MULPHA INTERNATIONAL BHD(19764-T)

PART A1 : QUARTERLY REPORT
Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2011
The figures have not been audited

I(A) CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**CURRENT QUARTER ENDED 31.12.2011 RM'000**	**COMPARATIVE QUARTER ENDED 31.12.2010 RM'000 (restated)**	**12 MONTHS CUMULATIVE TO 31.12.2011 RM'000**	**12 MONTHS CUMULATIVE TO 31.12.2010 RM'000 (restated)**
Revenue		**186,043**	256,742	**637,400**	730,733
Operating expenses		**(363,783)**	(266,451)	**(905,157)**	(806,846)
Other operating income		**120,985**	36,801	**438,485**	129,854
Profit/(loss) from operations		**(56,755)**	27,092	**170,728**	53,741
Finance costs		**(28,870)**	(21,534)	**(95,675)**	(87,425)
Share of profit of associates		**3,996**	31,906	**77,675**	92,984
Share of profit of jointly-controlled entities		**21,612**	6,165	**24,173**	24,818
Profit/(loss) before tax	*B5*	**(60,017)**	43,629	**176,901**	84,118
Income tax benefit/(expense)	*B6*	**58,626**	10,337	**(3,110)**	21,898
Profit/(loss) for the year from continuing operations		**(1,391)**	53,966	**173,791**	106,016
Profit for the year from discontinued operations		**1,506**	8,788	**2,307**	6,497
Profit for the year		**115**	62,754	**176,098**	112,513
Attributable to:					
Equity holders of the parent		**559**	61,706	**178,843**	112,101
Non-controlling interests		**(444)**	1,048	**(2,745)**	412
Profit for the year		**115**	62,754	**176,098**	112,513
Earnings per share (sen):-	*B11*				
- Basic/Diluted		**0.02**	2.93	**7.66**	5.31

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

MULPHA INTERNATIONAL BHD(19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2011

The figures have not been audited

I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	CURRENT QUARTER ENDED 31.12.2011 RM'000	COMPARATIVE QUARTER ENDED 31.12.2010 RM'000 (restated)	12 MONTHS CUMULATIVE TO 31.12.2011 RM'000	12 MONTHS CUMULATIVE TO 31.12.2010 RM'000 (restated)
Profit for the year		**115**	62,754	**176,098**	112,513
Foreign currency translation differences for foreign operations		**57,632**	96,926	**43,775**	54,578
Fair value movement of available-for-sale financial assets		**(2,964)**	219	**(2,971)**	3,528
Equity component of convertible notes of a subsidiary		**-**	-	**-**	(10,014)
Revaluation of land and building		**-**	309	**7**	309
Share of other comprehensive income of associates		**(11,837)**	(12,930)	**(12,754)**	(8,519)
Other comprehensive income for the year, net of tax		**42,831**	84,524	**28,057**	39,882
Total comprehensive income for the year		**42,946**	147,278	**204,155**	152,395
Attributable to :					
Equity holders of the parent		**41,860**	146,071	**201,589**	152,504
Non-controlling interests		**1,086**	1,207	**2,566**	(109)
Total comprehensive income for the year		**42,946**	147,278	**204,155**	152,395

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2011 RM'000	AS AT 31.12.2010 RM'000 (restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*A9*	**1,293,043**	1,323,334
Investment properties		**21,216**	21,419
Prepaid lease payments		**3,915**	4,004
Investments in associates		**1,189,634**	1,124,845
Investments in jointly-controlled entities		**195,453**	179,975
Trade and other receivables		**7,185**	7,071
Other non-current assets		**222**	5,141
Investment securities		**29,861**	2,195
Other investments		**1,160**	1,160
Land held for property development		**714,352**	755,035
Goodwill		**9,137**	15,071
		3,465,178	3,439,250
CURRENT ASSETS			
Inventories		**346,761**	308,924
Trade and other receivables		**210,914**	195,315
Other current assets		**22,307**	38,655
Investment securities		**10,633**	9,236
Derivative assets		**44**	-
Tax recoverable		**948**	1,897
Cash and bank balances		**298,292**	373,434
Assets of disposal group/Non-current assets classified as held for sale		**232,004**	164,352
		1,121,903	1,091,813
TOTAL ASSETS		**4,587,081**	4,531,063

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2011 RM'000	AS AT 31.12.2010 RM'000 (restated)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		**1,177,957**	1,177,957
Share premium		**579,863**	579,863
Treasury shares	*A6*	**(19,352)**	(5,442)
Reserves		**452,219**	441,123
Retained earnings		**808,851**	626,474
Reserve of disposal group classified as held for sale		**8,116**	-
		3,007,654	2,819,975
Non-controlling interests		**98,957**	97,516
Total equity		**3,106,611**	2,917,491
Non-current liabilities			
Trade and other payables		**5,855**	5,727
Provision for liabilities		**3,855**	3,525
Loans and borrowings	*B8*	**221,684**	1,079,701
Deferred tax liabilities		**73,987**	77,734
		305,381	1,166,687
Current liabilities			
Trade and other payables		**175,357**	213,081
Provision for liabilities		**12,639**	11,078
Loans and borrowings	*B8*	**889,026**	202,241
Tax payable		**6,513**	8,756
Liabilities associated with disposal group classified as held for sale		**91,554**	11,729
		1,175,089	446,885
Total liabilities		**1,480,470**	1,613,572
TOTAL EQUITY AND LIABILITIES		**4,587,081**	4,531,063
Net assets per share (RM)		**1.30**	1.20

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	<--- Attributable to Equity Holders of the Parent									--->		
		<--- *Non-distributable*						--->	*<Distributable>*			
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Treasury Shares RM'000	Reserve of disposal group classified as held for sale RM'000	Retained Earnings RM'000	Total Shareholders Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Year ended 31 December 2011												
Balance at beginning of year, as previously stated	1,177,957	579,863	6,799	330,237	110,205	(6,118)	(5,442)	-	627,130	2,820,631	97,797	2,918,428
Effects of adopting IC Interpretation 15	-	-	-	-	-	-	-	-	(656)	(656)	(281)	(937)
At beginning of year (restated)	1,177,957	579,863	6,799	330,237	110,205	(6,118)	(5,442)	-	626,474	2,819,975	97,516	2,917,491
Total comprehensive income for the year	-	-	7	25,707	-	(2,968)	-	-	178,843	201,589	2,566	204,155
Purchase of treasury shares	-	-	-	-	-	-	(13,910)	-	-	(13,910)	-	(13,910)
Transfer within reserves	-	-	(84)	(3,473)	23	-	-	-	3,534	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,125)	(1,125)
Reserve attributable to disposal group classified as held for sale	-	-	-	(8,116)	-	-	-	8,116	-	-	-	-
Balance as at 31 December 2011	**1,177,957**	**579,863**	**6,722**	**344,355**	**110,228**	**(9,086)**	**(19,352)**	**8,116**	**808,851**	**3,007,654**	**98,957**	**3,106,611**
Year ended 31 December 2010												
Balance at beginning of year, as previously stated	588,978	699,091	2,062	290,358	110,205	474	-	-	500,979	2,192,147	48,134	2,240,281
Effects of adopting IC Interpretation 15	-	-	-	-	-	-	-	-	171	171	73	244
At beginning of year (restated)	588,978	699,091	2,062	290,358	110,205	474	-	-	501,150	2,192,318	48,207	2,240,525
Total comprehensive income for the year	-	-	309	46,686	-	(6,592)	-	-	112,101	152,504	(109)	152,395
Issue of ordinary shares	588,979	(117,797)	-	-	-	-	-	-	-	471,182	-	471,182
Share issuance expense	-	(1,431)	-	-	-	-	-	-	-	(1,431)	-	(1,431)
Purchase of treasury shares	-	-	-	-	-	-	(5,442)	-	-	(5,442)	-	(5,442)
Conversion of convertible notes of a subsidiary	-	-	-	-	-	-	-	-	-	-	46,777	46,777
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,677)	(4,677)
Accretion of subsidiaries	-	-	-	-	-	-	-	-	9,541	9,541	(9,541)	-
Dilution of subsidiaries	-	-	-	-	-	-	-	-	-	-	16,859	16,859
Transfer within reserves	-	-	4,407	(6,807)	-	-	-	-	2,400	-	-	-
Equity accounting for associate and joint-venture relating to a prior period	-	-	-	-	-	-	-	-	3,480	3,480	-	3,480
Deferred taxation	-	-	21	-	-	-	-	-	(2,198)	(2,177)	-	(2,177)
Balance as at 31 December 2010	**1,177,957**	**579,863**	**6,799**	**330,237**	**110,205**	**(6,118)**	**(5,442)**	**-**	**626,474**	**2,819,975**	**97,516**	**2,917,491**

(The Condensed Consolidated Statement of Changes In Total Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

PART A1 : QUARTERLY REPORT

III **CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<-------12 MONTHS ENDED----->	
	31.12.2011	31.12.2010
	RM'000	RM'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
- Continuing operations	**176,901**	84,118
- Discontinued operations	**(670)**	7,571
	176,231	91,689
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	**71,631**	68,403
Amortisation of prepaid lease payments	**108**	116
Share of results of associates	**(77,675)**	(92,984)
Gain retained in jointly-controlled entities	**(24,173)**	(24,818)
Provision for staff benefits	**16,717**	13,849
Interest expense (including discontinued operations)	**98,421**	91,243
Interest income (including discontinued operations)	**(8,235)**	(9,980)
Gain on disposal of assets classfied as held for sale	**(301,940)**	-
Reversal of impairment for land held for property development	**(8,253)**	(7,289)
Impairment/(Reversal of impairment) for property, plant and equipment	**58,930**	(12,448)
Other non-cash items	**54,284**	(13,919)
Operating profit before changes in working capital	**56,046**	103,862
Changes in working capital		
Net change in current assets	**(113,625)**	(35,480)
Net change in current liabilities	**(5,161)**	(8,045)
Net change in working capital	**(118,786)**	(43,525)
Cash (used in)/generated from operations	**(62,740)**	60,337
Interest paid (including discontinued operations)	**(98,421)**	(91,243)
Interest received (including discontinued operations)	**8,235**	9,980
Income tax paid	**(6,003)**	(8,702)
Staff benefits paid	**(15,169)**	(14,724)
Net cash used in operating activities	**(174,098)**	(44,352)

PART A1 : QUARTERLY REPORT

III **CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<-------12 MONTHS ENDED----->	
	31.12.2011	31.12.2010
	RM'000	RM'000 (restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Refurbishment of investment properties	**(22)**	(64)
Purchase of property, plant and equipment	**(172,469)**	(71,663)
Proceeds from sale of property, plant and equipment	**2,270**	20,180
Proceeds from sale of investment properties	**517**	-
Net proceeds from disposal of assets classified as held for sale	**437,335**	-
Investment in associate companies	**(31,808)**	(20,501)
Proceeds from disposal of associate companies	**8,724**	-
Disposal of subsidiaries, net of cash	**-**	404
Dividend received from associates and jointly-controlled entity	**56,047**	56,682
Other investments	**(31,759)**	1,972
Net cash generated from/(used in) investing activities	**268,835**	(12,990)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	**(15,248)**	(27,829)
Rights issue proceeds (net of expenses)	**-**	469,752
IPO proceeds received by a subsidiary (net of expenses)	**-**	19,083
Purchase of treasury shares by the Company	**(13,910)**	(5,442)
Net repayment of borrowings	**(121,644)**	(195,374)
Dividend paid to a minority shareholder	**(1,125)**	-
Other payables	**128**	-
Other receivables	**4,875**	-
Net cash (used in)/generated from financing activities	**(146,924)**	260,190
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(52,187)**	202,848
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	**370,385**	165,438
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(10,663)**	2,099
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**307,535**	370,385
ANALYSED AS:		
CONTINUING OPERATIONS	**295,830**	342,700
DISCONTINUED OPERATIONS	**11,705**	27,685
	307,535	370,385

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134: Interim Financial Reporting

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard ("FRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2010, except for the adoption of new/revised FRSs that are effective 1 January 2011. These new/revised FRSs does not have any significant impact on the financial position or results of the Group.

FKP Property Group ("FKP"), an Australian-listed associate with its financial year ending in June, releases its financial statements on half-yearly basis i.e. for the periods ending June and December. In accounting for the Group's share of results in FKP for the quarters ending March and September, the Group relies on the full year profit guidance issued by FKP adjusted to its quarterly components. FKP's profit guidance do not include any non-operational exceptional items. Accordingly, the Group's share of results in FKP for March and September quarters are based on FKP's profit guidance while for June and December periods are based on FKP's public released results.

The Group has taken the option to early adopt the Issues Committee ("IC") Interpretation 15: Agreements for the Construction of Real Estate commencing from 1 January 2011 for the financial year ending 31 December 2011. IC Interpretation 15 replaces the existing FRS $201_{2004,}$ Property Development Activities and provides guidance on how to account for revenue from construction of real estate. The adoption of IC Interpretation 15 results in a change of accounting policy in which the recognition of revenue from all property development activities of the Group change from percentage of completion method to the completed method.

The adoption of IC Interpretation 15 had the following impact on the financial results as follows:-

Income Statement	Individual Period Current Year Quarter		Cumulative Period Current Year To date	
	Before the adoption of IC 15 RM'000	**After the adoption of IC 15 RM'000**	Before the adoption of IC 15 RM'000	**After the adoption of IC 15 RM'000**
Revenue	183,850	**186,043**	638,282	**637,400**
Profit/(loss) from operations	(57,176)	**(56,755)**	171,011	**170,728**
Finance costs	(28,870)	**(28,870)**	(95,675)	**(95,675)**
Share of profit of associates	3,996	**3,996**	77,675	**77,675**
Share of profit of jointly-controlled entities	21,612	**21,612**	24,173	**24,173**
Profit/(loss) before tax	(60,438)	**(60,017)**	177,184	**176,901**
Income tax benefit/(expense)	58,631	**58,626**	(3,105)	**(3,110)**
Profit/(loss) for the year from continuing operations	(1,807)	**(1,391)**	174,079	**173,791**
Profit for the year from discontinued operations	1,506	**1,506**	2,307	**2,307**
Profit/(loss) for the year	(301)	**115**	176,386	**176,098**
Attributable to:				
Equity holders of the parent	277	**559**	179,054	**178,843**
Non-controlling interests	(578)	**(444)**	(2,668)	**(2,745)**
	(301)	**115**	176,386	**176,098**

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

A3. Seasonal or Cyclicality of Operations

Except for the hotel division whose performance is influenced by the festive and holiday periods, the other businesses of the Group are generally not subject to seasonal or cyclical fluctuations.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current year ended 31 December 2011 except for the disposal of a hotel, Hilton Melbourne Airport Hotel by an Australian subsidiary which resulted in a profit of AUD76.74 million (RM242.50 million).

A5. Changes in Estimates

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

A6. Changes in Debt And Equity Securities

During the financial year ended 31 December 2011, the Company has bought back 33,333,500 ordinary shares of RM0.50 each at average cost of RM0.42 per share. As at 31 December 2011, 44,389,200 ordinary shares of RM0.50 each were retained as treasury shares.

A7. Dividend Paid

There was no dividend paid during the current financial year.

A8. Segment Information

Segment analysis for the year ended 31 December 2011 is set out below:

	Revenue			Profit/(Loss) Before Tax		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business Segment						
Property	207,619	-	207,619	29,526	-	29,526
Hospitality	428,284	-	428,284	(52,802)	-	(52,802)
General Trading	-	60,287	60,287	2	2,912	2,914
Investment and others	1,497	-	1,497	194,002	(836)	193,166
External Sales	637,400	60,287	697,687	170,728	2,076	172,804
Finance costs				(95,675)	(2,746)	(98,421)
Share of results of associates/ jointly-controlled entities				101,848	-	101,848
	637,400	60,287	697,687	176,901	(670)	176,231

A9. Valuation Of Property, Plant And Equipment

The carrying value of the property, plant and equipment is stated at cost less depreciation and impairment losses.

A10. Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at 31 December 2011 amounted to RM4.63 million.

A11. Material Events Subsequent To The Reporting Date

There are no material events subsequent to 31 December 2011 to be disclosed other than the proposed disposal of Manta Holdings Company Limited which is disclosed in note B7(iv).

A12. Changes in The Composition Of the Group

The Group had also during the financial year ended 31 December 2011, commenced members' voluntary winding up proceedings for five dormant subsidiaries of the Company i.e. Trans Pelita Sdn Bhd, Abad Teknik Sdn Bhd, Manta Far East Sdn Bhd, Prudent Gain Sdn Bhd and Prudent Design Sdn Bhd.

As disclosed in note B7(iv), Jumbo Hill Group Limited, a wholly owned subsidiary of the Company had on 14 February 2012 entered into a sale and purchase agreement with Eagle Legend International Holdings Limited to dispose off 75% equity shares in Manta Holdings Company Limited. The disposal was completed on 23 February 2012.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Changes in the contingent liabilities since 31 December 2010 are as follows:-

	Increase RM'000
Guarantees given to third parties	817

(b) There are no contingent assets as at the date of this report.

PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

a) Current Year-to-date vs. Previous Year-to-date

For the financial year ended 31 December 2011, the Group recorded a revenue of RM637.40 million which was 12.77% lower as compared to a revenue of RM730.73 million for the previous year. This was mainly due to lower revenue generated from the property and hospitality divisions in Australia. The Group pre-tax profit for the financial year ended 31 December 2011 of RM176.90 million was 110.30% higher than the previous year of RM84.12 million. The stronger performance for the current financial year was contributed substantially by the gain on disposal of Hilton Melbourne Airport Hotel and land in Jalan Sultan Ismail during the year.

The revenue from the property division has decreased to RM207.62 million in the current financial year from RM249.65 million in the preceding year. Lower revenue from the property division was mainly attributed to weak sales from its Sanctuary Cove development in Australia. The property division recorded a marginal higher pre-tax profit of RM29.53 million as compared to RM26.39 million in the preceding year, due mainly to the gain on disposal of land in Jalan Sultan Ismail in 2011.

The revenue from the hospitality division has decreased to RM428.28 million in the current financial year from RM476.86 million in the preceding year. Lower revenue from the hospitality division was mainly due to the deconsolidation of Hilton Melbourne Airport Hotel's performance from 1 April 2011 on its disposal in March 2011 as well as the five months closure of its Hayman Island Resort to repair damages caused by tropical cyclones. The hospitality division recorded a loss before taxation of RM52.80 million as compared to RM20.42 million pre-tax profit in the preceding year. The loss was mainly due to high repair and maintenance cost incurred and impairment made to assets of Hayman Island Resort which however, was partly mitigated by the insurance recoveries for the damage caused. The management is currently pursuing further insurance recoveries in relation to the loss of business interruption and asset replacement cost caused by the abovementioned cyclone on the Hayman Resort Island.

The investment division recorded a strong performance of RM193.17 million pre-tax profit in the current financial year. This was contributed largely by the gain on disposal of Hilton Melbourne Airport Hotel.

b) Current Quarter vs Previous Year Corresponding Quarter

For the 4th quarter ended 31 December 2011, the Group recorded a revenue of RM186.04 million which was RM70.70 million lower as compared to a revenue of RM256.74 million for the previous year corresponding quarter. This was mainly due to lower revenue generated from the property and hospitality divisions in Australia. The Group recorded a loss before taxation of RM60.02 million for 4th quarter 2011 as compared to a pre-tax profit of RM43.63 million in the previous year corresponding quarter. This was mainly due to impairment on assets of Australian subsidiaries made in the current financial quarter.

The revenue from the property division has decreased to RM68.62 million in the current financial quarter from RM113.88 million in the preceding year corresponding quarter. Lower revenue from the property division was mainly attributed to weak sales from Sanctuary Cove. The property division recorded a higher pre-tax profit of RM33.12 million as compared to RM22.46 million pre-tax profit in the preceding year corresponding quarter mainly due to disposal gain on the land in Jalan Sultan Ismail.

The revenue from the hospitality division has decreased to RM117.00 million in the current financial quarter from RM139.43 million in the corresponding preceding quarter. Lower revenue from the hospitality division was mainly due to the deconsolidation of Hilton Melbourne Airport Hotel in April 11 on its disposal in March 2011. In line with the lower revenue, the hospitality division recorded a loss before taxation of RM64.01 million as compared to RM12.34 million pre-tax profit in the corresponding preceding quarter. The current quarter loss before taxation was also due to high repair and maintenance cost incurred and impairment made to assets of Hayman Island Resort which however, was mitigated by the insurance recoveries for the damage caused.

B2. Comparisons With Preceding Quarter's Results

The Group recorded an increase in revenue from RM158.85 million in the 3rd quarter 2011 to RM186.04 million in the 4th quarter. This is mainly due to higher revenue contribution from the Malaysian property division.

The Group recorded pre-tax loss of RM60.02 million for the 4th quarter of 2011 as compared to the pre-tax profit of RM10.14 million for the 3rd quarter of 2011. Despite the increase in revenue, the weaker results of the current quarter was mainly due to impairment made on assets by Australian subsidiaries.

B3. Prospects

In view of the global economic outlook remaining volatile due to, among other factors, the continuing Euro zone debt crisis, the Group's prospects for the year 2012 are expected to be challenging. However, with a quality portfolio of assets and investments, the Group is confident that it is in a financially stable position to sustain through these challenges.

B4. Variance from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Profit/(Loss) Before Tax

	4th Quarter Ended 31.12.2011 RM'000	Year Ended 31.12.2011 RM'000
This is arrived at after charging/(crediting):		
(The following items including discontinued operations)		
Interest income	(1,416)	(8,235)
Dividend income	(957)	(2,274)
Insurance recoveries	(40,851)	(76,443)
Rental income	(8,519)	(29,225)
Interest expense	29,554	98,421
Depreciation and amortisation	19,908	71,739
Provision for and write off of receivables	45,073	45,073
Provision for and write off of inventories	146	146
Gain on disposal of quoted or unquoted investments or properties	(59,162)	(301,673)
Impairment of property, plant & equipment	58,930	58,930
Foreign exchange gain	(5,785)	(6,290)

B6. Income tax (benefit)/expense

	4th Quarter Ended		Year Ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Current year income tax				
- Malaysia	**2,933**	1,034	**5,155**	6,399
- Foreign	-	2,592	-	2,592
	2,933	3,626	**5,155**	8,991
Deferred tax				
- Malaysia	**(31)**	(675)	**(73)**	(777)
- Foreign	**(61,525)**	(16,740)	**(2,303)**	(33,271)
	(61,556)	(17,415)	**(2,376)**	(34,048)
Under/(Over) provision of taxation in prior years	**(3)**	3,452	**331**	3,159
	(58,626)	(10,337)	**3,110**	(21,898)

B7. Status of Corporate Proposals

(i) Renounceable two-call rights issue

On 25 March 2010, the Company had completed its rights issue exercise with the listing of 1,177,956,579 rights shares on the Main Market of Bursa Malaysia Securities Berhad.

The rights issue exercise has raised gross proceeds of RM471.183 million, which has been fully utilised as at 31 December 2011 in the following manner:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation Amount RM'000	Deviation %	Explanations
(i) Defray estimated expenses relating to Rights Issue Exercise	1,000	1,431	April 2010	431	43.10%	See Note 1
(ii) Repayment of bank borrowings of the Group	123,000	304,483	June 2010	181,483	>100%	See Notes 2 & 3
(iii) Working capital of the Group	347,183	165,269	March 2012	N/A		

B7. Status of Corporate Proposals (Contd.)

(i) Renounceable two-call rights issue (Contd.)

Note:

1 Disbursement expenses exceeded estimated cost.

2 As announced by the Company on 26 March 2010 and 29 March 2010, in addition to the RM123 million of the rights issue proceeds earmarked for repayment of the Group bank borrowing, an additional amount of RM70 million was utilised to settle a revolving credit facililty of the Company resulting in an interest saving of approximately RM1.3 million per annum. The said RM70 million repayment was reallocated from the RM347.183 million of the rights issue proceeds earmarked for Group working capital. Accordingly the allocation for Group working capital is reduced to RM277.183 million.

3 The Company had on 30 April 2010 announced that an amount of RM111.483 million from the rights issue proceeds has been utilised to fully settle an overseas revolving loan of HKD270 million (equivalent to RM111.483 million) of a wholly-owned subsidiary of the Company. The said RM111.483 million was reallocated from the RM347.183 million of the rights issue proceeds earmarked for Group working capital. Accordingly the allocation for Group working capital is reduced to RM165.7 million.

(ii) Proposed Rights Issue by Mulpha Land Berhad

On 4 May 2011, a subsidiary of the Company, Mulpha Land Berhad ("MLB") announced the following proposals:-

(a) a renounceable rights issue of 456,605,000 rights shares and 273,963,000 free warrants at an indicative issue price of RM0.22 per rights share on the basis of five (5) rights shares and three (3) warrants for every one (1) existing share held in MLB at an entitlement date to be determined by the Board of Directors of MLB and announced later by MLB;

(b) an increase in authorised share capital of MLB from RM120,000,000 comprising 200,000,000 ordinary shares of RM0.10 each ("Ordinary Shares") and 100,000,000 preference shares of RM1.00 each ("Preference Shares") to RM200,000,000 comprising 1,000,000,000 Ordinary Shares and 100,000,000 Preference Shares; and

(c) amendments to the memorandum and articles of association of MLB to effect the proposed increase in the authorised share capital.

MLB has procured an unconditional and irrevocable undertaking from the Company ("MIB"), being its major shareholder, to fully subscribe to MIB's own entitlement under the above proposed rights issue as well as an unconditional and irrevocable undertaking from the Company to fully subscribe for all the rights shares not subscribed by the other entitled shareholders and/or their renouncee(s).

The above proposals were approved by MLB's shareholders at an Extraordinary General Meeting held on 23 June 2011.

MLB had on 30 September 2011 obtained the approval of Bursa Malaysia Securities Berhad for the extension of time of six (6) months from 19 November 2011 to 19 May 2012 to implement the above mentioned proposed rights issue.

B7. Status of Corporate Proposals (Contd.)

(iii) Proposed Dividend Reinvestment Plan

On 10 May 2011, the Company announced a Dividend Reinvestment Plan ("DRP") that provides shareholders the option to elect to reinvest the dividend in new shares of the Company. This is part of the Company's capital management programme aimed to enhance shareholder value while strengthening the Company's capital position via the reinvestment of the dividend by shareholders.

The proposed DRP was approved by the Company's shareholders at an Extraordinary General Meeting held on 27 June 2011.

(iv) Proposed Disposal of Manta Holdings Company Limited

Jumbo Hill Group Limited ("JHGL"), a wholly owned subsidiary of Mulpha International Bhd had on 14 February 2012 entered into a sale and purchase agreement with Eagle Legend International Holdings Limited to dispose off 150,000,000 shares of HK$0.01 each held by JHGL, representing 75% of the entire issued share capital of Manta Holdings Company Limited ("Manta") for a cash consideration of HKD285 million (approximately RM111.154 million). Manta is a public company incorporated in the Cayman Islands on 11 March 2010. Its shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 19 July 2010. Manta is an investment holding company. The principal activities of Manta's subsidiaries are the rental and trading of tower cranes, trading of construction equipment and provision of maintenance service for tower cranes in Hong Kong, Macau, Singapore and Vietnam.

The above proposed disposal was completed on 23 February 2012.

B8. Group Loans and Borrowings

The details of the loans and borrowings as at 31 December 2011 are as follows:-

	RM'000
Short term - Secured	889,026
Long term - Secured	221,684
	1,110,710

Included in the above group loans and borrowings are the following loans and borrowings raised by subsidiaries and denominated in foreign currencies:

		'000	**RM'000 equivalent**
Australian Dollar	AUD	274,752	884,703
US Dollar	USD	49,852	158,032
			1,042,735

An Australian subsidiary is currently refinancing its outstanding credit facilities of AUD186.5 million (RM600.53 million) with a new facility of AUD150.0 million obtained from a new financial institution. The refinancing is expected to be completed in March 2012. The balance of AUD36.5 million will be funded from the Group 's internal fund and bank borrowings.

B9. Material Litigation

As at the date of this report, there was no pending material litigation which could adversely affect the financial position of the Group.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial year ended 31 December 2011.

B11. Earnings Per Share

The basic earnings per share of the Group has been computed by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company.

	Year Ended 31.12.2011 RM'000	Year Ended 31.12.2010 RM'000 (restated)
(a) Continuing operations		
Profit for the year	173,791	106,016
Non-controlling interests	2,704	(464)
Profit attributable to equity holders of the parent	176,495	105,552
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares at 1 January (net of treasury shares)	2,344,857	1,177,957
Effect of share buy back	(9,950)	(2,036)
Effect of ordinary rights shares issued on 25 March 2010	-	933,052
Weighted average number of ordinary shares at 31 December	2,334,907	2,108,973
Basic earnings per share (sen)	7.56	5.00
(b) Discontinued operations		
Profit for the year	2,307	6,497
Non-controlling interests	41	52
Profit attributable to equity holders of the parent	2,348	6,549
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares at 1 January (net of treasury shares)	2,344,857	1,177,957
Effect of share buy back	(9,950)	(2,036)
Effect of ordinary rights shares issued on 25 March 2010	-	933,052
Weighted average number of ordinary shares at 31 December	2,334,907	2,108,973
Basic earnings per share (sen)	0.10	0.31
(c) Total basic earnings per share (sen)	7.66	5.31

There are no potential dilution effects on ordinary shares of the Company for the current financial year. Accordingly, the diluted earnings per share for the current year is equal to basic earnings per share.

PART C

Disclosure of Realised and Unrealised Profits or Losses

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

	As at 31.12.2011 RM'000
Total retained earnings/(accumulated losses):	
(i) Company and subsidiaries	
- Realised	941,610
- Unrealised	(33,252)
(ii) Associates	
- Realised	143,779
- Unrealised	387
- Breakdown unavailable *	(120,737)
(iii) Jointly-controlled entities	
- Realised	49,711
- Unrealised	1,353
	982,851
Less: Consolidated Adjustments	(174,000)
Total group retained earnings as per consolidated accounts	808,851

***There is no separate disclosure shown between the realised and unrealised profit/losses components for the Group's associates, FKP Property Group and Rotol Singapore Ltd. The rationale being that such classification is not governed by the reporting requirements of the said associates.

By Order Of The Board

ANGELINE NG SEK OI
Company Secretary
Petaling Jaya
27 February 2012