



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

INTERIM FINANCIAL STATEMENTS
for the second quarter ended 30 June 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000 (Restated)	30 June 2011 RM'000	30 June 2010 RM'000 (Restated)
Revenue	865,572	871,360	1,810,948	1,863,980
Cost of sales	<u>(663,274)</u>	<u>(672,826)</u>	<u>(1,382,458)</u>	<u>(1,465,104)</u>
Gross profit	202,298	198,534	428,490	398,876
Other income	17,210	19,674	42,448	45,115
Administrative expenses	(19,437)	(16,552)	(38,292)	(34,164)
Other expenses	<u>(34,636)</u>	<u>(50,257)</u>	<u>(69,406)</u>	<u>(88,446)</u>
Operating profit	165,435	151,399	363,240	321,381
Finance costs	(33,594)	(30,977)	(65,356)	(63,105)
Share of profits of associates	1,505	651	2,992	1,801
Profit before tax	133,346	121,073	300,876	260,077
Income tax expense	<u>(30,765)</u>	<u>(26,953)</u>	<u>(62,454)</u>	<u>(60,368)</u>
Profit for the period from continuing operations	102,581	94,120	238,422	199,709
Discontinued operations				
Profit for the period from discontinued operations	-	1,857	-	1,857
Profit for the period	<u>102,581</u>	<u>95,977</u>	<u>238,422</u>	<u>201,566</u>
Attributable to:				
Owners of the Company	70,105	60,137	158,648	128,330
Minority interests	<u>32,476</u>	<u>35,840</u>	<u>79,774</u>	<u>73,236</u>
Profit for the period	<u>102,581</u>	<u>95,977</u>	<u>238,422</u>	<u>201,566</u>
Earnings per share ("EPS") attributable to owners of the Company (sen):				
Basic, for profit from continuing operations	6.4	5.5	14.4	11.8
Basic, for profit from discontinued operations	-	0.2	-	0.2
Basic EPS	<u>6.4</u>	<u>5.7</u>	<u>14.4</u>	<u>12.0</u>
Profit for the period	102,581	95,977	238,422	201,566
Other comprehensive income				
Foreign currency translation	-	-	2	-
Change in fair value of available-for-sale ("AFS") assets	<u>3,005</u>	<u>871</u>	<u>5,287</u>	<u>3,051</u>
Total comprehensive income for the period	<u>105,586</u>	<u>96,848</u>	<u>243,711</u>	<u>204,617</u>
Total comprehensive income attributable to:				
Owners of the Company	73,110	61,038	163,966	131,443
Minority interests	<u>32,476</u>	<u>35,810</u>	<u>79,745</u>	<u>73,174</u>
Total comprehensive income for the period	<u>105,586</u>	<u>96,848</u>	<u>243,711</u>	<u>204,617</u>

(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 30 JUNE 2011

	(UNAUDITED) AS AT 30 June 2011 RM'000	(AUDITED) AS AT 31 Dec 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	191,989	195,489
Investment properties	647,464	643,091
Associated companies	105,513	106,621
Investment securities	1,080,952	205,575
Receivables	14,966	14,966
Intangible assets	2,892,305	2,892,964
Reinsurance assets	339,649	352,148
Deferred tax assets	96,167	111,683
	<u>5,369,005</u>	<u>4,522,537</u>
Current assets		
Inventories	4,835	5,189
Receivables	419,047	432,425
Tax recoverable	110,975	164,603
Investment securities	509,582	520,446
Short term deposits	675,366	541,256
Cash and bank balances	138,068	121,339
	<u>1,857,873</u>	<u>1,785,258</u>
Asset held for sale	1,500	-
TOTAL ASSETS	<u>7,228,378</u>	<u>6,307,795</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	1,437,749	1,077,749
Treasury Shares	(17,657)	(17,657)
Reserves	1,467,054	1,307,363
Shareholders' equity	<u>2,887,146</u>	<u>2,367,455</u>
Minority interests	<u>302,736</u>	<u>556,628</u>
Total equity	<u>3,189,882</u>	<u>2,924,083</u>
Non-current liabilities		
Borrowings	2,240,156	1,715,453
Redeemable Convertible Unsecured Loan Stocks	410,849	437,276
Deferred tax liabilities	17,323	22,962
Provision for retirement benefits	646	679
Derivative financial instruments	8,255	16,885
Insurance contract liabilities	622,579	619,948
	<u>3,299,808</u>	<u>2,813,203</u>
Current liabilities		
Payables	657,272	542,387
Borrowings	54,916	5,773
Tax payable	26,500	22,349
	<u>738,688</u>	<u>570,509</u>
Total liabilities	<u>4,038,496</u>	<u>3,383,712</u>
TOTAL EQUITY AND LIABILITIES	<u>7,228,378</u>	<u>6,307,795</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>2.62</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 6 MONTHS ENDED 30 JUNE 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	-	-	-	-	(23,621)	(19,331)	(42,952)
Profit for the period	-	-	-	-	128,330	73,236	201,566
Other comprehensive income	-	-	3,113	-	-	(62)	3,051
Dividends paid	-	-	-	-	(32,042)	(6,237)	(38,279)
Purchase of treasury shares	-	-	-	(3,957)	-	-	(3,957)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	(138)	(138)
Disposal of a subsidiary	-	-	-	-	-	(860)	(860)
At 30 June 2010	1,077,749	681,390	48,634	(16,074)	446,216	485,974	2,723,889
At 1 January 2011	1,077,749	681,390	48,102	(17,657)	577,871	556,628	2,924,083
Profit for the period	-	-	-	-	158,648	79,774	238,422
Other comprehensive income	-	-	5,318	-	-	(29)	5,289
Dividends paid	-	-	-	-	(40,024)	-	(40,024)
Acquisition of additional shares in subsidiaries	-	-	(424,472)	-	-	(331,733)	(756,205)
Issuance of ordinary shares	360,000	734,346	(273,600)	-	-	-	820,746
Redemption of loan stock	-	-	(525)	-	-	(1,904)	(2,429)
At 30 June 2011	1,437,749	1,415,736	(645,177)	(17,657)	696,495	302,736	3,189,882

(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 6 MONTHS ENDED 30 JUNE 2011

	6 months ended	
	30 June 2011	30 June 2010
	RM'000	RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
Continuing operations	300,876	260,077
Discontinued operations	-	1,857
	<u>300,876</u>	<u>261,934</u>
Adjustments for:		
Non-cash items	21,717	18,652
Non-operating items	<u>34,517</u>	<u>27,098</u>
Operating profit before changes in working capital	357,110	307,684
Changes in working capital:		
Net change in current assets	(4,730)	(31,237)
Net change in current liabilities	<u>78,249</u>	<u>30,148</u>
Cash generated from operations	430,629	306,595
Income tax paid	5,203	(61,408)
Retirement benefit paid	<u>(392)</u>	<u>-</u>
Net cash generated from operating activities	435,440	245,187
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(5,086)	(5,404)
Investment properties	(7,730)	-
Other and short term investments	(769,849)	(205,779)
Interest paid	(65,356)	(63,105)
Interest income	<u>24,434</u>	<u>22,329</u>
Net cash used in investing activities	(823,587)	(251,959)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(40,024)	(32,042)
Dividends paid to minority interests	-	(6,237)
Repurchase of treasury shares	-	(3,957)
Borrowings	<u>562,255</u>	<u>(85,000)</u>
Net cash generated from/(used in) financing activities	522,231	(127,236)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>134,084</u>	<u>(134,008)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	580,941	805,415
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>715,025</u></u>	<u><u>671,407</u></u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	813,434	732,141
Bank overdrafts	(7,833)	(1,722)
Cash deposits pledged	(27,104)	-
Clients' money held in trust	(58,290)	(53,703)
Remisiers' deposits held in trust	<u>(5,182)</u>	<u>(5,309)</u>
	<u><u>715,025</u></u>	<u><u>671,407</u></u>

(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		6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Segmental Revenue				
Gaming	783,017	795,216	1,646,600	1,714,364
Stockbroking	7,728	6,696	16,024	14,601
Financial services	59,136	55,953	117,718	107,427
Corporate & others	51,438	15,351	67,667	30,443
	<u>901,319</u>	<u>873,216</u>	<u>1,848,009</u>	<u>1,866,835</u>
Eliminations	(35,747)	(1,856)	(37,061)	(2,855)
Total	<u>865,572</u>	<u>871,360</u>	<u>1,810,948</u>	<u>1,863,980</u>
Segmental Results				
Gaming	99,928	92,558	226,028	202,295
Stockbroking	3,727	(3,520)	11,007	778
Financial services	14,517	15,363	33,015	23,289
Corporate & others	66,731	33,221	99,777	66,509
	<u>184,903</u>	<u>137,622</u>	<u>369,827</u>	<u>292,871</u>
Eliminations	(51,557)	(16,549)	(68,951)	(32,794)
Continuing operations	<u>133,346</u>	<u>121,073</u>	<u>300,876</u>	<u>260,077</u>
Discontinued operations	-	1,857	-	1,857
Profit Before Tax	<u>133,346</u>	<u>122,930</u>	<u>300,876</u>	<u>261,934</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 period.

A6 Dividend Paid

During the current financial period ended 30 June 2011, the Company had paid an interim dividend of 5% less 25 % tax on 4 April 2011.

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.

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 24 August 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

As disclosed in Note B9, the Company had on 10 June 2011 acquired the remaining 49% equity interest in Magnum Holdings Sdn Bhd.

Save as disclosed above, there were no significant changes in the composition of the Group during the quarter 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

2Q 2011 vs. 2Q 2010

The Group recorded a profit before tax and minority interests of RM133.3 million during the current quarter (2Q 2011) which is 10.07% higher than RM121.1 million achieved in the previous corresponding quarter (2Q 2010). This is mainly contributed by better results from the Gaming and Stockbroking divisions.

The profit before tax and minority interest of RM99.9 million achieved by the Gaming Division is 7.88% higher than the profit before tax and minority interest of RM92.6 million reported in 2Q 2010. Lower prizes payout ratio and finance cost have contributed to the improved performance.

The Financial Services Division reported profit before tax of RM14.5 million which is 5.23% lower than RM15.3 million achieved in 2Q 2010. Higher fair value loss on quoted investments in current quarter has affected the result adversely.

The Stockbroking Division posted a profit before tax of RM3.7 million as compared to the loss before tax of RM3.5 million in 2Q 2010. The favorable result is due to higher revenue from non-margin accounts and fair value gain on investments.

1H 2011 vs. 1H 2010

The Group's profit before tax and minority interests from continuing operation for the 6 months ended 30 June 2011 rose 15.69% to RM300.9 million from RM260.1 million recorded in the previous corresponding financial period due to improved performances from Gaming, Stockbroking and Financial Services divisions as a result of lower prizes payout ratio and fair value loss on investments.

B2 Comment on Material Change in Profit Before Tax

2Q 2011 vs. 1Q 2011

The profit before tax of the Group at RM133.3 million recorded in the current quarter is 20.42% lower than the pre-tax profit of RM167.5 million recorded in 1Q2011. This is mainly due to lower sales and higher payout ratio in the Gaming Division.

B3 Prospects for 2011

The Group is confident of achieving a satisfactory performance for the year ending 2011.

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		6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Current income tax:				
Malaysian income tax	21,696	22,299	52,149	52,931
Overprovision in prior years	-	-	(14)	-
	<u>21,696</u>	<u>22,299</u>	<u>52,135</u>	<u>52,931</u>
Deferred tax	9,069	4,654	10,319	7,437
Total income tax expense	<u>30,765</u>	<u>26,953</u>	<u>62,454</u>	<u>60,368</u>

The effective tax rate for the quarter 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 Retained earnings

	As at 30 June 2011 RM'000	As at 31 Dec 2010 RM'000
Realised	2,074,948	1,779,563
Unrealised	9,490	(15,015)
	<u>2,084,438</u>	<u>1,764,548</u>
Consolidation adjustments	(1,387,943)	(1,186,677)
Total retained earnings	<u>696,495</u>	<u>577,871</u>

B7 Sale of Unquoted Investments and/or Properties

The gain on disposal of unquoted investment for the current quarter is as follows:-

	3 months ended 30 June 2011 RM'000	6 months ended 30 June 2011 RM'000
Gain on disposal of unquoted investment	<u>-</u>	<u>5</u>

B8 Quoted Securities

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

	3 months ended 30 June 2011 RM'000	6 months ended 30 June 2011 RM'000
Fair Value Through Profit Or Loss Financial Assets		
Total purchase considerations	-	-
Total sale proceeds	14,956	24,926
Gain on disposal	1,203	1,496

- (b) The total investments in quoted securities as at 30 June 2011 are as follow:-

	AFS Investments RM'000	FVTPL Investments RM'000
Total investments at cost	13,094	73,862
Total investments at carrying amount/ fair value at end of reporting period	13,025	76,539

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

B9 Corporate Proposals

Further to the announcement on 9 February 2011, 16 February 2011, 14 March 2011, 17 March 2011, 11 April 2011, 26 April 2011, 27 April 2011 and 5 May 2011 in relation to:

- i. Proposed acquisition from Asia 4D Holdings;
 - ii. Proposed Subscription;
 - iii. Proposed acquisition from management; and
 - iv. Proposed redemption,
- (The above are collectively referred to as "Proposals");

the Company had on 25 May 2011 entered into a put option agreement with Asia 4D Holdings Limited pursuant to the conditional subscription agreement between MPH B and Asia 4D Company Limited, a wholly-owned subsidiary of Asia 4D Holdings dated 11 March 2011.

The Proposals have been completed following the listing of and quotation for the 360,000,000 new ordinary shares of RM1.00 each in MPH B on the Main Market of Bursa Malaysia Securities Berhad on 10 June 2011.

B10 Borrowings

The Group's borrowings as at 30 June 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdraft	2,833	-	2,833
Term loan	42,083	-	42,083
Revolving Credit	5,000	5,000	10,000
	<u>49,916</u>	<u>5,000</u>	<u>54,916</u>
Long term			
Term loan	2,240,156	-	2,240,156
Total	<u>2,290,072</u>	<u>5,000</u>	<u>2,295,072</u>

All the borrowings are denominated in Ringgit Malaysia.

B11 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 30 June 2011 (RM'000)
1 year to 3 years	942,000-1,287,000	8,255

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.

B12 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. The Kuala Lumpur High Court has fixed 11 November 2011 for mention.

B13 Dividends

The Board of Directors is pleased to declare a second interim dividend of 5 sen per share less 25% income tax for the financial year ending 31 December 2011 to be paid on 31 October 2011 to shareholders registered on the Record of Depositors at the close of business on 7 October 2011.

B14 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		6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit from continuing operations	70,105	58,280	158,648	126,473
Profit from discontinued operations	-	1,857	-	1,857
Profit for the period	<u>70,105</u>	<u>60,137</u>	<u>158,648</u>	<u>128,330</u>
Weighted average number of ordinary share in issue	1,102,638	1,068,625	1,102,638	1,068,625
Basic earnings per share (sen)				
Profit from continuing operations	6.4	5.5	14.4	11.8
Profit from discontinued operations	-	0.2	-	0.2
	<u>6.4</u>	<u>5.7</u>	<u>14.4</u>	<u>12.0</u>

By Order Of The Board
Ng Sook Yee
COMPANY SECRETARY
24 August 2011