

# MULPHA INTERNATIONAL BHD (19764-T)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009

(The figures have not been audited)

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	CURRENT QUARTER ENDED 31.12.2009 RM'000	COMPARATIVE QUARTER ENDED 31.12.2008 RM'000	12 MONTHS CUMULATIVE TO 31.12.2009 RM'000	12 MONTHS CUMULATIVE TO 31.12.2008 RM'000
Revenue	235,865	236,666	671,874	866,206
Operating expenses	(207,489)	(373,126)	(675,364)	(997,896)
Other operating income	29,798	11,013	61,618	59,935
Profit/(Loss) from operations	58,174	(125,447)	58,128	(71,755)
Finance costs	(30,859)	(19,992)	(81,749)	(82,982)
Share of profit/(loss) of associates	32,553	(10,301)	(31,485)	(9,654)
Share of profit/(loss) of jointly- controlled entities	1,503	10,766	10,630	26,276
Profit/(Loss) before tax	61,371	(144,974)	(44,476)	(138,115)
Taxation	3,110	16,680	19,103	20,549
Profit/(Loss) for the year from continuing operations	64,481	(128,294)	(25,373)	(117,566)
Profit/(Loss) for the year from discontinued operations	-	(3,709)	35,836	6,217
	64,481	(132,003)	10,463	(111,349)
Attributable to:				
Equity holders of the parent	61,834	(135,982)	(9,729)	(121,715)
Minority interests	2,647	3,979	20,192	10,366
Profit/(Loss) for the year	64,481	(132,003)	10,463	(111,349)
Earnings/(Loss) per share (sen):-				
- Basic	5.25	(11.41)	(0.83)	(10.22)
- Fully diluted	5.25	(11.41)	(0.83)	(10.22)

(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 2008)

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	<i>Note</i>	UNAUDITED AS AT 31.12.2009 RM'000	AUDITED AS AT 31.12.2008 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>A9</i>	1,435,848	1,167,660
Investment properties		21,765	21,545
Prepaid lease payments		8,198	14,716
Investments in associates		1,047,494	716,544
Investments in jointly-controlled entities		205,500	177,300
Other receivables		788	71,786
Available for sale financial assets		3,216	2,394
Other investments		1,160	1,160
Land held for property development		737,554	596,553
Goodwill		14,915	13,589
		3,476,438	2,783,247
<b>CURRENT ASSETS</b>			
Property development costs		252,986	233,336
Inventories		59,485	91,190
Trade and other receivables		239,354	259,815
Financial assets at fair value through profit or loss	<i>B7</i>	15,980	17,406
Tax recoverable		2,294	5,903
Cash and bank balances		168,619	310,832
		738,718	918,482
<b>TOTAL ASSETS</b>		<b>4,215,156</b>	<b>3,701,729</b>

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	<i>Note</i>	UNAUDITED AS AT 31.12.2009 RM'000	AUDITED AS AT 31.12.2008 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		588,978	627,485
Share premium		699,090	797,104
Treasury shares	<i>A6</i>	-	(97,999)
Reserves		468,803	131,676
Retained earnings		500,979	508,189
		<u>2,257,850</u>	<u>1,966,455</u>
Minority interests		48,134	160,751
<b>Total equity</b>		<u>2,305,984</u>	<u>2,127,206</u>
<b>Non-current liabilities</b>			
Bank borrowings	<i>B9a</i>	50,125	803,882
Other borrowings	<i>B9b</i>	114,963	117,606
Deferred tax liabilities		109,790	112,932
Lease and hire purchase payables		30,937	15,204
Other long term liabilities		3,723	3,433
		<u>309,538</u>	<u>1,053,057</u>
<b>Current liabilities</b>			
Trade and other payables		263,004	294,643
Provisions for liabilities		10,591	9,811
Bank borrowings	<i>B9a</i>	1,082,123	207,510
Other borrowings	<i>B9b</i>	235,141	1,769
Tax payable		8,775	7,733
		<u>1,599,634</u>	<u>521,466</u>
<b>Total Liabilities</b>		<u>1,909,172</u>	<u>1,574,523</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,215,156</u>	<u>3,701,729</u>
<b>Net assets per share (RM)</b>		<u>1.92</u>	<u>1.67</u>

*(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 2008)*

**MULPHA INTERNATIONAL BHD** (19764-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Attributable to Equity Holders of the Parent										Total Shareholders Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profit RM'000	Treasury shares RM'000	Shareholders Equity RM'000	Minority Interests RM'000	
<b>At 1 January 2009</b>	627,485	797,104	1,355	(11,504)	74,200	67,625	508,189	(97,999)	1,956,455	160,751	2,127,206
Net profit/(loss) for the year	-	-	-	-	-	-	(9,729)	-	(9,729)	20,192	10,463
Available-for-sale financial assets:											
Fair value movement	-	-	-	-	-	305	-	-	305	-	305
Purchase of treasury shares	-	-	-	-	-	-	-	(15)	(15)	-	(15)
Movement in subsidiaries' net assets and group reserve	-	-	716	303,956	8	-	-	-	304,680	(259)	304,421
Movement in associates' net assets and group reserve	-	-	-	(2,094)	-	-	-	-	(2,094)	-	(2,094)
Convertible Notes - equity component	-	-	-	-	-	(1,752)	-	-	(1,752)	-	(1,752)
Transfer within reserve	-	-	(9)	-	(28)	-	37	-	-	-	-
Cancellation of treasury shares	(38,507)	(98,014)	-	-	38,507	-	-	98,014	-	-	-
Disposal of shares in a subsidiary	-	-	-	-	(2,482)	-	2,482	-	-	(132,550)	(132,550)
<b>At 31 December 2009</b>	<b>588,978</b>	<b>699,090</b>	<b>2,062</b>	<b>290,358</b>	<b>110,205</b>	<b>66,178</b>	<b>500,979</b>	<b>-</b>	<b>2,257,850</b>	<b>48,134</b>	<b>2,305,984</b>
<b>At 1 January 2008</b>	627,485	797,104	1,415	209,819	80,870	101,901	621,868	(54,641)	2,385,821	152,991	2,538,812
Net profit/(loss) for the year	-	-	-	-	-	-	(121,715)	-	(121,715)	10,366	(111,349)
Available-for-sale financial assets:											
Fair value movement	-	-	-	-	-	(55,949)	-	-	(55,949)	-	(55,949)
Surplus/(deficit) arising on revaluation of investments	-	-	-	-	-	23,041	-	-	23,041	-	23,041
Purchase of treasury shares	-	-	-	-	-	-	-	(43,358)	(43,358)	-	(43,358)
Movement in subsidiaries' net assets and group reserve	-	-	-	(221,323)	1,306	-	-	-	(220,017)	(2,606)	(222,623)
Convertible Notes - equity component	-	-	-	-	-	(1,368)	-	-	(1,368)	-	(1,368)
Transfer within reserve	-	-	(60)	-	(7,976)	-	8,036	-	-	-	-
<b>At 31 December 2008</b>	<b>627,485</b>	<b>797,104</b>	<b>1,355</b>	<b>(11,504)</b>	<b>74,200</b>	<b>67,625</b>	<b>508,189</b>	<b>(97,999)</b>	<b>1,956,455</b>	<b>160,751</b>	<b>2,127,206</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2008)

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	<-----12 MONTHS ENDED----->	31.12.2009	31.12.2008
		RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation from:			
Continuing operations		(44,476)	(138,115)
Discontinued operations		38,061	7,855
Adjustments for non-cash items		198,257	220,006
Operating profit before changes in working capital		191,842	89,746
Changes in working capital			
Net change in current assets		(79,477)	11,563
Net change in current liabilities		(64,897)	103,218
Net change in working capital		(144,374)	114,781
Cash generated from operations		47,468	204,527
Interest paid (including discontinued operations)		(81,749)	(83,077)
Interest received (including discontinued operations)		12,861	19,379
Income tax paid		(6,141)	(1,580)
Staff benefits paid		(15,861)	(11,128)
Net cash (used in)/generated from operating activities		(43,422)	128,121
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Refurbishment of investment properties		(673)	(4,683)
Purchase of property, plant and equipment		(156,591)	(103,657)
Proceeds from sale of property, plant and equipment		5,307	4,149
Refund/(Payment) of deposit for property, plant and equipment		50,514	(33,505)
Investment in associate companies		(259,228)	(231,875)
Disposal of a subsidiary, net of cash		64,687	-
Purchase of available for sale financial assets		-	(106,547)
Other investments		44,333	40,955
Net cash used in investing activities		(251,651)	(435,163)

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	<b>&lt;-----12 MONTHS ENDED-----&gt;</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits uplifted	12,613	2,720
Payment of finance lease liabilities	(11,574)	(10,829)
Purchase and cancellation of treasury shares by the Company	(15)	(43,358)
Net drawdown of borrowings	121,948	335,110
Dividend paid to minority interest	-	(2,876)
Advance included in other receivables	(1,337)	(26,953)
Net cash generated from financing activities	121,635	253,814
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 <b>(173,438)</b>	 <b>(53,228)</b>
 CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	 <b>267,828</b>	 <b>354,514</b>
 FOREIGN CURRENCY DIFFERENCES ON OPENING CASH AND CASH EQUIVALENTS	 <b>46,487</b>	 <b>(33,458)</b>
 CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	 <b>140,877</b>	 <b>267,828</b>

*(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 December 2008)*

**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 Standard 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 2008.

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 2008.

Comparative figures have been re-classified to conform with current year's presentation.

**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 2008 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**

An associate company, FKP Property Group ("FKP") announced significant assets impairment during the 2nd quarter. As a result, the Group's share of loss in FKP for the year ended 31 December 2009 amounted to RM66.02 million.

During the current year, Mulpha Strategic Limited and Jumbo Hill Group Limited (which are wholly-owned subsidiaries of Mulpha International Bhd) disposed of a 100% equity interest in a subsidiary, Pacific Orchid Investments Limited, for a cash consideration of HK\$281.25 million or equivalent to RM129.43 million. As a result, the Group recognised a gain on disposal of RM13.13 million for the current year ended 31 December 2009.

Other than the above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current year ended 31 December 2009.

**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 current financial year, the Company bought back 32,000 ordinary shares of RM0.50 each at an average cost of RM0.45 per share. The shares bought back have been retained as treasury shares. On 22 May 2009, the Board of Directors resolved to cancel all the treasury shares of the Company comprising of 77,015,000 ordinary shares of RM0.50 each. Following the cancellation, the Company's issued and paid-up share capital decreased from RM627,485,790 to RM588,978,290.

**A7. Dividend Paid**

There was no dividend paid during the current financial year.

**A8. Segment Information**

Segment analysis for the year ended 31 December 2009 is set out below:

	Revenue			Profit/(Loss) Before Tax		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	Operations	Operations		Operations	Operations	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Business Segment</b>						
Property	160,880	-	160,880	30,677	-	30,677
Hospitality	431,302	-	431,302	20,803	-	20,803
Manufacturing	-	80,692	80,692	-	26,361	26,361
General Trading	79,571	-	79,571	20,020	-	20,020
Investment	21	-	21	(3,854)	-	(3,854)
Others	100	-	100	(9,518)	-	(9,518)
External Sales	671,874	80,692	752,566	58,128	26,361	84,489
Finance cost				(81,749)	-	(81,749)
Share of results of associates/ jointly controlled entities				(20,855)	11,700	(9,155)
	671,874	80,692	752,566	(44,476)	38,061	(6,415)

**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 2009 amounted to RM6.56 million.

**A11. Material Events Subsequent To The Balance Sheet Date**

There are no material events subsequent to 31 December 2009 to be disclosed other than the developments related to the Company's rights issue of shares which is disclosed in note B8 (b).



**A12. Changes In The Composition Of the Group**

- (a) Manta Professional Services Limited ("MPSL"), an indirect 88% owned subsidiary of the Company, was deregistered and dissolved on 13 February 2009. MPSL was dissolved as it was inactive.
- (b) LF Polo Management Pte Ltd ("LFPM"), an indirect 100% owned subsidiary of the Company, was struck-off on 15 April 2009. The Company had arranged for LFPM to be struck-off as LFPM was inactive.
- (c) In July 2009, the Company purchased Rosetec Investments Limited, a shelf company incorporated in British Virgin Islands at a consideration of USD1,860 or RM6,713.
- (d) The Company has on 14 August 2009 incorporated Mulpha SPV Limited as an offshore company limited by shares in Labuan at a cost of USD2,000 or RM7,060.
- (e) In September 2009, Mulpha Strategic Limited and Jumbo Hill Group Limited, both which are indirect wholly-owned subsidiaries of the Company, had disposed of 68% and 32% equity shares respectively in Pacific Orchid Investments Limited ("POIL"). POIL is an investment holding company which holds 68.72% interest in Greenfield Chemical Holdings Limited ("Greenfield"). Greenfield Group is principally involved in the manufacturing of paint and trading in petrochemical and related products in Hong Kong and China.

An analysis of the results of discontinued operations and the profit recognised on disposal/dissolution is as follows:-

	<b>Period to disposal date RM '000</b>	<b>Year Ended 31.12.2008 RM '000</b>
Revenue	80,692	141,396
Other income	10,257	8,492
Expenses	(76,760)	(149,896)
Share of results of associates	11,700	7,863
Profit before tax of discontinued operations	25,889	7,855
Profit on disposal/dissolution	12,172	-
	38,061	7,855
Taxation	(2,225)	(1,638)
Profit for the period from discontinued operations	<u>35,836</u>	<u>6,217</u>

**A13. Changes In Contingent Liabilities or Contingent Assets**

- (a) Changes in the contingent liabilities since 31 December 2008 are as follows:-

	Increase/ (Decrease) RM'000
Guarantees given to third parties	4,479
Machineries buy back option	(609)
	<u>3,870</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**

For the financial year ended 2009, the Group revenue from continuing operations was RM671.87 million and Group loss after tax was RM25.37 million as compared to a revenue of RM866.21 million and a loss after tax of RM117.57 million for the previous financial year 2008. Group revenue was lower in the current year 2009 due largely to weaker contribution from the Group's property and hotel operations in Australia. However, Group loss was lower for the current year 2009 due to absence of significant assets impairment which was recorded in the previous year 2008.

The Group also recorded profit from discontinued operations of RM35.84 million for the current year. This was mainly from the disposed indirect subsidiary.

**B2. Comparisons With Preceding Quarter's Results**

The Group recorded a profit before taxation from continuing operations of RM61.37 million in the 4th quarter of 2009 as against a loss before tax of RM6.88 million in the 3rd quarter of 2009. The improvement in results in the current quarter was mainly due to improvement in the Group's property and hotel operations in Australia.

**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**

	4th Quarter Ended		12 Months Year Ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Current year income tax				
- Malaysian	1,171	488	3,261	1,077
- Foreign	9,511	(1,270)	9,511	-
	<u>10,682</u>	<u>(782)</u>	<u>12,772</u>	<u>1,077</u>
Deferred tax				
- Malaysian	(845)	(287)	(1,453)	(2,249)
- Foreign	(12,852)	(13,543)	(30,700)	(14,004)
	<u>(13,697)</u>	<u>(13,830)</u>	<u>(32,153)</u>	<u>(16,253)</u>
Under/(over) provision of taxation in prior years	(95)	(2,068)	278	(5,373)
	<u>(3,110)</u>	<u>(16,680)</u>	<u>(19,103)</u>	<u>(20,549)</u>

**B6. Profit on Sale of Unquoted Investments or Properties**

There was no material sale of unquoted investments and properties (not in the ordinary course of business of the Group) for the year ended 31 December 2009.

**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:

	<b>4th Quarter Ended 31.12.2009 RM'000</b>	<b>12 Months Year Ended 31.12.2009 RM'000</b>
Total purchases at cost	<u>2,026</u>	<u>30,561</u>
Total disposal (at disposal value)	<u>8,193</u>	<u>30,733</u>
Total loss on disposal	<u>(1,513)</u>	<u>(10,941)</u>

(b) Investments in quoted securities as at 31 December 2009 by the Group in the ordinary course of business are as follows:-

	<b>RM'000</b>
Total investment at cost	<u>30,693</u>
Total investment at market value	<u>15,980</u>

**B8. Status of Corporate Proposals**

**(a) Increase holding in FKP Property Group ("FKP") Securities**

Prior to the the FKP rights issue of 2.3 new FKP securities for every one existing FKP security held at AUD0.40 per security, the Mulpha International Bhd ("Mulpha") Group held 80,119,102 FKP securities equivalent to a 22.74% interest in FKP. In July 2009, the Mulpha Group has subscribed fully to its entitlement of the FKP rights issue of 184,273,935 new FKP securities and sub-underwritten 26,824,619 new FKP securities, resulting in the Mulpha Group holding a total of 291,217,656 FKP securities, representing 25.08% interest in the enlarged FKP total issued securities.

The Mulpha Group interest of 25.08% in FKP exceeds the trigger point of 20% for a mandatory general offer ("MGO") as provided for under the Australian Corporations Act 2001. Approval has been obtained from the relevant authorities for Mulpha Group to hold the 25.08% interest without undertaking a MGO.

**(b) Proposed renounceable two-call rights issue**

On 17 August 2009, Mulpha International Bhd ("Mulpha") announced that it is proposing to undertake a renounceable two-call rights issue of up to 1,526,559,774 new ordinary shares of RM0.50 each ("Shares") in Mulpha ("Rights Shares") at an indicative issue price of RM0.50 per Rights Share on the basis of one Rights Share for every one existing Share held in Mulpha at an entitlement date to be determined later ("Proposed Rights Issue"). The issue price of RM0.50 per Right Share will be payable in two calls, being the first call of RM0.30 per Rights Share payable in full on application in cash and the second call of RM0.20 per Rights Share which will be capitalised from the Company's share premium account.

The maximum number of 1,526,559,774 Rights Shares was arrived at after taking into account the following:-

**B8. Status of Corporate Proposals (contd.)**

**(b) Proposed renounceable two-call rights issue (contd.)**

- (i) issued and paid-up share capital of Mulpha as at 14 August 2009 of RM588,978,289.50 comprising 1,177,956,579 Shares; and
- (ii) Mulpha's outstanding warrants 2000/2010 with an exercise price of RM1.50 of 348,603,195 as at 14 August 2009.

However, on 5 November 2009, the Board of Directors of Mulpha decided to fix the cash call and the capitalization of share premium account at a ratio of 80:20 ("Fixed Ratio") over the final issue price. The final issue price for the Rights Share shall be determined and announced after obtaining the approval of shareholders of Mulpha but before the entitlement date for the Proposed Rights Issue.

For illustrative purpose, based on the indicative issue price of RM0.50 per Rights Share and the Fixed Ratio, the issue price will be payable in two calls. The first call of RM0.40 per Rights Share or 80% of the indicative issue price (1st call) will be payable in full on application in cash and the second call of RM0.10 per Rights Share will be capitalised from the Company's share premium account.

The Proposed Rights Issue, based on 1,177,956,579 Rights Shares, is expected to raise gross proceeds of approximately RM471.183 million, which shall be utilised in the following manner:-

	RM'000
Repayment of bank borrowings of the Group	123,000
Working capital of the Group	347,183
Defray estimated expenses relating to Proposed Rights Issue	<u>1,000</u>
	<u>471,183</u>

The Proposed Rights Issue are conditional upon the following being obtained:-

- (a) the approval of the Securities Commission ("SC") for the proposed exemption to Magic Unicorn Limited ("MUL"), Mount Glory Investments Limited ("MGIL"), Yong Pit Chin ("YPC") and persons acting in concert ("PACs") with them from the obligation to extend a mandatory take-over offer for the remaining shares in Mulpha not already owned by them after the Proposed Rights Issue ("Proposed Exemption").

The approval from the SC was obtained on 7 December 2009.

- (b) the approval from Bursa Securities Malaysia Berhad ("Bursa Securities") for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities;
- (c) the approval of the shareholders of Mulpha at an extraordinary general meeting ("EGM") to be convened on 2 December 2009 for :-
  - (i) Proposed Rights Issue;
  - (ii) Proposed Exemption;
  - (iii) the proposed increase in the Company's authorised share capital from RM1,000,000,000 comprising 2,000,000,000 Shares to RM2,000,000,000 comprising 4,000,000,000 Shares in order to accommodate the issuance of the Rights Share as well as the new Shares arising from the exercise of the Company's outstanding Warrants 2000/2010 and/or future corporate exercises of the Company; and

**B8. Status of Corporate Proposals (contd.)**

**(b) Proposed renounceable two-call rights issue (contd.)**

(c) the approval of the shareholders of Mulpha at an extraordinary general meeting ("EGM") to be convened on 2 December 2009 for :-(contd.)

(iv) the proposed amendments to the memorandum and articles of association of the Company for the proposed increase in authorised share capital.

The shareholders of Mulpha have approved of the above resolutions in the said EGM.

The Company has on 29 January 2010 announced that the issue price of the Rights Share has been fixed at RM0.50 per Rights Share. Accordingly, the rights issue price will be payable in two calls, the first call of RM0.40 per Rights Share payable in full on application in cash and the second call of RM0.10 per Rights Share will be capitalised from the Company's share premium account.

**B9. Group Borrowings and Debt Securities**

(a) The details of the bank borrowings as at 31 December 2009 are as follows:-

	RM'000	RM'000	
Short term - Secured	1,080,598		
- Unsecured	1,525	1,082,123	
Long term - Secured		50,125	
		1,132,248	
		'000	<b>RM'000 equivalent</b>
Included in the above Group borrowings are the following bank borrowings raised by foreign subsidiaries and denominated in foreign currencies:			
Australian Dollar	AUD	309,738	950,895
Pound Sterling	GBP	1,603	8,830
Hong Kong Dollar	HKD	120	53
Singapore Dollar	SGD	375	915
US Dollar	USD	4,000	13,720
			974,413

An Australian subsidiary has a borrowing of AUD293.4 million (RM900.7 million) that will mature in June 2010. The subsidiary has commenced negotiation with the consortium of banks to renew the facility.

(b) Other borrowings comprise of the following :-

	RM'000	RM'000
Short term -		
Secured : Bonds	2,564	
Secured : Revolving Loan	119,421	
Unsecured : Loan	68,600	
Unsecured : Convertible Notes	44,556	235,141
Long term -		
Secured : Bonds	114,963	114,963
		350,104

**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 year ended 31 December 2009.

**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 year, excluding treasury shares held by the Company.

	Year Ended 31.12.2009 RM'000	Year Ended 31.12.2008 RM'000
<b><u>(a) Continuing operations</u></b>		
Loss for the year	(25,373)	(117,566)
Minority interest	(5,844)	(4,980)
Loss attributable to equity holders of the parent	<u>(31,217)</u>	<u>(122,546)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,177,959</u>	<u>1,191,331</u>
Basic loss per share (sen)	<u>(2.65)</u>	<u>(10.29)</u>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>(b) Discontinued operations</u></b>		
Profit for the year	35,836	6,217
Minority interest	(14,348)	(5,386)
Profit attributable to equity holders of the parent	<u>21,488</u>	<u>831</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,177,959</u>	<u>1,191,331</u>
Basic earnings per share (sen)	<u>1.82</u>	<u>0.07</u>
<b>(c) Total basic loss per share (sen)</b>	<u><b>(0.83)</b></u>	<u><b>(10.22)</b></u>

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

By Order Of The Board

NG SENG NAM  
Company Secretary

Petaling Jaya  
25 February 2010