



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

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	78,749	N/A	158,803	N/A
Cost of sales	(53,943)	N/A	(108,010)	N/A
Gross profit	24,806	N/A	50,793	N/A
Other income	18,135	N/A	32,627	N/A
Administrative expenses	(12,168)	N/A	(22,138)	N/A
Other expenses	(12,098)	N/A	(21,537)	N/A
Operating profit	18,675	N/A	39,745	N/A
Finance costs	(1,286)	N/A	(2,660)	N/A
Share of results of an associate	14	N/A	(7)	N/A
Profit before tax	17,403	N/A	37,078	N/A
Income tax expense	(4,754)	N/A	(10,264)	N/A
Profit for the period	12,649	N/A	26,814	N/A
Profit attributable to:				
Owners of the Company	12,853	N/A	27,266	N/A
Non-controlling interests	(204)	N/A	(452)	N/A
	12,649	N/A	26,814	N/A
Earnings per share ("EPS") attributable to owners of the Company (sen):				
Basic EPS	1.8	N/A	3.8	N/A
Profit for the period	12,649	N/A	26,814	N/A
Other comprehensive income:				
Net fair value changes in available-for-sale ("AFS") financial assets	(7,257)	N/A	(4,568)	N/A
Total comprehensive income for the period	5,392	N/A	22,246	N/A
Total comprehensive income attributable to:				
Owners of the Company	5,596	N/A	22,698	N/A
Non-controlling interests	(204)	N/A	(452)	N/A
	5,392	N/A	22,246	N/A

Note :-

N/A - Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the 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 30 SEPTEMBER 2013**

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	89,558	N/A
Investment properties	744,493	N/A
Investment in an associate	442	N/A
Investment securities	368,959	N/A
Intangible assets	42,917	N/A
Deferred tax assets	2,340	N/A
	<u>1,248,709</u>	<u>N/A</u>
Current assets		
Inventories	186	N/A
Receivables	223,183	N/A
Reinsurance assets	411,349	N/A
Tax recoverable	655	N/A
Investment securities	116,473	N/A
Cash and bank balances	313,548	N/A
	<u>1,065,394</u>	<u>N/A</u>
Asset held for sale	30,195	-
TOTAL ASSETS	2,344,298	N/A
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	715,000	N/A
Share premium	296,091	N/A
Other reserves	53,408	N/A
Merger deficit	(28,464)	N/A
Retained profits	27,098	N/A
Shareholders' equity	<u>1,063,133</u>	<u>N/A</u>
Non-controlling interests	16,314	N/A
Total equity	<u>1,079,447</u>	<u>N/A</u>
Non-current liabilities		
Borrowings	74,980	N/A
Deferred tax liabilities	15,703	N/A
	<u>90,683</u>	<u>N/A</u>
Current liabilities		
Payables	319,372	N/A
Insurance contract liabilities	799,426	N/A
Borrowings	26,456	N/A
Tax payable	6,308	N/A
	<u>1,151,562</u>	<u>N/A</u>
Total liabilities	<u>1,242,245</u>	<u>N/A</u>
Liability directly associated with asset held for sale	22,606	-
TOTAL EQUITY AND LIABILITIES	2,344,298	N/A
Net assets per share attributable to owners of the Company (RM)	1.49	N/A

Note :-

N/A - Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the 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 NINE MONTHS ENDED 30 SEPTEMBER 2013

I-----Attributable to Owners of the Company-----I
I-----Non-distributable-----I

	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2012 / 30 September 2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
At 1 January 2013	#	-	-	-	(168)	(168)	-	(168)
Issuance of ordinary shares	715,000	-	-	-	-	715,000	-	715,000
Effects arising from the merger and acquisition of subsidiaries	-	296,091	57,976	(28,464)	-	325,603	16,766	342,369
Total comprehensive income for the period	-	-	(4,568)	-	27,266	22,698	(452)	22,246
At 30 September 2013	715,000	296,091	53,408	(28,464)	27,098	1,063,133	16,314	1,079,447

Note :-

- represents RM2.00

N/A - Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the 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 NINE MONTHS ENDED 30 SEPTEMBER 2013

	9 months ended	
	30.09.2013	30.09.2012
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	37,078	N/A
Adjustments for:		
Accretion of discounts less amortisation of premiums	4	N/A
Amortisation of intangible assets	246	N/A
Changes in fair value of financial assets at Fair Value Through Profit or Loss ("FVTPL")	415	N/A
Depreciation of property, plant and equipment	3,501	N/A
Depreciation of investment properties	894	N/A
Dividend income on quoted shares and unit trusts	(1,933)	N/A
Gain on disposal of investment securities	(2,940)	N/A
Increase in reserves for unexpired risks	12,298	N/A
Interest expense	2,660	N/A
Interest income	(15,197)	N/A
Property, plant and equipment written off	7	N/A
Share of results of an associate	7	N/A
Write-back of provision for doubtful debts	(472)	N/A
Operating cash flows before working capital changes	36,568	N/A
Changes in working capital:		
Inventories	40	N/A
Receivables	(30,868)	N/A
Payables	42,825	N/A
Cash generated from operations	48,565	N/A
Income tax paid	(8,314)	N/A
Net cash generated from operating activities	40,251	N/A
INVESTING ACTIVITIES		
Proceeds from disposal of :		
- investment securities	17,352	N/A
Purchase of :		
- property, plant and equipment	(981)	N/A
- investment properties	(10)	N/A
- investment securities	(124,507)	N/A
- intangible assets	(514)	N/A
Net dividend received from :		
- quoted shares and unit trusts	1,933	N/A
Interest paid	(1,807)	N/A
Interest received	8,648	N/A
Net cash used in investing activities	(99,886)	N/A
FINANCING ACTIVITIES		
Net repayment of borrowings	(9,649)	N/A
Net movement in fixed deposit with licensed bank	(287)	N/A
Net cash used in financing activities	(9,936)	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(69,571)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	382,832	N/A
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	313,261	N/A
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	313,548	N/A
Cash deposit with licensed bank with maturity period of more than 3 months	(287)	N/A
	313,261	N/A

Note :-

N/A - Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the 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 accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

No comparative figures are available as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control

A2 Significant Accounting Policies

A2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations and changes in accounting policies

(a) Adoption of Standards, Amendments and IC Interpretations

The Group adopted the following Standards, Amendments and IC Interpretations:-

	Effective for periods beginning on or after
MFRS 3	Business Combinations
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investment in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time adoption of MFRS
Amendments to MFRS 7	Financial Instruments: Disclosures
	– Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 134	Interim Financial Reporting
Annual Improvements to IC Interpretations and MFRSs 2009-2011 Cycle	1 January 2013

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not have any 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 did not result in any significant change in fair value of properties of the Group, and

(ii) Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

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 losses or gains on AFS financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans).

The adoption of this amendment affects presentation only and has no financial impact on the Group's financial statements.

A2 Significant Accounting Policies (cont'd)

A2.2 Standards issued but not yet effective

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
Amendments to MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets-Recoverable Amount disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

A3 Seasonal or Cyclical Factors

The performance of the Group is not affected by any seasonal or cyclical factors but is affected by the local economic conditions.

A4 Segmental Information

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Segmental Revenue				
Insurance	69,220	N/A	139,589	N/A
Credit	225	N/A	854	N/A
Investments	9,304	N/A	18,360	N/A
Total	<u>78,749</u>	<u>N/A</u>	<u>158,803</u>	<u>N/A</u>
Segmental Results				
Insurance	13,400	N/A	29,872	N/A
Credit	(954)	N/A	2,965	N/A
Investments	4,957	N/A	4,241	N/A
	<u>17,403</u>	<u>N/A</u>	<u>37,078</u>	<u>N/A</u>
Income tax expense	<u>(4,754)</u>	<u>N/A</u>	<u>(10,264)</u>	<u>N/A</u>
Profit for the period	<u>12,649</u>	<u>N/A</u>	<u>26,814</u>	<u>N/A</u>

Note :-

N/A – Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control.

A4 Segmental Information (cont'd)

Assets and Liabilities as at 30 September 2013

	Assets RM'000	Liabilities RM'000
Insurance	1,254,205	969,404
Credit	173,346	435
Investments	886,552	272,406
	<u>2,314,103</u>	<u>1,242,245</u>
Asset/Liability held for sale	30,195	22,606
Total	<u>2,344,298</u>	<u>1,264,851</u>

A5 Accounting Estimates

There were no changes in estimates that have had any material effect on the current quarter and nine months ended 30 September 2013.

A6 Dividends Paid

No dividend was paid during the quarter under review.

A7 Debt and Equity Securities

The Company had issued 714,999,998 ordinary shares of RM1.00 each on 29 March 2013.

The listing and quotation of the Company's entire issued and paid-up share capital of RM715 million comprising 715 million ordinary shares of RM1.00 each on Main Market of Bursa Securities was completed on 28 June 2013.

There were no issuance, cancellation, repurchase, resale and repayment of debt securities during the quarter and nine months ended 30 September 2013.

A8 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.

A8 Fair Value Hierarchy (cont'd)

As at the reporting date, the Group held the following financial instruments carried at fair value in the Statement of Financial Position:-

30 September 2013		Level 1	Level 2	Not at fair value	Total
Non-current	AFS financial assets	363,239	4,719	1,001	368,959
Current	Financial assets at FVTPL	116,473	-	-	116,473
Total		479,712	4,719	1,001	485,432
30 September 2012		N/A	N/A	N/A	N/A

Note :-

N/A – Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control.

A9 Contingent Liabilities

As at 14 November 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.

A10 Events After The Reporting Period

On 18 October 2013, Multi-Purpose Venture Partners Sdn Bhd, an indirect subsidiary of the Company had commenced members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act.

Further details on the above members' voluntary winding-up have been announced on Bursa Securities on the same date.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter and nine months ended 30 September 2013 except for the completion of the following acquisitions on 29 March 2013:-

- (i) Share sale agreement with Magnum Berhad ("Magnum") (formerly known as Multi-Purpose Holdings Berhad) for the acquisition of entire equity interest in West Jaya Sdn Bhd, Caribbean Gateway Sdn Bhd, Queensway Nominees (Tempatan) 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 Magnum 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) Share sale agreement with Magnum for the acquisition of entire equity interest in Multi-Purpose Shipping Corporation Berhad, Jayavest Sdn Bhd and Syarikat Perniagaan Selangor Sdn Bhd from Magnum for a total cash consideration of RM112.79 million; and
- (iii) Share sale agreement with Magnum for the acquisition of entire equity interest in Multi-Purpose Capital Holdings Berhad from Magnum 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 Magnum at the issue price of RM1.00 each.

A12 Asset held for sale/Liability directly associated with asset held for sale

On 21 August 2013, Multi-Purpose Shipping Corporation Berhad, a subsidiary of the Company, had entered into a sale and purchase agreement with Twin Universal Sdn Bhd to dispose of 7 parcels of land located at Mukim B, Daerah Barat Daya, Pulau Pinang measuring approximately 9.04 million square feet for a total cash consideration of RM226.06 million.

Further details on the above disposal have been announced on Bursa Securities on the same date.

A13 Operating Lease Arrangements

i) The Group as lessee

The future aggregate minimum lease payments payable under operating leases contracted for as at the end of the financial period but not recognised as liabilities are as follows:

	As at 30.09.2013 RM'000
Not later than 1 year	2,807
Later than 1 year and not later than 5 years	<u>2,550</u>
Total future minimum lease payments	<u>5,357</u>

ii) The Group as lessor

The future aggregate minimum lease payments receivable under operating leases contracted for as at the end of the financial period but not recognised as receivables are as follows:

	As at 30.09.2013 RM'000
Not later than 1 year	679
Later than 1 year and not later than 5 years	<u>545</u>
Total future minimum lease receivables	<u>1,224</u>

A14 Unusual Items Affecting Interim Financial Report

There were no unusual items affecting the interim financial report of the Group for the current quarter and nine months ended 30 September 2013, save as disclosed in A7, A11 and A12.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of performance of the Group

3Q 2013 vs 3Q 2012

For the quarter under review, the Group achieved a total revenue of RM78.75 million. The Insurance Division generated revenue of RM69.22 million which is 87.90% of the total revenue and the Credit and Investments Divisions contributed the balance of RM9.53 million or 12.10% of the total revenue.

The Group posted a profit before tax of RM17.40 million for the 3Q2013. The Insurance and Credit and Investments Divisions contributed RM13.40 million and RM4.00 million respectively to the profit before tax.

9M 2013 vs 9M 2012

The total revenue of the Group for the 9 months ended 30 September 2013 is RM158.80 million. Revenue from the Insurance Division at RM139.59 million is 87.90% of the total revenue whilst the remaining 12.10% is derived from the Credit and Investments Divisions.

The Group registered a profit before tax of RM37.08 million for the 9M 2013. The Insurance Division and the Credit and Investments Divisions generated a profit before tax of RM29.87 million and RM7.21 million respectively.

There are no comparative figures as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control.

B2 Comment on material change in profit before tax

3Q 2013 vs 2Q 2013

The profit before tax of the Group at RM17.40 million posted in the current quarter is 11.59% lower than the pre-tax profit of RM19.68 million recorded in 2Q2013. This is mainly due to lower underwriting profit and investment income in the Insurance Division. The net changes in the fair value of investment securities and lower interest income earned in the Credit Division have adversely affected the results. However, the Investments Division recorded profit from one of its joint venture in property development.

B3 Prospects

In view of the uncertain global economic situation, the Malaysian economy continues to be domestically driven especially with the ongoing implementation of the Economic Transformation Programme and the activities in both the public and private sectors. The sustained income growth and stable labor market conditions continue to support private consumption.

Insurance

The Insurance Division intensifies its efforts to improve its market share with the expansion of agency base, recruitment of capable key marketing personnel to grow its retail business through various product schemes as well as making strategic market inroads in broking and retail markets. Going forward, it will always be on the look-out to tie up with the local and foreign financial institutions to tap into their clients' insurance.

Credit and Investments

The credit business is mainly confined to selected clientele that the Group is familiar with and where bank financing may not be obtainable in a timely manner.

The Investment Division will explore opportunities to seek profitable joint ventures with reputable property developers or outright disposal to enhance the shareholders' value.

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		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Current income tax	4,840	N/A	10,350	N/A
Over provision of tax in prior years	(86)	N/A	(86)	N/A
	<u>4,754</u>	<u>N/A</u>	<u>10,264</u>	<u>N/A</u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate of 25% mainly due to the losses which cannot be set-off against taxable profits made by other subsidiaries and certain expenses which were not deductible for tax purposes.

B6 Profit before tax

Included in the profit before tax are the following items:

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Accretion of discounts less amortisation of premiums	2	N/A	4	N/A
Amortisation of intangible assets	131	N/A	246	N/A
Changes in fair value of investment securities	1,320	N/A	415	N/A
Depreciation of property, plant and equipment	1,787	N/A	3,501	N/A
Depreciation of investment properties	439	N/A	894	N/A
Dividend income on quoted shares and unit trusts	(612)	N/A	(1,933)	N/A
Gain on disposal of investment securities	(1,322)	N/A	(2,940)	N/A
Increase in reserves for unexpired risks	6,195	N/A	12,298	N/A
Interest expense	1,286	N/A	2,660	N/A
Interest income	(6,664)	N/A	(15,197)	N/A
Property, plant and equipment written off	-	N/A	7	N/A
Share of results of an associate	(14)	N/A	7	N/A
Write-back of provision for doubtful debts	125	N/A	(472)	N/A

B7 Retained profits

	As at	As at
	30.09.2013	31.12.2012
	RM'000	RM'000
Total retained profits		
- realised	207,533	N/A
- unrealised	(13,778)	N/A
Total share of retained profits from an associate		
- realised	342	N/A
Less: Consolidation adjustments	<u>(166,999)</u>	<u>N/A</u>
Retained profits as per Statement of Changes in Equity	<u>27,098</u>	<u>N/A</u>

B8 Corporate Proposals

There were no corporate proposals during the quarter under review.

Note :-

N/A – Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control.

B9 Borrowings

The Group's borrowings as at 30 September 2013 are as follows:

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Non-Current		
Term loan	62,980	N/A
Revolving Credit	12,000	N/A
	<u>74,980</u>	<u>N/A</u>
Current		
Term loan	23,456	N/A
Revolving Credit	3,000	N/A
	<u>26,456</u>	<u>N/A</u>
Total	<u>101,436</u>	<u>N/A</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

Note :-

N/A – Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control.

B10 Material Litigation

i) Kuala Lumpur High Court Suit No. S1-22-946-2008

On 6 October 2008, Leisure Dotcom Sdn Bhd (“Leisure Dotcom”), a subsidiary, 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.

B10 Material Litigation (cont'd)

ii) Kuala Lumpur High Court Suit No. S22-100-2010

Mulpha Kluang Maritime Carriers Sdn. Bhd. ("Mulpha"), a subsidiary, had on 27 June 2013 filed a Notice of Appeal and subsequently on 21 August 2013, a Record of Appeal at the Court of Appeal in respect of the decision of the High Court on 6 June 2013 which dismissed Mulpha's claim with costs under a legal suit commenced against the personal representatives and executors of the estate of Liew Yee Tiam ("Madam Liew") who passed away on 30 October 2010 (after the High Court suit had commenced), namely Chai Hon Keong @ Chye How Keong and Chai Hon Min (as the First and Second Defendants), Thong Honn (Housing Development) Sdn Bhd ("Thong Honn") as the Third Defendant and Messrs. Chin & Co ("Messrs. Chin & Co") as the Fourth Defendant in its capacity as the conveyancing solicitors and stakeholders for Madam Liew and Thong Honn.

The High Court suit was filed on 8 February 2010 to claim for the overpayment of RM3,316,941.60 pursuant to two (2) conditional sale and purchase agreements ("SPAs"), both dated 12 October 2009, which were entered into between Mulpha with Madam Liew and Thong Honn respectively for the acquisition of two pieces of lands in Kuala Lumpur ("Lands") on discovery that the total area described in the SPAs and warranties therein were incorrect as part of each of the Lands had in fact been surrendered to the State Authority previously.

To date, the Court of Appeal has not fixed a hearing date for the appeal. The Company will make further announcement in respect of material development in the matter.

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 owners of the Company by the number of ordinary shares in issue during the period.

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit attributable to owners of the Company (RM'000)	<u>12,853</u>	<u>N/A</u>	<u>27,266</u>	<u>N/A</u>
Number of ordinary shares in issue ('000)	<u>715,000</u>	<u>N/A</u>	<u>715,000</u>	<u>N/A</u>
Basic Earnings Per Share (Sen)	<u>1.8</u>	<u>N/A</u>	<u>3.8</u>	<u>N/A</u>

Note :-

N/A – Not Applicable

No comparative figures are available as the Group adopts the approach of not restating the financial information in the consolidated financial statements for the periods prior to the combination under common control.

By Order Of The Board
Ng Sook Yee
COMPANY SECRETARY
14 November 2013