



MULTI-PURPOSE

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

INTERIM FINANCIAL STATEMENTS
for the first quarter ended 31 March 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | 3 months ended | |
|--|----------------|----------------------|
| | 31 Mar 2013 | 31 Mar 2012 |
| | RM'000 | RM'000 (Restated) |
| Continuing operations | | |
| Revenue | 920,233 | 905,889 |
| Cost of sales | (693,109) | (732,914) |
| Gross profit | 227,124 | 172,975 |
| Other income | 33,571 | 25,073 |
| Administrative expenses | (18,338) | (16,793) |
| Other expenses | (39,258) | (39,850) |
| Operating profit | 203,099 | 141,405 |
| Finance costs | (15,990) | (24,338) |
| Share of results of associates | (289) | 1,090 |
| Profit before tax | 186,820 | 118,157 |
| Income tax expense | (32,872) | (35,845) |
| Profit for the period from continuing operations | 153,948 | 82,312 |
| Discontinued operation | | |
| Profit for the period from discontinued operation | - | 2,965 |
| Profit for the period | 153,948 | 85,277 |
| Attributable to: | | |
| Owners of the Company | 149,445 | 83,724 |
| Non-controlling interests | 4,503 | 1,553 |
| Profit for the period | 153,948 | 85,277 |
| Earnings per share ("EPS") attributable to owners of the company (sen per share): | | |
| Basic, for profit from continuing operations | 10.5 | 5.7 |
| Basic, for profit from discontinued operation | - | 0.2 |
| Basic EPS | 10.5 | 5.9 |
| Profit for the period | 153,948 | 85,277 |
| Other comprehensive income | | |
| Foreign currency translation | - | 2 |
| Changes in fair value of available-for-sale("AFS") assets | 4,010 | 5,191 |
| Total comprehensive income for the period | 157,958 | 90,470 |
| Total comprehensive income attributable to: | | |
| Owners of the company | 153,455 | 88,917 |
| Non-controlling interests | 4,503 | 1,553 |
| Total comprehensive income for the period | 157,958 | 90,470 |

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

| | AS AT 31 Mar 2013 RM'000 | AS AT 31 Dec 2012 RM'000 |
|---|--------------------------------|--------------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 136,407 | 138,074 |
| Investment properties | 661,092 | 659,040 |
| Associated company | 449 | 1,238 |
| Investment securities | 239,967 | 239,968 |
| Intangible assets | 2,879,331 | 2,879,223 |
| Reinsurance assets | 372,451 | 358,727 |
| Deferred tax assets | 4,502 | 4,502 |
| | 4,294,199 | 4,280,772 |
| Current assets | | |
| Inventories | 1,510 | 1,541 |
| Receivables | 239,863 | 197,643 |
| Tax recoverable | 89,944 | 86,333 |
| Investment securities | 445,250 | 507,649 |
| Cash and bank balances | 817,896 | 631,537 |
| | 1,594,463 | 1,424,703 |
| Assets held for sale | - | 192,940 |
| | - | - |
| Total Assets | 5,888,662 | 5,898,415 |
| Equity and liabilities | | |
| Equity attributable to owners of the company | | |
| Share capital | 1,437,749 | 1,437,749 |
| Treasury Shares | (17,657) | (17,657) |
| Reserves | 2,138,649 | 1,985,194 |
| Shareholders' equity | 3,558,741 | 3,405,286 |
| Non-controlling interests | 31,517 | 27,131 |
| Total equity | 3,590,258 | 3,432,417 |
| Non-current liabilities | | |
| Borrowings | 1,125,807 | 1,130,373 |
| Deferred tax liabilities | 27,499 | 27,499 |
| Provision for retirement benefits | 1,178 | 1,127 |
| Insurance contract liabilities | 729,330 | 703,003 |
| | 1,883,814 | 1,862,002 |
| Current liabilities | | |
| Payables | 380,086 | 391,036 |
| Borrowings | 22,779 | 187,112 |
| Tax payable | 11,725 | 8,560 |
| | 414,590 | 586,708 |
| Liabilities held for sale | - | 17,288 |
| | - | - |
| Total liabilities | 2,298,404 | 2,465,998 |
| Total equity and liabilities | 5,888,662 | 5,898,415 |
| Net assets per share attributable to ordinary equity holders of the company (RM) | 2.49 | 2.39 |

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2013

----- Attributable to Equity Holders of the Company -----
|----- Non-distributable -----|

| | 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 2012 | 1,437,749 | 1,413,108 | (724,943) | (17,657) | 1,119,348 | 37,706 | 3,265,311 |
| Total comprehensive income for the period | - | - | 5,193 | - | 83,724 | 1,553 | 90,470 |
| Dividend paid | - | - | - | - | (53,525) | - | (53,525) |
| At 31 March 2012 | 1,437,749 | 1,413,108 | (719,750) | (17,657) | 1,149,547 | 39,259 | 3,302,256 |
| At 1 January 2013 | 1,437,749 | 1,413,108 | (743,362) | (17,657) | 1,315,448 | 27,131 | 3,432,417 |
| Total comprehensive income for the period | - | - | 4,010 | - | 149,445 | 4,503 | 157,958 |
| Accretion of interest arising from the acquisition of additional shares in subsidiaries | - | - | - | - | - | (117) | (117) |
| At 31 March 2013 | 1,437,749 | 1,413,108 | (739,352) | (17,657) | 1,464,893 | 31,517 | 3,590,258 |

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

| | 3 months ended | |
|--|-----------------------|-----------------------|
| | 31 Mar 2013 | 31 Mar 2012 |
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| Profit before tax | | |
| - continuing operations | 186,820 | 118,157 |
| - discontinued operation | - | 3,359 |
| Adjustments for: | | |
| Accretion of discounts less amortisation of premiums | 1 | 2 |
| Amortisation of : | | |
| - facility fees | - | 3,562 |
| - intangible assets | 114 | 68 |
| Bad debts written off | 42 | 126 |
| Changes in fair value of derivative liabilities | - | (513) |
| Changes in fair value of investment securities | 1,226 | 1,563 |
| Depreciation of property, plant and equipment | 3,897 | 4,299 |
| Depreciation of investment properties | 443 | 449 |
| Dividend income on quoted shares and unit trust | (1,503) | - |
| Gain on disposal of an associate | - | (8,407) |
| (Gain)/Loss on disposal of investment securities | (4,736) | 6 |
| Gain on disposal of property, plant and equipment | (184) | (57) |
| Gain on disposal of investment properties | (1,401) | - |
| Gain on disposal of subsidiaries | (15,035) | - |
| Increase in reserves for unexpired risks | 4,842 | 6,717 |
| Interest expense | 15,990 | 24,446 |
| Interest income | (8,547) | (8,921) |
| Impairment losses on property, plant and equipment | - | 331 |
| Property, plant and equipment written off | 2 | - |
| Provision for bad and doubtful debts | 362 | - |
| Provision for retirement benefits | 218 | 209 |
| Share of results of associates | 289 | (1,090) |
| Unrealised loss on foreign exchange | - | 47 |
| Write-back of provision for doubtful debts | (120) | (115) |
| Operating cash flows before working capital changes | <u>182,720</u> | <u>144,238</u> |
| Changes in working capital: | | |
| Inventories | 31 | (109) |
| Receivables | (19,694) | 40,747 |
| Clients' and remisers' monies held in trust | - | (10,067) |
| Payables | <u>42,945</u> | <u>(43,357)</u> |
| Cash flows generated from operations | <u>206,002</u> | <u>131,452</u> |
| Income tax paid | (33,318) | (44,917) |
| Retirement benefits paid | (167) | (193) |
| Net cash flows generated from operating activities | <u>172,517</u> | <u>86,342</u> |
| INVESTING ACTIVITIES | | |
| Proceeds from disposals of : | | |
| - property, plant and equipment | 450 | 103 |
| - investment securities | 119,397 | 89,455 |
| - subsidiaries | 134,131 | - |
| Purchase of : | | |
| - property, plant and equipment | (2,498) | (1,434) |
| - investment properties | (1,094) | (3,345) |
| - investment securities | (49,478) | (115,079) |
| - intangible assets | (224) | (364) |
| - additional shares in subsidiaries | (117) | - |
| Movement in cash deposits pledged | (45) | 1,736 |
| Net dividend received from : | | |
| - quoted shares and unit trusts | 1,503 | 2,422 |
| - associate | 500 | 1,000 |
| Interest paid | (27,297) | (24,639) |
| Interest received | 8,569 | 10,293 |
| Net cash flows generated from/(used in) investing activities | <u>183,797</u> | <u>(39,852)</u> |
| FINANCING ACTIVITIES | | |
| Dividend paid | - | (53,525) |
| Net movement in fixed deposits with licensed bank | (229) | 224 |
| Net repayment of borrowings | <u>(170,000)</u> | <u>(468,600)</u> |
| Net cash flows used in financing activities | <u>(170,229)</u> | <u>(521,901)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 186,085 | (475,411) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | <u>609,195</u> | <u>1,035,029</u> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | <u>795,280</u> | <u>559,618</u> |
| Cash and cash equivalents consist of : | | |
| Deposits, cash and bank balances | 817,896 | 559,803 |
| Bank overdrafts | - | (3,878) |
| Cash deposits pledged | (21,909) | (23,102) |
| Cash deposits with licensed banks with maturity period of more than 3 months | (707) | (470) |
| Continuing operations | <u>795,280</u> | <u>532,353</u> |
| Discontinued operation | - | 27,265 |
| | <u>795,280</u> | <u>559,618</u> |

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to the interim financial statement provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statement for the year ended 31 December 2012.

| Adoption of MFRSs and Amendments to MFRSs | | Effective for periods beginning on or after |
|--|---|--|
| MFRS 3 | Business Combinations | 1 January 2013 |
| MFRS 13 | Fair Value Measurement | 1 January 2013 |
| Amendments to MFRS 7 | Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| Amendments to MFRS 101 | Presentation of Financial Statements | 1 January 2013 |

The adoption of the above MFRSs and Amendments to MFRSs did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

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

| MFRSs | | Effective for periods beginning on or after |
|--------------|---|--|
| MFRS 132 | Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| MFRS 9 | Financial Instruments (IFRS 9 Issued by IASB in November 2009 and October 2010) | 1 January 2015 |

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2012 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 | |
|--------------------------|----------------------|------------------------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 (Restated) |
| Segmental Revenue | | |
| Gaming | 846,966 | 839,926 |
| Financial services | 64,345 | 56,557 |
| Corporate & others | 13,098 | 10,768 |
| | <u>924,409</u> | <u>907,251</u> |
| Eliminations | <u>(4,176)</u> | <u>(1,362)</u> |
| Continuing operations | 920,233 | 905,889 |
| Discontinued operation | - | 6,865 |
| Total | <u>920,233</u> | <u>912,754</u> |
| Segmental Results | | |
| Gaming | 148,395 | 99,079 |
| Financial services | 13,219 | 2,277 |
| Corporate & others | 62,560 | 49,214 |
| | <u>224,174</u> | <u>150,570</u> |
| Eliminations | <u>(37,354)</u> | <u>(32,413)</u> |
| Continuing operations | 186,820 | 118,157 |
| Discontinued operation | - | 3,359 |
| Profit Before Tax | <u>186,820</u> | <u>121,516</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 Dividends Paid

No dividend was paid during the current quarter under review.

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.

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

RM'000

| | | Level 1 | Level 2 | Not at fair value | Total |
|-------------------------|-------|----------------|----------------|----------------------|----------------|
| 31 March 2013 | | | | | |
| Current | FVTPL | 82,360 | - | - | 82,360 |
| | AFS | 71,853 | 290,619 | 418 | 362,890 |
| Non-current | AFS | - | - | 239,967 | 239,967 |
| | | <u>154,213</u> | <u>290,619</u> | <u>240,385</u> | <u>685,217</u> |
| 31 December 2012 | | | | | |
| Current | FVTPL | 150,952 | - | - | 150,952 |
| | AFS | 61,967 | 294,730 | - | 356,697 |
| Non-current | AFS | - | - | 239,968 | 239,968 |
| | | <u>212,919</u> | <u>294,730</u> | <u>239,968</u> | <u>747,617</u> |

A11 Contingent Liabilities

As at 27 May 2013, 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.

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

On 18 January 2013, the Company announced that the proposed disposal of the entire issued and paid-up shares of A.A. Anthony Securities Sdn Bhd ("AAA") had been completed at a total purchase price of RM169,263,137 based on the NTA of AAA as at 31 December 2012 of RM174,265,637 less the Agreed Distribution of RM20,002,500 to DPSB, a wholly-owned subsidiary of MPHB, plus a premium of RM15,000,000.

Following the completion of the Proposed Disposal, AAA and its subsidiaries (i.e. A.A. Anthony Nominees (Tempatan) Sdn Bhd and A.A. Anthony Nominees (Asing) Sdn Bhd) have ceased to be subsidiaries of MPHB.

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 2013 vs 1Q 2012

The profit before tax and non-controlling interests of the Group from continuing operations for the 1Q 2013 at RM186.82 million is 58.11% higher than RM118.16 million reported in 1Q 2012 due to improved performance from all Divisions.

Gaming

The Gaming Division posted a revenue of RM846.97 million which is an increase of RM7.04 million from RM839.93 million registered in 1Q 2012. In tandem with the increase in revenue as well as lower prize payout and lower finance costs, the Gaming Division achieved a profit before tax of RM148.39 million which is 49.78% higher than RM99.07 million reported in 1Q 2012.

Financial Services

The profit before tax of the Financial Services Division in 1Q 2013 at RM13.22 million is RM10.94 million higher than RM2.27 million achieved in 1Q 2012. The improvement is mainly contributed by insurance subsidiary with better results from the general insurance business and investment portfolio.

Corporate and Others

The Corporate and Others Division registered increase of 50.06% with profit before tax of RM25.21 million in 1Q 2013 as compared to profit before tax of RM16.80 million in 1Q 2012. The exceptional gains on disposal of stockbroking subsidiary and lower finance cost have contributed to the better results.

B2 Comment on Material Change in Profit Before Tax

1Q 2013 vs 4Q 2012

The Group recorded a profit before tax from continuing operations of RM186.82 million in the current quarter which is RM125.28 million higher than the profit before tax of RM61.54 million recorded in the 4Q 2012. The significant improvement is due to increase in profit before tax in Gaming and Corporate and Others Divisions.

B3 Prospects

Despite global economic uncertainties, the Malaysian economy remains relatively resilient as it is mainly domestically driven with various initiatives under the Economic Transformation Programme.

Upon the completion of the demerger exercise in the near future, the management of each Group will be able to concentrate on the distinct areas of businesses to improve the operational and financial efficiency of the businesses to achieve the goals and objectives of the demerger exercise.

Gaming

The Gaming Division will continue to focus on creating market presence and endeavour to increase sales through brand loyalty. First quarter of the year where the Chinese New Year festive season falls will remain the major contributing factor to revenue. Other factors that affect the level of sales are the size of the Jackpot prize pool and the disposable income of the public.

Financial Services

The Insurance subsidiary aims to capture a larger market share through the expansion of its extensive agency base, recruitment of result orientated marketing personnel and to grow its retail business by introducing new products as well as to tap into the Bumiputra broking markets. It will also continue to intensify its marketing efforts to grow its retail sector. Going forward, it will continue to seek new tie ups with local and foreign owned banks.

B4 Profit Forecast and Profit Guarantee

There was no profit forecast or profit guarantee issued by the Company.

B5 Income Tax Expense

| | 3 months ended | |
|---|----------------------|----------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 |
| Current income tax: | | |
| Malaysian income tax | 32,901 | 35,657 |
| Over provision of Malaysian income tax in prior year | (29) | (105) |
| | <u>32,872</u> | <u>35,552</u> |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | - | 288 |
| Under provision in prior year | - | 5 |
| Total income tax expense | <u>32,872</u> | <u>35,845</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 tax credit.

B6 Profit before tax

Included in the profit before tax are the following items:

| | 3 months ended | |
|--|----------------------|----------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 |
| Accretion of discounts less amortisation of premiums | 1 | 2 |
| Amortisation of facility fees | - | 3,562 |
| Amortisation of intangible assets | 114 | 68 |
| Bad debts written off | 42 | 126 |
| Changes in fair value of derivative liabilities | - | (513) |
| Changes in fair value of investment securities | 1,226 | 1,563 |
| Depreciation of investment properties | 443 | 449 |
| Depreciation of property, plant and equipment | 3,897 | 4,299 |
| Dividend income on quoted shares and unit trust | (1,503) | (2,422) |
| Gain on disposal of an associate | - | (8,407) |
| Gain on disposal of property, plant and equipment | (184) | (57) |
| (Gain) / Loss on disposal of investment securities | (4,736) | 6 |
| Gain on disposal of investment properties | (1,401) | - |
| Gain on disposal of subsidiaries | (15,035) | - |
| Impairment losses on property, plant and equipment | - | 331 |
| Increase in reserves for unexpired risks | 4,842 | 6,717 |
| Interest expense | 15,990 | 24,446 |
| Interest income | (8,547) | (8,921) |
| Property, plant and equipment written off | 2 | - |
| Provision for doubtful debts | 362 | - |
| Provision for retirement benefits | 218 | 209 |
| Share of results of associates | 289 | (1,090) |
| Unrealised loss on foreign exchange | - | 47 |
| Write-back of provision for doubtful debts | (120) | (115) |

B7 Retained profits

| | As at 31.03.2013 RM'000 | As at 31.12.2012 RM'000 |
|--|-------------------------------|-------------------------------|
| Total retained profits | | |
| - realised | 2,852,879 | 2,557,966 |
| - unrealised | 24,510 | 32,903 |
| Total share of retained profits from associates | | |
| - realised | 18,061 | 18,350 |
| Less: Consolidation adjustments | (1,430,557) | (1,293,771) |
| Retained profits as per Statement of Changes in Equity | 1,464,893 | 1,315,448 |

B8 Corporate Proposals

- I. Proposed demerger of the Gaming and Special Purpose Vehicle ("SPV") Capital Businesses of the Company and its subsidiaries;**
- II. Proposed capital repayment to the entitled shareholders of the Company; and**
- III. Proposed name change**
(Collectively referred to as the "Proposals")

On 23 May 2012, the Company announced through CIMB Investment Bank Berhad the following proposals:

- (a) the proposed demerger of the Multi-Purpose Holdings Berhad Group ("MPHB Group") to create 2 separate and independent listed entities, namely, Multi-Purpose Holdings Berhad ("the Company"), which will hold the gaming business and a special purpose vehicle ("MPHB Capital Berhad"), which will hold substantially the financial services businesses and other investments of the MPHB Group ("MPHB Capital Businesses"). The Proposed Demerger will involve the following:
 - (i) an internal reorganisation, whereby the Company will dispose of its MPHB Capital Businesses to MPHB Capital Berhad ("MPHB Capital"), which was completed on 29 March 2013.
 - (ii) an offer for sale by the Company of all its MPHB Capital Shares, representing the entire equity interest in MPHB Capital, to the entitled shareholders of the Company at an offer price of RM1.00 per MPHB Capital share ("Propose Offer for Sale"); and
 - (iii) a listing of and quotation for the entire enlarged and paid-up share capital of MPHB Capital on the Official List of the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"),
- (b) the proposed capital repayment 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.

The Company acquired a 100% equity interest in MPHB Capital as the SPV on 19 July 2012.

On 8 November 2012, the Company announced the proposal to change the name of the Company to "Magnum Berhad" upon completion of the Proposed Demerger.

Further to the announcements, the Company has obtained approvals from the Securities Commission Malaysia and Minister of Finance of Malaysia. The Company has also obtained the approval from shareholders during the Extraordinary General Meeting held on 5 December 2012.

On 13 May 2013, the Company announced that Bursa Securities has vide its letter dated 13 May 2013 approved MPHB Capital's admission to the Official List of Bursa Securities and the listing of and quotation for 715,000,000 ordinary shares of RM1.00 each in MPHB Capital representing the entire issued and paid-up share capital of MPHB Capital on the Main Market of Bursa Securities.

Further details on the above corporate exercise have been announced on Bursa Securities.

B9 Borrowings

The Group's borrowings as at 31 March 2013 are as follows:

| | Secured RM'000 |
|-------------------|---------------------------|
| Short term | |
| Term loan | 19,779 |
| Revolving Credit | 3,000 |
| | <u>22,779</u> |
| Long term | |
| Medium term notes | 987,575 |
| Term loan | 129,232 |
| Revolving Credit | 9,000 |
| | <u>1,125,807</u> |
| | |
| Total | <u>1,148,586</u> |

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 ("Leisure Dotcom"), one of the subsidiaries, commenced a legal proceeding at the High Court of Malaya ("High Court") at Kuala Lumpur against Globesource Sdn Bhd ("GBS") claiming for among others, specific performance for delivery of a piece of freehold land and 2 leases in Kuala Lumpur pursuant to a conditional sale and purchase agreement dated 21 June 2007 entered into between Leisure Dotcom and GBS. Pursuant to the agreement, GBS is to sell and Leisure Dotcom is to purchase the properties for a total consideration of RM72,162,000.00. Upon the execution of the agreement, Leisure Dotcom paid a deposit of RM7,216,000.00 representing 10.00% of the purchase price. Subsequent to that, Leisure Dotcom paid the balance purchase price but such sum was returned by GBS. The sale and purchase under the agreement dated 21 June 2007 was not completed.

Hence, Leisure Dotcom filed a claim against GBS. In turn, GBS had counterclaimed, among others, that the agreement had been validly terminated.

On 6 July 2012, Leisure Dotcom's claim was dismissed with costs and GBS's counterclaim was allowed with costs by the High Court. On 9 July 2012, Leisure Dotcom filed a notice of appeal and subsequently on 24 August 2012, a record of appeal at the Court of Appeal. On 19 September 2012, the High Court granted Leisure Dotcom an Erinford injunction against GBS and a stay of execution of the High Court decision pending the appeal. On 26 November 2012, Leisure Dotcom further filed a supplemental record of appeal at the Court of Appeal to include the grounds of judgment for the High Court case which was received on 8 November 2012. In light of the grounds of judgment of the High Court case, Leisure Dotcom had on 20 December 2012, further filed a second supplemental record of appeal to include an amended memorandum of appeal. Subsequently, Leisure Dotcom had on 22 February 2013 filed an application for leave to amend the memorandum of appeal, which was allowed by the Court of Appeal on 1 April 2013.

No date has been fixed for either case management or hearing for the Court of Appeal case. Leisure Dotcom believes, following consultation with its solicitors, that Leisure Dotcom has a good prospect of succeeding in the appeal against the High Court's decision.

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 period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

| | 3 months ended | |
|--|-----------------------|-------------------|
| | 31.03.2013 | 31.03.2012 |
| | RM'000 | RM'000 |
| | | (Restated) |
| Profit from continuing operations | 149,445 | 80,759 |
| Profit from discontinued operation | - | 2,965 |
| Profit attributable to owners of the company | <u>149,445</u> | <u>83,724</u> |
| Weighted average number of ordinary share in issue | 1,427,321 | 1,427,321 |
| Basic EPS (sen) | | |
| Profit from continuing operations | 10.5 | 5.7 |
| Profit from discontinued operation | - | 0.2 |
| Profit attributable to owners of the company | <u>10.5</u> | <u>5.9</u> |

By Order Of The Board
Ng Sook Yee
COMPANY SECRETARY
27 May 2013