



MULTI-PURPOSE

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2005
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER ENDED 30.09.2005 RM'000	COMPARATIVE QUARTER ENDED 30.09.2004 RM'000	CURRENT YEAR TO DATE 30.09.2005 RM'000	COMPARATIVE YEAR TO DATE 30.09.2004 RM'000
Revenue	42,999	38,667	121,776	107,541
Operating expenses	(37,923)	(27,862)	(124,297)	(105,255)
Other operating income	2,318	2,637	38,289	28,686
Profit from operations	7,394	13,442	35,768	30,972
Finance costs	(7,809)	(7,887)	(24,019)	(23,591)
Share of profits of associates	24,516	(3,483)	83,473	50,889
Profit before taxation	24,101	2,072	95,222	58,270
Taxation :				
Company and subsidiaries	(1,103)	3,078	(1,118)	(1,173)
Associates	(12,365)	(9,941)	(32,561)	(30,542)
	(13,468)	(6,863)	(33,679)	(31,715)
Profit/(loss) after taxation	10,633	(4,791)	61,543	26,555
Minority interests	(410)	(776)	(604)	(1,761)
Net profit/(loss) for the period	10,223	(5,567)	60,939	24,794
Earnings/(loss) per share - Basic (Sen)	1.1	(0.6)	6.4	2.6
- Fully diluted (Sen)	1.0	(0.4)	5.6	2.5

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004.)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) AS AT 30.09.2005 RM'000	(AUDITED) AS AT 31.12.2004 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	233,910	222,357
Investment in associates	937,965	832,909
Other investments	556,207	622,518
Deferred tax asset	-	1,598
Goodwill on consolidation	30,486	34,326
CURRENT ASSETS		
Loans to customers	223,333	222,008
Receivables	58,601	69,207
Tax recoverable	15,648	23,639
Short term investments	139,770	143,557
Short term deposits	135,817	146,734
Cash and bank balances	20,556	10,639
	<u>593,725</u>	<u>615,784</u>
CURRENT LIABILITIES		
Payables	81,932	100,142
Provisions	81,064	65,704
Provision for taxation	3,501	353
Short term borrowings	265,573	271,839
	<u>432,070</u>	<u>438,038</u>
NET CURRENT ASSETS	161,655	177,746
	<u>1,920,223</u>	<u>1,891,454</u>
FINANCED BY:		
Share Capital	953,867	953,867
Reserves	461,759	405,240
	<u>1,415,626</u>	<u>1,359,107</u>
Shareholders' funds	1,415,626	1,359,107
Minority interests	110,944	110,340
Long term borrowings	45,000	75,000
Exchangeable Bonds 2003/2008	300,000	300,000
Unearned premium reserve	48,653	47,007
	<u>1,920,223</u>	<u>1,891,454</u>
Net tangible assets per share (RM)	1.45	1.39

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2004.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	CURRENT YEAR TO DATE 30.09.2005 RM'000	COMPARATIVE YEAR TO DATE 30.09.2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	95,222	58,270
Adjustments for:		
Non-cash items	(66,263)	(28,949)
Non-operating items	(7,489)	9,600
Operating profit before changes in working capital	<u>21,470</u>	<u>38,921</u>
Changes in working capital:		
Net change in current assets	15,091	10,843
Net change in current liabilities	(2,850)	38,236
Cash generated from operations	<u>33,711</u>	<u>88,000</u>
Tax (paid)/refunded	12,742	(4,273)
Proceeds from sale of property, plant and equipment	480	40
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	<u>46,933</u>	<u>83,767</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	79,884	11,350
Other items	(85,741)	(109,148)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(5,857)	(97,798)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in borrowings	(26,500)	(5,035)
NET CASH USED IN FINANCING ACTIVITIES	(26,500)	(5,035)
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,576	(19,066)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	127,865	122,189
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>142,441</u>	<u>103,123</u>
Cash and cash equivalents comprise the following:		
Cash and bank balance	20,556	10,382
Deposits with financial institutions	135,817	113,016
Bank overdraft	(573)	(5,872)
	<u>155,800</u>	<u>117,526</u>
Less : Short term deposits pledged to licensed banks	-	(2,450)
Client's monies held in trust	(13,152)	(11,652)
Remisiers' deposits held in trust	(207)	(301)
	<u>142,441</u>	<u>103,123</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVES RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000
At 1 January 2004	953,863	824,758	41,512	(315,603)	1,504,530
Issue of new ordinary shares pursuant to exercise of warrants	4	9	-	-	13
Issue of new ordinary shares by an associate	-	2,740	-	-	2,740
Net loss for the period	-	-	-	(140,803)	(140,803)
Exchange differences arising from translation of foreign currency financial statements	-	-	(3)	-	(3)
Exchange differences arising from translation of foreign currency financial statements attributed to an associate	-	-	31	-	31
Adjustment of capital reserve - associated companies	-	-	(7,852)	451	(7,401)
At 31 December 2004	<u>953,867</u>	<u>827,507</u>	<u>33,688</u>	<u>(455,955)</u>	<u>1,359,107</u>
At 1 January 2005	953,867	827,507	33,688	(455,955)	1,359,107
Issue of new ordinary shares by an associate	-	595	-	-	595
Profit for the period	-	-	-	60,939	60,939
Exchange differences arising from translation of foreign currency financial statements	-	-	4	-	4
Exchange differences arising from translation of foreign currency financial statements attributed to an associate	-	-	145	-	145
Adjustment of capital reserve - associated companies	-	-	(5,164)	-	(5,164)
At 30 September 2005	<u>953,867</u>	<u>828,102</u>	<u>28,673</u>	<u>(395,016)</u>	<u>1,415,626</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2004.)

A EXPLANATORY NOTES PURSUANT TO FRS134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 – Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004.

The accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those adopted in the last audited financial statements

A2 Audit Qualification

The auditors’ report on the financial statements for the financial year ended 31 December 2004 was not qualified.

A3 Seasonal or Cyclical Factors

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

A4 Exceptional Items

NIL

A5 Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have a material effect in the current financial quarter.

A6 Debt and Equity Securities

NIL

A7 Dividends Paid

No dividend was paid in the current financial quarter.

A8 **Segmental Reporting**

	CURRENT QUARTER ENDED 30.09.2005 RM'000	COMPARATIVE QUARTER ENDED 30.09.2004 RM'000	CURRENT YEAR TO DATE 30.09.2005 RM'000	COMPARATIVE YEAR TO DATE 30.09.2004 RM'000
Segmental Revenue				
Stockbroking	5,839	5,716	18,115	19,956
Financial Services	29,542	23,981	85,792	68,764
Corporate & others	38,763	40,395	50,026	51,501
	<u>74,144</u>	<u>70,092</u>	<u>153,933</u>	<u>140,221</u>
Eliminations	(31,145)	(31,425)	(32,157)	(32,680)
	<u>42,999</u>	<u>38,667</u>	<u>121,776</u>	<u>107,541</u>
Segmental Results				
Stockbroking	749	8,296	(5,116)	12,374
Financial Services	3,391	870	7,867	8,809
Corporate & others	(3,275)	(2,331)	12,838	(9,962)
Associated company - Gaming	24,516	(3,483)	83,473	50,889
	<u>25,381</u>	<u>3,352</u>	<u>99,062</u>	<u>62,110</u>
Unallocated corporate expenses	(1,280)	(1,280)	(3,840)	(3,840)
	<u>24,101</u>	<u>2,072</u>	<u>95,222</u>	<u>58,270</u>
Profit before taxation	<u>24,101</u>	<u>2,072</u>	<u>95,222</u>	<u>58,270</u>

A9 **Valuation of Property, Plant and Equipment**

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

A10 **Subsequent Material Events**

There are no subsequent material events.

A11 **Changes in Composition of the Group**

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

A12 **Contingent Liabilities**

The material contingent liabilities of the Group comprise:

- a) As at 24th November 2005, the Board is not aware of any 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 the following where on the normal course of business, 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.
- b) On 8 March 1991, MPH was informed by the Inland Revenue Department (IRD) of the liability to Share Transfer Tax amounting to RM15.15 million from the disposal in 1984, of the entire issued and paid-up shares in a wholly-owned subsidiary, Goodrich General Industries Sdn Bhd which then held 24.29% of the issued and paid-up capital in United Malayan Banking Corporation Bhd (later known as Sime Bank Bhd and subsequently merged with RHB Bank Berhad). MPH had already obtained legal advice that the disposal is not caught by the provisions of the Share (Land Based Company) Transfer Tax Act, 1984, since the disposal was effected under the agreement entered

into before the Act came into force. MPH B has accordingly filed the formal appeal to the IRD. However, the Special Commissioners of Income Tax had on 2 November 1996 dismissed the Company's appeal. MPH B, being dissatisfied with the decision of the Special Commissioners, had on 8 November 1996 served a Notice of Appeal requiring the Special Commissioners to state a case for the opinion of the High Court.

The decision of the High Court was delivered on 9 August 1997, dismissing the appeal and affirming the decision of the Special Commissioners. MPH B filed an appeal on 4 September 1997 to the Court of Appeal against the High Court decision. The Court of Appeal heard oral submissions of counsel on the 20th and 23rd September 2004 and thereafter requested counsel for the parties to file written submissions to the Court. MPH B and IRD's counsel to file their written submissions on 31 December 2004 and 31 March 2005 respectively. The Court of Appeal to hear the matter on a date to be fixed after 31 March 2005. As of to date, the Court of Appeal has not fixed a date for hearing of the matter.

- c) A A Anthony Securities Sdn Bhd ("AAA") (formerly known as JB Securities Sdn Bhd) is currently engaged in a legal proceedings as the defendant, whereby a remisier Ng Hong Chai is taking action against AAA for alleged unfair suspension of his trading since 1994 and thereby resulting in his loss of income. The amount claimed by Ng Hong Chai for years 1995 to 1997 is RM5.8 million, while the amount subsequent to July 1997 had yet to be quantified.

B NOTES REQUIRED UNDER THE BMSB LISTING REQUIREMENTS

B1 Review of Performance

The Group achieved profit before taxation of RM95.22 million for the period ended 30 September 2005 as compared to RM58.27 million in the previous corresponding period. The increase was mainly due to gain on disposal of investments and improved performance of the Gaming division.

The Gaming Division recorded a profit before taxation (by way of equity accounting) of RM83.47 million as compared to RM50.89 million recorded in the previous corresponding period. The increase was principally due to higher gaming profit resulting from lower prizes payout and higher profit from property and leisure business.

The Stockbroking Division registered a loss before taxation of RM5.12 million as compared to a profit before taxation of RM12.37 million recorded in the previous corresponding period. The loss was attributable to further provisions for diminution in the value of investments and doubtful debts during the period.

The Financial Services Division recorded a profit before taxation of RM7.87 million as compared to a profit before taxation of RM8.81 million in the previous corresponding period. The decrease was mainly due to the provisions for diminution in the value of investments as a result of the adverse market conditions.

B2 Comparison with Preceding Quarter's Results

The Group posted a profit before taxation of RM24.10 million for the current quarter as compared to a profit before taxation of RM54.47 million in the preceding quarter. The higher profit for preceding quarter was mainly due to gain on disposal of investments.

B3 Prospects for 2005

Barring any unforeseen circumstances, the Group's operations are expected to perform satisfactorily for the current year.

B4 Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

B5 Taxation

Taxation comprises:

	CURRENT QUARTER ENDED 30.09.2005 RM'000	COMPARATIVE QUARTER ENDED 30.09.2004 RM'000	CURRENT YEAR TO DATE 30.09.2005 RM'000	COMPARATIVE YEAR TO DATE 30.09.2004 RM'000
- current taxation	1,103	(3,078)	1,118	1,173
- associated companies	12,365	9,941	32,561	30,542
	13,468	6,863	33,679	31,715

The effective tax rates for the current financial quarter under review are higher than the statutory tax rate principally due to the ineligibility for tax deduction of certain expenses and provisions and the non-availability of group tax relief in respect of losses incurred by certain subsidiary companies.

B6 Profit on sale of unquoted investments and/or properties

There was no disposal of unquoted investments or properties in the current financial quarter.

B7 Quoted Securities

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

	RM'000
Total Purchases	81,265
Sale proceeds	62,412
Total gain on disposal	11,263

(b) Total investments in quoted securities as at 30 September 2005 are as follows:

	RM'000
At cost	1,741,218
Provision for diminution in value	(315,099)
At book value	1,426,119
Market value	1,439,179

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

B8 Corporate Proposals

There were no corporate proposals during the period under review.

B9 Group Borrowings and Debt Securities

	Ringgit Borrowings RM'000	US dollar Borrowings RM'000	Total RM'000
Bank borrowings			
Short term borrowings - secured	174,000	-	174,000
- unsecured	61,573	-	61,573
Current portion of long term loans	30,000	-	30,000
Total	265,573	-	265,573
Long term borrowings - secured	75,000	-	75,000
Portion due within 12 months	(30,000)	-	(30,000)
Total	45,000	-	45,000
Debts securities			
Exchangeable Bonds 2003/08 – unsecured	300,000	-	300,000

B10 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk.

B11 Material Litigation

Material litigations have been disclosed under Note A12 - Contingent Liabilities.

B12 Dividend

The Directors do not propose the payment of any dividend for the current quarter ended 30 September 2005.

B13 Earnings Per Share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	CURRENT QUARTER ENDED 30/09/2005 RM'000	COMPARATIVE QUARTER ENDED 30/09/2004 RM'000	CURRENT YEAR TO DATE 30/09/2005 RM'000	COMPARATIVE YEAR TO DATE 30/09/2004 RM'000
Net profit/(loss) for the period	10,223	(5,567)	60,939	24,794
Weighted average number of ordinary shares in issue	953,867	953,865	953,867	953,865
Basic earnings/(loss) per share (sen)	1.1	(0.6)	6.4	2.6

a) Fully diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of dilutive potential ordinary shares from conversion of 199,999,854 warrants (B) exercised at a price of RM1.00.

	CURRENT QUARTER ENDED 30/09/2005 RM'000	COMPARATIVE QUARTER ENDED 30/09/2004 RM'000	CURRENT YEAR TO DATE 30/09/2005 RM'000	COMPARATIVE YEAR TO DATE 30/09/2004 RM'000
Net profit/(loss) for the period	10,223	(5,567)	60,939	24,794
Adjustment for after tax effects of interest on exercise of Warrants	1,071	1,089	3,213	2,509
	<u>11,294</u>	<u>(4,478)</u>	<u>64,152</u>	<u>27,303</u>
Weighted average number of ordinary shares in issue	953,867	953,865	953,867	953,865
Adjustment for assumed Weighted Average number exercise of Warrants B	200,000	154,744	200,000	154,744
	<u>1,153,867</u>	<u>1,108,609</u>	<u>1,153,867</u>	<u>1,108,609</u>
Adjusted weighted average number of Ordinary shares for diluted earnings per share				
Fully diluted earnings/(loss) per share (sen)	<u>1.0</u>	<u>(0.4)</u>	<u>5.6</u>	<u>2.5</u>

By Order Of The Board

Lim Kong Yow
COMPANY SECRETARY
24 November 2005