MULPHA INTERNATIONAL BHD(19764-T)

PART A1 : QUARTERLY REPORT
Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2012
(The figures have not been audited)

I(A) CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	CURRENT QUARTER ENDED 31.12.2012 RM'000	COMPARATIVE QUARTER ENDED 31.12.2011 RM'000 (restated)	12 MONTHS CUMULATIVE TO 31.12.2012 RM'000	12 MONTHS CUMULATIVE TO 31.12.2011 RM'000 (restated)
Continuing operations					
Revenue		**153,776**	185,996	**541,673**	637,042
Operating expenses		**(342,648)**	(364,938)	**(827,412)**	(910,632)
Other operating income		**19,556**	119,792	**123,974**	437,205
(Loss)/profit from operations		**(169,316)**	(59,150)	**(161,765)**	163,615
Finance costs		**(15,959)**	(27,006)	**(66,194)**	(93,811)
Share of (loss)/profit of associates		**(18,949)**	3,997	**(281,815)**	77,676
Share of profit of jointly-controlled entities		**8,397**	21,612	**7,794**	24,173
(Loss)/profit before tax	*B5*	**(195,827)**	(60,547)	**(501,980)**	171,653
Income tax (expense)/benefit	*B6*	**(36,321)**	58,645	**(11,868)**	(3,074)
(Loss)/profit for the year from continuing operations		**(232,148)**	(1,902)	**(513,848)**	168,579
Discontinued operation					
Profit for the year from discontinued operation	*A13*	**-**	2,038	**39,993**	7,602
(Loss)/profit for the year		**(232,148)**	136	**(473,855)**	176,181
Attributable to:					
Owners of the parent		**(216,163)**	580	**(474,963)**	178,926
Non-controlling interests		**(15,985)**	(444)	**1,108**	(2,745)
(Loss)/profit for the year		**(232,148)**	136	**(473,855)**	176,181
(Loss)/earnings per share (sen):-	*B11*				
- Basic/Diluted		(9.55)	0.02	**(20.84)**	7.64

(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 fourth financial quarter ended 31 December 2012
(The figures have not been audited)

I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	CURRENT QUARTER ENDED 31.12.2012 RM'000	COMPARATIVE QUARTER ENDED 31.12.2011 RM'000 (restated)	12 MONTHS CUMULATIVE TO 31.12.2012 RM'000	12 MONTHS CUMULATIVE TO 31.12.2011 RM'000 (restated)
(Loss)/profit for the year		**(232,148)**	136	**(473,855)**	176,181
Foreign currency translation differences for foreign operations		**12,413**	44,878	**(74)**	31,021
Fair value movement of available-for-sale financial assets		**4,754**	(2,964)	**6,557**	(2,971)
Revaluation of land and building		**-**	-	**-**	7
Share of other comprehensive income of associates		**(2,517)**	917	**4,730**	-
Reserves of discontinued operation and dissolution of subsidaries reclassified to profit or loss		**-**	-	**(7,583)**	-
Other comprehensive income for the year, net of tax		**14,650**	42,831	**3,630**	28,057
Total comprehensive (loss)/income for the year		**(217,498)**	42,967	**(470,225)**	204,238
Attributable to :					
Owners of the parent		**(202,451)**	41,881	**(471,333)**	201,672
Non-controlling interests		**(15,047)**	1,086	**1,108**	2,566
Total comprehensive (loss)/income for the year		**(217,498)**	42,967	**(470,225)**	204,238

MULPHA INTERNATIONAL BHD (19764-T)

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2012 RM'000	AS AT 31.12.2011 RM'000 (restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*A10*	**1,098,567**	1,292,101
Investment properties		**29,746**	21,216
Prepaid land lease payments		**1,094**	1,148
Investment in associates		**1,058,219**	1,189,634
Investment in jointly-controlled entities		**175,830**	195,453
Trade and other receivables		**-**	7,228
Other non-current assets		**3,775**	179
Investment securities		**39,166**	31,021
Inventories		**508,609**	661,962
Goodwill		**9,137**	9,137
		2,924,143	3,409,079
CURRENT ASSETS			
Inventories		**386,816**	399,436
Trade and other receivables		**242,174**	213,743
Other current assets		**14,728**	19,209
Investment securities		**9,414**	10,633
Derivative assets		**-**	44
Income tax recoverable		**1,207**	949
Cash and bank balances		**467,365**	298,012
Non-current assets classified as held for sale		**-**	63,872
Assets of disposal group classified as held for sale		**-**	166,035
		1,121,704	1,171,933
TOTAL ASSETS		**4,045,847**	4,581,012

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2012 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*	**(66,255)**	(19,352)
Reserves		**454,855**	449,319
Retained earnings		**340,866**	808,946
Reserve of disposal group classified as held for sale		**-**	8,163
		2,487,286	3,004,896
Non-controlling interests		**34,926**	98,957
Total equity		**2,522,212**	3,103,853
Non Current liabilities			
Trade and other payables		**5,800**	5,855
Provision for liabilities		**3,389**	3,855
Deferred tax liabilities		**31,824**	73,035
Loans and borrowings	*B8*	**800,043**	221,684
		841,056	304,429
Current liabilities			
Trade and other payables		**173,030**	167,536
Other current liabilities		**32,617**	7,821
Provision for liabilities		**12,758**	12,639
Loans and borrowings	*B8*	**451,378**	888,746
Derivative liabilities		**4,115**	-
Income tax payable		**8,681**	6,513
Liabilities of disposal group classified as held for sale		**-**	89,475
		682,579	1,172,730
Total liabilities		**1,523,635**	1,477,159
TOTAL EQUITY AND LIABILITIES		**4,045,847**	4,581,012
Net assets per share (RM)		**1.13**	1.30

(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

III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	<------ Attributable to Owners 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 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 loss for the year	-	-	-	3,363	-	7,850	-	(7,583)	(474,963)	(471,333)	1,108	(470,225)
Purchase of treasury shares	-	-	-	-	-	-	(46,903)	-	-	(46,903)	-	(46,903)
Deferred tax	-	-	-	-	-	(1,863)	-	-	4,446	2,583	-	2,583
Transfer within reserves	-	-	(3,289)	-	-	-	-	(580)	3,869	-	-	-
Dissolution of subsidiaries	-	-	-	(583)	(48)	-	-	-	(1,432)	(2,063)	-	(2,063)
Dividend paid to a minority interest	-	-	-	-	-	-	-	-	-	-	(303)	(303)
Deconsolidation of a subsidiary	-	-	-	-	-	106	-	-	-	106	(47,115)	(47,009)
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	(17,721)	(17,721)
Balance as at 31 December 2012	**1,177,957**	**579,863**	**-**	**347,815**	**110,033**	**(2,993)**	**(66,255)**	**-**	**340,866**	**2,487,286**	**34,926**	**2,522,212**
Period ended 31 December 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 year	-	-	7	25,707	-	(2,968)	-	-	178,926	201,672	2,566	204,238
Purchase of treasury shares	-	-	-	-	-	-	(13,910)	-	-	(13,910)	-	(13,910)
Deferred tax	-	-	-	-		-	-	-	(20)	(20)	-	(20)
Transfer within reserves	-	-	(26)	(3,473)	23	-	-	-	3,476	-	-	-
Dividend paid to a minority interest	-	-	-	-	-	-	-	-	-	-	(1,125)	(1,125)
Reserve attributable to disposal classified as held for sale	-	-	(580)	(7,436)	(147)	-	-	8,163	-	-	-	-
Balance as at 31 December 2011 (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**

(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

IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<------12 MONTHS ENDED----->	
	31.12.2012	31.12.2011
	RM'000	RM'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation		
- Continuing operations	**(501,980)**	171,653
- Discontinued operation	**40,001**	4,661
	(461,979)	176,314
Adjustments for non-cash items:		
Amortisation of prepaid lease payments	**51**	25
Depreciation of property, plant and equipment (including discontinued operation)	**65,028**	71,631
Share of loss/(profit) of associates	**281,815**	(77,675)
Share of profit of jointly-controlled entities	**(7,794)**	(24,173)
Provision for staff benefits	**15,411**	16,716
Interest expense (including discontinued operation)	**66,442**	97,844
Interest income (including discontinued operation)	**(11,733)**	(8,235)
Impairment for property, plant and equipment	**49,721**	58,930
Impairment of goodwill	**-**	2,997
Impairment loss on investment of associates	**-**	5,275
Fair value adjustment for assets held at fair value through profit or loss	**7,901**	456
Gain on disposal of assets classfied as held for sale	**(6,074)**	(242,496)
Gain on sale of discontinued operation	**(41,229)**	-
Gain/(loss) on disposal of property, plant and equipment	**855**	(56,279)
Loss on deconsolidation	**38,703**	-
Net (reversal)/allowance of doubtful debts	**(9,814)**	29,158
Bad debts written off	**-**	15,783
Dividend income from investment securities	**(2,814)**	(2,274)
Allowance for written down/(writeback) of inventories	**66,914**	(8,253)
Other non-cash items	**(1,135)**	(1,857)
Operating profit before changes in working capital	**50,269**	53,887
Changes in working capital		
Net change in current assets	**33,004**	(114,565)
Net change in current liabilities	**39,698**	6,609
Net change in working capital	**72,702**	(107,956)
Cash generated from/(used in) operations	**122,971**	(54,069)
Interest paid (including discontinued operation)	**(66,442)**	(100,113)
Interest received (including discontinued operation)	**11,733**	8,235
Income tax paid	**(2,652)**	(6,004)
Staff benefits paid	**(15,605)**	(15,169)
Net cash generated from/(used in) operating activities	**50,005**	(167,120)

PART A1 : QUARTERLY REPORT

IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<------12 MONTHS ENDED----->	
	31.12.2012	31.12.2011
	RM'000	RM'000
		(restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(33,663)**	(172,498)
Purchase of available-for-sale financial assets	**-**	(31,905)
Proceeds from sale of property, plant and equipment	**4,139**	105,743
Proceeds from disposal of associates	**-**	8,724
Net proceeds from disposal of assets classified as held for sale	**69,946**	332,701
Investment in associate companies	**(174,362)**	(31,808)
Additions of investment properties	**(8,530)**	-
Disposal of discontinued operation, net of cash	**101,276**	-
Dividend received from associates and jointly-controlled entity	**47,678**	56,047
Dividend income from investment securities	**2,814**	2,274
Other investments	**-**	495
Net cash generated from investing activities	**9,298**	269,773
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	**(3,955)**	(15,248)
Purchase of treasury shares by the Company	**(46,903)**	(13,910)
Net drawdown/(repayment) of borrowings	**151,261**	(121,644)
Dividend paid to a minority shareholder	**(303)**	(1,125)
Net cash generated from/(used in) financing activities	**100,100**	(151,927)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**159,403**	(49,274)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	**307,535**	370,385
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(4,083)**	(13,576)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**462,855**	307,535
ANALYSED AS:		
CONTINUING OPERATIONS	**462,855**	295,794
DISCONTINUED OPERATION	**-**	11,741
	462,855	307,535

(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 from 1 January 2012. These MFRSs do 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 whilst 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 01.01.2011	MFRSs	FRSs	Effect of transition to MFRSs 31.12.2011	MFRSs
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment		1,323,334	(969)	1,322,365	1,293,043	(942)	1,292,101
Prepaid land lease payments		4,004	(2,823)	1,181	3,915	(2,767)	1,148
Deferred tax liabilities		77,734	(971)	76,763	73,986	(951)	73,035
Revaluation reserve		6,799	(2,911)	3,888	6,142	(2,853)	3,289
Retained earnings		626,474	90	626,564	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 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.

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 period ended 31 December 2012 except for the following:-

(i) 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;

(ii) An associate company of the Company, FKP Property Group ("FKP") had on 28 August 2012, announced significant impairment of its retirement investment property portfolio and other investments for its financial year ended 30 June 2012, resulting in the Company accounted for its share of loss amounted to RM303.76 million in the second financial quarter ended 30 June 2012. FKP, an Australian listed company is only required to release its financial statements on half yearly basis, i.e. for periods ending June and December. For the six months period ended 30 June 2012, FKP made signficant impairment losses, therefore the Company could only account for its share of loss in the second financial quarter ended 30 June 2012. For the year ended 31 December 2012, FKP has made further impairment of its retirement investment property portfolio and the Company accounted for the total share of loss of RM327.14 million for the current financial year;

(iii) the disposal of Bestari Sepang Sdn Bhd and its subsidiaries by the Company, which resulted in a loss of RM21.08 million; and

(iv) Sanctuary Cove Golf and Country Club Holdings Limited ("SCGC") is an unlisted public company whose principal assets are the Sanctuary Cove Golf course and Country Club. It is a private club that requires members to be a shareholder in SCGC thus it was previously consolidated as part of the Mulpha Australia Limited Group ("MAL"), a wholly owned subsidiary of the Company. Despite the fact that MAL owned only 581 out of 1,800 shares, MAL has control over SCGC due to various provisions in SCGC's constitution. An Extraordinary General Meeting was held on 16 August 2012 and a number of proposals were put to shareholders in relation to MAL's control over SCGC. As a result of the constitutional changes approved at this meeting, SCGC has been deconsolidated from the MAL group and resulted a deconsolidation loss of RM38.70 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 year.

A7. Changes in Debt And Equity Securities

During the financial year ended 31 December 2012, the Company has bought back 114,396,400 ordinary shares of RM0.50 each at average cost of RM0.41 per share. As at 31 December 2012, 158,785,600 ordinary shares of RM0.50 each were retained as treasury shares.

A8. Dividend Paid

There was no dividend paid during the current financial year.

A9. Segment Information

Segment analysis for the period ended 31 December 2012 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	109,078	160	109,238	(77,735)	(898)	(78,633)
Hospitality	431,114	-	431,114	(58,464)	-	(58,464)
General Trading	-	4,814	4,814	-	(83)	(83)
Investment and others	1,481	-	1,481	(25,566)	41,229	15,663
	541,673	4,974	546,647	(161,765)	40,248	(121,517)
Finance costs				(66,194)	(247)	(66,441)
Share of results of associates/ jointly-controlled entities				(274,021)	-	(274,021)
	541,673	4,974	546,647	(501,980)	40,001	(461,979)

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 December 2012 amounted to RM3.96 million.

A12. Material Events Subsequent To The Reporting Date

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

A13. Changes in The Composition Of the Group

(a) Disposal of Manta Holdings Company Limited ("Manta")

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 disposal was completed on 23 February 2012.

(b) Disposal of Bestari Sepang Sdn Bhd

The Company had on 7 September 2012 entered into a sale and purchase agreement with Mula Holdings Sdn Bhd ("Purchaser") to dispose of 2,000,000 shares of RM1 each of Bestari Sepang Sdn Bhd ("BSSB"), a wholly owned subsidiary of the Company for a cash consideration RM1.0 million ("Purchase Price"). As part of this transaction, the Company has also simultaneously entered into a settlement agreement with the Purchaser whereby the Purchaser shall pay a settlement sum of RM104.0 million on or before 15 December 2012 as full and final settlement of the advances that the Company had previously made to the BSSB and its subsidiaries, failing which additional payments will apply until the final settlement date of 15 December 2013.

BSSB is an investment holding company. Its wholly owned subsidiary, Spanstead Sdn. Bhd., holds a 65% equity interest in Seri Ehsan (Sepang) Sdn. Bhd., which in turn is the registered owner of land located within Mukim of Tanjung 12, District of Kuala Langat, Selangor Darul Ehsan, covering an area of 939.04 acres. The above disposal was completed on 7 September 2012.

An analysis of the results and the gain on disposal of both discontinued operations of the items (a) and (b) are as follows:-

(i) Results of discontinued operations

	Period to disposal date RM'000	12 Months Ended 31.12.2011 RM'000
Revenue	4,974	60,645
Operating expenses	(6,045)	(55,543)
Other operating income	90	3,592
(Loss)/profit from operations	(981)	8,694
Finance costs	(247)	(4,033)
(Loss)/profit before tax	(1,228)	4,661
Income tax (expense)/benefit	(8)	2,941
Gain on sale of discontinued operations	41,229	-
Profit for the period from discontinued operations	39,993	7,602

A13. Changes in The Composition Of the Group (Contd.)

	Period to disposal date RM'000	12 Months Ended 31.12.2011 RM'000
(ii) The following items have been included in arriving at profit before tax from discontinued operation:-		
Interest income	(2)	(35)
Rental income	(57)	(74)
Net written back of allowance of doubtful debts	-	(60)
Write back of inventories	-	(12)
Gain on disposal of property, plant and equipment	-	(222)
Interest expense	248	4,033
Depreciation and amortisation	1,148	13,037
Foreign exchange loss/(gain)	170	(1,526)

(c) Winding up subsidiaries

The Group had also, during the financial year ended 31 December 2012, commenced members' voluntary winding-up proceedings for three dormant/inactive direct/indirect subsidiaries of the Company i.e. Ekspo Melaka Sdn Bhd, MIB Pte Ltd and Indahview Capital Partners Sdn Bhd (formerly known as Mulpha Capital Partners Sdn Bhd).

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	98,162

The increase was mainly due to an indemnity jointly and severally provided by the Company and its subsidiary, Jumbo Hill Group Limited ("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 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 for continuing operations

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

The Group recorded a revenue of RM541.67 million and a pre-tax loss of RM501.98 million for the year ended 31 December 2012 as compared to a revenue of RM637.04 million and a pre-tax profit of RM171.65 million for the corresponding year ended 31 December 2011. The current year results were significantly impacted by the Group's share of loss in an associate, FKP Property Group ("FKP") amounting to RM327.14 million as well as impairment made on certain Australia development assets of RM65.58 million. The strong performance of the previous year ended 31 December 2011 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 property division recorded a revenue of RM109.08 million and a pre-tax loss of RM77.74 million for the year ended 31 December 2012 as compared to a revenue of RM207.26 million and a pre-tax profit of RM22.99 million for the corresponding year ended 31 December 2011. The decrease in revenue from the property division was mainly attributed to lower sales from its property developments in Australia and Malaysia. The weaker performance in the current financial year was mainly due to impairment of development assets of RM65.58 million, made of Australia's development assets as mentioned above.

The hospitality division recorded a revenue of RM431.49 million and a pre-tax loss of RM58.46 million for the year ended 31 December 2012 as compared to a revenue of RM428.28 million and a pre-tax loss of RM54.01 million for the corresponding year ended 31 December 2011. The marginal increase in revenue from hospitality division was mainly attributed to higher revenue from its Hayman Island resort in Australia in view of longer operation months in the current year. The Hayman Island resort was closed from March 2011 and reopened in August 2011 due to repair works carried out as a result of the cyclones in Queensland.

The investment division recorded a pre-tax loss of RM25.57 million in the current financial year as compared to RM194.63 million pre-tax profit in the corresponding year. The higher pre-tax profit in the corresponding year was contributed largely by the gain on disposal of Hilton Melbourne Airport Hotel.

(b) Current Year Quarter vs. Previous Year Corresponding Quarter

The Group recorded a revenue of RM153.78 million and a pre-tax loss of RM195.83 million for the 4th quarter ended 31 December 2012 as compared to a revenue of RM186.00 million and a pre-tax loss of RM60.55 million for the previous year corresponding quarter.

The property division recorded a revenue of RM53.82 million and a pre-tax loss of RM83.59 million for the 4th quarter ended 31 December 2012 as compared to a revenue of RM68.57 million and a pre-tax profit of RM31.30 million for the previous year corresponding quarter. The decrease in revenue was mainly attributed to lower revenue from its property developments in Australia and Malaysia. The higher pre-tax loss in the current financial quarter was in line with the lower sales from its property division and impairment of inventories of RM65.58 million as a result of the write down of property development in Australia in the given market condition.

B1. Review of performance (Contd.)

(b) Current Year Quarter vs. Previous Year Corresponding Quarter (Contd.)

The hospitality division recorded a revenue of RM99.62 million and a pre-tax loss of RM74.17 million for the 4th quarter ended 31 December 2012 as compared to a revenue of RM117.00 million and a pre-tax loss of RM65.22 million for the previous year corresponding quarter. The decrease in revenue from hospitality division was attributed mainly to lower revenue from its hospitality in Australia in view of the weaker performance of overall 5-star hotels under poorer market condition in this quarter.

The investment division recorded RM11.28 million pre-tax loss in the current 4th quarter as compared to RM25.24 million pre-tax loss in the previous year corresponding quarter mainly due to reversal of allowance for doubtful debts.

B2. Comparisons With Preceding Quarter's Results for continuing operations

The Group recorded a pre-tax loss of RM195.83 million for the 4th quarter of 2012 ("4Q 2012") as compared to a pre-tax profit of RM10.98 million for the 3rd quarter of 2012 ("3Q 2012"). The substantial loss in the current quarter was mainly due to impairment losses made on the development and hotel assets by Australian subsidiaries.

The property division recorded a revenue of RM53.81 million and a pre-tax loss of RM83.86 million in 4Q 2012 as compared to a revenue of RM14.44 million and pre-tax profit of RM0.94 million in 3Q 2012. The increase in revenue was mainly due to higher sales from Sanctuary Cove development in Australia and Bangsar Enclave project completed in the current quarter. The higher pre-tax loss was attributed mainly to impairment of inventories of RM65.58 million by an Australian subsidiary as mentioned above.

The hospitality division recorded a revenue of RM99.62 million and a pre-tax loss of RM74.17 million in 4Q 2012 as compared to a revenue of RM111.14 million and pre-tax profit of RM21.21 million in 3Q 2012. The lower revenue was attributed mainly to the weaker performance of overall 5-star hotels under poorer market condition of Australia in the current quarter. The higher pre-tax loss was mainly due to impairment of certain hotel assets in Australia of RM49.72 million and loss of deconsolidation of Sanctuary Cove Golf and Country Club Holdings Limited amounted to RM38.70 million.

The investment division reported a pre-tax loss of RM11.28 million in the 4Q 2012 similiar to a pre-tax loss of RM11.18 million recorded in 3Q 2012.

B3. Prospects

We remain optimistic of the long term future of the Group. Prospects for the Group in the next one year are expected to be better but nevertheless still challenging in view of the uncertain global economic outlook and the stagnant state of the property market in Australia, where we have a substantial part of our total business.

B4. Variance from Profit Forecast or Profit Guarantee

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

B5. (Loss)/Profit Before Tax

	4th Quarter Ended		12 Months Ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
The following items have been included in arriving at (loss)/profit before tax from continuing operations:-				
Interest income	**(2,432)**	(1,397)	**(11,731)**	(8,200)
Dividend income	**(1,535)**	(958)	**(2,814)**	(2,274)
Foreign exchange (gain)/loss	**(717)**	1,024	**(1,400)**	(4,764)
Fair value adjustment for assets held at fair value through profit or loss	**8,079**	456	**7,901**	456
Gain on disposal of asset held for sale	**-**	-	**(6,074)**	(242,496)
Gain on derivatives	**(2,588)**	-	**(5,423)**	-
Rental income	**(8,427)**	(8,501)	**(33,919)**	(29,150)
Allowance for written down/(writeback) of inventories	**68,179**	12	**66,914**	(8,241)
Depreciation and amortisation	**16,703**	16,400	**63,931**	58,619
Interest expense	**15,960**	27,006	**66,195**	93,811
Impairment of property, plant & equipment	**49,721**	58,930	**49,721**	58,930
Impairment of associates	**-**	5,275	**-**	5,275
Impairment of goodwill	**-**	2,997	**-**	2,997
Net (reversal)/impairment on allowance of doubtful debts	**(6,913)**	29,752	**(9,814)**	29,218
Bad debt written off	**-**	15,783	**-**	15,783
Loss/(gain) on on disposal of property plant and equipment	**855**	(56,279)	**855**	(56,279)
Loss on deconsolidation of a subsidiary	**38,703**	-	**38,703**	-

B6. Income tax expense/(benefit)

	4th Quarter Ended		12 Months Ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Current year income tax				
- Malaysia	**1,795**	2,914	**5,042**	5,136
Deferred tax				
- Malaysia	**(232)**	(14)	**286**	(73)
- Foreign	**35,300**	(63,319)	**7,218**	(2,302)
	35,068	(63,333)	**7,504**	(2,375)
Overprovision of taxation in prior years	**(542)**	1,774	**(678)**	313
Income tax expense from continuing operations	**36,321**	(58,645)	**11,868**	3,074
Income tax benefit attributable to discontinued operation	**-**	(560)	**8**	(2,941)
	36,321	(59,205)	**11,876**	133

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 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 ("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 abovementioned proposal.

On 18 October 2012, MLB has made a withdrawal of the extension of time applied to BMSB on 19 September 2012 and has decided not to proceed with 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 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.

B7. Status of Corporate Proposals (Contd.)

(iii) Increase of holding in FKP Property Group ("FKP") Securities

Prior to the FKP rights issue of six new FKP securities for every seven existing FKP securities held at AUD0.20 per security, the Mulpha International Bhd ("Mulpha") Group held 317,846,566 FKP securities equivalent to a 26.22% interest in FKP. In September 2012, the Mulpha Group has subscribed fully to its entitlement of the FKP rights issue of 272,439,914 new FKP securities, resulting in the Mulpha Group holding a total of 590,286,480 FKP securities, representing 26.22% interest in the enlarged FKP total issued securities.

B8. Group Loans and Borrowings

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

	RM'000
Short term - Secured	451,378
Long term - Secured	800,043
	1,251,421

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

			RM'000 equivalent
Australian Dollar	AUD '000	310,307	989,879
US Dollar	USD '000	56,470	172,798

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 December 2012.

B11. (Loss)/Earnings Per Share

The basic (loss)/earnings per share of the Group has been computed by dividing the (loss)/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.

		12 Months Ended	
		31.12.2012	31.12.2011
		RM'000	RM'000
			(restated)
(a)	**Continuing operations**		
	(Loss)/profit for the year	(513,848)	168,579
	Non-controlling interests	(1,108)	2,736
	(Loss)/profit attributable to equity holders of the parent	(514,956)	171,315
	Weighted average number of ordinary shares in issue ('000)		
	Ordinary shares at 1 January (net of treasury shares)	2,311,524	2,344,857
	Effect of share buy back	(32,024)	(4,688)
	Weighted average number of ordinary shares at 31 December	2,279,500	2,340,169
	Basic (loss)/earnings per share (sen)	(22.59)	7.32
(b)	**Discontinued operations**		
	Profit for the year	39,993	7,602
	Non-controlling interests	-	9
	Profit attributable to equity holders of the parent	39,993	7,611
	Weighted average number of ordinary shares in issue ('000)		
	Ordinary shares at 1 January (net of treasury shares)	2,311,524	2,344,857
	Effect of share buy back	(32,024)	(2,788)
	Weighted average number of ordinary shares at 31 December	2,279,500	2,342,069
	Basic earnings per share (sen)	1.75	0.32
(c)	**Total basic (loss)/earnings per share (sen)**	(20.84)	7.64

There are no potential dilution effects on ordinary shares of the Company for the current financial year. Accordingly, the diluted (loss)/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 31.12.2012 RM'000	As at 31.12.2011 RM'000
Total retained earnings/(accumulated losses):		
(i) Company and subsidiaries		
- Realised	765,441	941,610
- Unrealised	(31,824)	(33,157)
(ii) Associates		
- Realised	188,548	143,779
- Unrealised	22	387
- Breakdown unavailable *	(482,118)	(120,737)
(iii) Jointly-controlled entities		
- Realised	32,000	49,711
- Unrealised	1,006	1,353
	473,075	982,946
Less: Consolidated Adjustments	(132,209)	(174,000)
Total group retained earnings as per consolidated accounts	340,866	808,946

* 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.