

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2013

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 31.12.13 RM'000	Comparative Quarter Ended 31.12.12 RM'000	12 Months Cumulative To 31.12.13 RM'000	12 Months Cumulative To 31.12.12 RM'000
Revenue		18,854	40,013	47,143	42,968
Operating expenses		(13,565)	(31,499)	(38,441)	(37,743)
Other operating income		4,375	29	7,595	195
Profit from operations		9,664	8,543	16,297	5,420
Finance cost		(2,908)	(593)	(4,518)	(1,197)
Profit before taxation		6,756	7,950	11,779	4,223
Income tax expense	20	(2,050)	(652)	(2,899)	(1,099)
Profit for the year		4,706	7,298	8,880	3,124
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		4,706	7,298	8,880	3,124
Profit for the year attributable to:					
Owners of the Company		5,535	6,475	8,506	2,703
Non-controlling interests		(829)	823	374	421
		4,706	7,298	8,880	3,124
Total comprehensive income for the year attributable to:					
Owners of the Company		5,535	6,475	8,506	2,703
Non-controlling interests		(829)	823	374	421
		4,706	7,298	8,880	3,124
Earnings per share per ordinary share (sen) :-					
Basic / Diluted	25	2.42	2.84	3.73	1.18

(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.)

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As At 31.12.2013 RM '000	As At 31.12.2012 RM '000
	NOTE		
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	356	496
Investment properties		959	20,380
Inventories		55,267	69,239
Deferred tax assets		2,014	-
Goodwill		1,891	1,891
		<u>60,487</u>	<u>92,006</u>
<i>Current Assets</i>			
Inventories		260,208	105,108
Trade and other receivables		11,482	25,173
Income tax recoverable		69	62
Cash and bank balances		21,977	6,317
		<u>293,736</u>	<u>136,660</u>
Non-current asset classified as held for sale		18,073	-
		<u>311,809</u>	<u>136,660</u>
Total Assets		<u>372,296</u>	<u>228,666</u>
Equity and Liabilities			
<i>Equity attributable to owners of the Company</i>			
Share capital		22,830	9,132
Share premium		2,481	16,179
Capital reserve		83,203	77,403
Retained earnings		20,268	12,447
		<u>128,782</u>	<u>115,161</u>
Non-controlling interests		10,810	5,892
Total Equity		<u>139,592</u>	<u>121,053</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	98,785	26,868
Deferred tax liabilities		7,075	7,389
		<u>105,860</u>	<u>34,257</u>
<i>Current Liabilities</i>			
Bank borrowings	22	34,243	9,181
Trade and other payables		83,152	58,067
Other current liabilities		7,941	5,803
Income tax payable		1,508	305
		<u>126,844</u>	<u>73,356</u>
Total Liabilities		<u>232,704</u>	<u>107,613</u>
Total Equity and Liabilities		<u>372,296</u>	<u>228,666</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.56</u>	<u>1.26</u>

(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.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Parent ----->				<----- Non-distributable ----->				<-- Distributable -->			
	Share Capital	Share Premium	Capital Reserves	Retained Earnings	Total	Non-controlling Interests	Total Equity					
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000					
At 1 January 2013	9,132	16,179	77,403	12,447	115,161	5,892	121,053					
Total comprehensive income for the year	-	-	-	8,506	8,506	374	8,880					
Bonus shares issued	13,698	(13,698)	-	-	-	-	-					
Changes in ownership interests in a subsidiary	-	-	5,800	-	5,800	6,799	12,599					
Dividends to owners of the Company	-	-	-	(685)	(685)	-	(685)					
Dividends to non-controlling interest of a subsidiary	-	-	-	-	-	(2,255)	(2,255)					
At 31 December 2013	22,830	2,481	83,203	20,268	128,782	10,810	139,592					
At 1 January 2012	9,132	16,179	77,429	9,744	112,484	5,774	118,258					
Total comprehensive income for the year	-	-	-	2,703	2,703	421	3,124					
Winding up of subsidiaries	-	-	(26)	-	(26)	-	(26)					
Dividends to non-controlling interest of a subsidiary	-	-	-	-	-	(303)	(303)					
At 31 December 2012	9,132	16,179	77,403	12,447	115,161	5,892	121,053					

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

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----Year Ended----->	
	31.12.2013	31.12.2012
	RM '000	RM '000
Profit before tax	11,779	4,223
Adjustments for :-		
<i>Depreciation of property, plant and equipment</i>	30	35
<i>Depreciation of investment properties</i>	368	427
<i>Gain on disposal of property, plant and equipment</i>	(555)	-
<i>Gain on disposal of investment properties</i>	(4,319)	-
<i>Reversal of impairment loss on a trade receivable</i>	(632)	-
<i>Non-cash items</i>	(24)	(62)
<i>Interest expense</i>	4,518	1,197
<i>Interest income</i>	(1,866)	(68)
Operating cash flows before changes in working capital	9,299	5,752
Changes in working capital:		
<i>Net change in current assets</i>	(122,056)	(23,163)
<i>Net change in current liabilities</i>	27,223	18,660
Cash flows (used in) / generated from operating activities	(85,534)	1,249
Interest paid	(4,518)	(4,152)
Tax paid	(4,024)	(740)
Net cash flows used in operating activities	(94,076)	(3,643)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(64)	(7)
Refurbishment of investment properties	-	(7)
Proceeds from disposal of property, plant and equipment	747	-
Proceeds from changes in ownership interests in a subsidiary	12,598	-
Proceeds from disposal of an investment property	550	-
Interest received	1,866	68
Net cash flows generated from investing activities	15,697	54
Cash Flows from Financing Activity		
Net drawdown of borrowings	97,412	6,109
Placement of pledged deposits	(65)	(15)
Dividend paid to owners of the Company	(685)	-
Dividend paid to non-controlling interests	(2,255)	(303)
Net cash flows generated from financing activity	94,407	5,791
Net increase in Cash & Cash Equivalents	16,028	2,202
Cash & Cash Equivalents at beginning of year	4,695	2,493
Cash & Cash Equivalents at end of financial year	Note A 20,723	4,695
Note A :		
Included in cash and cash equivalents as at 31 December are the following:		
- Cash and deposits with licensed banks	21,977	6,317
- Bank overdrafts	(48)	(481)
- Deposits pledged	(1,206)	(1,141)
	20,723	4,695

(The Condensed Consolidated Statement of Cash Flows 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 LAND BERHAD

(Incorporated in Malaysia - 182350-H)

FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2013

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting.****1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market 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.

2. SIGNIFICANT ACCOUNTING POLICIES

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:

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (2011)
MFRS 127	Separate Financial Statements (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 – Presentation of Items of Other Comprehensive Income
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 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.

3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the preceding year annual financial statements was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The business of the Group is generally not subject to seasonal changes.

5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and the cumulative year ended 31 December 2013.

6. CHANGES IN ESTIMATES

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

7. CHANGES IN DEBT AND EQUITY SECURITIES

Other than the new issue of 136,981,500 ordinary shares of RM0.10 each arising from the bonus issue on the basis of three (3) bonus shares for every two (2) existing shares held during the current quarter, there has been no other issue and repayment of debts and equity during the quarter under review and the financial year ended 31 December 2013.

8. PAYMENT OF DIVIDEND

During the current quarter, an interim dividend of 1 sen gross per share less 25% income tax for the financial year ended 31 December 2013, was paid on 15 November 2013.

9. SEGMENTAL REPORTING

	Year Ended 31.12.2013 RM'000	Year Ended 31.12.2012 RM'000
Segment Revenue		
Property	45,587	41,634
Investment holding & Others	1,556	1,334
Group Revenue	47,143	42,968
Segment Results		
Property	11,296	6,045
Investment holding & Others	5,001	(625)
Profit from operations	16,297	5,420

Segmental information relating to geographical areas of operations has not been presented as the Group operates only in Malaysia.

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of property, plant and equipment is at cost less accumulated depreciation and impairment losses.

11. MATERIAL EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There are no material events subsequent to the end of the financial year other than as disclosed in Note 21.

12. CHANGES IN THE COMPOSITION OF THE GROUP

On 4 June 2013, Mulpha Land Berhad ("MLB") 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 as disclosed in Note 21(iii).

On 2 December 2013, Mulpha Land Berhad 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.

On 2 December 2013, the Company 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 Mulpha International Bhd ("MIB"). MIB, which holds 61.93% in MLB, is the holding company of MLB. The principal activity of EGS is to carry on the business of maintenance services and facilities management services.

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 21(ii)(c).

13. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

There were no material contingent liabilities and capital commitments as at the date of this report.

14. RELATED PARTIES TRANSACTIONS

	4th Quarter Ended		Year Ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Holding company, Mulpha International Bhd.				
-Management services payable	-	-	-	(136)
-Interest expense payable to a related company in which a person connected with a Director of the holding company has an interest	(99)	(98)	(390)	(390)
Subsidiaries of Mulpha International Bhd.				
-Interest expense	(390)	(525)	(1,554)	(965)
-Management services payable	(357)	(1,157)	(1,041)	(1,705)
-Rental paid	(57)	(18)	(119)	(73)
-Sales marketing, sales administration and project management payable	-	(915)	(2,031)	(1,193)
-Corporate and financial advisory fee	(103)	-	(103)	-
-Sales of an inventory	-	11,000	-	11,000
-Disposal of an investment property	4,750	-	4,750	-

15. REVIEW OF PERFORMANCE

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

The Group recorded a revenue of RM47.14 million for the current financial year ended 31 December 2013 which was RM4.17 million or 9.7% higher than the previous corresponding period of RM42.97 million. The increase in revenue was mainly attributed to improved sales recognised for the development projects at Nibong Tebal, Penang and vacant lands located in Klang, Selangor. In line with the higher revenue, the Group registered a higher pre-tax profit of RM11.78 million, or 178.92% higher than the previous corresponding period of RM4.22 million. The strong performance for the current financial year was also contributed by a gain on disposal of investment properties amounted to RM4.32 million.

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

The Group recorded a revenue of RM18.85 million and a profit before taxation of RM6.76 million for the 4th quarter ended 31 December 2013 as compared to a revenue and a profit before taxation of RM40.01 million and RM7.95 million respectively for the 4th quarter ended 31 December 2012. The strong revenue in the 4th quarter 2012 was mainly attributed to the sales recognised for the Group's development projects at Bangsar, Kuala Lumpur.

16. COMPARISONS WITH PRECEDING QUARTER'S RESULTS

The Group recorded a revenue of RM18.85 million for the 4th quarter 2013 as compared to a revenue of RM19.81 million for the 3rd quarter 2013. Despite the marginal decrease in revenue in the current quarter, the Group posted a pre-tax profit of RM6.76 million in the 4th quarter 2013 which was relatively higher as compared to a pre-tax profit of RM6.72 million in the 3rd quarter 2013. This was mainly due to a gain on disposal of an investment property recognised during the current quarter.

17. PROSPECTS

The Group is actively sourcing for and evaluating opportunities to increase its land bank via outright purchases as well as joint ventures with land owners. For new land bank, the Group's focus is on property development projects with a preference towards locations that are closer to the Group's existing projects.

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

19. PROFIT BEFORE TAXATION

This is arrived at after charging/(crediting) the following:

	4th Quarter Ended		Year Ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	8	9	30	35
Depreciation of investment properties	95	122	368	427
Write off of share issuance expense	-	450	-	450
Gain on disposal of investment properties	(3,955)	-	(4,319)	-
Loss/(gain) on disposal of property, plant and equipment	15	-	(555)	-
Reversal of impairment loss on a trade receivable	-	-	(632)	-
Interest income	(227)	(5)	(1,866)	(68)

20. INCOME TAX EXPENSE

	4th Quarter Ended		Year Ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Malaysian tax expense				
Income tax				
- current year	3,740	539	5,338	1,024
- over provision in respect of prior years	(366)	(30)	(125)	(11)
Deferred tax				
- current year	(688)	-	(1,678)	(9)
- (over)/under provision in respect of prior years	(636)	143	(636)	95
	<u>2,050</u>	<u>652</u>	<u>2,899</u>	<u>1,099</u>

21. STATUS OF CORPORATE PROPOSALS

- (i) On 5 June 2013, Mayfair Ventures Sdn Bhd, a wholly-owned subsidiary of the Company, is proposing 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 Mulpha Land Berhad ("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 has been approved by MLB's shareholders at an extraordinary general meeting held on 3 October 2013 and 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 Pulau, 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 by Mulpha International Bhd ("MIB"), being MLB's immediate holding 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.

- (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 Pulau, 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 MIB, 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.

21. STATUS OF CORPORATE PROPOSALS (CONT'D.)

(ii) On 29 July 2013, MLB announced the following proposals:-(cont'd.)

(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 shareholders of MLB approved the Proposed Bonus Issue on 6 December 2013 and was completed on 24 December 2013.

(iii) On 30 August 2013, Mulpha Land Berhad ("MLB") has proposed to undertake a joint venture with MJC Development Sdn Bhd ("MJC"), a wholly-owned subsidiary of Mudajaya Corporation Berhad ("MCB"), which in turn is a wholly-owned subsidiary of Mudajaya Group Berhad ("MGB"), in respect of Mayfair Ventures Sdn Bhd ("MVSB"), a wholly-owned subsidiary of MLB, whereby MLB and MJC will subscribe for 51% and 49% of the enlarged issued and paid-up share capital of MVSB respectively. The said proposed joint venture was approved by the shareholders of MLB on 6 December 2013 and was completed on 23 December 2013.

22. BANK BORROWINGS

The details of the Group's bank borrowings as at 31 December 2013 are as follows:-

	RM'000
Short Term - Secured	
Overdraft	48
Loan / Revolving credit	34,195
	<u>34,243</u>
Long Term - Secured	
Loan	98,785
	<u>133,028</u>

23. CHANGES IN MATERIAL LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration, either as plaintiff or defendant as at date of this report, which would have a material effect on the financial position of the Group.

24. DIVIDENDS

The Board of Directors has on 19 August 2013 declared an interim dividend of 1 sen gross per share of RM0.10 each less 25% income tax for the financial year ended 31 December 2013. The dividend book closure and payment dates were 25 October 2013 and 15 November 2013 respectively.

25. EARNINGS PER SHARE

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2013 RM'000	2012 RM'000
Profit attributable to ordinary shareholders	8,506	2,703
	2013 '000	2012 '000
Issued ordinary shares at 1 January	91,321	91,321
Effect of ordinary shares distributed during the year via a bonus issue	136,982	136,982
Weighted average number of ordinary shares at 31 December	228,303	228,303
	2013 Sen	2012 Sen
Basic earnings per ordinary share	3.73	1.18

The previous year's earnings per ordinary share has been restated to reflect the bonus issue implemented in the current year.

There are no potential dilution effects on ordinary shares of the Company for the current financial year. Accordingly, the diluted earnings per share for the current year is equal to basic earnings per share.

26. DISCLOSURE OF REALISED AND UNREALISED EARNINGS

The retained earnings is analysed as follows:

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of Mulpha Land Berhad and its subsidiaries:		
- Realised	55,879	7,008
- Unrealised	1,388	(890)
	57,267	6,118
Consolidated adjustments	(36,999)	6,329
	20,268	12,447