

# MULPHA INTERNATIONAL BHD<sub>(19764-T)</sub>

## PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2010

The figures have not been audited

### I(A) CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER ENDED 31.12.2010 RM'000	COMPARATIVE QUARTER ENDED 31.12.2009 RM'000	12 MONTHS CUMULATIVE TO 31.12.2010 RM'000	12 MONTHS CUMULATIVE TO 31.12.2009 RM'000
<b>Continuing operations</b>				
Revenue	279,135	235,865	798,560	671,874
Operating expenses	(289,526)	(207,489)	(877,416)	(675,364)
Other operating income	48,684	29,798	142,984	61,618
Profit from operations	<u>38,293</u>	<u>58,174</u>	<u>64,128</u>	<u>58,128</u>
Finance costs	(21,238)	(30,859)	(89,060)	(81,749)
Share of profit/(loss) of associates	31,906	32,553	92,984	(31,485)
Share of profit of jointly-controlled entity	6,165	1,503	24,818	10,630
Profit/(Loss) before tax	<u>55,126</u>	<u>61,371</u>	<u>92,870</u>	<u>(44,476)</u>
Taxation	8,383	3,110	20,824	19,103
Profit/(Loss) for the year from continuing operations	<u>63,509</u>	<u>64,481</u>	<u>113,694</u>	<u>(25,373)</u>
<b>Discontinued operations</b>				
Profit for the year from discontinued operations	-	-	-	35,836
	<u>63,509</u>	<u>64,481</u>	<u>113,694</u>	<u>10,463</u>
Attributable to:				
Equity holders of the parent	62,235	61,834	112,928	(9,729)
Minority interests	<u>1,274</u>	<u>2,647</u>	<u>766</u>	<u>20,192</u>
Profit for the year	<u>63,509</u>	<u>64,481</u>	<u>113,694</u>	<u>10,463</u>
Earnings/(Loss) per share (sen):-				
- Basic	2.95	4.84	5.35	(0.76)
- Fully diluted	<u>2.95</u>	<u>4.84</u>	<u>5.35</u>	<u>(0.76)</u>

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

# MULPHA INTERNATIONAL BHD<sub>(19764-T)</sub>

## PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2010

The figures have not been audited

### I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>CURRENT QUARTER ENDED 31.12.2010</b>	<b>COMPARATIVE QUARTER ENDED 31.12.2009</b>	<b>12 MONTHS CUMULATIVE TO 31.12.2010</b>	<b>12 MONTHS CUMULATIVE TO 31.12.2009</b>
<i>Note</i>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) for the year	<b>63,509</b>	64,481	<b>113,694</b>	10,463
Foreign currency translation differences for foreign operations	<b>96,926</b>	21,937	<b>54,578</b>	312,858
Fair value movement of available-for-sale financial assets	<b>219</b>	(62)	<b>3,528</b>	305
Equity component of convertible notes of a subsidiary	-	(448)	<b>(10,014)</b>	(1,752)
Revaluation of land and building	<b>309</b>	716	<b>309</b>	716
Share of other comprehensive income of associates	<b>(12,930)</b>	(10)	<b>(8,519)</b>	(2,094)
Other comprehensive income for the year, net of tax	<b>84,524</b>	22,133	<b>39,882</b>	310,033
<b>Total comprehensive income for the year</b>	<b>148,033</b>	86,614	<b>153,576</b>	320,496
<b>Attributable to :</b>				
Equity holders of the parent	<b>146,600</b>	86,441	<b>153,331</b>	300,563
Minority interests	<b>1,433</b>	173	<b>245</b>	19,933
Total comprehensive income for the year	<b>148,033</b>	86,614	<b>153,576</b>	320,496

# MULPHA INTERNATIONAL BHD (19764-T)

## PART A1 : QUARTERLY REPORT

### II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		UNAUDITED	AUDITED
		AS AT	AS AT
	<u>Note</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
		RM'000	RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>A9</i>	1,323,334	1,435,848
Investment properties		21,419	21,765
Prepaid lease payments		4,004	8,198
Investments in associates		1,190,549	1,047,494
Investments in jointly-controlled entity		195,985	205,500
Other receivables		39,234	788
Available for sale financial assets		2,196	3,216
Other investments		1,160	1,160
Land held for property development		759,558	782,491
Goodwill		15,071	14,915
		<u>3,552,510</u>	<u>3,521,375</u>
<b>CURRENT ASSETS</b>			
Property development costs		244,133	207,999
Inventories		51,527	59,486
Trade and other receivables		234,527	239,413
Financial assets at fair value through profit or loss	<i>B7</i>	9,236	15,980
Tax recoverable		3,433	2,294
Cash and bank balances		372,623	168,620
Non-current assets held for sale		153,046	-
		<u>1,068,525</u>	<u>693,792</u>
<b>TOTAL ASSETS</b>		<u>4,621,035</u>	<u>4,215,167</u>

# MULPHA INTERNATIONAL BHD (19764-T)

## PART A1 : QUARTERLY REPORT

### II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.12.2010 RM'000	AUDITED AS AT 31.12.2009 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		1,177,957	588,978
Share premium		579,866	699,091
Treasury shares	<i>A6</i>	(5,442)	-
Reserves		514,519	468,803
Retained earnings		619,438	500,979
		<u>2,886,338</u>	<u>2,257,851</u>
Minority interests		124,819	48,134
<b>Total equity</b>		<u>3,011,157</u>	<u>2,305,985</u>
<b>Non-current liabilities</b>			
Bank borrowings	<i>B9a</i>	783,399	52,825
Other borrowings	<i>B9b</i>	266,727	114,963
Deferred tax liabilities		77,734	109,790
Lease and hire purchase payables		29,576	30,937
Other long term liabilities		25,263	3,723
		<u>1,182,699</u>	<u>312,238</u>
<b>Current liabilities</b>			
Trade and other payables		215,101	263,013
Provisions for liabilities		11,078	10,591
Bank borrowings	<i>B9a</i>	187,822	1,079,424
Other borrowings	<i>B9b</i>	2,886	235,141
Tax payable		10,292	8,775
		<u>427,179</u>	<u>1,596,944</u>
<b>Total Liabilities</b>		<u>1,609,878</u>	<u>1,909,182</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,621,035</u>	<u>4,215,167</u>
<b>Net assets per share (RM)</b>		<u>1.23</u>	<u>1.92</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 2009)

# MULPHA INTERNATIONAL BHD (19764-T)

## PART A1 : QUARTERLY REPORT

### II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
<u>Note</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
	RM'000	RM'000

# MULPHA INTERNATIONAL BHD (19764-T)

## PART A1 : QUARTERLY REPORT

### IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	<----- Attributable to Equity Holders of the Parent ----->								Total Shareholders Equity RM'000	Minority Interest RM'000	Total Equity RM'000
	<----- Non-distributable----->					<Distributable>					
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000			
<b>At 1 January 2010</b>	588,978	699,091	2,062	290,358	110,205	66,178	500,979	-	2,257,851	48,134	2,305,985
Total comprehensive income for the year	-	-	309	46,686	-	(6,592)	112,928	-	153,331	245	153,576
Issue of ordinary shares	588,979	(119,225)	-	-	-	-	-	-	469,754	-	469,754
Purchase of treasury shares	-	-	-	-	-	-	-	(5,442)	(5,442)	-	(5,442)
Conversion of convertible notes of a subsidiary	-	-	-	-	-	-	-	-	-	73,799	73,799
Acquisition of minority interest	-	-	-	-	-	-	-	-	-	(4,677)	(4,677)
Accretion of subsidiaries	-	-	-	-	-	-	9,541	-	9,541	(9,541)	-
Dilution of subsidiaries	-	-	-	-	-	-	-	-	-	16,859	16,859
Transfer within reserves	-	-	4,407	885	-	-	(5,292)	-	-	-	-
Deferred taxation	-	-	21	-	-	-	(2,198)	-	(2,177)	-	(2,177)
Equity accounting for an associate and jointly-controlled entity relating to prior period	-	-	-	-	-	-	3,480	-	3,480	-	3,480
<b>At 31 December 2010</b>	<b>1,177,957</b>	<b>579,866</b>	<b>6,799</b>	<b>337,929</b>	<b>110,205</b>	<b>59,586</b>	<b>619,438</b>	<b>(5,442)</b>	<b>2,886,338</b>	<b>124,819</b>	<b>3,011,157</b>
<b>At 1 January 2009</b>	627,485	797,104	1,355	(11,504)	74,200	67,625	508,189	(97,999)	1,966,455	160,751	2,127,206
Total comprehensive income for the year	-	-	716	311,015	8	(1,447)	(9,729)	-	300,563	19,933	320,496
Purchase of treasury shares	-	-	-	-	-	-	-	(14)	(14)	-	(14)
Transfer within reserves	-	-	(9)	-	(28)	-	37	-	-	-	-
Cancellation of treasury shares	(38,507)	(98,013)	-	-	38,507	-	-	98,013	-	-	-
Disposal of shares in a subsidiary	-	-	-	(9,153)	(2,482)	-	2,482	-	(9,153)	(132,550)	(141,703)
<b>At 31 December 2009</b>	<b>588,978</b>	<b>699,091</b>	<b>2,062</b>	<b>290,358</b>	<b>110,205</b>	<b>66,178</b>	<b>500,979</b>	<b>-</b>	<b>2,257,851</b>	<b>48,134</b>	<b>2,305,985</b>

*(The Condensed Consolidated Statement of Changes In Total Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009)*

# MULPHA INTERNATIONAL BHD (19764-T)

## PART A1 : QUARTERLY REPORT

### III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----12 MONTHS ENDED----->	
	31.12.2010	31.12.2009
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation		
- Continuing operations	92,870	(44,476)
- Discontinued operations	-	38,061
Adjustments for non-cash items	28,783	151,335
Operating profit before changes in working capital	<u>121,653</u>	<u>144,920</u>
Changes in working capital		
Net change in current assets	(91,588)	80,708
Net change in current liabilities	12,980	(65,699)
Net change in working capital	<u>(78,608)</u>	<u>15,009</u>
Cash generated from operations	43,045	159,929
Interest paid (including discontinued operations)	(89,060)	(81,749)
Interest received (including discontinued operations)	9,980	10,663
Income tax (paid)/refund	(3,801)	360
Staff benefits paid	(13,840)	(15,749)
Net cash (used in)/generated from operating activities	<u>(53,676)</u>	<u>73,454</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refurbishment of investment properties	(64)	(672)
Purchase of property, plant and equipment	(57,460)	(125,308)
Proceeds from sale of property, plant and equipment	20,027	5,455
Refund of deposits for property, plant and equipment	-	50,514
Investment in associate companies	(20,501)	(241,497)
Disposal of subsidiaries, net of cash	-	64,686
Other investments	56,155	45,698
Net cash used in investing activities	<u>(1,843)</u>	<u>(201,124)</u>

# MULPHA INTERNATIONAL BHD (19764-T)

## PART A1 : QUARTERLY REPORT

### III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----12 MONTHS ENDED----->	
	<u>31.12.2010</u>	<u>31.12.2009</u>
	RM'000	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits uplifted	<b>13,898</b>	12,613
Payment of finance lease liabilities	<b>(23,412)</b>	(15,997)
Rights issue proceeds (net of expenses)	<b>469,754</b>	-
IPO proceeds received by a subsidiary (net of expenses)	<b>19,083</b>	-
Purchase of treasury shares by the Company	<b>(5,442)</b>	(14)
Net (repayment)/drawdown of borrowings	<b>(146,442)</b>	120,437
Other receivables (net)	<b>(33,053)</b>	(1,337)
Net cash generated from financing activities	<b><u>294,386</u></b>	<u>115,702</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<b>238,867</b>	(11,968)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	<b>140,877</b>	267,828
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<b>(20,833)</b>	(114,983)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	<b><u>358,911</u></b>	<u>140,877</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 December 2009)*



**PART A**

**Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134: Interim Financial Reporting**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard ("FRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2009.

The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2009, except for the adoption of new/revised FRSs that are effective 1 January 2010. These new/revised FRSs does not have any significant impact on the financial position or results of the Group except for change in disclosure format.

**A2. Audit Report of Preceding Annual Financial Statements**

The audit report of the Group's annual financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

**A3. Seasonal or Cyclicity of Operations**

Except for the hotel division whose performance is influenced by the festive and holiday periods, the other businesses of the Group are generally not subject to seasonal or cyclical fluctuations.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current year ended 31 December 2010.

**A5. Changes in Estimates**

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

**A6. Changes in Debt And Equity Securities**

On 25 March 2010, the Company completed its rights issue exercise with the listing of 1,177,956,579 rights shares on the Main Market of Bursa Malaysia Securities Berhad. The number of ordinary shares in issue after the completion of the rights issue is therefore 2,355,913,158 ordinary shares of RM0.50 each.

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



**MULPHA INTERNATIONAL BHD (19764-T)**  
**FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010**

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**A6. Changes in Debt And Equity Securities (Contd.)**

During the current financial year, the Company has bought back 11,055,700 ordinary shares of RM0.50 each at an average cost of RM0.49 per share. The shares bought back have been retained as treasury shares.

**A7. Dividend Paid**

There was no dividend paid during the current financial year.

**A8. Segment Information**

Segment analysis for the year ended 31 December 2010 is set out below:

	<b>Revenue</b> RM'000	<b>Profit Before Tax</b> RM'000
<b>Business Segment</b>		
Property	260,680	29,821
Hospitality	476,862	20,421
General Trading	57,157	13,520
Investment and others	3,861	366
External Sales	<u>798,560</u>	<u>64,128</u>
Finance cost		(89,060)
Share of results of associates/ jointly-controlled entity		117,802
	<u><u>798,560</u></u>	<u><u>92,870</u></u>

**A9. Valuation Of Property, Plant And Equipment**

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

**A10. Capital Commitments**

Capital commitments for the purchase of property, plant and equipment as at 31 December 2010 amounted to RM19.62 million.

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

There are no material events subsequent to 31 December 2010 to be disclosed.

**MULPHA INTERNATIONAL BHD (19764-T)**  
**FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010**

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

Hotel Indochine (Hanoi), an indirect 70% owned inactive subsidiary of the Company, was disposed off during the current financial year.

The Group had also, during the financial year ended 31 December 2010, commenced members' voluntary winding-up proceedings for six dormant/inactive indirect subsidiaries of the Company i.e. Asas Struktur Sdn Bhd, Mega Pascal EC Sdn Bhd, Pintar Citra Sdn Bhd, Pacific Upflow Sdn Bhd (formerly known as Mulpha Global Trade Sdn Bhd), Benteng Horticulture Sdn Bhd (formerly known as Mulpha Hotels (Vietnam) Sdn Bhd) and Atlantic Downstream Sdn Bhd (formerly known as Bukit Punchor Holdings Sdn Bhd).

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

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

	Decrease RM'000
Guarantees given to third parties	12,333
Machineries buy back option	3,179
	<u>15,512</u>

(b) There are no contingent assets as at the date of this report.

**MULPHA INTERNATIONAL BHD**  
**FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010**

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**PART B**

**Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of performance**

The Group recorded a revenue of RM798.56 million and a profit after tax of RM113.69 million for the year ended 31 December 2010 as compared to a revenue of RM671.87 million and profit after tax of RM10.46 million for the corresponding year ended 31 December 2009. The stronger performance for the current year was mainly contributed by improved share of profits from the Group's associates namely FKP Property Group and Mudajaya Group Berhad. The better performance in the current year also included the recognition of gain on dilution of interest in an associate, Mudajaya Group Berhad, amounting to RM29.78 million in the first quarter of 2010.

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

The Group recorded a profit after tax of RM63.51 million for the 4th quarter of 2010 as compared to the profit after tax of RM20.22 million for the 3rd quarter of 2010. The better results of the current quarter was mainly due to the strength of the Group's property and hotel operations, especially in Australia.

**B3. Current Year Prospects**

Barring any unforeseen circumstances, the Group's prospects for the year 2011 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**

	<b>4th Quarter Ended</b>		<b>12 Months Period Ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current year income tax				
- Malaysian	1,034	1,171	6,399	3,261
- Foreign	-	(471)	-	(471)
	<u>1,034</u>	<u>700</u>	<u>6,399</u>	<u>2,790</u>
Deferred tax	(11,719)	(3,094)	(29,232)	(21,550)
Under/(over) provision of taxation in prior years	2,302	(716)	2,009	(343)
	<u>(8,383)</u>	<u>(3,110)</u>	<u>(20,824)</u>	<u>(19,103)</u>

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

There were no material sale of unquoted investments and properties (not in the ordinary course of business of the Group) for the year ended 31 December 2010.

**B7. Purchase and Disposal of Quoted Securities**

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

	<b>4th Quarter Ended 31.12.2010 RM'000</b>	<b>12 Months Year Ended 31.12.2010 RM'000</b>
Total purchases at cost	<u>-</u>	<u>-</u>
Total disposal (at disposal value)	<u>4,032</u>	<u>6,736</u>
Total gain/(loss) on disposal	<u>202</u>	<u>(122)</u>

(b) Investments in quoted securities as at 31 December 2010 by the Group in the ordinary course of business are as follows:-

	<b>RM'000</b>
Total investment at cost	<u>22,470</u>
Total investment at market value	<u>9,236</u>

**B8. Status of Corporate Proposals**

**(i) Renounceable two-call rights issue**

On 25 March 2010, the Company has completed its rights issue exercise with the listing of 1,177,956,579 rights shares on the Main Market of Bursa Malaysia Securities Berhad.

The rights issue exercise has raised gross proceeds of RM471.183 million, which has been utilised as at 31 December 2010 in the following manner:-

# Purpose



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

**(i) Renounceable two-call rights issue (Contd.)**

Note:

- 1 Disbursement expenses exceeded estimated cost.
- 2 As announced by the Company on 26 March 2010 and 29 March 2010, in addition to the RM123 million of the rights issue proceeds earmarked for repayment of the Group bank borrowing, an additional amount of RM70 million was utilised to settle a revolving credit facility of the Company resulting in an interest saving of approximately RM1.3 million per annum. The said RM70 million repayment was reallocated from the RM347.183 million of the rights issue proceeds earmarked for Group working capital. Accordingly the allocation for Group working capital is reduced to RM277.183 million.
- 3 The Company had on 30 April 2010 announced that an amount of RM111.483 million from the rights issue proceeds has been utilized to fully settle an overseas revolving loan of HKD270 million (equivalent to RM111.483 million) of a wholly-owned subsidiary of the Company. The said RM111.483 million was reallocated from the RM347.183 million of the rights issue proceeds earmarked for Group working capital. Accordingly the allocation for Group working capital is reduced to RM165.7 million.

**(ii) Proposed listing of Manta Holdings Company Limited**

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

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

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



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

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

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

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

MHCL was successful listed on 19 July 2010.

**(iii) Proposed par value reduction of Mulpha Land Berhad**

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

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

(colletively referred to as the "Proposals")

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

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

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

The Proposals were subject to the following approvals:-

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

Consequently, the Proposals have been successfully completed on 1 September 2010.

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

**(iv) Proposed disposal of Hilton Melbourne Airport Hotel**

On 16 December 2010, the Company ("Mulpha") announced that :-

- (a) Mulpha Hotel Pty Limited ("MHPL") and Mulpha Australia Limited ("MAL") have entered into a conditional Contract for the Sale of Business ("the Contract") with Success City Pty Limited ("SCPL") to dispose the Hilton Melbourne Airport Hotel ("the Hotel") ; and
- (b) Mulpha Hotel (Melbourne) Pty Limited ("MHMPL") and MAL have entered into a Contract for Sale of Land ("Land Contract") with SCPL.

for a cash consideration of AUD108,888,000 (approximately RM327 million) (to be collectively known as "the Proposed Disposal").

MHPL and MHMPL are wholly-owned subsidiaries of MAL, which in turn is a wholly-owned subsidiary of Mulpha.

A deposit of 10% amounting to AUD10,888,800 (approximately RM32.7 million) was paid upon the signing of the Contract. The balance 90% is payable on 31 March 2011. The proceeds are expected to be used to reduce the net borrowings of MAL.

The Proposed Disposal is subject to, inter-alia,

- (i)(a) the approval of the Foreign Investment Review Board of Australia and
- (ii) the approval of Australia Pacific Airports (Melbourne) Pty Ltd for the assignment of the lease and sublease of the Hotel land to SCPL.

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**B9. Group Borrowings and Debt Securities**

(a) The details of the bank borrowings as at 31 December 2010 are as follows:-

	<b>RM'000</b>	<b>RM'000</b>
Short term - Secured	187,327	
- Unsecured	495	187,822
Long term - Secured		783,399
		971,221

(b) Other borrowings comprise of the following :-

	<b>RM'000</b>
Short term -	
Secured : Bonds	2,886
Long term -	
Secured : Bonds	266,727
	269,613
	269,613

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

		<b>'000</b>	<b>RM'000 equivalent</b>
Australian Dollar	AUD	331,609	1,044,569
Singapore Dollar	SGD	1,125	2,689
US Dollar	USD	51,788	160,024
			1,207,282

**B10. 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.

**B11. Dividend**

The Board of Directors does not recommend any dividend for the current financial year ended 31 December 2010.

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**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.

	<b>Year Ended</b> <b>31.12.2010</b> <b>RM'000</b>	<b>Year Ended</b> <b>31.12.2009</b> <b>RM'000</b> <b>(Restated)</b>
<b><u>(a) Continuing operations</u></b>		
Profit/(loss) for the year	113,694	(25,373)
Minority interest	<u>(766)</u>	<u>(10,084)</u>
Profit/(loss) attributable to equity holders of the parent	<u>112,928</u>	<u>(35,457)</u>
Weighted average number of ordinary shares in issue ('000)		
Issued ordinary shares at 1 January	1,177,957	1,177,989
Effect of share buy back	(2,036)	(30)
Effect of ordinary rights shares issued on 25 March 2010	<u>933,052</u>	<u>100,968</u>
Weighted average number of ordinary shares at 31 December	<u>2,108,973</u>	<u>1,278,927</u>
Basic earnings/(loss) per share (sen)	<u>5.35</u>	<u>(2.77)</u>
<b><u>(b) Discontinued operations</u></b>		
Profit for the year	-	35,836
Minority interest	<u>-</u>	<u>(10,108)</u>
Profit attributable to equity holders of the parent	<u>-</u>	<u>25,728</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,108,973</u>	<u>1,278,927</u>
Basic earnings per share (sen)	<u>-</u>	<u>2.01</u>
<b>(c) Total basic earnings/(loss) per share (sen)</b>	<u>5.35</u>	<u>(0.76)</u>

There are no potential dilution effects on ordinary shares of the Company for the current financial year as the warrants outstanding and exercisable for conversion to ordinary shares have expired on 26 July 2010. Accordingly, the diluted 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.

	<b>As at 31.12.2010 RM'000</b>	<b>As at 30.09.2010 RM'000</b>
Total retained earnings/(accumulated losses):		
(i) Company and subsidiaries		
- Realised	729,749	714,377
- Unrealised	(34,461)	(52,534)
(ii) Associates		
- Realised	107,193	97,815
- Unrealised	2,048	-
- Breakdown unavailable *	(115,498)	(137,528)
(iii) Jointly-controlled entity		
- Realised	82,221	83,203
- Unrealised	1,565	1,565
	<u>772,817</u>	<u>706,898</u>
Less: Consolidated Adjustments	<u>(153,379)</u>	<u>(145,150)</u>
Total group retained earnings as per consolidated accounts	<u><u>619,438</u></u>	<u><u>561,748</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.

By Order Of The Board

KOH HUAT LAI  
 Company Secretary  
 Petaling Jaya

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28 February 2011