MULPHA INTERNATIONAL BHD(19764-T)

PART A1 : QUARTERLY REPORT
Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2013
The figures have not been audited

I(A) CONDENSED CONSOLIDATED PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED 31.12.2013	COMPARATIVE QUARTER ENDED 31.12.2012	12 MONTHS CUMULATIVE TO 31.12.2013	12 MONTHS CUMULATIVE TO 31.12.2012
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		**268,797**	152,389	**783,692**	540,286
Operating expenses		**(270,774)**	(345,376)	**(812,000)**	(830,140)
Other operating income		**49,380**	23,671	**121,828**	128,089
Profit/(Loss) from operations		**47,403**	(169,316)	**93,520**	(161,765)
Finance costs		**(19,950)**	(15,959)	**(68,530)**	(66,194)
Share of loss of associates		**(1,942)**	(18,949)	**(77,506)**	(281,815)
Share of profit of jointly-controlled entities		**4,801**	8,397	**9,065**	7,794
Profit/(Loss) before tax	*B5*	**30,312**	(195,827)	**(43,451)**	(501,980)
Income tax benefit/(expense)	*B6*	**13,591**	(36,321)	**15,692**	(11,868)
Profit/(Loss) for the year from continuing operations		**43,903**	(232,148)	**(27,759)**	(513,848)
Discontinued operation					
Profit for the year from discontinued operation		-	-	-	39,993
Profit/(Loss) for the year		**43,903**	(232,148)	**(27,759)**	(473,855)
Attributable to:					
Owners of the parent		**41,975**	(216,163)	**(32,256)**	(474,963)
Non-controlling interests		**1,928**	(15,985)	**4,497**	1,108
Profit/(Loss) for the year		**43,903**	(232,148)	**(27,759)**	(473,855)
Earnings/(Loss) per share (sen):-	*B11*				
- Basic/Diluted		**1.94**	(9.55)	**(1.49)**	(20.84)

(The Condensed Consolidated Profit or Loss should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

MULPHA INTERNATIONAL BHD(19764-T)

PART A1 : QUARTERLY REPORT

I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 31.12.2013	COMPARATIVE QUARTER ENDED 31.12.2012	12 MONTHS CUMULATIVE TO 31.12.2013	12 MONTHS CUMULATIVE TO 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the year	**43,903**	(232,148)	**(27,759)**	(473,855)
Foreign currency translation differences for foreign operations	**(69,491)**	12,413	**(177,200)**	(74)
Fair value movement of available-for-sale financial assets	**12,934**	4,754	**17,647**	6,557
Share of other comprehensive income of associates	**17,359**	(2,517)	**13,026**	4,730
Reserves of discontinued operation reclassified to profit or loss	-	-	-	(7,583)
Other comprehensive (expense)/income for the year, net of tax	**(39,198)**	14,650	**(146,527)**	3,630
Total comprehensive income/(expense) for the year	**4,705**	(217,498)	**(174,286)**	(470,225)
Attributable to :				
Owners of the parent	**2,689**	(202,451)	**(178,871)**	(471,333)
Non-controlling interests	**2,016**	(15,047)	**4,585**	1,108
Total comprehensive income/(expense) for the year	**4,705**	(217,498)	**(174,286)**	(470,225)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2013 RM'000	AS AT 31.12.2012 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	*A9*	**993,556**	1,096,840
Investment properties		**18,449**	29,746
Prepaid land lease payments		**733**	1,094
Investment in associates		**1,072,071**	1,058,219
Investment in jointly-controlled entities		**157,557**	175,830
Investment securities		**74,951**	38,006
Other investment		**5,061**	2,888
Goodwill		**9,119**	9,137
Inventories		**428,084**	506,657
Deferred tax assets		**23,915**	-
Other non-current assets		**5,500**	3,774
		2,788,996	2,922,191
Current assets			
Inventories		**514,495**	404,990
Trade and other receivables		**236,143**	224,546
Other current assets		**34,479**	21,521
Investment securities		**5,304**	9,414
Income tax recoverable		**247**	1,208
Cash and bank balances		**659,553**	468,324
		1,450,221	1,130,003
Non-current assets held for sale		**18,865**	-
		1,469,086	1,130,003
TOTAL ASSETS		**4,258,082**	4,052,194

PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2013 RM'000	AS AT 31.12.2012 RM'000
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	*A6*	**(92,049)**	(66,255)
Reserves		**311,075**	454,855
Retained earnings		**308,565**	340,866
		2,285,411	2,487,286
Non-controlling interests		**52,130**	34,926
Total equity		**2,337,541**	2,522,212
Non-current liabilities			
Trade and other payables		**11,267**	7,800
Provision for liabilities		**3,015**	3,389
Deferred tax liabilities		**-**	31,824
Loans and borrowings	*B8*	**817,853**	800,043
		832,135	843,056
Current liabilities			
Trade and other payables		**155,388**	177,602
Other current liabilities		**98,215**	34,392
Provision for liabilities		**17,851**	12,758
Loans and borrowings	*B8*	**805,178**	451,378
Derivative liabilities		**1,027**	2,115
Income tax payable		**10,747**	8,681
		1,088,406	686,926
Total liabilities		**1,920,541**	1,529,982
TOTAL EQUITY AND LIABILITIES		**4,258,082**	4,052,194
Net assets per share (RM)		**1.07**	1.13

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

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 RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2013	1,177,957	579,863	-	347,815	110,033	(2,993)	(66,255)	-	340,866	2,487,286	34,926	2,522,212
Total comprehensive income/(expense) for the year	-	-	-	(165,399)	-	18,784	-	-	(32,256)	(178,871)	4,585	(174,286)
Transactions with owners												
Transfer within reserves	-	-	-	-	45	-	-	-	(45)	-	-	-
Deregistration of a subsidiary	-	-	-	(2,434)	-	(84)	-	-	-	(2,518)	-	(2,518)
Changes in ownership interests in subsidiaries	-	-	-	-	5,308	-	-	-	-	5,308	15,135	20,443
Purchase of treasury shares	-	-	-	-	-	-	(25,794)	-	-	(25,794)	-	(25,794)
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,516)	(2,516)
At 31 December 2013	**1,177,957**	**579,863**	**-**	**179,982**	**115,386**	**15,707**	**(92,049)**	**-**	**308,565**	**2,285,411**	**52,130**	**2,337,541**
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)
At 1 January 2012 (restated)	1,177,957	579,863	3,289	345,035	110,081	(9,086)	(19,352)	8,163	808,946	3,004,896	98,957	3,103,853
Total comprehensive income/(expense) for the year	-	-	-	3,363	-	7,850	-	(7,583)	(474,963)	(471,333)	1,108	(470,225)
Transactions with owners												
Transfer within reserves	-	-	(3,289)	-	-	-	-	(580)	3,869	-	-	-
Winding up of subsidiaries	-	-	-	(583)	(48)	-	-	-	(1,432)	(2,063)	-	(2,063)
Dissolution of a subsidiary	-	-	-	-	-	106	-	-	-	106	(47,115)	(47,009)
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	(17,721)	(17,721)
Purchase of treasury shares	-	-	-	-	-	-	(46,903)	-	-	(46,903)	-	(46,903)
Dividends to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	(303)	(303)
Total transactions with owners	1,177,957	579,863	-	347,815	110,033	(1,130)	(66,255)	-	336,420	2,484,703	34,926	2,519,629
Deferred tax						(1,863)			4,446	2,583		2,583
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

(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 2012 and the accompanying explanatory notes attached to the interim financial statements)

PART A1 : QUARTERLY REPORT

IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	-------12 MONTHS ENDED-----	
	31.12.2013	**31.12.2012**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation		
- Continuing operations	(43,451)	(501,980)
- Discontinued operation	-	(1,228)
	(43,451)	(503,208)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment		
(including discontinued operation)	60,495	65,027
Amortisation of prepaid lease payments	55	51
Share of loss of associates	77,506	281,815
Share of profit of jointly-controlled entities	(9,065)	(7,794)
Provision for staff benefits	14,621	15,410
Interest expense (including discontinued operation)	68,530	66,441
Interest income (including discontinued operation)	(10,889)	(11,733)
Impairment for property, plant and equipment	-	49,721
Gain on disposal of assets classfied as held for sale	-	(6,074)
Gain on disposal of investment securities	(2,936)	(188)
Impairment loss on investment securities	3,549	10,593
Reversal on allowance of doubtful debts	(4,919)	(4,766)
(Writeback)/allowance for written down of inventories	(362)	67,566
Gain on disposal of investment properties	(341)	-
Gain on disposal of other investments	(138)	-
(Gain)/loss on disposal of property, plant and equipment	(4,103)	855
Dividend income	(3,434)	(2,815)
Bad debts recovery	(661)	(5,774)
Fair value adjustment for assets held at fair value through profit or loss	(489)	(2,692)
Gain on deregistration of a subsidiary	(2,518)	-
Loss on deconsolidation of subsidiaries	-	38,703
Fair value adjustment for investment properties	(5,362)	-
Written off on inventories	10,151	-
Property, plant and equipment written off	2,060	1
Provision for late ascertained damages	238	-
Provision for foreseable loss on inventories	2,437	-
Net unrealised foreign exchange loss	96	1,961
Bad debts written off	-	21
Write back of impairment of other investment	-	(50)
Operating cash flows before changes in working capital	151,070	53,071

PART A1 : QUARTERLY REPORT

IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	-------12 MONTHS ENDED-----	
	31.12.2013	**31.12.2012**
	RM'000	**RM'000**
Changes in working capital		
Net change in current assets	(89,534)	(68,159)
Net change in current liabilities	63,052	40,531
Net changes in working capital	(26,482)	(27,628)
Cash flows generated from operations	124,588	25,443
Interest paid (including discontinued operation)	(68,530)	(66,441)
Interest received (including discontinued operation)	10,889	11,733
Income tax paid	(36,638)	(1,444)
Staff benefits paid	(14,741)	(15,628)
Net cash generated from/(used in) operating activities	15,568	(46,337)
CASH FLOWS FROM INVESTING ACTIVITIES		
Refurbishment of investment properties	(1,735)	(178)
Purchase of property, plant and equipment	(47,256)	(33,663)
Net proceeds from sale of property, plant and equipment	5,190	97,270
Proceeds from sale of investment properties	550	-
Proceeds from sale of other investments	370	-
Net proceeds from disposal of assets classified as held for sale	-	69,946
Additional investment in associates	(178,444)	(174,362)
Net cash from the disposal of subsidiaries	-	100,276
Dividend received from associates and jointly-controlled entity	23,450	47,678
Dividend income from investment securities	3,434	2,815
Proceeds from changes in the ownership of interest in subsidiaries	20,442	-
Proceeds from disposal of investment securities	5,811	-
Purchase of investment securities	(24,661)	-
Purchase of other investment	(2,405)	-
Capital repayment from jointly-controlled entities	4,770	-
Net cash (used in)/generated from investing activities	(190,484)	109,782

PART A1 : QUARTERLY REPORT

IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		-------12 MONTHS ENDED-----	
		31.12.2013	31.12.2012
		RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(6,098)	(3,955)
Purchase of treasury shares by the Company		(25,793)	(46,903)
Placement of pledged deposits		(216,089)	(171,143)
Dividend paid to non-controlling shareholders		(2,516)	(303)
Net drawdown of borrowings		425,837	151,261
Net cash generated from/(used in) financing activities		175,341	(71,043)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		425	(7,598)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		159,741	171,713
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(25,225)	(4,374)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**Note A**	134,941	159,741

Note A

Included in cash and cash equivalents as at 30 September are the following:		
- Cash and deposits with licensed banks	659,553	468,324
- Bank overdrafts	(1,558)	(1,618)
- Deposits pledged	(523,054)	(306,965)
	134,941	159,741

(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 2012 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 2012.

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2012 except for the adoption of the following:

- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

The adoption of the above is not expected to have any material impact on the financial statements of the Group.

A1. Basis of Preparation (Contd)

AVEO Group Limited (formerly known as FKP Property Group) ("AVEO"), 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 AVEO for the quarters ending March and September, the Group relies on the full year profit guidance issued by AVEO adjusted to its quarterly components. AVEO's profit guidance do not include any non-operational exceptional items. Accordingly, the Group's share of results in AVEO for March and September quarters are based on AVEO's profit guidance while for June and December periods are based on AVEO's public released results.

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 2012 was not subject to any qualification.

A3. 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.

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 year ended 31 December 2013.

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 financial period.

A6. Changes in Debt And Equity Securities

During the financial year ended 31 December 2013, the Company has bought back 63,264,200 ordinary shares of RM0.50 each at average cost of RM0.41 per share. As at 31 December 2013, 222,049,800 ordinary shares of RM0.50 each were retained as treasury shares.

A7. Dividend Paid

There was no dividend paid during the current financial quarter.

A8. Segment Information

Segment analysis for continuing operations for the period ended 31 December 2013 and 2012 are set out below:

	Revenue		Profit/(Loss) Before Tax	
	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000
Business Segment				
Property	376,815	109,024	95,861	(77,687)
Hospitality	405,879	431,115	(31,204)	(58,751)
Investment and others	998	147	28,863	(25,327)
	783,692	540,286	93,520	(161,765)
Finance costs	-	-	(68,530)	(66,194)
Share of results of associates/ jointly-controlled entities	-	-	(68,441)	(274,021)
	783,692	540,286	(43,451)	(501,980)

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 2013 are as below:

	RM'000
(a) Approved and contracted for	99,002

A11. Material Events Subsequent To The Reporting Date

Mulpha Investments Pty Limited ("MIPL"), an indirectly wholly-owned foreign subsidiary of the Company has on 12 February 2014 entered into a conditional share sale agreement ("SSA") with AVEO Group Limited ("AVEO"), Mulpha Australia Limited ("MAL"), Mulpha FKP Pty Limited ("MFKP") and Norwest Real Estate Pty Ltd to acquire the remaining 49.99% of the total issued and paid-up share capital of MFKP, from AVEO for a total purchase consideration of A$55,952,344 (equivalent to approximately RM167.88 million) ("Proposed Acquisition"). MIPL currently holds 50.01% of the total issued and paid-up share capital of MFKP, which is a jointly controlled entity of MIPL. Upon completion of the Proposed Acquisition, MFKP will be a wholly-owned subsidiary of MIPL.

A12. Changes in The Composition Of the Group

(a) Mulpha Land Berhad ("MLB"), 61.93% owned subsidiary of the Company had on 4 June 2013 acquired 2 ordinary shares of RM1.00 each of Mayfair Ventures Sdn Bhd ("MVSB"), representing the total issued and paid-up share capital of MVSB for a total consideration of RM2.00. The principal activity of MVSB is property development. On 23 December 2013, MLB has completed a joint venture with MJC Development Sdn Bhd ("MJC"), whereby MLB and MJC held 51% and 49% of the enlarged issued and paid-up capital of MVSB respectively. MJC is a wholly-owned subsidiary of Mudajaya Corporation Berhad, which in turn is an associated company of the Company.

(b) On 1 November 2013, Asian Fame Development Limited ("AFDL"), a wholly-owned subsidiary of the Company had been deregistered and dissolved. The deregistration of AFDL resulted to a gain of RM2.52 million.

(c) On 2 December 2013, MLB acquired 2 ordinary shares of RM1.00 each of Bakat Stabil Sdn Bhd ("BSSB"), representing the total issued and paid-up share capital of BSSB for a total consideration of RM2.00. The principal activity of BSSB is property development.

(d) On 2 December 2013, MLB has also acquired 2 ordinary shares of RM1.00 each of Eco Green Services Sdn Bhd (formerly known as Eco Green Management Services Sdn Bhd) ("EGS") from Leisure Farm Corporation Sdn Bhd ("LFC') for a total consideration of RM20,000.00. LFC is a wholly-owned subsidiary of the Company. The principal activity of EGS is to carry on the business of maintenance services and facilities management services.

(e) On 10 December 2013, MLB has completed the acquisition of 3,196,588 ordinary shares of RM1.00 each of Mulpha Properties (M) Sdn Bhd as disclosed in Note B7(ii)(c).

(f) Mulpha Strategic Limited ("MSL"), a wholly-owned subsidiary of the Company had on 4 December subscribed for 1 share of USD1.00 each of Flame Gold Group Limited ("FGGL") and View Link Global Limited ("VLGL") respectively, representing the total issued and paid-up share capital of FGGL and VLGL for a consideration of USD1.00 each. The principal activity of FGGL is investment holding and VLGL is investment holding and consultancy services.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Changes in the contingent liabilities since 31 December 2012 are as follows:-

	Decrease RM'000
Guarantees given to third parties	(38,435)

(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

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

The Group's revenue has increased significantly by RM243.40 million or 45% to RM783.69 million for the year ended 31 December 2013 when compared to RM540.29 million in the previous corresponding year. The Group registered an operating profit of RM93.52 million, a significant improvement of RM255.28 million from an operating loss of RM161.76 million posted in the previous corresponding year. The Group's good performance was mainly attributed to better performance in our property segment. The Group reported a pre-tax loss of RM43.45 million during the current financial year under review which was 91% lower when compared to pre-tax loss of RM501.98 million posted in the previous corresponding year. The current pre-tax loss was mainly impacted by the Group's share of loss in an associate, AVEO Group Limited (formerly known as FKP Property Group) ("AVEO") which amounted to RM109.20 million, mainly due to non-operating items primarily the impairment of its development assets.

The property division recorded a revenue of RM376.81 million and a pre-tax profit of RM95.86 million for the year ended 31 December 2013 as compared to a revenue of RM109.02 million and a pre-tax loss of RM77.69 million for the corresponding year ended 31 December 2012. The better performance recorded in property division in the current year was mainly attributed to higher sales from the Group's Leisure Farm project in Malaysia, Sanctuary Cove project and Hayman Development in Australia.

The hospitality division recorded a revenue of RM405.88 million and a pre-tax loss of RM31.20 million for the year ended 31 December 2013 as compared to a revenue of RM431.11 million and a pre-tax loss of RM58.75 million for the corresponding year ended 31 December 2012. The lower revenue from the hospitality division was mainly attributed to the deconsolidation of Sanctuary Cove Golf and Country Club Holdings Limited Group in 4th quarter of 2012. The higher pre-tax loss recorded in the previous corresponding year was mainly attributed to loss in deconsolidation of Sanctuary Cove Golf and Country Club Holdings Limited Group amounting to RM38.70 million and impairment of property, plant and equipment of Australian assets amounting to RM49.72 million, however it was mitigated by additional insurance recoveries of RM47.93 million in relation to closure of Hayman Island Resort in year 2011.

The investment division recorded a pre-tax profit of RM28.86 million in the current financial year as compared to pre-tax loss of RM25.33 million in the previous corresponding year. The better performance in the current year was mainly due to a higher gain on derivatives and favourable foreign exchange rate movement on the Group's loans and deposits which were denominated in Australian dollar and US dollar respectively.

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

The Group recorded a revenue of RM268.80 million and a pre-tax profit of RM30.31 million for the 4th quarter of 2013 as compared to a revenue of RM152.39 million and a pre-tax loss of RM195.83 million for the previous year's corresponding quarter.

The property division recorded a revenue of RM148.83 million and a pre-tax profit of RM24.00 million for the 4th quarter of 2013 as compared to a revenue of RM53.76 million and a pre-tax loss of RM83.81 million for the previous year's corresponding quarter. The strong performance recorded in the 4th quarter of 2013 was mainly attributed to higher sales generated from the Group's Leisure Farm project in Iskandar Malaysia, Johor. In line with the higher revenue, the property division recorded a better performance in the current year quarter. The adverse results in the 4th quarter of 2012 was mainly impacted by an impairment of development assets of RM65.58 million as a result of write down of property development in Australia in given market condition.

B1. Review of performance (Contd)

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

The hospitality division recorded a revenue of RM118.97 million and a pre-tax loss of RM1.90 million for the 4th quarter of 2013 as compared to a revenue of RM99.62 million and a pre-tax loss of RM74.46 million for the previous year's corresponding quarter. The better performance in the current quarter was mainly due to better occupancy rate in the hotels in Australia. The weak performance in 4th quarter of 2012 was mainly attributed to deconsolidation of Sanctuary Cove Golf and Country Club Holdings Limited Group of RM38.70 million as well as impairment of property, plant and equipment of Australian assets amounting to RM49.73 million.

The investment division recorded a RM25.30 million pre-tax profit in the current year 4th quarter as compared to RM11.05 million pre-tax loss in the previous year's corresponding quarter. The good performance was mainly due to favourable foreign exchange gain movements on the Group's loans and deposits as mentioned above.

B2. Comparisons With Preceding Quarter's Results

The Group recorded a revenue of RM268.80 million and a pre-tax profit of RM30.31 million for the 4th quarter of 2013 as compared to a revenue of RM178.67 million and a pre-tax profit of RM17.96 million for the 3rd quarter of 2013. The better performance in the current quarter was mainly due to better performance in investment segment.

The property division recorded a revenue of RM148.83 million and a pre-tax profit of RM24.00 million for the 4th quarter of 2013 as compared to a revenue of RM82.83 million and pre-tax profit of RM43.66 million in the 3rd quarter of 2013. Despite the increase in revenue, the property division recorded a marginally lower pre-tax profit mainly due to a better product mix in last quarter, mainly from the Group's Leisure Farm project in Iskandar Malaysia, Johor which enjoyed higher profit margin in relation to bungalow lots sold in the last quarter.

The hospitality division recorded a revenue of RM118.97 million and a pre-tax loss of RM1.90 million for the 4th quarter of 2013 as compared to a revenue of RM95.83 million and pre-tax loss of RM13.85 million for the 3rd quarter of 2013. The better performance was mainly due to higher occupancy rate of hotels in Australia.

The investment division reported a pre-tax profit of RM25.30 million for the 4th quarter of 2013 as compared to a pre-tax loss of RM16.41 million for the 3rd quarter of 2013. The better performance in the current quarter was mainly due to favourable foreign exchange gains as mentioned above.

B3. Prospects

We remain optimistic of the long term future of the Group. The Group is well positioned to take advantage of opportunities for future growth opportunities based on its strong balance sheet and prime assets located across Australia and Malaysia including Iskandar Malaysia in Johor.

B4. Variance from Profit Forecast or Profit Guarantee

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

B5. Profit/(Loss) Before Tax

	4th Quarter Ended		12 Months Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
The following items have been included in arriving at loss before tax from continuing operations:-				
Interest income	(2,623)	(2,432)	(10,889)	(11,731)
Dividend income	711	(1,536)	(3,434)	(2,815)
Rental income	(7,394)	(8,429)	(28,697)	(33,921)
Interest expense	19,950	15,959	68,530	66,194
Depreciation and amortisation	14,234	16,702	60,550	63,930
Reversal on allowance of doubtful debts	(5,912)	(1,865)	(4,919)	(4,766)
Allowance for written down/(writeback) of inventories	(32)	68,831	(362)	67,566
Gain on disposal of assets classified as held for sale	-	-	-	(6,074)
Bad debt recovery	(6)	(5,774)	(661)	(5,774)
Gain on disposal of investment properties	-	-	(341)	-
Gain on disposal of other investments	(57)	-	(138)	-
Gain on disposal of investment securities	(1,797)	(10)	(2,936)	(188)
(Gain)/loss on disposal of property, plant and equipment	(2,054)	822	(4,103)	855
Fair value adjustment for assets held at fair value through profit or loss	176	(2,692)	(489)	(2,692)
Gain on deregistration of a subsidiary	(1,794)	-	(2,518)	-
Impairment of property, plant & equipment	-	49,721	-	49,721
Loss on deconsolidation of a subsidiary	-	38,703	-	38,703
Impairment loss on investment securities	3,549	10,593	3,549	10,593
Written off on inventories	10,151	-	10,151	-
Fair value adjustment for investment properties	(5,362)	-	(5,362)	-
Property, plant and equipment written off	2,060	1	2,060	1
Insurance recoveries	-	(47,927)	-	(47,927)
Provision for late ascertained damages	238	-	238	-
Provision for foreseeable loss on inventories	2,437	-	2,437	-
Gain on foreign exchange	(27,043)	(3,553)	(44,568)	(4,236)
Gain on derivatives	(74)	248	(7,903)	(2,587)

B6. Income tax (benefit)/expense

	4th Quarter Ended		12 Months Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Current year income tax				
Malaysian - current	21,615	2,835	37,548	4,242
- prior year	725	(572)	1,997	(708)
Overseas - current	141	(1,840)	298	-
- prior year	1	-	(154)	-
	22,482	423	39,689	3,534
Deferred tax				
Origination and reversal of temporary differences	(47,630)	17,715	(56,155)	(9,849)
Under/(Over) provision in prior year	11,557	18,183	774	18,183
	(36,073)	35,898	(55,381)	8,334
Total income tax (benefit)/expense	(13,591)	36,321	(15,692)	11,868

B7. Status of Corporate Proposals

(i) On 5 June 2013, Mayfair Ventures Sdn Bhd, a wholly-owned subsidiary of Mulpha Land Berhad ("MLB"), which in turn a subsidiary of the Company, proposed to acquire two (2) adjacent parcels of leasehold land held under PN 30649, Lot 212 and PN 30650, Lot 213 respectively, both within Mukim Bandar Damansara, Daerah Petaling, Negeri Selangor, from Tropicana Golf & Country Resort Berhad, a wholly-owned subsidiary of Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad), for a total cash consideration of RM116,123,925.42.

The above proposed acquisition will increase the property development land bank of MLB Group, which would be in line with the Group's strategy to focus on identifying and developing properties in strategic locations.

The proposed acquisition was approved by MLB's shareholders at an extraordinary general meeting held on 3 October 2013 and was completed on 11 November 2013.

(ii) On 29 July 2013, MLB announced the following proposals:-

(a) MLB has proposed to dispose of a parcel of freehold land held under Geran 449268, Lot 137699, Mukim Pulai, Daerah Johor Bahru, Negeri Johor, to Leisure Farm Equestrian Sdn Bhd ("LFESB"), a wholly-owned subsidiary of Leisure Farm Corporation Sdn Bhd, which in turn is wholly-owned of the Company, for a consideration of RM14,915,000 ("The Proposed Land Disposal"). The Proposed Land Disposal was approved by the shareholders of MLB on 6 December 2013.

On 29 January 2014, MLB had entered into a supplemental letter with LFESB to mutually extend the cut-off date for a period of three (3) months until 29 April 2014 for the purpose of enabling LFESB to obtain the remaining outstanding condition precedent to The Proposed Land Disposal.

B7. Status of Corporate Proposals (Contd)

(b) Indahview Sdn Bhd, a wholly-owned subsidiary of MLB, has proposed to dispose of a parcel of freehold land held under Geran 333611, Lot 49255, Mukim Pulai, Daerah Johor Bahru, Negeri Johor, to LFESB for a consideration of RM4,750,000. The said disposal was approved by the shareholders of MLB on 6 December 2013 and was completed on 23 December 2013.

(c) MLB has entered into a conditional share sale agreement with Mulpha Group Services Sdn Bhd ("MGS"), a wholly-owned subsidiary of the Company, to acquire 3,196,588 ordinary shares of RM1.00 each in Mulpha Properties (M) Sdn Bhd ("MPM"), representing 100% of the issued and paid-up share capital of MPM ("Proposed MPM Acquisition"), for a cash consideration of RM47,072,424 or 23% of the gross sale value (whichever is higher) for an intended development of high-rise serviced residences on a parcel of land measuring 86,865 square feet in Section 13, Jalan Semangat of Petaling Jaya, which shall be satisfied on a deferred payment basis in the form of a bullet payment at the end of the third year from the completion of the Proposed MPM Acquisition. The Proposed MPM Acquisition was completed on 10 December 2013.

(d) MLB has proposed a bonus issue of 136,981,500 new ordinary shares of RM0.10 each in MLB ("Bonus Shares") on the basis of three (3) Bonus Shares for every two (2) existing shares of MLB held ("Proposed Bonus Issue"). The Proposed Bonus Issue was approved by the shareholders of MLB on 6 December 2013 and was completed on 24 December 2013.

B8. Group Loans and Borrowings

The details of the loans and borrowings as at 31 December 2013 are as follows:-

	RM'000	RM'000
Short term - Secured	787,765	
- Unsecured	17,413	805,178
Long term - Secured		817,853
		1,623,031

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	294,656	863,342
US Dollar	USD '000	122,390	402,664
Japanese Yen	JPY '000	6,363,066	199,164

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 year ended 31 December 2013.

B11. Loss Per Share

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

		12 Months Ended	
		31.12.2013	31.12.2012
		RM'000	RM'000
(a)	**Continuing operations**		
	Loss for the year	(27,759)	(513,848)
	Non-controlling interests	(4,497)	(1,108)
	Loss attributable to equity holders of the parent	(32,256)	(514,956)
	Weighted average number of ordinary shares in issue ('000)		
	Ordinary shares at 1 January (net of treasury shares)	2,197,128	2,355,913
	Effect of share buy back	(36,847)	(76,413)
	Weighted average number of ordinary shares at 31 December	2,160,281	2,279,500
	Basic loss per share (sen)	(1.49)	(22.59)
(b)	**Discontinued operation**		
	Profit for the year	-	39,993
	Non-controlling interests	-	-
	Profit attributable to equity holders of the parent	-	39,993
	Weighted average number of ordinary shares in issue ('000)		
	Ordinary shares at 1 January (net of treasury shares)	-	2,355,913
	Effect of share buy back	-	(76,413)
	Weighted average number of ordinary shares at 31 December	-	2,279,500
	Basic earnings per share (sen)	-	1.75
(c)	**Total basic loss per share (sen)**	(1.49)	(20.84)

There are no potential dilution effects on ordinary shares of the Company for the current financial year. Accordingly, the diluted loss per share for the current year is equal to basic loss 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 31.12.2013 RM'000	**As at 31.12.2012 RM'000**
Total retained earnings/(accumulated losses):		
(i) Company and subsidiaries		
- Realised	778,273	769,832
- Unrealised	27,455	(36,215)
(ii) Associates		
- Realised	208,906	188,548
- Unrealised	-	22
- Breakdown unavailable *	(595,762)	(482,118)
(iii) Jointly-controlled entities		
- Realised	31,336	32,000
- Unrealised	3,441	1,006
	453,649	473,075
Less: Consolidated Adjustments	(145,084)	(132,209)
Total group retained earnings as per consolidated accounts	308,565	340,866

*There is no separate disclosure shown between the realised and unrealised profit/losses components for the Group's associates, AVEO Group Limited and Rotol Singapore Ltd. The rationale being that such classification is not governed by the reporting requirements of the said associates.