



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

INTERIM FINANCIAL STATEMENTS
for the first quarter ended 31 March 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended	
	31-Mar-2012 RM'000	31-Mar-2011 RM'000 (Restated)
Revenue	912,754	945,376
Cost of sales	<u>(732,914)</u>	<u>(719,184)</u>
Gross profit	179,840	226,192
Other income	26,867	25,238
Administrative expenses	(19,728)	(18,855)
Other expenses	<u>(42,107)</u>	<u>(35,219)</u>
Operating profit	144,872	197,356
Finance costs	(24,446)	(31,762)
Share of profits of associates	<u>1,090</u>	<u>1,487</u>
Profit before tax	121,516	167,081
Income tax expense	<u>(36,239)</u>	<u>(31,689)</u>
Profit for the period	<u>85,277</u>	<u>135,392</u>
Attributable to:		
Owners of the parent	83,724	88,094
Non-controlling interests	<u>1,553</u>	<u>47,298</u>
Profit for the period	<u>85,277</u>	<u>135,392</u>
Earnings per share ("EPS") attributable to owners of the parent (sen):		
Basic EPS	<u>5.9</u>	<u>8.3</u>
Profit for the period	85,277	135,392
Other comprehensive income		
Foreign currency translation	2	2
Change in fair value of available-for-sale ("AFS") assets	<u>5,191</u>	<u>2,282</u>
Total comprehensive income for the period	<u>90,470</u>	<u>137,676</u>
Total comprehensive income attributable to:		
Owners of the parent	88,917	90,407
Non-controlling interests	<u>1,553</u>	<u>47,269</u>
Total comprehensive income for the period	<u>90,470</u>	<u>137,676</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	AS AT 31-Mar-2012 RM'000	AS AT 31-Dec-2011* RM'000 (Audited and restated)	AS AT 1-Jan-2011 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	151,768	155,010	195,489
Investment properties	705,107	702,548	877,739
Associated companies	67,203	112,402	106,621
Investment securities	224,821	201,183	205,575
Receivables	24,684	24,684	14,966
Intangible assets	2,860,794	2,860,498	2,892,964
Reinsurance assets	358,597	357,054	352,148
Deferred tax assets	4,010	4,447	111,683
	<u>4,396,984</u>	<u>4,417,826</u>	<u>4,757,185</u>
Current assets			
Inventories	4,192	4,083	5,189
Receivables	438,109	430,554	432,425
Tax recoverable	84,413	80,955	164,603
Investment securities	505,489	499,884	520,446
Short term deposits	600,793	1,064,577	541,256
Cash and bank balances	57,660	65,010	121,339
	<u>1,690,656</u>	<u>2,145,063</u>	<u>1,785,258</u>
Assets held for sale	39,305	38,968	-
	<u>39,305</u>	<u>38,968</u>	<u>-</u>
TOTAL ASSETS	6,126,945	6,601,857	6,542,443
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	1,437,749	1,437,749	1,077,749
Treasury Shares	(17,657)	(17,657)	(17,657)
Reserves	1,859,364	1,823,972	1,542,011
Shareholders' equity	<u>3,279,456</u>	<u>3,244,064</u>	<u>2,602,103</u>
Non-controlling interests	39,259	37,706	556,628
Total equity	<u>3,318,715</u>	<u>3,281,770</u>	<u>3,158,731</u>
Non-current liabilities			
Borrowings	1,627,820	2,051,858	1,715,453
Redeemable Convertible Unsecured Loan Stocks - C	-	-	437,276
Deferred tax liabilities	21,488	23,475	22,962
Provision for retirement benefits	1,104	1,088	679
Derivative financial instruments	4,298	7,246	16,885
Insurance contract liabilities	673,093	657,227	619,948
	<u>2,327,803</u>	<u>2,740,894</u>	<u>2,813,203</u>
Current liabilities			
Payables	457,285	507,551	542,387
Borrowings	7,474	52,304	5,773
Tax payable	15,668	19,338	22,349
	<u>480,427</u>	<u>579,193</u>	<u>570,509</u>
Total liabilities	<u>2,808,230</u>	<u>3,320,087</u>	<u>3,383,712</u>
TOTAL EQUITY AND LIABILITIES	6,126,945	6,601,857	6,542,443
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.30	2.27	2.44

* Upon the adoption of the MFRS framework, the consolidated statement of financial position as at 31 December 2011 has been audited and restated.)

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL RM'000
At 1 January 2011	1,077,749	681,390	48,102	(17,657)	577,871	556,628	2,924,083
Effects arising from adoption of MFRS: - MFRS 140	-	-	-	-	234,648	-	234,648
At 1 January 2011 (Restated)	1,077,749	681,390	48,102	(17,657)	812,519	556,628	3,158,731
Profit for the period (Restated)	-	-	-	-	88,094	47,298	135,392
Other comprehensive income	-	-	2,313	-	-	(29)	2,284
Accretion of interest arising from the acquisition of additional shares in subsidiary	-	-	-	-	-	(535)	(535)
At 31 March 2011 (Restated)	1,077,749	681,390	50,415	(17,657)	900,613	603,362	3,295,872
At 1 January 2012	1,437,749	1,413,108	(622,638)	(17,657)	911,774	299,630	3,421,966
Effects arising from adoption of MFRS: - MFRS 140	-	-	-	-	234,371	-	234,371
- MFRS 10	-	-	(98,827)	-	(13,816)	(261,924)	(374,567)
At 1 January 2012 (Restated)	1,437,749	1,413,108	(721,465)	(17,657)	1,132,329	37,706	3,281,770
Profit for the period	-	-	-	-	83,724	1,553	85,277
Dividend paid	-	-	-	-	(53,525)	-	(53,525)
Other comprehensive income	-	-	5,193	-	-	-	5,193
At 31 March 2012	1,437,749	1,413,108	(716,272)	(17,657)	1,162,528	39,259	3,318,715

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2012

	3 months ended	
	31-Mar-2012	31-Mar-2011
	RM'000	RM'000
		(Restated)
OPERATING ACTIVITIES		
Profit before tax	121,516	167,081
Adjustments for:		
Accretion of discounts less amortisation of premiums	2	3
Amortisation of :		
- facility fees	3,562	6,013
- intangible assets	68	22
Bad debts written off	126	-
Changes in fair value of derivative liabilities	(513)	(1,103)
Changes in fair value of investment securities	1,563	(9,091)
Depreciation of property, plant and equipment	4,299	4,539
Depreciation of investment properties	449	449
Gain on disposal of an associate	(8,407)	-
Gain on disposal of property, plant and equipment	(57)	(321)
Loss/(Gain) on disposal of investment securities	6	(1,481)
Impairment losses on property, plant and equipment	331	99
Increase in reserves for unexpired risks	6,717	7,713
Interest expense	24,446	31,762
Interest income	(8,921)	(5,046)
Provision for doubtful debts	-	452
Provision for retirement benefit	209	178
Share of profit of associates	(1,090)	(1,487)
Unrealised loss/(gain) on foreign exchange	47	(13)
Write-back of provision for doubtful debts	(115)	-
Operating cash flows before working capital changes	144,238	199,769
Changes in working capital:		
Inventories	(109)	27
Receivables	40,747	(3,152)
Clients' and remisers' monies held in trust	(10,067)	(9,381)
Payables	(43,357)	14,602
Cash flows generated from operations	131,452	201,865
Income tax (paid)/refund	(44,917)	18,653
Retirement benefits paid	(193)	(214)
Net cash flows generated from operating activities	86,342	220,304
INVESTING ACTIVITIES		
Proceeds from disposal of :		
- property, plant and equipment	103	440
- investment securities	89,455	53,606
Purchase of :		
- property, plant and equipment	(1,434)	(1,852)
- investment properties	(3,345)	(471)
- investment securities	(115,079)	(31,972)
- intangible assets	(364)	-
Movement in cash deposits pledged	1,736	5,152
Net dividend received from :		
- quoted shares and unit trusts	2,422	665
- associated company	1,000	500
Interest paid	(24,639)	(24,783)
Interest received	10,293	5,046
Net cash flows (used in)/generated from investing activities	(39,852)	6,331
FINANCING ACTIVITIES		
Dividend paid	(53,525)	-
Net repayment of borrowings	(468,600)	(143,500)
Net cash flows used in financing activities	(522,125)	(143,500)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(475,635)	83,135
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	1,035,723	580,941
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	560,088	664,076
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	658,453	751,719
Bank overdrafts	(4,474)	(4,019)
Cash deposits pledged	(23,102)	(27,929)
Clients' money held in trust	(62,978)	(50,445)
Remisers' deposits held in trust	(7,811)	(5,250)
	560,088	664,076

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

A EXPLANATORY NOTES PURSUANT TO MFRS134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs").

The interim financial statements are the Group's first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note A2.1 below.

A2 Significant accounting policies

A2.1 Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

a) Business Combinations

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognized under FRS is not adjusted.

b) Quoted equity instruments

Under FRS, the Group had designated an investment in quoted equity instruments at fair value through profit or loss ("FVTPL") in accordance with FRS 139 Financial Instruments: Recognition and Measurement. Changes in fair value were taken to profit or loss. At the date of transition to MFRS, a quoted equity instrument was redesignated as available for sale ("AFS").

c) Investment properties

Under FRS, the Group measured all its investment properties at cost, including transaction costs initially. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Upon transition to MFRS, the Group has elected to adopt cost model and has redefined the fair value of the freehold and leasehold land within the Group at date of transition as its deemed cost. As at that date, an increase of RM234,648,000 (31 March 2011: RM234,199,000; 31 December 2011: RM234,371,000) was recognized in investment properties and retained profits.

A2 Significant accounting policies (cont'd)

A2.1 Application of MFRS 1 (cont'd)

d) Early adoption of MFRS 10: Consolidated Financial Statements to consolidate an investee entity

In June 2011, the Group had invested in an investee entity which is measured at cost of RM896,969,000 as an investment securities.

Upon transition to MFRS, the Group has elected to early adopt MFRS 10: Consolidated Financial Statements which is effective for annual periods beginning on or after 1 January 2013. As such, the Group had restated its statement of financial positions as at 31 December 2011 to consolidate the investee entity.

e) Estimates

The estimates as at 1 January 2011 and as at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions as at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and of equity as at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

(i) Reconciliation as at 1 January 2011

RM'000

	FRS as at 1.1.2011	Consolidation of an investee entity	Investment Properties	Assets held for sale	MFRS as at 1.1.2011
Statement of financial position					
Investment properties	643,091	-	234,648	-	877,739
Retained profits	577,871	-	234,648	-	812,519

(ii) Reconciliation as at 31 March 2011

RM'000

	FRS as at 31.3.2011	Consolidation of an investee entity	Investment Properties	Assets held for sale	MFRS as at 31.3.2011
Statement of comprehensive income					
Other expenses	(34,770)	-	(449)	-	(35,219)
Statement of financial position					
Investment properties	643,588	-	234,199	-	877,787
Retained profits	666,414	-	234,199	-	900,613

A2 Significant accounting policies (cont'd)

A2.1 Application of MFRS 1 (cont'd)

(iii) Reconciliation as at 31 December 2011

RM'000

	FRS as at 31.12.2011	Consolidation of an investee entity	Investment Properties	Assets held for sale	MFRS as at 31.12.2011
Statement of comprehensive income					
Other expenses	(226,047)	-	(277)	-	(226,324)
Statement of financial position					
Assets held for sale	45,064	-	-	(6,096)	38,968
Investment properties	462,081	-	240,467	-	702,548
Investment securities	1,098,152	(896,969)	-	-	201,183
Deferred tax assets	97,018	(92,571)	-	-	4,447
Cash and bank balances	64,812	198	-	-	65,010
Other reserves	(622,638)	(98,827)	-	-	(721,465)
Retained profits	911,774	(13,816)	234,371	-	1,132,329
Non-controlling interests	299,630	(261,924)	-	-	37,706
Redeemable Convertible Unsecured					
Loan Stocks - C	386,626	(386,626)	-	-	-
Payables	735,700	(228,149)	-	-	507,551

A2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after	
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

A4 Seasonal or Cyclical Factors

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

A5 Segmental Information

	3 months ended	
	31.3.2012 RM'000	31.3.2011 RM'000 (Restated)
Segmental Revenue		
Gaming	839,926	863,583
Stockbroking	6,865	8,296
Financial services	56,557	58,582
Corporate & others	10,768	16,229
	<u>914,116</u>	<u>946,690</u>
Eliminations	(1,362)	(1,314)
Total	<u>912,754</u>	<u>945,376</u>
Segmental Results		
Gaming	99,079	126,100
Stockbroking	3,547	7,280
Financial services	2,277	18,498
Corporate & others	49,026	32,597
	<u>153,929</u>	<u>184,475</u>
Eliminations	(32,413)	(17,394)
Profit Before Tax	<u>121,516</u>	<u>167,081</u>

A6 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.

A7 Dividend Paid

During the current quarter ended 31 March 2012, the Company had paid an interim dividend of 5 sen less 25% tax on 30 March 2012.

A8 Carrying Amount of Revalued Assets

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

A9 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.

A10 Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value observable, either directly or indirectly.
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

A10 Fair Value Hierarchy (cont'd)

As at the reporting date, the Group held the following financial assets that are measured at fair value:

RM'000

	Level 1	Level 2	Level 3	Not at fair value	Total
31 March 2012					
Current					
FVTPL	83,500	-	-	-	83,500
AFS	148,893	200,085	73,011	-	421,989
Non-current					
AFS	13,344	-	-	211,477	224,821
	<u>245,737</u>	<u>200,085</u>	<u>73,011</u>	<u>211,477</u>	<u>730,310</u>
31 December 2011					
Current					
FVTPL	89,713	46,024	-	-	135,737
AFS	101,953	189,183	73,011	-	364,147
Non-current					
AFS	13,426	-	-	187,757	201,183
	<u>205,092</u>	<u>235,207</u>	<u>73,011</u>	<u>187,757</u>	<u>701,067</u>
1 January 2011					
Current					
FVTPL	112,654	43,973	-	-	156,627
AFS	117,572	151,618	94,629	-	363,819
Non-current					
AFS	13,118	-	-	187,457	200,575
Held to maturity	-	5,000	-	-	5,000
	<u>243,344</u>	<u>200,591</u>	<u>94,629</u>	<u>187,457</u>	<u>726,021</u>

A11 Contingent Liabilities

As at 25 May 2012, 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.

A12 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.

A13 Changes in Composition of the Group

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

A14 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

1Q 2012 vs 1Q 2011

The Group reported a profit before tax and non-controlling interests of RM121.5 million during the current quarter under review which is 27.2% lower when compared to RM167.0 million achieved in the previous corresponding quarter. The performance of the Gaming, Stockbroking and Financial Services Divisions has declined mainly due to higher payout ratio in Gaming Division and absence of exceptional fair value gain recorded in previous corresponding quarter. However, the Corporate and others Division registered an increase of 50.4% mainly due to exceptional gain from the sale of shares in an associate.

The Gaming Division posted lower profit before tax of RM99.1 million as compared to the profit before tax of RM126.1 million posted in the previous corresponding financial quarter. This is mainly due to higher payout ratio and stiff competition from competitors mitigated by lower finance cost due to consistent loan repayment during the current quarter.

The Stockbroking Division's profit before tax dropped by 52.1% compared to RM7.3 million recorded in the previous corresponding financial quarter. Lower brokerage fees earned as a result of poor market performance has adversely affected the results.

Profit before tax in the Financial Service Division of RM2.3 million was lower by 87.6% when compared to RM18.5 million achieved in previous corresponding financial quarter mainly due to higher net claims in current quarter. In addition, there was an exceptional gain in fair value adjustments in the previous corresponding quarter.

The Corporate and others Division achieved a profit before tax of RM49.0 million as compared to RM32.6 million achieved in previous corresponding financial quarter. Exceptional gain from sale of shares in an associate contributed mainly to the improved results.

B2 Comment on Material Change in Profit Before Tax

1Q 2012 vs 4Q 2011

The profit before tax of the Group at RM121.5 million achieved in the current quarter is 58.6% lower than the pre-tax profit of RM293.6 million recorded in the immediate preceding quarter. This is mainly due to exceptional gain from the sale of the office building in the immediate preceding quarter.

B3 Prospects for 2012

In the midst of challenging global economic environment, we expect the Malaysian economy to remain defensive and driven primarily by resilient domestic demand.

Barring any unforeseen circumstances, the impact of the corporate proposals will only be felt in 2013. The Board is of the view that the overall performance of the Group will be as follows:-

Gaming

The Division's multi-pronged strategy and strength in the following areas is expected to increase its revenue and stay ahead of competition:-

- Employ innovative, extensive and aggressive marketing and ground activities to engage with the various targeted market segments, create top of the mind product awareness and brand affinity and entice players via effective promotional campaigns to our 4D outlets to buy our products.
- Improve outlets' efficiency, service level and capacity to provide good customers' service.
- Continue to be the 1st movers in product and technological enhancement to sustain players' interest and ensure uninterrupted sales operations.

B3 Prospects for 2012 (cont'd)

Financial Services

Insurance arm aims to improve its market share with the establishment of new business team with the recruitment of new key marketing personnel with strong and wide network which commands a substantial book of business and to tap into the Bumiputra broking market. The Division will continue to intensify its marketing efforts to recruit and attract new agents who are aligned to its stringent market-centric underwriting philosophy. It will strategise to tap into specific targets through various product schemes. Going forward, it will continue to tie up with the local banks and explore further with the foreign financial institutions to tap into their clients' insurance.

Stockbroking

The Stockbroking Division is expected to face a challenging time ahead with the volatile trading activities in the local bourse, higher operating costs, fine brokerage and anticipated intensifying competition in the industry with various merger proposals among the industry players. In view of this, the Group is in the midst of carrying further capital reduction exercise with the intention of disposing this business in the near future. As such, we do not expect the Division to contribute substantially to the results of the Group.

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	
	31.3.2012 RM'000	31.3.2011 RM'000
Current income tax:		
Malaysian income tax	36,055	30,453
Overprovision of Malaysian income tax in prior years	<u>(105)</u>	<u>(14)</u>
	35,950	30,439
Deferred tax		
Relating to origination and reversal of temporary differences	284	1,250
Underprovision in prior years	<u>5</u>	<u>-</u>
Total income tax expense	<u>36,239</u>	<u>31,689</u>

The effective tax rate for the quarter under review is higher than the statutory tax rate mainly due to lower tax credit available for set-off in current quarter.

B6 Profit before tax

Included in the profit before tax are the following items:

	3 months ended	
	31.3.2012 RM'000	31.3.2011 RM'000
Accretion of discounts less amortisation of premiums	2	3
Amortisation of facility fees	3,562	6,013
Amortisation of intangible assets	68	22
Bad debts written off	126	-
Changes in fair value of derivative liabilities	(513)	(1,103)
Changes in fair value of investment securities	1,563	(9,091)
Depreciation of investment properties	449	449
Depreciation of property, plant and equipment	4,299	4,539
Dividend income on quoted shares and unit trust	(2,422)	(665)
Gain on disposal of an associate	(8,407)	-
Gain on disposal of property, plant and equipment	(57)	(321)
Loss/(Gain) on disposal of investment securities	6	(1,481)
Impairment losses on property, plant and equipment	331	99
Increase in reserves for unexpired risks	6,717	7,713
Interest expense	24,446	31,762
Interest income	(8,921)	(5,046)
Provision for doubtful debts	-	452
Provision for retirement benefit	209	178
Share of profit of associates	(1,090)	(1,487)
Unrealised gain on foreign exchange	47	(13)
Write-back of provision for doubtful debts	(115)	-

B7 Retained earnings

	As at 31.3.2012 RM'000	As at 31.12.2011 RM'000 (Restated)
	Total retained profits	
- realised	2,474,664	2,314,454
- unrealised	(1,306)	25,926
Total share of retained profits from associated companies		
- realised	19,332	19,242
- unrealised	-	(1)
Less: Consolidation adjustments	(1,330,162)	(1,227,292)
Retained profits as per Statement of Changes in Equity	<u>1,162,528</u>	<u>1,132,329</u>

B8 Corporate Proposals

On 23 May 2012, the Company through CIMB Investment Bank Berhad announced a proposed demerger of its gaming business and SPV Capital Businesses (comprising the operations of financial services and other investments) of the Group, and a proposed capital repayment to the entitled shareholders of the Company.

The Proposed Demerger is expected to involve the following:

- (i) an internal restructuring, whereby the Company will dispose of substantially all its businesses and undertakings, including the assets and liabilities, which are involved in the SPV Capital Businesses to SPV Capital, a wholly-owned subsidiary of the Company, for a total consideration to be satisfied through the issuance of new ordinary shares in SPV Capital ("SPV Capital Shares") and/or cash to the Company;
- (ii) an offer for sale by the Company of all its SPV Capital Shares, representing the entire equity interest in SPV Capital, to the entitled shareholders of the Company at an offer price to be determined later ("Proposed Offer for Sale"); and
- (iii) a listing of and quotation for the entire enlarged and paid-up share capital of SPV Capital on the Official List of the Main Market of Bursa Malaysia Securities Berhad.

Upon completion of the Proposed Offer for Sale, the Company proposes to carry out a capital repayment exercise of all the net proceeds under the Proposed Offer for Sale by way of reduction of the share premium of the Company under Section 64 of the Companies Act, 1965 ("Proposed Capital Repayment").

Further details on the above corporate exercise are announced on Bursa Malaysia Securities Berhad on the same date.

B9 Borrowings

The Group's borrowings as at 31 March 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdraft	596	3,878	4,474
Revolving Credit	3,000	-	3,000
	3,596	3,878	7,474
Long term			
Term loan	1,627,820	-	1,627,820
Total	1,631,416	3,878	1,635,294

All the borrowings are denominated in Ringgit Malaysia.

B10 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.

Trial has concluded on 13 March 2012 and parties have filed written submissions and replies. The case is now pending decision by the Judicial Commissioner.

B11 Dividends

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

B12 Basic Earnings Per Share

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

	3 months ended	
	31.3.2012 RM'000	31.3.2011 RM'000
Profit for the period	83,724	88,094
Weighted average number of ordinary share in issue	1,427,321	1,067,321
Basic EPS (sen)	<u>5.9</u>	<u>8.3</u>

By Order Of The Board
Ng Sook Yee
COMPANY SECRETARY
25 May 2012