



MULTI-PURPOSE

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED

31 DECEMBER 2003
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER ENDED 31/12/2003 RM'000	COMPARATIVE QUARTER ENDED 31/12/2002 RM'000	12 MONTHS CUMULATIVE TO DATE 31/12/2003 RM'000	COMPARATIVE 12 MONTHS CUMULATIVE TO DATE 31/12/2002 RM'000
Revenue	43,553	42,283	140,261	126,014
Operating expenses	(68,376)	(137,623)	(158,605)	(240,024)
Other operating income	42,270	(11,630)	85,754	39,841
Profit/(Loss) from operations	17,447	(106,970)	67,410	(74,169)
Finance costs	(10,183)	(9,345)	(35,625)	(65,961)
Share of profits of associates	21,759	(4,274)	107,585	89,175
Profit before taxation	29,023	(120,589)	139,370	(50,955)
Taxation	(17,045)	(6,104)	(39,086)	(33,424)
Profit after taxation	11,978	(126,693)	100,284	(84,379)
Minority interests	(920)	3,383	(4,877)	3,997
Net profit for the period	11,058	(123,310)	95,407	(80,382)
Earnings per share - Basic (Sen)	1.2	(13.0)	10.0	(8.5)
- Fully diluted (Sen)	-	-	9.8	-

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) AS AT 31/12/2003 RM'000	(AUDITED) AS AT 31/12/2002 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	230,253	340,623
Investment in associates	852,134	712,866
Other investments	696,302	790,228
Development properties	-	1,500
Goodwill on consolidation	46,390	49,125
Deferred tax assets	27,504	-
CURRENT ASSETS		
Stock	-	377
Loans to customers	224,709	181,397
Receivables	119,566	67,079
Short term investments	137,140	106,382
Short term deposits	161,762	126,854
Cash and bank balances	18,357	9,570
	<u>661,534</u>	<u>491,659</u>
CURRENT LIABILITIES		
Payables	68,618	72,800
Provisions	116,235	66,199
Provision for taxation	1,418	1,917
Short term borrowings	257,339	614,250
	<u>443,610</u>	<u>755,166</u>
NET CURRENT LIABILITIES	217,924	(263,507)
	<u>2,070,507</u>	<u>1,630,835</u>
FINANCED BY:		
Share Capital	953,863	953,863
Reserves	578,825	450,757
	<u>1,532,688</u>	<u>1,404,620</u>
Shareholders' funds	1,532,688	1,404,620
Minority interests	99,994	95,117
Exchangeable Bonds 2003/2008	300,000	-
Long term borrowings	105,000	103,382
Unearned premium reserve	32,626	27,517
Deferred taxation	199	199
	<u>2,070,507</u>	<u>1,630,835</u>
Net tangible assets per share (RM)	1.56	1.42

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2003

	CURRENT YEAR TO DATE 31/12/2003 RM'000	COMPARATIVE YEAR TO DATE 31/12/2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	139,370	(50,955)
Adjustments for:		
Non-cash items	(133,457)	(45,931)
Non-operating items	4,027	140,827
Operating profit before changes in working capital	9,940	43,941
Changes in working capital:		
Net change in current assets	(103,078)	10,544
Net change in current liabilities	22,091	(104,280)
Cash generated from operations	(71,047)	(49,795)
Drydocking expenses paid	-	-
Tax (paid)/refunded	10,869	(2,176)
Proceeds from sale of property, plant and equipment	107,185	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	47,007	(51,971)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	166,562	736,122
Purchase of equity investments	(72,780)	(32,489)
Other items	(65,714)	(67,987)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	28,068	635,646
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(51,749)	(622,030)
NET CASH USED IN FINANCING ACTIVITIES	(51,749)	(622,030)
NET CHANGE IN CASH AND CASH EQUIVALENTS	23,326	(38,355)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	100,177	138,532
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	123,503	100,177
CASH AND CASH EQUIVALENTS AT 31 DECEMBER COMPRISE THE FOLLOWING:		
Cash and bank balances	18,357	9,570
Deposits with financial institutions	161,762	126,854
Bank overdrafts	(22,292)	(25,836)
	157,827	110,588
Less: Short term deposits pledged to a licensed bank	(1,810)	(1,759)
Clients' monies held in trust	(28,925)	(3,914)
Remisiers' deposits held in trust	(3,589)	(4,738)
	123,503	100,177

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2003**

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVES RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000
At 1 January 2002	782,754	478,620	42,457	(335,693)	968,138
Conversion of ICULS	171,109	581,806	-	-	752,915
Issue of new shares by an associated company	-	4,628	-	-	4,628
Loss for the year	-	-	-	(80,382)	(80,382)
Transfer within reserves	-	(78,977)	72,122	6,855	-
Surplus arising from translation of foreign currency financial statements	-	-	7	-	7
Currency translation difference in an associated company	-	-	(62)	-	(62)
Adjustment of capital reserve					
- subsidiary companies	-	-	426	-	426
- associated companies	-	(167,259)	(72,099)	-	(239,358)
Adjustment arising from change in group structure of associated company	-	-	-	(1,040)	(1,040)
At 31 December 2002	953,863	818,818	42,851	(410,260)	1,405,272
At 1 January 2003					
As previously stated	953,863	818,818	42,851	(410,260)	1,405,272
Prior year adjustment	-	-	(312)	(340)	(652)
At 1 January 2003 (restated)	953,863	818,818	42,539	(410,600)	1,404,620
Profit for the year	-	-	-	95,407	95,407
Surplus arising from translation of foreign currency financial statement	-	-	(2)	-	(2)
Issue of new shares by an associated company	-	4,693	-	-	4,693
Adjustment of reserves	-	-	(4,493)	32,463	27,970
At 31 December 2003	953,863	823,511	38,044	(282,730)	1,532,688

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.)

A NOTES REQUIRED UNDER MASB 26

A1 Accounting Policies

The interim financial report has been prepared in compliance with MASB 26 – Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Kuala Lumpur Stock Exchange.

The accounting policies and methods of computation used in the preparation of this interim financial report are consistent with those adopted in the Annual Financial Report for the financial year ended 31 December 2002 except for changes in accounting policies resulting from the adoption of MASB 25 and MASB 29, as follows:

a) Changes in Accounting Policies

i) MASB 25 – Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised.

Previously, provision was made in the income statement by the liability method for taxation which is deferred due to timing differences except where it can be demonstrated, with reasonable probability, that the timing differences will continue in the foreseeable future. No account is taken of any debit balances arising on deferred taxation account.

ii) MASB 29 – Employee Benefits

The adoption of MASB 29 resulted in the Group making provisions for obligations in respect of employee benefits in the form of accumulated short and long term compensated absences. These obligations were not provided for prior to the adoption of MASB 29. In addition, the adoption of MASB 29 resulted in the Group using the Projected Unit Credit Method to calculate the obligation under the defined benefit plan. However, based upon a preliminary valuation of the defined benefit plan, there is no transitional liability that needs to be recognised at group level.

b) Effects of the changes

i) Prior Year Adjustments

The changes in accounting policies have been applied retrospectively and the effects are as follows:

	2003	2002
	RM'000	RM'000
Effects on retained profits		
At 1 January, as previously stated	(410,260)	(335,693)
Effects of adopting MASB 29	(340)	-
At 1 January, as restated	<u>(410,600)</u>	<u>(335,693)</u>
Effects on other reserves		
At 1 January, as previously stated	42,851	42,457
Effects of adopting MASB 25	(312)	-
At 1 January, as restated	<u>42,539</u>	<u>42,457</u>

ii) Effects on net profit for the current financial period

The effects on the net profit for the current financial period under review is not material.

iii) Comparative amounts as at 31 December 2002 have been restated as follows:

	Previously stated RM'000	Adjustments RM'000	Restated RM'000
Investment in associates	713,518	(652)	<u>712,866</u>

A2 Audit Qualification

The audit report in respect of the annual financial statements for the year ended 31 December 2002 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

	CURRENT QUARTER ENDED 31/12/2003 RM'000	COMPARATIVE QUARTER ENDED 31/12/2002 RM'000	CURRENT YEAR TO DATE 31/12/2003 RM'000	COMPARATIVE YEAR TO DATE 31/12/2002 RM'000
Company and subsidiary companies:				
Gain/(Loss) on disposal of investments				
- Quoted investments	11,499	-	19,564	(298)
- Subsidiary company	-	-	-	25,749
Gain on disposal of motor vessels	-	-	7,091	-
Impairment loss on associate company	-	(42,285)	-	(42,285)
Impairment loss on Goodwill	-	(50,000)	-	(50,000)
Write-back of provision for diminution in value of investment	5,385	(28,290)	11,394	(22,853)
	<u>16,884</u>	<u>(120,575)</u>	<u>38,049</u>	<u>(89,687)</u>

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 interim period.

A6 Debt and Equity Securities

The share capital of the Company remained unchanged.

A7 Dividends Paid

There was no payment of dividend during the year ended 31 December 2003.

A8 **Segmental Reporting**

	CURRENT QUARTER ENDED 31/12/2003 RM'000	CURRENT YEAR TO DATE 31/12/2003 RM'000
Segmental Revenue		
Stockbroking	13,752	30,270
Financial Services	23,067	79,551
Shipping	(447)	6,232
Corporate & others	26,114	74,453
	<hr/>	<hr/>
	62,486	190,506
Eliminations	(18,933)	(50,245)
	<hr/>	<hr/>
	<u>43,553</u>	<u>140,261</u>
Segmental Results		
Stockbroking	2,777	18,067
Financial Services	6,655	32,245
Shipping	324	693
Corporate & others	(1,212)	(21,191)
Associated company		
- Gaming	21,759	107,585
	<hr/>	<hr/>
	30,303	137,399
Gain on disposal of motor vessels	-	7,091
	<hr/>	<hr/>
	30,303	144,490
Unallocated corporate expenses	(1,280)	(5,120)
	<hr/>	<hr/>
Profit from operations	<u>29,023</u>	<u>139,370</u>

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

The valuation of property, plant and equipment have 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 year under review.

A12 **Contingent Liabilities**

The material contingent liabilities of the Group comprise:

- (a) In the normal course of business, certain subsidiaries make various commitments and incur certain contingent liabilities on behalf of its customers. No material losses are anticipated as a result of these transactions.

Underwriting of new securities – RM4,408,000

- (b) As at 26 February 2004, 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. On 8 March 1991, MPH B 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 B 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 has yet to fix a hearing date for the appeal. Pursuant to a letter dated 7 January 1998, payment of tax in the amount of RM15.15 million had been stood over by the IRD and the same has not been revoked.

- (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 KLSE LISTING REQUIREMENTS

B1 Review of Performance

The Group achieved profit before taxation of RM139.37 million for the year ended 31 December 2003 as compared to a loss of RM50.96 million in the previous corresponding year representing a turnaround of RM190.33 million. Profit after taxation improved to RM95.41 million from a loss of RM80.38 million in the same corresponding year. Hence, earning per share rose to 10 sen from a loss of 8.5 sen accordingly. Debt to equity ratio improved to 43.2% as compared to 51.0% a year ago. The significant improvement in the profit was mainly due to improved overall business performance and write-back of provision for diminution in value of investment.

The Stockbroking Division registered a pre-tax profit of RM18.1 million compared to a loss of RM52.2 million recorded in the previous corresponding period. The higher profit was mainly due to increased business volume due to buoyant stock market and write back of provision for diminution in value of investment.

The Financial Services Division recorded a pre-tax profit of RM32.2 million compared to a pre-tax loss of RM15.4 million in the previous corresponding year. This was due to the lower provisions and higher gain from disposal of investments.

The Gaming Division's pre-tax profit (by way of equity accounting) increased by 32.0% to RM107.58 million, as compared to the previous corresponding year.

B2 Comparison with Preceding Quarter's Results

The Group posted a pre-tax profit of RM29.02 million for the current quarter compared to the pre-tax profit of RM56.07 million for the third quarter. The lower profit was mainly due to provision for diminution in value of investments and provision for doubtful debts in the stockbroking and financial services sectors.

B3 Prospects for 2004

Barring unforeseen circumstances, the Group is expected to continue with its satisfactory performance in the next financial year.

B4 Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

B5 Taxation

Taxation comprises:

	CURRENT QUARTER ENDED 31/12/2003 RM'000	COMPARATIVE QUARTER ENDED 31/12/2002 RM'000	CURRENT YEAR TO DATE 31/12/2003 RM'000	COMPARATIVE YEAR TO DATE 31/12/2002 RM'000
- current taxation	5,237	785	6,535	1,448
- prior year taxation	-	(946)	(7,675)	429
- associated companies	11,808	6,265	40,226	31,547
	<u>17,045</u>	<u>6,104</u>	<u>39,086</u>	<u>33,424</u>

The effective tax charge for the Group approximates the statutory tax rate except for reversal of over-provision of taxation in the prior years. However the effective tax rate of the Group in the previous financial year was higher than statutory rate 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

Profit on sale of unquoted investments and/or properties has been disclosed under Note A4 - Exceptional Items.

B7 Quoted Securities

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

	RM'000
Total Purchases	<u>72,700</u>
Sale proceeds	<u>82,639</u>
Total profit on disposal	<u>19,564</u>

(b) Total investments in quoted securities as at 31 December 2003 are as follows:

	RM'000
At cost	1,770,242
Provision for diminution in value	(179,062)
	<u>1,591,180</u>
At book value	<u>1,591,180</u>
Market value	<u>1,691,955</u>

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

B8 Corporate Proposals

(a) The Put and Call Option Agreements ("Option Agreements") entered into by the Company and Magnum Corporation Berhad and its subsidiary companies to acquire the remaining 39 million ordinary shares of RM1.00 each in Multi-Purpose Capital Holdings Berhad has been extended to 23 June 2004.

(b) On 9 June 2003, Multi-Purpose Holdings Berhad announced that the Company proposed to issue RM300,000,000 nominal value of 5-year exchangeable bonds (Bonds) at a discount to its nominal value with provisional rights to allotment of 200,000,000 warrants (Warrants). The Bonds has been issued on 2 December 2003 and the proposed issue of Warrants is expected to be completed in March 2004.

B9 Group Borrowings and Debt Securities

	Ringgit borrowings RM'000	US dollar borrowings RM'000	Total RM'000
Short term borrowings - secured	141,292	86,047	227,339
- unsecured	-	-	-
Current portion of long term loans	30,000	-	30,000
Total	<u>171,292</u>	<u>86,047</u>	<u>257,339</u>
Long term borrowings - secured	135,000	-	135,000
Portion due within 12 months	(30,000)	-	(30,000)
Total	<u>105,000</u>	<u>-</u>	<u>105,000</u>

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 financial year ended 31 December 2003.

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 31/12/2003 RM'000	COMPARATIVE QUARTER ENDED 31/12/2002 RM'000	CURRENT YEAR TO DATE 31/12/2003 RM'000	COMPARATIVE YEAR TO DATE 31/12/2002 RM'000
Net profit for the period	11,058	(123,310)	95,407	(80,382)
Weighted average number of ordinary shares in issue	953,863	948,706	953,863	948,706
Basic earnings per share (sen)	<u>1.2</u>	<u>(13.0)</u>	<u>10.0</u>	<u>(8.5)</u>

b) Fully diluted earnings per share

For a 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 149,429,023 warrants are exercised at a price of RM4.00.

	CURRENT QUARTER ENDED 31/12/2003 RM'000	COMPARATIVE QUARTER ENDED 31/12/2002 RM'000	CURRENT YEAR TO DATE 31/12/2003 RM'000	COMPARATIVE YEAR TO DATE 31/12/2002 RM'000
Net profit for the period	11,058	(123,310)	95,407	(80,382)
Adjustment for after tax effects of interest on exercise of Warrants	3,228	3,228	12,911	12,911
	<u>14,286</u>	<u>(120,082)</u>	<u>108,318</u>	<u>(67,471)</u>
Weighted average number of ordinary shares in issue	953,863	948,706	953,863	948,706
Adjustment for assumed exercise of Warrants	149,429	149,429	149,429	149,429
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>1,103,292</u>	<u>1,098,135</u>	<u>1,103,292</u>	<u>1,098,135</u>
Fully diluted earnings per share (sen)	<u>*</u>	<u>*</u>	<u>9.8</u>	<u>*</u>

* anti-dilutive

By Order Of The Board

Lim Kong Yow
Pee Siew Boon
COMPANY SECRETARIES
26 February 2004