

MULPHA INTERNATIONAL BHD FINANCIAL ANNOUNCEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2008

Mulpha International Bhd. achieved an operating profit of RM117.3 million for the year ended 2008. This operating profit matches that reported in 2007, with the Group's flagship developments, Sanctuary Cove in Australia's Gold Coast, improving on their previous year's performance. The rest of the Group performed to expectations.

The unprecedented global financial turmoil however, resulted in the impairment of asset valuations coupled with an adverse impact of currency movements on our foreign denominated cash holdings and assets against the Ringgit. The Australian dollar, the currency in which a large portion of the Group's assets is denominated has similarly not been spared. In addition, in accordance with the requirement of accounting standards, the Group booked impairment losses on properties held by 22.8% Australia's associated company, FKP Property Group and for the Group's investment portfolio owned by an overseas subsidiary totalling RM194.33 million. Incorporating these impairment charges, the Group incurred a net loss of RM77.04 million, before minority interest.

"It is unfortunate that the unprecedented volatility in asset and currency values have resulted in impairment charges to an otherwise robust 2008 performance. These charges are either one off or of a non cash nature. The Mulpha Group remains well positioned and capitalised to face the challenges of the continuing economic turmoil in the coming year" said Mr. Lee Seng Huang, Executive Chairman.

Net assets per share as at December 2008 adjusted to RM1.69, compared to RM1.96 at December 2007.

Mulpha International Bhd is a diversified conglomerate and a component stock of the Bursa Malaysia Composite Index. Listed on the Main Board of Bursa Malaysia Securities Berhad since 1983, it has shareholders' funds of about of RM2.0 billion. The Group's focus is on real estate and property-related services and financial services, with operations and investments in Malaysia, Vietnam, Singapore, People's Republic of China, Hong Kong and Australia. Over the years, Mulpha has leveraged on its expertise abroad to become Malaysia's largest real estate investor and developer in Australia, owning world-class assets that include Sanctuary Cove and Hyatt Regency Sanctuary Cove in Queensland, InterContinental Sydney, Hilton Melbourne Airport, Norwest Business Park Sydney and the world-renowned and award-winning Hayman Great Barrier Reef.