

MULPHA INTERNATIONAL BHD^(19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the first financial quarter ended 31 March 2014

The figures have not been audited

I(A) CONDENSED CONSOLIDATED PROFIT OR LOSS

		CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	3 MONTHS CUMULATIVE TO	3 MONTHS CUMULATIVE TO
	Note	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		127,354	131,326	127,354	131,326
Operating expenses		(146,220)	(162,686)	(146,220)	(162,686)
Other operating income		9,195	18,787	9,195	18,787
Loss from operations		<u>(9,671)</u>	<u>(12,573)</u>	<u>(9,671)</u>	<u>(12,573)</u>
Finance costs		(19,660)	(17,102)	(19,660)	(17,102)
Share of profit of associates		9,098	16,252	9,098	16,252
Share of profit of jointly-controlled entities		2,816	3,334	2,816	3,334
Loss before tax	B5	<u>(17,417)</u>	<u>(10,089)</u>	<u>(17,417)</u>	<u>(10,089)</u>
Income tax (expense)/benefit	B6	(3,762)	10,722	(3,762)	10,722
(Loss)/Profit for the period		<u>(21,179)</u>	<u>633</u>	<u>(21,179)</u>	<u>633</u>
Attributable to:					
Owners of the Company		(20,356)	1,025	(20,356)	1,025
Non-controlling interests		<u>(823)</u>	<u>(392)</u>	<u>(823)</u>	<u>(392)</u>
(Loss)/Profit for the period		<u>(21,179)</u>	<u>633</u>	<u>(21,179)</u>	<u>633</u>
(Loss)/Earnings per share (sen):-	B11				
- Basic/Diluted		<u>(0.95)</u>	<u>0.05</u>	<u>(0.95)</u>	<u>0.05</u>

(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 2013 and the accompanying explanatory notes attached to the interim financial statements)

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I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED <u>31.03.2014</u> RM'000	COMPARATIVE QUARTER ENDED <u>31.03.2013</u> RM'000	3 MONTHS CUMULATIVE TO <u>31.03.2014</u> RM'000	3 MONTHS CUMULATIVE TO <u>31.03.2013</u> RM'000
(Loss)/Profit for the period	(21,179)	633	(21,179)	633
Foreign currency translation differences for foreign operations	73,091	19,374	73,091	19,374
Fair value movement of available- for-sale financial assets	21,707	(3,133)	21,707	(3,133)
Share of other comprehensive income of associates	(643)	(174)	(643)	(174)
Other comprehensive income for the period, net of tax	<u>94,155</u>	<u>16,067</u>	<u>94,155</u>	<u>16,067</u>
Total comprehensive income for the period	<u>72,976</u>	<u>16,700</u>	<u>72,976</u>	<u>16,700</u>
Attributable to :				
Owners of the Company	73,815	17,086	73,815	17,086
Non-controlling interests	<u>(839)</u>	<u>(386)</u>	<u>(839)</u>	<u>(386)</u>
Total comprehensive income for the period	<u>72,976</u>	<u>16,700</u>	<u>72,976</u>	<u>16,700</u>

(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 2013 and the accompanying explanatory notes attached to the interim financial statements)

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.03.2014 RM'000	AS AT 31.12.2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>A9</i>	1,038,024	993,556
Investment properties		18,630	18,449
Prepaid land lease payments		715	733
Investment in associates		1,238,762	1,072,071
Investment in jointly-controlled entities		166,042	157,557
Investment securities		96,296	74,951
Other investment		5,061	5,061
Goodwill		9,124	9,119
Inventories		435,116	428,084
Other non-current assets		5,595	5,500
Deferred tax assets		28,563	23,915
		3,041,928	2,788,996
Current assets			
Inventories		514,158	514,495
Trade and other receivables		226,286	236,143
Other current assets		35,442	34,479
Investment securities		5,005	5,304
Income tax recoverable		2,367	247
Cash and bank balances		530,549	659,553
		1,313,807	1,450,221
Asset classified as held for sale		18,865	18,865
		1,332,672	1,469,086
TOTAL ASSETS		4,374,600	4,258,082

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.03.2014 RM'000	AS AT 31.12.2013 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	<i>A6</i>	(92,091)	(92,049)
Reserves		405,246	311,075
Retained earnings		288,209	308,565
		<u>2,359,184</u>	<u>2,285,411</u>
Non-controlling interests		51,291	52,130
Total equity		<u>2,410,475</u>	<u>2,337,541</u>
Non-current liabilities			
Trade and other payables		13,234	11,267
Provision for liabilities		3,077	3,015
Loans and borrowings	<i>B8</i>	831,145	817,853
		<u>847,456</u>	<u>832,135</u>
Current liabilities			
Trade and other payables		161,763	155,388
Other current liabilities		99,691	98,215
Provision for liabilities		17,702	17,851
Loans and borrowings	<i>B8</i>	829,566	805,178
Derivative liabilities		696	1,027
Income tax payable		7,251	10,747
		<u>1,116,669</u>	<u>1,088,406</u>
Total liabilities		<u>1,964,125</u>	<u>1,920,541</u>
TOTAL EQUITY AND LIABILITIES		<u>4,374,600</u>	<u>4,258,082</u>
Net assets per share (RM)		<u>1.11</u>	<u>1.05</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 2013 and the accompanying explanatory notes attached to the interim financial statements)

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III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Share Capital RM'000	Share Premium RM'000	Share Exchange Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2014	1,177,957	579,863	179,982	115,386	15,707	(92,049)	308,565	2,285,411	52,130	2,337,541
Total comprehensive income for the period	-	-	74,436	-	19,735	-	(20,356)	73,815	(839)	72,976
Purchase of treasury shares	-	-	-	-	-	(42)	-	(42)	-	(42)
At 31 March 2014	1,177,957	579,863	254,418	115,386	35,442	(92,091)	288,209	2,359,184	51,291	2,410,475
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 for the period	-	-	19,325	-	(3,264)	-	1,025	17,086	(386)	16,700
Purchase of treasury shares	-	-	-	-	-	(5,845)	-	(5,845)	-	(5,845)
At 31 March 2013	1,177,957	579,863	367,140	110,033	(6,257)	(72,100)	341,891	2,498,527	34,540	2,533,067

<----- Attributable to Owners of the Parent ----->
 <----- Non-distributable -----> <Distributable>

(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 2013 and the accompanying explanatory notes attached to the interim financial statements)

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----3 MONTHS ENDED----->	
	31.03.2014	31.03.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(17,417)	(10,089)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	12,680	15,955
Amortisation of prepaid lease payments	-	42
Share of profit of associates	(9,098)	(16,252)
Share of profit of jointly-controlled entities	(2,816)	(3,334)
Provision for staff benefits	2,552	4,830
Interest expense	19,660	17,102
Interest income	(1,407)	(1,937)
Dividend income	(328)	(295)
Gain on disposal of investment securities	(108)	-
Net unrealised foreign exchange loss/(gain)	175	(914)
Other non-cash items	329	(68)
Operating profit before changes in working capital	4,222	5,040
Changes in working capital		
Inventories	3,072	(62,602)
Receivables	7,223	(16,116)
Other current assets	(853)	46,051
Other non-current assets	75	(2,471)
Financial assets at fair value through profit or loss	300	424
Payables	6,361	58,399
Net change in working capital	16,178	23,685
Cash generated from operations	20,400	28,725
Interest paid	(19,660)	(17,101)
Interest received	1,407	1,937
Income tax paid	(14,023)	(1,987)
Staff benefits paid	(3,334)	(5,630)
Net cash (used in)/generated from operating activities	(15,210)	5,944

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----3 MONTHS ENDED----->	
	31.03.2014	31.03.2013
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Refurbishment of investment properties	(182)	(1,155)
Purchase of property, plant and equipment	(27,991)	(7,371)
Proceeds from sale of property, plant and equipment	167	(50)
Proceeds from disposal of investment securities	2,051	-
Additional investment in an associate	(115,884)	-
Dividend received from an associate	3,609	3,007
Dividend received from other investments	328	295
Net cash generated used in investing activities	<u>(137,902)</u>	<u>(5,274)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(377)	(526)
Purchase of treasury shares by the Company	(42)	(5,845)
Uplift of pledged deposits	85,082	6,759
Net drawdown/(repayment) of borrowings	20,238	(26,073)
Net cash generated from/(used in) financing activities	<u>104,901</u>	<u>(25,685)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,211)	(25,015)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	134,941	159,741
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,989	7,533
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	<u>89,719</u>	<u>142,259</u>
	Note A	
Note A		
Included in cash and cash equivalents as at 31 March are the following:		
- Cash and deposits with licensed banks	530,549	445,117
- Bank overdrafts	(2,858)	(2,652)
- Deposits pledged	(437,972)	(300,206)
	<u>89,719</u>	<u>142,259</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 2013 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 2013.

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 2013 except for the adoption of the following:

- Amendments to MFRS 10, *Consolidation Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets - Recoverable Amount Disclosure for Non-Financial*
- Amendments to MFRS 139, *Novation of Derivatives and Continuation of Hedge Accounting*

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

Aveo Group (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 2013 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 quarter ended 31 March 2014.

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 period ended 31 March 2014, the Company has bought back 100,000 ordinary shares of RM0.50 each at average cost of RM0.43 per share. As at 31 March 2014, 222,149,800 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 March 2014 and 2013 are set out below:

	Revenue		Profit/(Loss) Before Tax	
	3 months ended <u>31.3.2014</u> RM'000	3 months ended <u>31.3.2013</u> RM'000	3 months ended <u>31.3.2014</u> RM'000	3 months ended <u>31.3.2013</u> RM'000
Business Segment				
Property	41,858	32,306	14,304	(6,800)
Hospitality	85,236	99,020	(6,145)	(5,395)
Investment and others	260	-	(17,830)	(378)
	<u>127,354</u>	<u>131,326</u>	<u>(9,671)</u>	<u>(12,573)</u>
Finance costs	-	-	(19,660)	(17,102)
Share of results of associates/ jointly-controlled entities	-	-	11,914	19,586
	<u>127,354</u>	<u>131,326</u>	<u>(17,417)</u>	<u>(10,089)</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 March 2014 are as below:

	RM'000
(a) Approved and contracted for	68,261
(b) Approved but not contracted for	<u>29,062</u>

A11. Material Events Subsequent To The Reporting Date

- (i) Mulpha Investments Pty Limited (“MIPL”), an indirect wholly-owned foreign subsidiary of the Company has on 12 February 2014 entered into a conditional share sale agreement (“SSA”) with Aveo Group Limited, 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 Group Limited for a total purchase consideration of AUD55,952,344 (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 joint venture of MIPL. Upon completion of the Proposed Acquisition, MFKP will be a wholly-owned subsidiary of MIPL. The Proposed Acquisition was completed in May 2014.
- (ii) The Company had on 16 May 2014 entered into a Share Purchase Agreement with Lemongrass Master Fund I (“Purchaser”) to dispose of its entire 100% equity interest in AF Investments Limited (“AFIL”) to the Purchaser for a total consideration of USD10 million (equivalent to approximately RM32 million). AFIL is a company incorporated in Hong Kong with an authorised and paid-up share capital of HKD10,000 and HKD2 respectively. The principal activity of AFIL is investment holding which holds 70% equity interest in Indochine Park Tower Joint Venture Company (“IPT”). IPT is the owner and operator of Indochine Park Tower, an 18-storey serviced residences building located at Ho Chi Minh City, Vietnam, which comprises 55 fully serviced 3-bedroom apartments and penthouses ranging from 128 to 249 square metres each. The disposal is expected to be completed in the second quarter of 2014.

A12. Changes in The Composition Of the Group

Mulpha Hotel Melbourne Trust and HDFI Nominees Pty Ltd, subsidiaries of Mulpha Australia Limited (“MAL”), which in turn is a wholly-owned subsidiary of Company, had ceased to be subsidiaries of MAL during the current quarter.

A13. Changes in Contingent Liabilities or Contingent Assets

- (a) Changes in the contingent liabilities since 31 December 2013 are as follows:-

	Decrease RM'000
Guarantees given to third parties	<u>8,770</u>

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

PART B

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

B1. Review of performance

Current Year-to-date vs. Previous Year-to-date

The Group recorded a revenue of RM127.35 million and a pre-tax loss of RM17.42 million for the 1st quarter of 2014 as compared to a revenue of RM131.33 million and a pre-tax loss of RM10.09 million for the corresponding 1st quarter of 2013. During the current quarter, the property segment registered a pre-tax profit of RM14.30 million, an improvement of RM21.10 million from a pre-tax loss of RM6.80 million posted in the previous year's corresponding quarter. However, the good performance from the property segment was offset by the Group's investment and other segment activities which posted a higher pre-tax loss of RM17.45 million which was primarily impacted by an unfavourable exchange rate movement on the Group's foreign currency loans and deposits as well as lower share of profit from the Group's associates amounting to RM7.15 million as compared to the previous year's corresponding quarter.

The property division recorded a revenue of RM41.86 million and a pre-tax profit of RM14.30 million for the 1st quarter of 2014 as compared to a revenue of RM32.31 million and a pre-tax loss of RM6.80 million for the corresponding 1st quarter of 2013. The strong performance in the current quarter was mainly attributed to higher sales generated from the Group's Leisure Farm projects and higher profit margin from Sanctuacy Cove project.

The hospitality division registered a revenue of RM85.24 million and a pre-tax loss of RM6.15 million for the 1st quarter of 2014 as compared to a revenue of RM99.02 million and a pre-tax loss of RM5.40 million for the corresponding 1st quarter of 2013. The weaker performance from the hospitality division was mainly attributed to temporary closure of Hayman Island Resort in January 2014 in order to undertake an extensive refurbishment and rebranding program. It is targeted to open as One&Only Hayman Island in July 2014 and is managed by renowned international resort operator, Kerzner International.

The Group's investment and other activities recorded a pre-tax loss of RM17.83 million in the current financial quarter as compared to a pre-tax loss of RM0.38 million in the previous year's corresponding quarter. The weaker performance in the current quarter was mainly attributed to an unfavourable foreign exchange rate movement on the Group's loans and deposits which were denominated in Australian Dollar and US Dollar respectively.

B2. Comparisons With Preceding Quarter's Results

The Group recorded a revenue of RM127.35 million and a pre-tax loss of RM17.42 million for the 1st quarter of 2014 as compared to a revenue of RM268.80 million and a pre-tax profit of RM30.31 million for the 4th quarter of 2013. The strong results in the previous quarter was mainly attributed to good performance in property and investment segments.

The property division registered a revenue of RM41.86 million and a pre-tax profit of RM14.30 million for the 1st quarter of 2014 as compared to a revenue of RM148.83 million and a pre-tax profit of RM24.00 million for the 4th quarter of 2013. The strong performance in last quarter was mainly attributed to revenue generated from Leisure Farm's Precinct 7A Bayou Creek detached and semi-detached homes and show villas.

The hospitality division recorded a revenue of RM85.24 million and a pre-tax loss of RM6.15 million for the 1st quarter of 2014 as compared to a revenue of RM118.97 million and a pre-tax loss of RM1.90 million for the 4th quarter of 2013. As mentioned above, the current quarter performance was mainly impacted by the closure of Hayman Island Resort for refurbishment. However, it was mitigated by improved occupancy rate and higher average room rate achieved by our Intercontinental Sydney Hotel in Australia.

The Group's investment and other segment reported a pre-tax loss of RM17.83 million for 1st quarter of 2014 as compared to a pre-tax profit of RM25.30 million for the 4th quarter of 2013. The weaker performance in the current quarter was mainly due to unfavourable foreign exchange loss as mentioned above.

B3. Prospects

The Group has progressively undertaken an asset rationalisation exercise by disposing of its non-core assets and reinvesting in existing core assets. During the current period, the Group increased its stake in Mulpha FKP Pty Limited ("MFKP"), an established property developer in the North West of Sydney, to become a wholly-owned subsidiary. We expect the acquisition to boost the Group's performance in 2014. We also remain optimistic that the Group is well positioned for future growth opportunities based on its strong balance sheet in particular in the prime hotel and development assets strategically located across Malaysia, Australia and United Kingdom.

B4. Variance from Profit Forecast or Profit Guarantee

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

B5. Loss Before Tax

	3 Months Ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
The following items have been included in arriving at loss before tax:-		
Interest income	(1,407)	(1,937)
Dividend income	(328)	(295)
Rental income	(4,737)	(8,480)
Gain on derivatives	(990)	(2,800)
Gain on disposal of investment securities	(108)	-
Interest expense	19,660	17,102
Depreciation and amortisation	12,680	15,997
Foreign exchange loss/(gain)	10,588	(1,909)

B6. Income tax expense/(benefit)

	3 Months Ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
Current year income tax		
- Malaysia	8,284	1,050
- Foreign	64	-
	<u>8,348</u>	<u>1,050</u>
Deferred tax		
- Malaysia	(4,648)	(3,843)
- Foreign	-	(7,773)
	<u>(4,648)</u>	<u>(11,616)</u>
Under/(over)provision of taxation in prior years	<u>62</u>	<u>(156)</u>
Income tax expense/(benefit)	<u>3,762</u>	<u>(10,722)</u>

B7. Status of Corporate Proposals

(i) On 29 July 2013, Mulpha Land Berhad ("MLB"), 61.93% owned subsidiary of the Company 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 a wholly-owned subsidiary of the Company, for a consideration of RM14,915,000 ("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 of the Proposed Land Disposal 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.

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

(b) On 25 February 2014, MLB has entered into a conditional sale and purchase agreement with the Government of The Islamic Republic of Iran (represented by its Embassy of The Islamic Republic of Iran, Kuala Lumpur) to dispose of a parcel of the freehold land together with a five-storey building comprising 12 condominium units for a cash consideration of RM34,300,000 ("Raintree SPA"). The said property has a carrying value of RM18,865,000. The proposed disposal has been approved by the shareholders of MLB at an Extraordinary General Meeting held on 26 May 2014 and the Raintree SPA has become unconditional on the even date.

(ii) View Link Global Limited, a wholly-owned subsidiary of Mulpha Strategic Limited which is wholly-owned by Mulpha Group Services Sdn. Bhd. and is in turn a wholly-owned subsidiary of the Company, had on 20 February 2014 subscribed for 33 shares of USD1.00 each, representing 33% of the share capital of New Pegasus Holdings Limited, a company incorporated in the British Virgin Islands for a total consideration of GBP21.34 million (equivalent to approximately RM115.88 million). The principle activity of New Pegasus Holdings Limited is investment holding which owns a property in London through its wholly-owned subsidiary.

(iii) Mulpha Norwest Pty Limited and Mulpha Sanctuary Cove (Developments) Pty Limited, subsidiaries of Mulpha Australia Limited, which in turn is a wholly-owned subsidiary of the Company, had on 20 May 2014 entered into 3 separate conditional contracts of sale of land for the disposal of lands to two subsidiaries of Aveo Group, namely Aveo Southern Gateway Pty Limited and Aveo Sanctuary Cove Pty Limited for a total consideration of AUD53.6 million (equivalent to approximately RM161 million) ("Proposed Disposals"). The Proposed Disposals are expected to be completed by the third quarter of 2014.

B8. Group Loans and Borrowings

The details of the loans and borrowings as at 31 March 2014 are as follows:-

	RM'000	RM'000
Short term - Secured	827,254	
- Unsecured	2,312	829,566
Long term - Secured		831,145
		1,660,711

B8. Group Loans and Borrowings (Contd)

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	283,344	855,699
Japanese Yen	JPY '000	7,293,900	231,217
US Dollar	USD '000	123,353	<u>402,134</u>

B9. Material Litigation

As at the date of this report, there was no pending material litigation which could adversely affect the financial position of the Group.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial period ended 31 March 2014.

B11. (Loss)/Earnings Per Share

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

	3 Months Ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
(Loss)/Profit for the period	(21,179)	633
Non-controlling interests	823	392
(Loss)/Profit attributable to equity holders of the parent	<u>(20,356)</u>	<u>1,025</u>
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares at 1 January (net of treasury shares)	2,133,863	2,197,128
Effect of share buy back	-	(13,981)
Weighted average number of ordinary shares at 31 March	<u>2,133,863</u>	<u>2,183,146</u>
Basic (loss)/earnings per share (sen)	<u>(0.95)</u>	<u>0.05</u>

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

PART C

Disclosure of Realised and Unrealised Profits or Losses

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings/(accumulated losses):		
(i) Company and subsidiaries		
- Realised	747,845	778,273
- Unrealised	28,387	27,455
(ii) Associates		
- Realised	210,862	208,906
- Breakdown unavailable *	(592,229)	(595,762)
(iii) Jointly-controlled entities		
- Realised	33,842	31,336
- Unrealised	3,751	3,441
	<u>432,458</u>	<u>453,649</u>
Less: Consolidated Adjustments	(144,249)	(145,084)
Total group retained earnings as per consolidated accounts	<u>288,209</u>	<u>308,565</u>

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