on assets.

The Stockbroking Division posted a profit before tax of RM 7.3 million as compared to the profit before tax of RM4.3 million in the previous corresponding financial period. The favorable result is mainly due to the recovery of bad debts and the write back of specific provision for doubtful debts of the margin accounts.

B2 Comment on Material Change in Profit Before Tax

Current quarter to preceding quarter

The profit before tax of the Group at RM167.5 million achieved in the current quarter is 14.2% higher than the pre-tax profit of RM146.7 million recorded in the immediate preceding quarter. This is mainly due to the better performance of the Gaming and Stockbroking Division.

B3 Prospects for 2011

Barring any adverse market conditions, the Group is confident of achieving better performance from all Divisions for the current financial year especially with the expected completion of the acquisition of the remaining 49% equity interest in Magnum Holdings Sdn Bhd.

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-Mar-2011	31-Mar-2010
	RM'000	RM'000
Current income tax:		
Malaysian income tax	30,453	30,632
Overprovision of Malaysian income tax in prior years	(14)	-
	30,439	30,632
Deferred tax	1,250	2,783
Total income tax expense	31,689	33,415

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 off unquoted investment for the current quarter is as follows:-

	3 months ended 31-Mar-2011 RM'000
Gain on disposal of unquoted investment	5

B7 Quoted Securities

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

	3 months ended 31-Mar-2011 RM'000
FVTPL Financial Assets	
Total Purchase considerations	-
Total sale proceeds	9,970
Gain on disposal	293

(b) The total investments in quoted securities as at 31 March 2011 are as follow:-

	AFS Investments RM'000	FVTPL Investments RM'000
Total investments at cost	13,094	87,432
Total investment at carrying amount/ fair value end of reporting period	13,058	90,909

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

B8 Corporate Proposals

- a) 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. These proposals are singularly referred to as “The Corporate Proposals”.

Further to the signing of MOUs, the Company had on 14 April 2011 entered into the following agreements:-

- i) Asia 4D Holdings share sale agreement;
- ii) Irredeemable convertible preference shares subscription agreement,
- iii) Management share sale agreement; and
- iv) Management subscription agreement.

Bursa Securities had on 26 April 2011 approved the listing of and quotation for the new MPH B shares to be issued pursuant to the corporate proposals.

The shareholders of MPH B had approved the corporate proposals at the Extraordinary General Meeting held on 20 May 2011.

- b) On 29 April 2011, the Group announced that it has signed three separate joint venture agreements with Bandar Raya Developments Berhad for the proposed development of several parcels of land in Pulau Pinang, Rawang and Gombak owned by the Group.

B9 Borrowings

The Group's borrowings as at 31 March 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdraft	3,996	23	4,019
Revolving Credit	5,000	-	5,000
	8,996	23	9,019
Long term			
Term loan	1,578,267	-	1,578,267
Total	1,587,263	23	1,587,286

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-Mar-2011 (RM'000)
1 year to 3 years	942,000-1,368,800	11,615

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. The hearing date for the appeal to the Court of Appeal has been fixed on 18 May 2011. The mediation on 16 May 2011 was vacated. On 18 May 2011 during the hearing of GSB’s appeal to the Court of Appeal against the Decision, certain terms of the injunction order dated 31 May 2010 was varied by consent of parties and the Court of Appeal ordered, among others, an early trial.

B12 Dividends

The Board of Directors does not recommend the payment of dividend for the quarter under review.

B13 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-Mar-2011 RM'000	31-Mar-2010 RM'000
Profit for the period	88,543	68,193
Weighted average number of ordinary share in issue	1,067,321	1,076,718
Basic EPS (sen)	8.3	6.3

By Order Of The Board
Ng Sook Yee
COMPANY SECRETARY
25 May 2011