

MULPHA INTERNATIONAL BHD^(19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the first financial quarter ended 31 March 2012

The figures have not been audited

I(A) CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER ENDED 31.03.2012 RM'000	COMPARATIVE QUARTER ENDED 31.03.2011 RM'000 (restated)	3 MONTHS CUMULATIVE TO 31.03.2012 RM'000	3 MONTHS CUMULATIVE TO 31.03.2011 RM'000 (restated)
<i>Continuing operations</i>				
Revenue	138,590	152,256	138,590	152,256
Operating expenses	(165,929)	(185,207)	(165,929)	(185,207)
Other operating income	26,023	259,519	26,023	259,519
Profit/(loss) from operations	<u>(1,316)</u>	<u>226,568</u>	<u>(1,316)</u>	<u>226,568</u>
Finance costs	(23,013)	(24,903)	(23,013)	(24,903)
Share of profit of associates	31,866	38,190	31,866	38,190
Share of loss of jointly-controlled entities	(1,294)	(1,462)	(1,294)	(1,462)
Profit before tax	B5 <u>6,243</u>	<u>238,393</u>	<u>6,243</u>	<u>238,393</u>
Income tax expense	B6 <u>(4,501)</u>	<u>(62,710)</u>	<u>(4,501)</u>	<u>(62,710)</u>
Profit for the period from continuing operations	1,742	175,683	1,742	175,683
<i>Discontinued operation</i>				
Profit for the period from discontinued operation	A13 <u>61,980</u>	<u>2,608</u>	<u>61,980</u>	<u>2,608</u>
Profit for the period	<u>63,722</u>	<u>178,291</u>	<u>63,722</u>	<u>178,291</u>
Attributable to:				
Owners of the parent	64,592	178,736	64,592	178,736
Non-controlling interests	<u>(870)</u>	<u>(445)</u>	<u>(870)</u>	<u>(445)</u>
Profit for the period	<u>63,722</u>	<u>178,291</u>	<u>63,722</u>	<u>178,291</u>
Earnings per share (sen):-	B11			
- Basic/Diluted	<u>2.79</u>	<u>8.49</u>	<u>2.79</u>	<u>8.49</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 2011 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 first financial quarter ended 31 March 2012

The figures have not been audited

I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	CURRENT QUARTER ENDED 31.03.2012 RM'000	COMPARATIVE QUARTER ENDED 31.03.2011 RM'000 (restated)	3 MONTHS CUMULATIVE TO 31.03.2012 RM'000	3 MONTHS CUMULATIVE TO 31.03.2011 RM'000 (restated)
Profit for the period		63,722	178,291	63,722	178,291
Foreign currency translation differences for foreign operations		(29,191)	(13,074)	(29,191)	(13,074)
Fair value movement of available-for-sale financial assets		2,048	56	2,048	56
Revaluation of land and building		-	6	-	6
Share of other comprehensive income of associates		(2,704)	(2,507)	(2,704)	(2,507)
Reserves of discontinued operation reclassified to profit or loss		(7,583)	-	(7,583)	-
Other comprehensive expense for the period, net of tax		<u>(37,430)</u>	<u>(15,519)</u>	<u>(37,430)</u>	<u>(15,519)</u>
Total comprehensive income for the period		<u>26,292</u>	<u>162,772</u>	<u>26,292</u>	<u>162,772</u>
Attributable to :					
Owners of the parent		27,737	163,439	27,737	163,439
Non-controlling interests		<u>(1,445)</u>	<u>(667)</u>	<u>(1,445)</u>	<u>(667)</u>
Total comprehensive income for the period		<u>26,292</u>	<u>162,772</u>	<u>26,292</u>	<u>162,772</u>

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.03.2012 RM'000	AS AT 31.12.2011 RM'000 (restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	<i>A10</i>	1,271,168	1,292,101
Investment properties		21,216	21,216
Prepaid land lease payments		1,113	1,148
Investment in associates		1,206,499	1,189,634
Investment in jointly-controlled entities		182,167	195,453
Trade and other receivables		7,217	7,228
Other non-current assets		2,336	179
Investment securities		33,587	31,021
Inventories		663,122	661,962
Goodwill		9,135	9,137
		3,397,560	3,409,079
CURRENT ASSETS			
Inventories		400,073	399,436
Trade and other receivables		115,592	213,743
Other current assets		19,944	19,209
Investment securities		10,911	10,633
Derivative assets		-	44
Income tax recoverable		1,122	949
Cash and bank balances		370,733	298,012
Non-current assets classified as held for sale		-	63,872
Assets of disposal group classified as held for sale		-	166,035
		918,375	1,171,933
TOTAL ASSETS		4,315,935	4,581,012

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.03.2012 RM'000	AS AT 31.12.2011 RM'000 (restated)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		1,177,957	1,177,957
Share premium		579,863	579,863
Treasury shares	A7	(25,020)	(19,352)
Reserves		420,047	449,319
Retained earnings		874,118	808,946
Reserve of disposal group classified as held for sale		-	8,163
		<u>3,026,965</u>	<u>3,004,896</u>
Non-controlling interests		77,168	98,957
		<u>3,104,133</u>	<u>3,103,853</u>
Non-current liabilities			
Trade and other payables		5,782	5,855
Provision for liabilities		3,859	3,855
Deferred tax liabilities		76,766	73,035
Loans and borrowings	B8	740,942	221,684
		<u>827,349</u>	<u>304,429</u>
Current liabilities			
Trade and other payables		157,466	167,536
Other current liabilities		14,999	7,821
Provision for liabilities		12,577	12,639
Loans and borrowings	B8	192,609	888,746
Derivative liabilities		591	-
Income tax payable		6,211	6,513
Liabilities of disposal group classified as held for sale		-	89,475
		<u>384,453</u>	<u>1,172,730</u>
Total liabilities		<u>1,211,802</u>	<u>1,477,159</u>
TOTAL EQUITY AND LIABILITIES		<u>4,315,935</u>	<u>4,581,012</u>
Net assets per share (RM)		<u>1.32</u>	<u>1.30</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 2011 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 Owners of the Parent-----→		←-----Non-distributable-----→		←-----<Distributable>-----→							
	Share Capital	Share Premium	Revaluation Reserve	Exchange Reserve	Capital Reserve	Other Reserve	Treasury Shares	Reserve of disposal group classified as held for sale	Retained Earnings	Total Shareholders Equity	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 31 March 2012												
Balance as at 1 January 2012 (as previously stated)	1,177,957	579,863	6,142	345,035	110,081	(9,086)	(19,352)	8,163	808,851	3,007,654	98,957	3,106,611
Effects of transition to MFRSS	-	-	(2,853)	-	-	-	-	-	95	(2,758)	-	(2,758)
Balance as at 1 January 2012 (restated)	1,177,957	579,863	3,289	345,035	110,081	(9,086)	(19,352)	8,163	808,946	3,004,896	98,957	3,103,853
Total comprehensive income for the period	-	-	-	(31,320)	-	2,048	-	(7,583)	64,592	27,737	(1,445)	26,292
Purchase of treasury shares	-	-	-	-	-	-	(5,668)	-	-	(5,668)	-	(5,668)
Transfer within reserves	-	-	-	-	-	-	-	(580)	580	-	-	-
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	(20,344)	(20,344)
Balance as at 31 March 2012	1,177,957	579,863	3,289	313,715	110,081	(7,038)	(25,020)	-	874,118	3,026,965	77,168	3,104,133
Period ended 31 March 2011												
Balance as at 1 January 2011 (as previously stated)	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
Effects of transition to MFRSS	-	-	(2,911)	-	-	-	-	-	90	(2,821)	-	(2,821)
Balance as at 1 January 2011 (restated)	1,177,957	579,863	3,888	330,237	110,205	(6,118)	(5,442)	-	626,564	2,817,154	97,516	2,914,670
Total comprehensive income for the period	-	-	6	(15,359)	-	56	-	-	178,736	163,439	(667)	162,772
Purchase of treasury shares	-	-	-	-	-	-	(2,464)	-	-	(2,464)	-	(2,464)
Transfer within reserves	-	-	(24)	-	-	-	-	-	24	-	-	-
Equity accounting for an associate relating to a prior period	-	-	-	-	-	-	-	-	(30)	(30)	-	(30)
Balance as at 31 March 2011	1,177,957	579,863	3,870	314,878	110,205	(6,062)	(7,906)	-	805,294	2,978,099	96,849	3,074,948

(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 2011 and the accompanying explanatory notes attached to the interim financial statements)

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----3 MONTHS ENDED----->	
	31.03.2012	31.03.2011
	RM'000	RM'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	6,243	238,393
- Discontinued operation	61,980	239
	<u>68,223</u>	<u>238,632</u>
Adjustments for non-cash items:		
Depreciation of property, plant and equipment (including discontinued operation)	16,370	16,215
Amortisation of prepaid lease payments	11	14
Share of profit of associates	(31,866)	(38,190)
Share of loss of jointly-controlled entities	1,294	1,462
Provision for staff benefits	4,146	4,568
Interest expense (including discontinued operation)	23,260	25,499
Interest income (including discontinued operation)	(5,300)	(3,386)
Gain on disposal of assets classified as held for sale	(6,074)	(238,850)
Gain on sale of discontinued operation	(62,310)	-
Other non-cash items	(3,291)	(164)
	<u>4,463</u>	<u>5,800</u>
Operating profit before changes in working capital		
Changes in working capital		
Net change in current assets	86,968	(72,002)
Net change in current liabilities	(2,175)	35,510
	<u>84,793</u>	<u>(36,492)</u>
Net change in working capital		
Cash generated from/(used in) operations	89,256	(30,692)
Interest paid (including discontinued operation)	(23,260)	(25,499)
Interest received (including discontinued operation)	5,300	3,386
Income tax paid	(1,597)	(200)
Staff benefits paid	(3,998)	(4,559)
	<u>65,701</u>	<u>(57,564)</u>
Net cash generated from/(used in) operating activities		

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----3 MONTHS ENDED----->	
	31.03.2012	31.03.2011
	RM'000	RM'000 (restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,429)	(41,825)
Proceeds from sale of property, plant and equipment	108	1,412
Net proceeds from disposal of assets classified as held for sale	69,946	-
Investment in associate companies	(13,164)	-
Disposal of discontinued operation, net of cash	99,276	-
Dividend received from associates and jointly-controlled entity	22,704	-
Other investments	737	15,571
Net cash generated from/(used in) investing activities	170,178	(24,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(1,166)	(4,616)
Purchase of treasury shares by the Company	(5,668)	(2,464)
Net repayment of borrowings	(156,631)	(6,040)
Net cash used in financing activities	(163,465)	(13,120)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	72,414	(95,526)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	307,535	370,385
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(10,398)	(5,774)
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	369,551	269,085
ANALYSED AS:		
CONTINUING OPERATIONS	369,551	253,781
DISCONTINUED OPERATION	-	15,304
	369,551	269,085

(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 2011 and the accompanying explanatory notes attached to the interim financial statements)

PART A

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

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 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 2011.

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 2011, except for the adoption of MFRSs that are effective 1 January 2012. These MFRSs 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.

A2. Significant Accounting Policies

Except as described below, the accounting policies applied by the Group in the interim financial report are the same as those applied by the Group in its annual audited financial statements as at and for the year ended 31 December 2011.

(a) Property, plant and equipment

In the previous years, the Group has availed itself to the transitional provision when the MASB first adopted International Accounting Standard No.16, Property, plant and equipment in 1998. A long-term leasehold building was revalued in 1983 by the directors and no later valuation has been recorded.

Upon transition to MFRSs, the Group elected to restate the revalued property, plant and equipment to its original cost.

(b) Prepaid land lease payments

Under FRSs, the Group measured prepaid land lease payments on operating leasehold land in accordance with the transitional provision in FRS117, Leases. The transitional provision allowed the Group to carry the previously revalued leasehold land at the unamortised revalued amount when the Group first applied FRS 117 in 2006. The transitional provision is not available under MFRS 117.

Upon transition to MFRSs, the revalued prepaid land lease payments were restated to its original cost.

A2. Significant Accounting Policies (Contd.)

The impact arising from the transition is summarised as follows:

Statement of financial position	FRSs	Effect of transition to MFRSs	MFRSs	FRSs	Effect of transition to MFRSs	MFRSs	FRSs	Effect of transition to MFRSs	MFRSs
	01.01.2011	31.03.2011	31.12.2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	1,323,334	(969)	1,322,365	1,344,264	(962)	1,343,302	1,293,043	(942)	1,292,101
Prepaid land lease payments	4,004	(2,823)	1,181	3,960	(2,809)	1,151	3,915	(2,767)	1,148
Deferred tax liabilities	77,734	(971)	76,763	141,289	(971)	140,318	73,986	(951)	73,035
Revaluation reserve	6,799	(2,911)	3,888	6,781	(2,911)	3,870	6,142	(2,853)	3,289
Retained earnings	626,474	90	626,564	805,183	111	805,294	808,851	95	808,946

A3. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

A4. 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.

A5. 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 31 March 2012 except for the disposal of Manta Holdings Company Limited and its subsidiaries by Jumbo Hill Group Limited, a wholly owned subsidiary of the Company, which resulted in a gain of RM62.31 million.

A6. Changes in Estimates

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

A7. Changes in Debt And Equity Securities

During the financial period ended 31 March 2012, the Company has bought back 13,090,600 ordinary shares of RM0.50 each at average cost of RM0.43 per share. As at 31 March 2012, 57,479,800 ordinary shares of RM0.50 each were retained as treasury shares.

A8. Dividend Paid

There was no dividend paid during the current financial quarter.

A9. Segment Information

Segment analysis for the period ended 31 March 2012 is set out below:

Business Segment	Revenue			Profit/(Loss) Before Tax		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	<u>Operations</u>	<u>Operation</u>		<u>Operations</u>	<u>Operation</u>	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Property	21,371	-	21,371	500	-	500
Hospitality	116,720	-	116,720	2,474	-	2,474
General Trading	-	4,814	4,814	-	62,228	62,228
Investment and others	499	-	499	(4,290)	-	(4,290)
	138,590	4,814	143,404	(1,316)	62,228	60,912
Finance costs				(23,013)	(248)	(23,261)
Share of results of associates/ jointly-controlled entities				30,572	-	30,572
	138,590	4,814	143,404	6,243	61,980	68,223

A10. Valuation Of Property, Plant And Equipment

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

A11. Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at 31 March 2012 amounted to RM2.17 million.

A12. Material Events Subsequent To The Reporting Date

There were no material events subsequent to 31 March 2012 to be disclosed other than disclosed in note B7.

A13. Changes in The Composition Of the Group

Jumbo Hill Group Limited ("JHGL"), 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 of 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.

An analysis of the results of discontinued operation and the gain on disposal is as follows:-

(a) Results of discontinued operation

	Period to disposal date RM'000	3 Months Ended 31.03.2011 RM'000
Revenue	4,814	14,808
Operating expenses	(4,930)	(15,324)
Other operating income	33	1,350
Profit/(loss) from operations	(83)	834
Finance costs	(247)	(595)
Profit/(loss) before tax	(330)	239
Income tax benefit	-	2,369
Gain on sale of discontinued operation	62,310	-
Profit for the period from discontinued operation	<u>61,980</u>	<u>2,608</u>

(b) The following items have been included in arriving at profit/(loss) before tax from discontinued operation:-

	Period to disposal date RM'000	3 Months Ended 31.03.2011 RM'000
Interest income	(2)	(3)
Interest expense	247	595
Depreciation and amortisation	1,139	3,096
Foreign exchange loss/(gain)	170	(1,257)

A14. Changes in Contingent Liabilities or Contingent Assets

(a) Changes in the contingent liabilities since 31 December 2011 are as follows:-

	Increase RM'000
Guarantees given to third parties	<u>70,754</u>

The increase was mainly due to an indemnity jointly and severally provided by the Company and its subsidiary, Jumbo Hill Group Ltd ("JHGL") to Eagle Legend International Holdings Limited ("Eagle"), being the purchaser of Manta Holdings Company Limited ("Manta") as disclosed in note A13. Under the indemnity, the Company and JHGL agreed to indemnify Eagle from any losses incurred pursuant to any guarantee given by Manta in favour of financial institutions for credit facilities granted to its subsidiaries prior to the time the nominees of the Eagle are appointed to the Board of Manta.

(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

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

The Group recorded a revenue of RM138.59 million and a pre-tax profit of RM6.24 million for the 1st quarter of 2012 as compared to a revenue of RM152.26 million and a pre-tax profit of RM238.39 million for the corresponding 1st quarter of 2011. The better results of the corresponding quarter was mainly due to the gain on disposal of Hilton Melbourne Airport Hotel amounting to RM242.50 million which was completed in March 2011.

The revenue from the property division has decreased to RM21.37 million in the current financial quarter from RM35.79 million in the corresponding quarter. Lower revenue from the property division was mainly attributed to weaker sales from its Sanctuary Cove development in Australia. The Property division recorded a pre-tax profit of RM0.5 million in the current financial quarter as compared to a pre-tax loss of RM6.4 million in the corresponding quarter due mainly to the gain on disposal of land in Section 16 which was completed in March 2012.

The revenue from the hospitality division has increased marginally to RM116.72 million in the current financial quarter from RM116.05 million in the corresponding quarter. The hospitality division recorded a higher pre-tax profit of RM2.47 million, RM1.78 million higher than the previous corresponding quarter of RM0.69 million. The better performance was mainly attributed to a strong conference booking in the current quarter by Hyatt Sanctuary Cove.

The investment division recorded a weaker performance of RM4.29 million pre-tax loss in the current financial quarter as compared to RM232.09 million pre-tax profit in the corresponding quarter. The strong results of corresponding quarter was contributed largely by the gain on disposal of Hilton Melbourne Airport Hotel completed in March 2011.

B2. Comparisons With Preceding Quarter's Results

The Group recorded a pre-tax profit of RM6.24 million for the 1st quarter of 2012 as compared to a loss before tax of RM60.02 million for the 4th quarter of 2011. The better results of the current quarter was mainly due to improved share of profits from the Group's associates and impairment made on assets by Australian subsidiaries in 4th quarter 2011 as compared to none in this current quarter.

B3. Prospects

The property market is expected to moderate in 2012 with prices likely to see minor correction due to the anaemic global economy recovery. Despite these challenges, the Group is cautiously optimistic that with a more streamlined balance sheet, coupled with the Group's world class asset base, 2012's performance will continue to be satisfactory.

B4. Variance from Profit Forecast or Profit Guarantee

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

MULPHA INTERNATIONAL BHD
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012

B5. Profit Before Tax

3 Months Ended
31.03.2012 31.03.2011
RM'000 RM'000

The following items have been included
in arriving at profit before tax
from continuing operations:-

Interest income	(5,298)	(3,383)
Dividend income	(654)	-
Rental income	(8,020)	(8,026)
Interest expense	23,013	24,904
Depreciation and amortisation	15,242	13,133
Gain on disposal of quoted or unquoted investments or properties	(6,074)	(238,850)
Foreign exchange gain	(1,322)	(2,305)
Gain on derivatives	(559)	-
	4,501	62,710

B6. Income tax expense/(benefit)

3 Months Ended
31.03.2012 31.03.2011
RM'000 RM'000
(restated)

Current year income tax - Malaysia	1,203	1,251
Deferred tax - Malaysia	(7)	(4)
- Foreign	3,386	61,433
	3,379	61,429
(Over)/under provision of taxation in prior years	(81)	30
Income tax expense from continuing operations	4,501	62,710
Income tax benefit attributable to discontinued operation	-	(2,369)
	4,501	60,341

B7. Status of Corporate Proposals

(i) Proposed Rights Issue by Mulpha Land Berhad

On 4 May 2011, a subsidiary of Mulpha International Bhd ("MIB" or "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, 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 renounee(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 ("BMSB") 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.

On 22 March 2012, BMSB had approved a further extension of time from 19 May 2012 to 19 November 2012 to implement the above mentioned proposal.

(ii) Grant of Call Options over Shares of Mulpha Land Berhad

On 17 May 2012, Mulpha International Bhd ("MIB" or "the Company") announced that the Company has entered into a call option agreement ("Call Option Agreement") with Teladan Kuasa Sdn Bhd ("Option Holder") to grant the Option Holder the right to require MIB to sell to the Option Holder up to 30,000,000 ordinary shares of RM0.10 each ("Option Shares") in Mulpha Land Berhad ("MLB") at an exercise price of RM1.16 cash per Option Share ("Call Option"). The Option Holder has paid MIB a cash consideration of RM2,000,000 upon execution of the Call Option Agreement. MLB is a 70.54% owned subsidiary of MIB.

The Option Holder is entitled to exercise the Call Option at any time during the period commencing from the date falling three (3) months after the date of the Call Option Agreement and ending on the day immediately preceding the 3rd anniversary of the Call Option Agreement.

B8. Group Loans and Borrowings

The details of the loans and borrowings as at 31 March 2012 are as follows:-

	RM'000
Short term - Secured	192,609
Long term - Secured	740,942
	<u>933,551</u>

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

	AUD '000	RM'000 equivalent
Australian Dollar	272,215	865,645

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 period ended 31 March 2012.

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 period, excluding treasury shares held by the Company.

	3 Months Ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
		(restated)
(a) <u>Continuing operations</u>		
Profit for the period	1,742	175,683
Non-controlling interests	870	426
Profit attributable to equity holders of the parent	<u>2,612</u>	<u>176,109</u>
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares at 1 January (net of treasury shares)	2,311,524	2,108,973
Effect of share buy back	<u>(1,470)</u>	<u>(3,758)</u>
Weighted average number of ordinary shares at 31 March	<u>2,310,054</u>	<u>2,105,215</u>
Basic earnings per share (sen)	<u>0.11</u>	<u>8.37</u>
(b) <u>Discontinued operation</u>		
Profit for the period	61,980	2,608
Non-controlling interests	-	19
Profit attributable to equity holders of the parent	<u>61,980</u>	<u>2,627</u>
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares at 1 January (net of treasury shares)	2,311,524	2,108,973
Effect of share buy back	<u>(1,470)</u>	<u>(3,758)</u>
Weighted average number of ordinary shares at 31 March	<u>2,310,054</u>	<u>2,105,215</u>
Basic earnings per share (sen)	<u>2.68</u>	<u>0.12</u>
(c) <u>Total basic earnings per share (sen)</u>	<u>2.79</u>	<u>8.49</u>

There are no potential dilution effects on ordinary shares of the Company for the current financial period. Accordingly, the diluted earnings per share for the current period 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
	31.03.2012
	RM'000
Total retained earnings/(accumulated losses):	
(i) Company and subsidiaries	
- Realised	1,022,986
- Unrealised	(35,493)
(ii) Associates	
- Realised	158,925
- Unrealised	1,451
- Breakdown unavailable *	(118,245)
(iii) Jointly-controlled entities	
- Realised	38,871
- Unrealised	1,003
	<u>1,069,498</u>
Less: Consolidated Adjustments	<u>(195,380)</u>
Total group retained earnings as per consolidated accounts	<u><u>874,118</u></u>

*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.