



**MPHB CAPITAL BERHAD**  
**(1010253 - W)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS**  
**for the first quarter ended 31 March 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended	
	31 Mar 2013	31 Mar 2012
	RM'000	RM'000
Other expenses	<u>(1)</u>	<u>N/A</u>
Loss for the period, representing total comprehensive income for the period	<u>(1)</u>	<u>N/A</u>
Basic earnings per share	<u>N/A</u>	<u>N/A</u>

Notes :-

N/A - Not Applicable

No comparative figures are available as the Company adopts the approach of no restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013**

	<b>As at 31 Mar 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	92,085	N/A
Investment properties	775,572	N/A
Investment in associate	449	N/A
Investment securities	1,001	N/A
Reinsurance assets	372,451	N/A
Intangible assets	42,649	N/A
Deferred tax assets	2,340	N/A
	<b>1,286,547</b>	<b>N/A</b>
<b>Current assets</b>		
Inventories	226	N/A
Receivables	185,293	N/A
Tax recoverable	1,622	N/A
Investment securities	378,489	N/A
Cash and bank balances	382,832	N/A
	<b>948,462</b>	<b>N/A</b>
<b>Total Assets</b>	<b>2,235,009</b>	<b>N/A</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	715,000	N/A
Other reserves	354,067	N/A
Merger deficit	(28,464)	N/A
Accumulated Losses	(169)	N/A
<b>Shareholders' equity</b>	<b>1,040,434</b>	<b>N/A</b>
Non-controlling interests	16,766	N/A
<b>Total equity</b>	<b>1,057,200</b>	<b>N/A</b>
<b>Non-current liabilities</b>		
Borrowings	88,306	N/A
Deferred tax liabilities	14,868	N/A
Insurance contract liabilities	729,330	N/A
	<b>832,504</b>	<b>N/A</b>
<b>Current liabilities</b>		
Payables	317,200	N/A
Borrowings	22,779	N/A
Tax payable	5,326	N/A
	<b>345,305</b>	<b>N/A</b>
<b>Total liabilities</b>	<b>1,177,809</b>	<b>N/A</b>
<b>Total equity and liabilities</b>	<b>2,235,009</b>	<b>N/A</b>
<b>Net Assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>1.46</b>	<b>N/A</b>

Notes :-

N/A - Not Applicable

No comparative figures are available as the Company adopts the approach of no restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control.

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

	I---Attributable to Equity Holders of the Company---I					
	I--Non-distributable--I					Total RM'000
	Share Capital RM'000	Reserves RM'000	Merger Deficit RM'000	Accumulated Losses RM'000	Non- controlling Interests RM'000	
<b>At 1 January 2013</b>	#	-	-	(168)	-	(168)
Issuance of ordinary shares (Note A7)	715,000	-	-	-	-	715,000
Effects arising from the merger and acquisition of subsidiaries	-	354,067	(28,464)	-	16,766	342,369
Total comprehensive income for the period	-	-	-	(1)	-	(1)
<b>At 31 March 2013</b>	<b>715,000</b>	<b>354,067</b>	<b>(28,464)</b>	<b>(169)</b>	<b>16,766</b>	<b>1,057,200</b>

Note :-

# - represents RM2.00

No comparative figures are available as the Company adopts the approach of no restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2013**

	3 months ended	
	31 Mar 2013 RM'000	31 Mar 2012 RM'000
Effects arising from the merger and acquisition of subsidiaries	382,545	N/A
Cash and balances at beginning of financial period	<u>N/A</u>	<u>N/A</u>
Cash and balances at end of financial period	<u>382,545</u>	<u>N/A</u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	382,832	N/A
Cash deposits with licensed banks with maturity period of more than 3 months	<u>(287)</u>	<u>N/A</u>
	<u>382,545</u>	<u>N/A</u>

Notes :-

N/A - Not Applicable

No comparative figures are available as the Company adopts the approach of no restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control.

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”)  
134**

**A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This is the first interim financial results for the first quarter ended 31 March 2013 announced by the Company in compliance with the listing requirements. There are no comparative figures as the Company adopts the approach of no restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control

**A2 Significant Accounting Policies**

**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
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statement	1 January 2013
MFRS 128	Investment in Associate and Joint Ventures	1 January 2013
Amendments to MFRS 1	First-time adoption of Malaysian Financial Reporting Standards	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
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2013
Amendments to MFRS 132	Financial Instruments: Presentation	1 January 2013
Amendments to MFRS 134	Interim Financial Reporting	1 January 2013

The adoption of the above MFRSs and Amendments to MFRSs will have no material impact on the financial statements of the Group except for the following:-

**(i) MFRS 13 Fair Value Measurement**

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted.

Upon adoption of MFRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of MFRS 13 is not expected to result in significant change in fair value of properties of the Group.

**(ii) Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle) (“MFRS 101”)**

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

## A2 Significant Accounting Policies (cont'd)

### (iii) MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

## A3 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 other than the increase in the issued and paid-up share capital of the Company from RM2.00 to RM715.00 million through an allotment and issuance of 714,999,998 new ordinary shares of RM1.00 each on 29 March 2013 for the acquisition of subsidiaries as disclosed in note A7.

## A4 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:

31 March 2013		Level 1	Level 2	Not at fair value	Total
Current	Financial assets at fair value				
	through profit or loss	16,017	-	-	16,017
	Available-for-sale financial assets	71,853	290,619	-	362,472
Non-current	Available-for-sale financial assets	-	-	1,001	1,001
		87,870	290,619	1,001	379,490

## A5 Contingent Liabilities

As at 26 June 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.

## A6 Material Subsequent Events

There were no other material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report other than the listing and quotation of the Company's entire issued and paid-up share capital of RM715 million comprising 715.00 million ordinary shares of RM1.00 each on Main Market of Bursa Securities is scheduled on 28 June 2013.

**A7 Changes in Composition of the Group**

The following conditional share sale agreements have been completed on 29 March 2013:-

- (i) Conditional share sale agreement with Multi-Purpose Holdings Berhad ("MPHB") for the acquisition of entire equity interest in West Jaya Sdn Bhd, Caribbean Gateway Sdn Bhd, Queensway Nominees (Tempatant) Sdn Bhd, Queensway Nominees (Asing) Sdn Bhd, Kelana Megah Development Sdn Bhd, Magnum.Com Sdn Bhd, Tibanis Sdn Bhd, Mimaland Berhad, Leisure Dotcom Sdn Bhd, Magnum Leisure Sdn Bhd from MPHB for a total consideration of RM399.74 million to be satisfied by a combination of cash payment of RM40.04 million and the issuance of 359.71 million new ordinary shares of RM1.00 each of the Company at the issue price of RM1.00 each;
- (ii) Conditional share sale agreement with MPHB for the acquisition of entire equity interest in Multi-Purpose Shipping Corporation Berhad, Jayavest Sdn Bhd and Syarikat Perniagaan Selangor Sdn Bhd from MPHB for a total cash consideration of RM112.79 million; and
- (iii) Conditional share sale agreement with MPHB for the acquisition of entire equity interest in Multi-Purpose Capital Holdings Berhad from MPHB for a total consideration of RM392.83 million to be satisfied by a combination of cash payment of RM37.54 million and the issuance of 355.29 million new ordinary shares of RM1.00 each of the Company in MPHB at the issue price of RM1.00 each.

**A8 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 other than the completion of acquisition of subsidiary companies as disclosed in A7.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1 Review of performance of the Group/ Comment on material change in profit before tax**

There were no comments as there are no comparative figures as the Company adopts the approach of no restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control

**B2 Prospects**

The Malaysian economy is generally supported by strong domestic demand, private consumption, and fiscal spending of Federal Government. Going forward, domestic demand will remain the key driver of growth of Malaysian economy in view of the continuing global economic uncertainties.

Upon listing and quotation of the Company's entire issued and paid-up share capital on Main Market of Bursa Securities, the management will be focusing on the distinct areas of businesses to improve the operational and financial efficiency to enhance the value of the businesses.

**Insurance and Credit**

The Insurance subsidiary intends to expand its agency base, recruit suitable marketing personnel and to enlarge its retail business by introducing new products as well as making new market inroads in broking and retail markets to capture larger market share. Going forward, it will continue to seek new tie ups with local and foreign owned banks to create awareness in the insurance industry.

The credit business is currently limited to a small and select group of customers that the Group is familiar with and where bank financing may not be obtainable in a timely manner. The knowledge of customers enables us to mitigate risks associated with the provision of credit.

**Investments**

The management aims to explore new avenues to unlock the value of existing land bank situated in strategic locations which includes profitable joint ventures with reputable property developers or outright disposal to enhance the investment returns.

As part of the initiatives to manage the land bank, the Group is always on the look out for opportunities to acquire properties that will complement the potential value of our existing land bank to create value for the shareholders.

**B3 Profit Forecast and Profit Guarantee**

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

**B4 Corporate Proposals**

There were no corporate proposals during the quarter under review.



## B5 Borrowings

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

	As at 31 Mar 2013 RM'000	As at 31 Dec 2012 RM'000
<b>Short term</b>		
Term loan	19,779	N/A
Revolving Credit	3,000	N/A
	<u>22,779</u>	<u>N/A</u>
<b>Long term</b>		
Term loan	79,306	N/A
Revolving Credit	9,000	N/A
	<u>88,306</u>	<u>N/A</u>
 Total	 <u>111,085</u>	 <u>N/A</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

## B6 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.

## B7 Dividends

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

**B8 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.

	<b>3 months ended</b>	
	<b>31 Mar 2013</b>	<b>31 Mar 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Loss for the period	<u>(1)</u>	<u>N/A</u>
Weighted average number of ordinary shares in issue	<u>715,000</u>	<u>N/A</u>
<b>Basic Earnings Per Share (Sen)</b>	<u>N/A</u>	<u>N/A</u>

By Order Of The Board  
Ng Sook Yee  
COMPANY SECRETARY  
26 June 2013