

MULPHA INTERNATIONAL BHD_(19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 JUNE 2010

The figures have not been audited

I(A) CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER ENDED 30.06.2010 RM'000	COMPARATIVE QUARTER ENDED 30.06.2009 RM'000 (Restated)	6 MONTHS CUMULATIVE TO 30.06.2010 RM'000	6 MONTHS CUMULATIVE TO 30.06.2009 RM'000 (Restated)
Continuing operations				
Revenue	189,421	158,131	337,293	300,564
Operating expenses	(216,719)	(145,097)	(383,954)	(310,854)
Other operating income	13,110	10,876	59,406	16,067
Profit/(Loss) from operations	<u>(14,188)</u>	<u>23,910</u>	<u>12,745</u>	<u>5,777</u>
Finance costs	(20,274)	(15,238)	(43,109)	(29,536)
Share of profit of associates	(890)	(92,518)	33,042	(81,355)
Share of profit of jointly-controlled entities	12,484	3,813	18,088	6,143
Profit/(Loss) before tax	<u>(22,868)</u>	<u>(80,033)</u>	<u>20,766</u>	<u>(98,971)</u>
Taxation	3,681	(2,079)	9,201	3,674
Profit/(Loss) for the period from continuing operations	<u>(19,187)</u>	<u>(82,112)</u>	<u>29,967</u>	<u>(95,297)</u>
Discontinued operations				
Profit for the period from discontinued operations	-	11,721	-	15,404
	<u>(19,187)</u>	<u>(70,391)</u>	<u>29,967</u>	<u>(79,893)</u>
Attributable to:				
Equity holders of the parent	(18,906)	(79,841)	29,397	(91,874)
Minority interests	(281)	9,450	570	11,981
Profit/(Loss) for the period	<u>(19,187)</u>	<u>(70,391)</u>	<u>29,967</u>	<u>(79,893)</u>
Earnings/(Loss) per share (sen):-				
- Basic	(1.03)	(6.24)	1.60	(7.18)
- Fully diluted	<u>(1.03)</u>	<u>(6.24)</u>	<u>1.60</u>	<u>(7.18)</u>

(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 2009)

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Quarterly report on consolidated results for the financial quarter ended 30 JUNE 2010

The figures have not been audited

I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 30.06.2010	COMPARATIVE QUARTER ENDED 30.06.2009	6 MONTHS CUMULATIVE TO 30.06.2010	6 MONTHS CUMULATIVE TO 30.06.2009
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	(19,187)	(70,391)	29,967	(79,893)
Foreign currency translation differences for foreign operations	(130,419)	142,463	(164,155)	191,285
Fair value movement of available-for-sale financial assets	2,424	(31)	3,082	(139)
Equity component of convertible notes of a subsidiary	-	(462)	(10,014)	(815)
Other comprehensive income for the period, net of tax	(127,995)	141,970	(171,087)	190,331
Total comprehensive income for the period	(147,182)	71,579	(141,120)	110,438
Attributable to :				
Equity holders of the parent	(146,901)	62,129	(141,690)	98,457
Minority interests	(281)	9,450	570	11,981
Total comprehensive income for the period	(147,182)	71,579	(141,120)	110,438

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 30.06.2010 RM'000	AUDITED AS AT 31.12.2009 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	<i>A9</i>	1,303,497	1,435,848
Investment properties		21,580	21,765
Prepaid lease payments		4,110	8,198
Investments in associates		1,025,477	1,047,494
Investments in jointly-controlled entities		203,652	205,500
Other receivables		23,966	788
Available for sale financial assets		1,981	3,216
Other investments		1,160	1,160
Land held for property development		730,317	782,491
Goodwill		14,349	14,915
		<u>3,330,089</u>	<u>3,521,375</u>
CURRENT ASSETS			
Property development costs		235,700	207,999
Inventories		58,047	59,486
Trade and other receivables		262,168	239,413
Financial assets at fair value through profit or loss	<i>B7</i>	12,825	15,980
Tax recoverable		2,894	2,294
Cash and bank balances		350,934	168,620
		<u>922,568</u>	<u>693,792</u>
TOTAL ASSETS		<u><u>4,252,657</u></u>	<u><u>4,215,167</u></u>

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 30.06.2010 RM'000	AUDITED AS AT 31.12.2009 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		1,177,957	588,978
Share premium		579,863	699,091
Treasury shares	<i>A6</i>	(1,006)	-
Reserves		297,203	468,803
Retained earnings		530,911	500,979
		2,584,928	2,257,851
Minority interests		117,635	48,134
Total equity		2,702,563	2,305,985
Non-current liabilities			
Bank borrowings	<i>B9a</i>	728,383	52,825
Other borrowings	<i>B9b</i>	255,227	114,963
Deferred tax liabilities		93,096	109,790
Lease and hire purchase payables		25,624	30,937
Other long term liabilities		8,504	3,723
		1,110,834	312,238
Current liabilities			
Trade and other payables		236,939	263,013
Provisions for liabilities		10,646	10,591
Bank borrowings	<i>B9a</i>	178,932	1,079,424
Other borrowings	<i>B9b</i>	2,433	235,141
Tax payable		10,310	8,775
		439,260	1,596,944
Total Liabilities		1,550,094	1,909,182
TOTAL EQUITY AND LIABILITIES		4,252,657	4,215,167
Net assets per share (RM)		1.10	1.92

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009)

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
<u>Note</u>	<u>30.06.2010</u>	<u>31.12.2009</u>
	RM'000	RM'000

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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	<----- Attributable to Equity Holders of the Parent ----->								Total Shareholders Equity RM'000	Minority Interest RM'000	Total Equity RM'000
	<----- 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	Retained Profit RM'000	Treasury shares RM'000			
At 1 January 2010	588,978	699,091	2,062	290,358	110,205	66,178	500,979	-	2,257,851	48,134	2,305,985
Total comprehensive income for the period	-	-	-	(164,155)	-	(6,932)	29,397	-	(141,690)	570	(141,120)
Issue of ordinary shares	588,979	(119,228)	-	-	-	-	-	-	469,751	-	469,751
Purchase of treasury shares	-	-	-	-	-	-	-	(1,006)	(1,006)	-	(1,006)
Conversion of convertible notes of a subsidiary	-	-	-	-	-	-	-	-	-	73,799	73,799
Movement in subsidiaries' net assets and group reserve	-	-	-	-	-	-	-	- #	-	(191)	(191)
Acquisition of minority interests	-	-	-	-	-	-	-	-	-	(4,677)	(4,677)
Transfer within reserves	-	-	(535)	-	-	-	535	-	-	-	-
Deferred taxation	-	-	22	-	-	-	-	-	22	-	22
At 30 June 2010	1,177,957	579,863	1,549	126,203	110,205	59,246	530,911	(1,006)	2,584,928	117,635	2,702,563
At 1 January 2009	627,485	797,104	1,355	(11,504)	74,200	67,625	508,189	(97,999)	1,966,455	160,751	2,127,206
Total comprehensive income for the period	-	-	-	191,285	-	(954)	(91,874)	-	98,457	11,981	110,438
Purchase of treasury shares	-	-	-	-	-	-	-	(15)	(15)	-	(15)
Movement in subsidiaries' net assets and group reserve	-	-	-	-	9	-	-	-	9	3,793	3,802
Transfer within reserves	-	-	-	-	(28)	-	28	-	-	-	-
Cancellation of treasury shares	(38,507)	(98,014)	-	-	38,507	-	-	98,014	-	-	-
At 30 June 2009	588,978	699,090	1,355	179,781	112,688	66,671	416,343	-	2,064,906	176,525	2,241,431

(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 2009)

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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----6 MONTHS ENDED----->	
	30.06.2010	30.06.2009
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
- Continuing operations	20,766	(98,971)
- Discontinued operations	-	17,110
Adjustments for non-cash items	5,109	123,381
Operating profit before changes in working capital	25,875	41,520
Changes in working capital		
Net change in current assets	(56,990)	(4,600)
Net change in current liabilities	(12,043)	(29,525)
Net change in working capital	(69,033)	(34,125)
Cash (used in)/generated from operations	(43,158)	7,395
Interest paid (including discontinued operations)	(43,109)	(29,536)
Interest received (including discontinued operations)	2,962	7,777
Income tax (paid)/refund	(3,201)	4,335
Staff benefits paid	(7,073)	(7,431)
Net cash used in operating activities	(93,579)	(17,460)
CASH FLOWS FROM INVESTING ACTIVITIES		
Refurbishment of investment properties	(20)	(497)
Purchase of property, plant and equipment	(33,254)	(76,184)
Proceeds from sale of property, plant and equipment	10,297	614
Refund of deposit on property, plant and equipment	-	47,058
Investment in associate companies	(6,284)	-
Other investments	2,839	9,558
Net cash used in investing activities	(26,422)	(19,451)

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PART A1 : QUARTERLY REPORT

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----6 MONTHS ENDED----->	
	30.06.2010	30.06.2009
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits uplifted	19,090	13,901
Payment of finance lease liabilities	(11,510)	(5,166)
Rights issue proceeds (net of expenses)	469,751	-
Purchase of treasury shares by the Company	(1,006)	(15)
Purchase and cancellation of treasury shares by a subsidiary	-	(10,551)
Net (repayment)/drawdown of borrowings	(146,684)	4,635
Other receivables (net)	(19,953)	(1,095)
Net cash generated from financing activities	309,688	1,709
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	189,687	(35,202)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	140,877	267,828
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	9,015	(4,388)
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	339,579	228,238

(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 2009)

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 2009.

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 2009, except for the adoption of new/revised FRSs that are effective 1 January 2010. These new/revised FRSs does not have any significant impact on the financial position or results of the Group except for change in disclosure format.

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 2009 was not subject to any qualification.

A3. Seasonal or Cyclicity 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 quarter ended 30 June 2010.

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 period.

A6. Changes in Debt And Equity Securities

On 25 March 2010, the Company 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 number of ordinary shares in issue after the completion of the rights issue is therefore 2,355,913,158 ordinary shares of RM0.50 each.

A total of 348,603,195 warrants were issued by the Company in conjunction with a rights issue exercise completed in year 2000. Each warrant is convertible into one new ordinary share of RM0.50 each at the exercise price of RM1.50 per share. The warrants are valid for a period of ten years and shall expire on 26 July 2010. Pursuant to the completion of the rights issue exercise on 25 March 2010, an additional 57,790,946 warrants were issued to warrant holders and the exercise price of the Company's warrants was adjusted to RM1.29 per share with no revision in the above expiry date. To-date, none of the warrants has been exercised and all the warrants have expired on 26 July 2010.

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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2010

A7. Dividend Paid

There was no dividend paid during the current financial quarter.

A8. Segment Information

Segment analysis for the period ended 30 June 2010 is set out below:

	Revenue RM'000	Profit Before Tax RM'000
Business Segment		
Property	74,843	(13,203)
Hospitality	227,197	10,847
General Trading	28,394	2,254
Investment	6,669	16,545
Others	190	(3,698)
External Sales	<u>337,293</u>	<u>12,745</u>
Finance cost		(43,109)
Share of results of associates/ jointly controlled entities		51,130
	<u><u>337,293</u></u>	<u><u>20,766</u></u>

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 30 June 2010 amounted to RM43.84 million.

A11. Material Events Subsequent To The Balance Sheet Date

There are no material events subsequent to 30 June 2010 to be disclosed.

A12. Changes in The Composition Of the Group

Hotel Indochine (Hanoi), an indirect 70% owned inactive subsidiary of the Company, was disposed off during the financial period 30 June 2010.

The Group had also, during the financial period 30 June 2010, commenced members' voluntary winding-up proceedings for three dormant/inactive indirect subsidiaries of the Company i.e. Asas Struktur Sdn Bhd, Mega Pascal EC Sdn Bhd and Pintar Citra Sdn Bhd.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Changes in the contingent liabilities since 31 December 2009 are as follows:-

	Decrease RM'000
Guarantees given to third parties	13,139
Machineries buy back option	740
	<u>13,879</u>

(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

The Group recorded a revenue of RM337.29 million and a profit after tax of RM29.97 million for the period ended 30 June 2010 as compared to a revenue of RM300.56 million and a loss after tax of RM79.89 million for the corresponding period 30 June 2009. The stronger performance for the current period was mainly contributed by improved share of profits from the Group's associates inclusive of the recognition of gain on dilution of interest in an associate, Mudajaya Group Berhad, amounting to RM29.85 million in the first quarter of 2010.

B2. Comparisons With Preceding Quarter's Results

The Group recorded a loss after tax of RM19.19 million for the 2nd quarter of 2010 as compared to the profit after tax of RM49.15 million for the 1st quarter of 2010. The better results of the preceding quarter was mainly due to the recognition of gain on dilution of interest in an associate, Mudajaya Group Berhad as noted above. The adverse results for the current quarter was also affected by the Group's share of non-operating losses (mainly due to assets impairment) recorded by an Australian associate, FKP Property Group, which amounted to RM37.52 million.

B3. Current Year Prospects

Barring any unforeseen circumstances, the Group's prospects for the year 2010 are expected to be satisfactory.

B4. Variance from Profit Forecast or Profit Guarantee

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

B5. Taxation

	6 Months Period Ended	
	30.06.2010	30.06.2009
	RM'000	RM'000
		(Restated)
Current year income tax		
- Malaysian	<u>2,489</u>	<u>1,021</u>
Deferred tax		
- Malaysian	(44)	(50)
- Foreign	(11,641)	(4,935)
	<u>(11,685)</u>	<u>(4,985)</u>
Under/(over) provision of taxation in prior years	(5)	290
	<u>(9,201)</u>	<u>(3,674)</u>

B6. Profit on Sale of Unquoted Investments or Properties

There were no material sale of unquoted investments and properties (not in the ordinary course of business of the Group) for the period ended 30 June 2010.

B7. Purchase and Disposal of Quoted Securities

(a) Purchase/disposal of quoted securities by the Group in the ordinary course of business are as follows:-

	6 Months Period Ended 30.06.2010 RM'000
Total purchases at cost	<u><u>-</u></u>
Total disposal (at disposal value)	<u><u>1,404</u></u>
Total loss on disposal	<u><u>(526)</u></u>

(b) Investments in quoted securities as at 30 June 2010 by the Group in the ordinary course of business are as follows:-

	RM'000
Total investment at cost	<u><u>27,324</u></u>
Total investment at market value	<u><u>12,825</u></u>

B8. Status of Corporate Proposals

(i) Renounceable two-call rights issue

On 25 March 2010, the Company has 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 utilised as at 30 June 2010 in the following manner:-

Purpose

- (i) Defray estimate expenses relative to Rights Issue Exercise
- (ii) Repayment of bank borrowing of the Group
- (iii) Working capital

B8. 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 facility 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 utilized 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 listing of Manta Holdings Company Limited

On 9 April 2010, the Company ("Mulpha") announced that it has applied to The Stock Exchange Of Hong Kong Limited ("SEHK") to list the following group of companies on the Main Board of SEHK:-

- (a) Manta Engineering And Equipment Company Limited ("Manta Engineering"), Manta Equipment Rental Company Limited ("Manta Rental") and Manta Equipment Services Limited ("Manta Services"). These companies were approximately 88% owned by Manta Far East Sdn Bhd ("Manta Far East"), approximately 12% owned by Pan Ocean International Limited ("Pan Ocean") and one (1) share owned by Mulpha Trading Sdn Bhd ("Mulpha Trading"). Manta Far East is a wholly-owned subsidiary of Mulpha Trading, which in turn is a wholly-owned subsidiary of Mulpha; and
- (b) Manta Equipment (S) Pte Ltd ("Manta Singapore"). Manta Singapore was 88% owned by Mulpha Trading and 12% owned by Pan Ocean.

An indirect wholly owned subsidiary of Mulpha, Manta Holdings Company Limited ("MHCL"), will be the listed investment holding company to hold the shares in the above subsidiaries.

B8. Status of Corporate Proposals (Contd.)

(ii) Proposed listing of Manta Holdings Company Limited (Contd.)

In conjunction with the proposed listing, MHCL will undertake a public issue of 50,000,000 new MHCL shares ("Issue Shares"), representing 25% of the enlarged issued and paid-up share capital of MHCL. 5,000,000 Issue Shares will be made available for application by the public in Hong Kong through a balloting process and 45,000,000 Issue Shares will be by way of placement to professional, institutional and other investors ("Proposed Public Issue").

Upon completion of the Proposed Public Issue, MHCL will seek the listing of and quotation for its entire enlarged issued and paid-up share capital of HKD2,000,000 comprising of 200,000,000 MHCL Shares on the Main Board of SEHK.

MHCL was successful listed on 19 July 2010.

(iii) Proposed par value reduction of Mulpha Land Berhad

On 10 May 2010, Mulpha Land Berhad ("MLB"), a subsidiary of the Company announced the following proposals:-

- (a) a reduction of its issued and paid-up share capital via the cancellation of RM0.90 of the par value of each existing ordinary share of RM1.00 each in MLB ("Proposed Par Value Reduction"); and
- (b) amendments to MLB's Memorandum and Articles of Association to facilitate the Proposed Par Value Reduction ("Proposed M&A Amendments").

(colletively referred to as the "Proposals")

The credit arising from the Proposed Par Value Reduction will be utilised to fully set-off against the accumulated losses of MLB and the remaining balance will be credited to the capital reserve of MLB.

The market price of MLB shares have been trading below its par value of RM1.00 per share for some time which is not conducive for MLB to embark on any fund raising exercise and/or corporate exercises involving issuance of new shares. Accordingly, the Proposed Par Value Reduction will provide MLB with greater flexibility to raise funds to implement future corporate proposals which entail issuance of new shares. In addition, the Proposed Par Value Reduction provides an opportunity for MLB to strengthen its financial position by eliminating the accumulated losses of MLB.

The Proposed M&A Amendments is to facilitate the implementation of the Proposed Par Value Reduction to reflect the new par value of the ordinary shares of MLB.

The Proposals were subject to the following approvals:-

- (a) approval by MLB's shareholders at an Extraordinary General Meeting which was obtained on 16 June 2010; and
- (b) consent by the High Court of Malaya for the Proposed Par Value Reduction which was obtained on 23 July 2010.

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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2010

B9. Group Borrowings and Debt Securities

(a) The details of the bank borrowings as at 30 June 2010 are as follows:-

	RM'000	RM'000
Short term - Secured	177,407	
- Unsecured	<u>1,525</u>	178,932
Long term - Secured		<u>728,383</u>
		<u><u>907,315</u></u>

(b) Other borrowings comprise of the following :-

	RM'000
Short term -	
Secured : Bonds	2,433
Long term -	
Secured : Bonds	255,227
	<u><u>257,660</u></u>

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

		'000	RM'000 equivalent
Australian Dollar	AUD	343,897	956,035
Pound Sterling	GBP	504	2,481
Singapore Dollar	SGD	2,772	6,458
US Dollar	USD	49,474	<u>161,779</u>
			<u><u>1,126,753</u></u>

B10. Material Litigation

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

B11. Dividend

The Board of Directors does not recommend any dividend for the current financial period ended 30 June 2010.

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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2010

B12. Earnings/(Loss) Per Share

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

	Period Ended	Period Ended
	30.06.2010	30.06.2009
	RM'000	RM'000
		(Restated)
<u>(a) Continuing operations</u>		
Profit/(loss) for the period	29,967	(95,297)
Minority interest	<u>(570)</u>	<u>(2,130)</u>
Profit/(loss) attributable to equity holders of the parent	<u>29,397</u>	<u>(97,427)</u>
Weighted average number of ordinary shares in issue ('000)		
Issued ordinary shares at 1 January	1,177,957	1,177,989
Effect of share buy back	(193)	(30)
Effect of ordinary rights shares issued on 25 March 2010	<u>660,748</u>	<u>100,968</u>
Weighted average number of ordinary shares at 30 June	<u>1,838,512</u>	<u>1,278,927</u>
Basic earnings/(loss) per share (sen)	<u>1.60</u>	<u>(7.62)</u>
<u>(b) Discontinued operations</u>		
Profit for the period	-	15,404
Minority interest	<u>-</u>	<u>(9,851)</u>
Profit attributable to equity holders of the parent	<u>-</u>	<u>5,553</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,838,512</u>	<u>1,278,927</u>
Basic earnings per share (sen)	<u>-</u>	<u>0.44</u>
(c) Total basic earnings/(loss) per share (sen)	<u>1.60</u>	<u>(7.18)</u>

The effects on the basic earnings/(loss) per share for the current financial period arising from the assumed conversion of the warrants are anti-dilutive. Accordingly, the diluted earnings/(loss) per share for the current period is presented as equal to basic earnings/(loss) per share.

By Order Of The Board

NG SENG NAM
Company Secretary

MULPHA INTERNATIONAL BHD
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2010

Petaling Jaya
26 August 2010