

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2023

The figures have not been audited

### I(A) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	12 MONTHS CUMULATIVE TO	12 MONTHS CUMULATIVE TO
	<i>Note</i>	31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
Revenue		382,501	312,140	1,200,994	970,918
Operating expenses		(404,162)	(301,644)	(1,233,814)	(910,500)
Other operating income		107,346	33,836	258,855	96,609
Profit from operations		85,685	44,332	226,035	157,027
Finance costs		(35,015)	(25,820)	(127,407)	(67,414)
Share of (loss)/profit of associates		(3,199)	1,322	(13,804)	9,295
Share of profit of joint ventures		1,346	601	12,768	3,555
Profit before tax	B5	48,817	20,435	97,592	102,463
Tax benefit/(expense)	B6	5,206	(19,837)	16,388	(15,959)
Profit for the year		54,023	598	113,980	86,504
Attributable to:					
Owners of the Company		52,558	(43)	109,544	84,879
Non-controlling interests		1,465	641	4,436	1,625
Profit for the year		54,023	598	113,980	86,504
Earnings/(Loss) per share (sen):-					
- Basic/Diluted	B11	16.89	(0.01)	35.20	27.28

(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 2022 and the accompanying explanatory notes attached to the interim financial statements)

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

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

	CURRENT QUARTER ENDED 31.12.2023 RM'000	COMPARATIVE QUARTER ENDED 31.12.2022 RM'000	12 MONTHS CUMULATIVE TO 31.12.2023 RM'000	12 MONTHS CUMULATIVE TO 31.12.2022 RM'000
Profit for the year	54,023	598	113,980	86,504
Foreign currency translation differences for foreign operations	110,325	(17,460)	143,532	(43,685)
Net change in fair value of equity instruments designated at fair value through other comprehensive income ("FVOCI")	(106,997)	14,674	(181,999)	22,541
Revaluation of property, plant and equipment upon transfer of properties to investment properties	-	(16,081)	-	20,899
Other comprehensive income/(loss) for the year, net of tax	3,328	(18,867)	(38,467)	(245)
<b>Total comprehensive income/(loss) for the year</b>	<b>57,351</b>	<b>(18,269)</b>	<b>75,513</b>	<b>86,259</b>
<b>Attributable to:</b>				
Owners of the Company	59,081	(19,040)	76,825	84,268
Non-controlling interests	(1,730)	771	(1,312)	1,991
Total comprehensive income/(loss) for the year	57,351	(18,269)	75,513	86,259

*(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 2022 and the accompanying explanatory notes attached to the interim financial statements)*

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

### II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		UNAUDITED	AUDITED
		AS AT	AS AT
	<i>Note</i>	31.12.2023	31.12.2022
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>A10</i>	1,751,186	1,481,514
Right-of-use assets		25,868	24,186
Investment properties		1,548,519	1,470,278
Investment in associates		90,012	104,651
Investment in joint ventures		81,872	66,383
Investment securities		562,927	686,821
Other investments		5,090	5,090
Goodwill		47,274	45,359
Inventories		640,630	585,423
Trade and other receivables		10,015	4,978
Other non-current assets		17,804	22,503
Deferred tax assets		-	617
		<u>4,781,197</u>	<u>4,497,803</u>
<b>Current assets</b>			
Inventories		883,797	769,702
Trade and other receivables		319,157	388,102
Other current assets		55,142	16,735
Current tax assets		1,437	14,211
Cash and deposits		278,892	231,129
		<u>1,538,425</u>	<u>1,419,879</u>
<b>TOTAL ASSETS</b>		<u>6,319,622</u>	<u>5,917,682</u>

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

### II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
<i>Note</i>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,983,858	1,983,858
Reserves	147,626	180,345
Retained earnings	1,472,828	1,363,284
<b>Equity attributable to owners of the Company</b>	<b>3,604,312</b>	<b>3,527,487</b>
Non-controlling interests	21,464	25,940
<b>Total equity</b>	<b>3,625,776</b>	<b>3,553,427</b>
<b>Non-current liabilities</b>		
Trade and other payables	26,227	14,950
Contract liabilities	-	12,791
Provision for liabilities	4,247	5,671
Deferred tax liabilities	82,882	78,262
Loans and borrowings	766,743	1,445,499
Lease liabilities	57,485	55,518
	<b>937,584</b>	<b>1,612,691</b>
<b>Current liabilities</b>		
Trade and other payables	227,144	158,610
Contract liabilities	49,194	38,606
Provision for liabilities	48,634	42,579
Loans and borrowings	1,423,423	505,692
Lease liabilities	7,136	5,339
Current tax liabilities	731	738
	<b>1,756,262</b>	<b>751,564</b>
<b>Total liabilities</b>	<b>2,693,846</b>	<b>2,364,255</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,319,622</b>	<b>5,917,682</b>
<b>Net assets per share (RM)</b>	<b>11.58</b>	<b>11.34</b>

*(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 2022 and the accompanying explanatory notes attached to the interim financial statements)*

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

### III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	< ----- Attributable to owners of the Company ----- >							
	< ----- Non-distributable ----- >				<i>Distributable</i>		Non-	Total
	Share Capital	Exchange Reserve	Revaluation Reserve	Other Reserve	Retained Earnings	Total	Controlling Interests	Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2023</b>	1,983,858	(14,877)	89,444	105,778	1,363,284	3,527,487	25,940	3,553,427
Foreign currency translation differences for foreign operations	-	142,434	-	-	-	142,434	1,098	143,532
Net change in fair value of equity instruments designated at FVOCI	-	-	-	(175,153)	-	(175,153)	(6,846)	(181,999)
Total other comprehensive income/(expense) for the year	-	142,434	-	(175,153)	-	(32,719)	(5,748)	(38,467)
Profit for the year	-	-	-	-	109,544	109,544	4,436	113,980
Total comprehensive income/(expense) for the year	-	142,434	-	(175,153)	109,544	76,825	(1,312)	75,513
Dividends paid to non-controlling interests	-	-	-	-	-	-	(3,164)	(3,164)
Total transactions with owners	-	-	-	-	-	-	(3,164)	(3,164)
<b>At 31 December 2023</b>	<b>1,983,858</b>	<b>127,557</b>	<b>89,444</b>	<b>(69,375)</b>	<b>1,472,828</b>	<b>3,604,312</b>	<b>21,464</b>	<b>3,625,776</b>

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

### III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

	< ----- Attributable to owners of the Company ----- >						Total	Non-Controlling Interests	Total Equity
	< ----- Non-distributable ----- >			Distributable					
	Share Capital	Exchange Reserve	Revaluation Reserve	Other Reserve	Treasury Shares	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2022</b>	2,036,698	28,461	68,545	84,372	(17,586)	1,243,151	3,443,641	26,298	3,469,939
Foreign currency translation differences for foreign operations	-	(43,338)	-	-	-	-	(43,338)	(347)	(43,685)
Net change in fair value of equity instruments designated at FVOCI	-	-	-	21,828	-	-	21,828	713	22,541
Revaluation of property, plant and equipment upon transfer of properties to investment properties	-	-	20,899	-	-	-	20,899	-	20,899
Total other comprehensive (expense)/income for the year	-	(43,338)	20,899	21,828	-	-	(611)	366	(245)
Profit for the year	-	-	-	-	-	84,879	84,879	1,625	86,504
Total comprehensive (expense)/income for the year	-	(43,338)	20,899	21,828	-	84,879	84,268	1,991	86,259
Capital returned to non-controlling interests	-	-	-	-	-	-	-	(1,684)	(1,684)
Cancellation of treasury shares	(52,840)	-	-	-	17,586	35,254	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(665)	(665)
Total transactions with owners	(52,840)	-	-	-	17,586	35,254	-	(2,349)	(2,349)
Share of other reserve of an associate	-	-	-	(422)	-	-	(422)	-	(422)
<b>At 31 December 2022</b>	<b>1,983,858</b>	<b>(14,877)</b>	<b>89,444</b>	<b>105,778</b>	<b>-</b>	<b>1,363,284</b>	<b>3,527,487</b>	<b>25,940</b>	<b>3,553,427</b>

(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 2022 and the accompanying explanatory notes attached to the interim financial statements)

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## PART A1 : QUARTERLY REPORT

### IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>&lt;---12 MONTHS ENDED--&gt;</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	97,592	102,463
Adjustments for non-cash items:		
Change in fair value of investment properties	3,756	30,681
Dividend income	(146,768)	(44,381)
Impairment loss on goodwill	9,759	-
Net impairment/(reversal of impairment) loss on investment in a joint venture	581	(307)
Net impairment loss on trade and other receivables	1,070	319
Interest income	(22,120)	(14,885)
Interest expense	127,407	67,414
Inventories written down	772	5,765
Investment properties written down	1,280	-
Bad debts recovered	(92)	-
Loss on lease modification	18	-
Net unrealised foreign exchange (gain)/loss	(41)	297
Property, plant and equipment:		
- Depreciation	79,864	63,173
- Impairment loss	23,061	-
- Loss/(Gain) on disposal	153	(70)
- Written off	51	1,759
Provision for staff benefits	28,223	32,221
Provision/(Reversal of provision) for repairs	8,175	(1,089)
Depreciation on right-of-use assets	5,662	4,742
Share of loss/(profit) of associates	13,804	(9,295)
Share of profit of joint ventures	(12,768)	(3,555)
Operating profit before changes in working capital	<u>219,439</u>	<u>235,252</u>

# MULPHA INTERNATIONAL BHD

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## PART A1 : QUARTERLY REPORT

### IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	<---12 MONTHS ENDED-->	
	31.12.2023	31.12.2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)</b>		
Changes in working capital		
Contract liabilities	(4,354)	(12,375)
Inventories	(113,598)	(103,410)
Other current assets	(36,266)	1,316
Other non-current assets	5,624	608
Other non-current liabilities	10,156	15,250
Payables	59,883	18,159
Receivables	81,087	(23,015)
Net change in working capital	<u>2,532</u>	<u>(103,467)</u>
Cash generated from operations	221,971	131,785
Interest paid	(141,215)	(66,830)
Interest received	10,735	2,095
Income tax refunded	31,601	10,705
Staff benefits paid	(34,959)	(35,088)
Net cash from operating activities	<u>88,133</u>	<u>42,667</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment properties	-	(211,417)
Additional investment in joint ventures	(7,323)	(9,463)
Acquisition of property, plant and equipment	(292,739)	(265,966)
Acquisition of business, net of cash and cash equivalents acquired	(9,558)	(35,754)
Acquisition of investment securities	(17,971)	(17,748)
Capital expenditure of investment properties	(11,800)	(47,400)
Dividend received from joint ventures	7,741	5,807
Dividend received from investment securities	146,768	44,381
Proceeds from disposal of property, plant and equipment	187	89
Withdrawal/(Placement) of fixed deposits with maturity profile more than three months	<u>22,050</u>	<u>(22,050)</u>
Net cash used in investing activities	<u>(162,645)</u>	<u>(559,521)</u>



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## PART A1 : QUARTERLY REPORT

### IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	<---12 MONTHS ENDED-->	
	31.12.2023	31.12.2022
	RM'000	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital returned to non-controlling interests	-	(1,684)
Dividend paid to non-controlling interests of subsidiaries	(3,164)	(665)
Payment of lease liabilities	(5,216)	(3,791)
Net placement of pledged deposits	(5,090)	(15,539)
Net drawdown of borrowings	142,713	364,761
Net cash from financing activities	<u>129,243</u>	<u>343,082</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	54,731	(173,772)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	164,351	340,298
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	9,992	(2,175)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	<u>229,074</u>	<u>164,351</u>

#### Note A

Included in cash and cash equivalents as at 31 Dec are the following:

- Cash and deposits with licensed banks	278,892	231,129
- Less: Pledged bank balances and deposits	(49,818)	(44,728)
- Less: Fixed deposits with maturity profile more than three months	-	(22,050)
	<u>229,074</u>	<u>164,351</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 2022 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 2022.

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 2022 except for the adoption of the following:

- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112, Income Taxes – International Tax Reform - Pillar Two Model Rules

The adoption of the above Amendments to MFRSs did not have any material impact on the financial statements of the Group.

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the MASB but are not yet effective.

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024**

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025**

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**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 2022 was not subject to any qualification.

**A3. Seasonal or Cyclicity of Operations**

Except for the hospitality and leisure 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 the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter.

**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 quarter.

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

There were no changes in debt and equity securities during the current financial quarter.

**A7. Dividend Paid**

There was no dividend paid during the current financial quarter.

**A8. Segment Information**

Segment analysis for the financial year ended 31 December 2023 and 2022 are set out below:

	Revenue		Profit/(Loss) Before Tax	
	12 months ended 31.12.2023	12 months ended 31.12.2022	12 months ended 31.12.2023	12 months ended 31.12.2022
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
<b>Business Segment</b>				
Hospitality and leisure	679,805	584,011	39,900	80,017
Property development	360,712	246,314	67,796	70,399
Property investment and finance	106,997	97,801	60,712	42,326
Investment and others	53,480	42,792	57,627	(35,715)
	1,200,994	970,918	226,035	157,027
Finance costs	-	-	(127,407)	(67,414)
Share of results of associates and joint ventures	-	-	(1,036)	12,850
	1,200,994	970,918	97,592	102,463

**MULPHA INTERNATIONAL BHD**  
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**FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

**A8. Segment Information (Cont'd)**

Segment analysis for the financial year ended 31 December 2023 and 2022 are set out below: (Cont'd)

	Total Assets		Total Liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
<b>Business Segment</b>				
Hospitality and leisure	2,106,374	1,610,270	685,382	461,804
Property development	1,614,772	1,652,573	701,076	601,050
Property investment and finance	1,481,981	1,505,193	551,717	540,950
Investment and others	2,824,377	2,765,566	2,463,553	2,376,387
	8,027,504	7,533,602	4,401,728	3,980,191
Adjustments and eliminations	(1,707,882)	(1,615,920)	(1,707,882)	(1,615,936)
	6,319,622	5,917,682	2,693,846	2,364,255

Following an internal re-organisation within the Group that changed the composition of its reportable business segments, the comparative figures have been revised accordingly.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets <sup>^</sup>	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Australia	1,157,662	924,077	3,412,024	3,035,950
Malaysia	25,399	28,277	357,383	334,525
New Zealand	17,933	18,564	244,070	236,285
	1,200,994	970,918	4,013,477	3,606,760

<sup>^</sup> Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, goodwill and inventories.

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**FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

**A9. Related Party Disclosures**

Below are the significant related party transactions, which were carried out on terms and conditions negotiated amongst the related parties:

	4th Quarter Ended		12 Months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<b>A. Associates</b>				
Dividend income	9,388	-	9,388	-
<b>B. Joint Ventures</b>				
Dividend income	5,446	1,507	7,741	5,807
Interest income	11	-	51	-
Share service income	3,599	3,664	3,813	3,664
<b>C. Other related parties</b>				
Companies related to directors				
- Administration fee	157	206	695	807
- Interest income	-	327	-	2,735
- Rental paid	136	156	651	671
- Service expenses	2,321	2,327	2,321	2,327
Companies related to a person connected to a director				
- Rental income	57	58	235	234

These transactions have been entered into in the normal course of business and established under negotiated terms.

**A10. Valuation Of Property, Plant And Equipment**

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

**A11. Capital Commitments**

Capital commitments for the purchase of property, plant and equipment as at 31 December 2023 are as below:

	<b>RM'000</b>
(a) Approved and contracted for	16,776
(b) Approved but not contracted for	91

**A12. Material Events Subsequent To The Reporting Date**

There were no material events subsequent to 31 December 2023 that the Directors believe warrant disclosure.

**A13. Changes in The Composition Of the Group**

There were no material changes in the composition of the Group during the current financial year.

**A14. Changes in Contingent Liabilities or Contingent Assets**

There were no material changes in contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2022.

**PART B**

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

**B1. Review of performance**

	INDIVIDUAL PERIOD		CHANGES		CUMULATIVE PERIOD		CHANGES	
	QUARTER ENDED	QUARTER ENDED			12 MONTHS ENDED	12 MONTHS ENDED		
	31.12.2023	31.12.2022	RM'000	%	31.12.2023	31.12.2022	RM'000	%
Revenue	<b>382,501</b>	312,140	70,361	23	<b>1,200,994</b>	970,918	230,076	24
Profit from operations	<b>85,685</b>	44,332	41,353	93	<b>226,035</b>	157,027	69,008	44
Profit before interest and tax	<b>83,832</b>	46,255	37,577	81	<b>224,999</b>	169,877	55,122	32
Profit before tax	<b>48,817</b>	20,435	28,382	>100	<b>97,592</b>	102,463	(4,871)	(5)
Profit after tax	<b>54,023</b>	598	53,425	>100	<b>113,980</b>	86,504	27,476	32
Profit/(Loss) attributable to owners of the Company	<b>52,558</b>	(43)	52,601	>(100)	<b>109,544</b>	84,879	24,665	29

**(a) Current Year Quarter vs. Previous Year Corresponding Quarter**

In the quarter ended 31 December 2023, the Group saw a revenue increase of 23% to RM382.50 million compared to RM312.14 million in the same quarter of the previous year.

The growth in revenue was driven by strong performances across all operating divisions, with the property development division registered a higher revenue of RM39.45 million which was attributed to increased settlements in Sanctuary Cove developments in Australia and the Leisure Farm project in Iskandar Malaysia. Similarly, the hospitality and leisure division's revenue rose by RM26.39 million, backed by robust trading results from InterContinental Sydney, supported by numerous events in Sydney and the return of the corporate market to the Sydney Central Business District for business travel and conferences. Notably, the hotel achieved an impressive occupancy rate of 87.5% in the current year quarter, approaching the pre-COVID level of 90.2% in Q4 2019. Additionally, the average room rate exceeded the pre-COVID level, further contributing to the division's revenue rise.

The investment and others division saw revenue grow by RM4.22 million, driven by improved trading results from corporate merchandise and car wash businesses. The property investment and finance division's revenue also marginally increased by RM0.30 million, primarily due to higher leasing income generated from the Group's commercial and retail properties offset by fewer debt financing deals.

The Group's pre-tax profit for the current quarter reached RM48.82 million, a notable increase of RM28.38 million compared to RM20.44 million in the same quarter of the previous year. This growth was primarily attributed to the improved performances of the divisions mentioned earlier and the net dividend income of RM34.23 million from the Group's investment securities in Hydra RL TopCo Pty Limited ("TopCo"). However, this increase was partially offset by higher finance costs on the Group's debt facilities due to multiple interest rate hikes since mid-last year.

**B1. Review of performance (Cont'd)**

**(b) Current Year-to-date vs. Previous Year-to-date**

The Group's revenue of RM1.20 billion for the year ended 31 December 2023 increased by 24% as compared to revenue of RM970.92 million in the previous financial year. This improvement aligns with the robust performances across all operational divisions.

The property development division saw a revenue increase of RM114.40 million in the current financial year, which marked a 46% rise compared to RM246.31 million in the preceding financial year. The better performance was primarily due to the completion of The Bond project in Australia, a commercial office and medical building adjacent to the Norwest private hospital. However, lower settlements in Mulpha Norwest in Australia, stemming from construction delays and cautious market sentiment due to multiple interest rate rises, partly offset this growth.

Revenue for the hospitality and leisure division surged by RM95.79 million in the current financial year ended 31 December 2023, mainly attributable to the outstanding performance of InterContinental Sydney following its reopening in October 2022 after undergoing significant refurbishment, offset by lower revenues from InterContinental Hayman Island due to low domestic demand.

The property investment and finance division reported a revenue increase of RM9.19 million compared to the previous year, primarily driven by higher leasing income from the acquisition of Capri on Via Roma shopping centre in June 2022, a fully occupied Transport House, although this growth was offset by fewer debt financing deals.

Similarly, the investment and others division witnessed a revenue increase of RM10.69 million compared to the previous year, primarily due to increased contributions from corporate merchandise and car wash businesses.

Despite the revenue growth, the Group's pre-tax profit for the year ended 31 December 2023, amounted to RM97.59 million, which reflects a decrease of RM4.87 million compared to the previous year's pre-tax profit of RM102.46 million. This decline can be attributed to higher finance costs on the Group's debt facilities resulting from multiple interest rate hikes. However, improved divisional performances, as outlined above, and net dividend income of RM102.70 million from the Group's investment securities in TopCo partially offset this decline.

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	<b>CURRENT</b>	<b>PRECEDING</b>	<b>CHANGES</b>	
	<b>QUARTER</b>	<b>QUARTER</b>		
	<b>ENDED</b>	<b>ENDED</b>		
	<b>31.12.2023</b>	<b>30.09.2023</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	<b>382,501</b>	417,416	(34,915)	(8)
Profit from operations	<b>85,685</b>	134,449	(48,764)	(36)
Profit before interest and tax	<b>83,832</b>	133,067	(49,235)	(37)
Profit before tax	<b>48,817</b>	100,047	(51,230)	(51)
Profit after tax	<b>54,023</b>	98,393	(44,370)	(45)
Profit attributable to owners of the Company	<b>52,558</b>	95,635	(43,077)	(45)

In the current quarter ended 31 December 2023, the Group's revenue amounted to RM382.50 million, indicating an 8% decrease compared to the revenue of RM417.42 million in the previous quarter. This decline was primarily driven by decreases in the property development, partially offset by increases in the hospitality and leisure, and property investment and finance divisions.

The lower revenue in the property development division, totalling RM67.60 million, was primarily due to reduced settlements in the current quarter, notably as The Bond project mentioned earlier, was fully settled in the preceding quarter.

Similarly, revenue in the investment and others division saw a marginal decrease of RM0.02 million compared to the preceding quarter, mainly attributed to lower international student enrolments due to the tightening of visas offset by improved trading results from corporate merchandise and car wash businesses.

Conversely, the hospitality and leisure division reported higher revenue, increasing by RM31.13 million compared to the preceding quarter, driven by increased occupancies in InterContinental Sydney, InterContinental Hayman Island, and InterContinental Sanctuary Cove during the year-end holidays and as well as the opening of Swing City golf entertainment facility.

Revenue in the property investment and finance division increased by RM1.57 million compared to the preceding quarter, primarily due to higher traffic in the car parking business due to the holiday season and growth in lease revenue from Sanctuary Cove Marine Village Shopping Centre and Transport House.

The Group's pre-tax profit for the quarter ending December 31, 2023, amounted to RM48.82 million, representing a decrease of RM51.23 million compared to the pre-tax profit of RM100.05 million in the preceding quarter. This was primarily due to the preceding quarter including the settlement of The Bond and lower dividends from TopCo offset by stronger performances from some of the Hospitality and Leisure assets.



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### B3. Prospect

The fourth quarter saw varied trading at the Group's hotel portfolio with InterContinental Sydney performing strongly on the back of the return of the corporate market to the central business district for both business travel and conferencing, alongside high volumes of tourists with the return of cruise ships to Sydney. The InterContinental Hayman Island experienced soft trading conditions with increased outbound travel and a softening of domestic demand for luxury travel. Looking ahead to the first quarter of 2024, it is anticipated that occupancy levels will vary by location. Sydney is expected to maintain strong occupancy levels, driven by a robust influx of inbound tourists and events. Conversely, Hayman Island may experience weaker occupancy due to the onset of the wet season.

The Group's investment properties have continued to maintain solid occupancies in 2023. The Group is cognisant of the high inflationary environment, increased cost of living pressures, increased interest rates, and the negative impact on consumer spending. Accordingly, arrears and tenant mix remain specific areas of focus for the shopping center assets. While transactions in the commercial real estate market remain thin, there has been upward pressure on valuation capitalization rates rolling into 2024.

The property market in the fourth quarter positively impacted Mulpha sales with ongoing apartment supply constraints and solid demand for high-quality development projects. Mulpha has achieved consistent price increases across all projects, with sales success anchored in the flight to quality by owner-occupiers. Norwest Quarter sales have progressed well during the year with the project exceeding pre-sales targets for our debt facility drawdowns. As a result of the market conditions, small and mid-size developers are not committing to projects due to construction costs and financing constraints. These cost pressures are also applying to Mulpha projects with significant focus being applied to efficient design and improved procurement of key materials. The Group anticipates that supply will continue to be constrained in each of the key markets which will support pricing despite a likely deterioration in economic conditions in 2024.

The Leisure Farm project in Iskandar Malaysia operates in a highly competitive market, however, enquiry levels have improved since the beginning of 2023. This positive trend comes amidst a backdrop of rising construction costs, which have made completed-built properties, especially high-end villas, more attractive to potential buyers. This shift in preference towards ready-to-move-in options is expected to drive sales growth for Leisure Farm in 2024. The ability to offer completed-built products in response to market demands positions it favorably to capitalize on the evolving needs of discerning buyers in the region.

The Group's hospitality and leisure assets will continue to be tested in the higher inflationary and interest rates environment where there is greater pressure on consumer spending. A strong focus on effective cost management is in place to minimise this shortfall. Bimbadgen Wine Estate's performance is expected to grow steadily with a strong wedding event pipeline, the additional accommodation revenue from the luxury cabins and the return of more consistent concerts. In addition, Swing City, a golf entertainment facility at Norwest that opened in the fourth quarter, has performed strongly and is expected to have a solid performance and contribute positively to the Group's hospitality performance in 2024.

The Group is actively looking to build its fund management capability to secure attractive real estate equity and debt investments with third-party capital support. The Group also continues to explore opportunities to expand its interests in operating businesses, particularly where the Group has established operational capability.

As a Group, Mulpha has built a team of highly skilled and specialized professionals in each industry segment and is well positioned to continue to grow the business despite increasing macro-economic challenges in Australia and globally.

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**B4. Variance from Profit Forecast or Profit Guarantee**

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

**B5. Profit Before Tax**

	4th Quarter Ended		12 Months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after (crediting)/charging:				
Bad debts recovered	(367)	-	(92)	-
Change in fair value of investment properties	1,264	18,634	3,756	30,681
Dividend income	(49,551)	(19,611)	(146,768)	(44,381)
Fair value gain on financial assets at fair value through profit or loss	-	353	-	-
Net impairment/(reversal of impairment) loss on investment in a joint venture	581	(307)	581	(307)
Net (reversal of impairment)/impairment loss on trade and other receivables	1,070	319	1,070	319
Interest income	(6,111)	(4,458)	(22,120)	(14,885)
Interest expense	35,015	25,820	127,407	67,414
Inventories written down	272	5,288	772	5,765
Insurance recoveries	(39,807)	-	(39,807)	-
Net foreign exchange (gain)/loss	(196)	2,134	(3,092)	3,945
Property, plant and equipment:				
- Depreciation	21,904	20,062	79,864	63,173
- Impairment loss	23,061	-	23,061	-
- (Gain)/Loss on disposal	(3)	(28)	153	(70)
- Written off	-	119	51	1,759
Depreciation on right-of-use assets	1,808	1,905	5,662	4,742
(Reversal of provision)/Provision for staff benefits	(3,597)	11,880	28,223	32,221
Provision/(Reversal of provision) for repairs	9,115	(58)	8,175	(1,089)
Rental income and reimbursable expenses	(6,487)	(5,180)	(23,765)	(17,291)

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**B6. Tax (benefit)/expense**

	4th Quarter Ended		12 Months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense/(benefit)</b>				
Malaysian - current year	875	1,216	4,680	5,462
Malaysian - prior year	497	-	536	22
Overseas - current year	(260)	(1,544)	368	729
Overseas - prior year	201	47	(24,262)	(13,051)
	<u>1,313</u>	<u>(281)</u>	<u>(18,678)</u>	<u>(6,838)</u>
<b>Deferred tax expense/(benefit)</b>				
Origination and reversal of temporary differences	2,328	20,118	(13,394)	24,202
(Over)/Under provision in prior year	(8,847)	-	15,684	(1,405)
	<u>(6,519)</u>	<u>20,118</u>	<u>2,290</u>	<u>22,797</u>
Tax (benefit)/expense	<u>(5,206)</u>	<u>19,837</u>	<u>(16,388)</u>	<u>15,959</u>

The tax benefits for the year ended 31 December 2023 predominately relate to the Group's foreign subsidiaries' prior year true-up post clearance of the tax risk review by overseas tax authorities, including the recognition of the loss carry-back offsets, which reduce the overall carried forward losses of the Group to which the deferred tax asset relates.

**B7. Status of Corporate Proposals**

There were no corporate proposals announced as at the date of this report.

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**B8. Group Loans and Borrowings**

The details of the loans and borrowings as at 31 December 2023 are as follows:-

	As at 4th Quarter Ended 2023											
	Long term				Short term				Total borrowings			
	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000
<b>Secured</b>												
Revolving Credit/Loan	RM			-	RM			85,948	RM			85,948
Revolving Credit/Loan	AUD	57,541	3.14	180,679	AUD	157,200	3.14	493,608	AUD	214,741	3.14	674,287
Term Loan	RM			25,303	RM			10,536	RM			35,839
Term Loan	AUD	127,911	3.14	401,641	AUD	254,500	3.14	799,130	AUD	382,411	3.14	1,200,771
Term Loan	NZD	32,629	2.92	95,277	NZD	-	2.92	-	NZD	32,629	2.92	95,277
Finance Lease	AUD	2,770	3.14	8,698	AUD	-	3.14	-	AUD	2,770	3.14	8,698
Bonds	AUD	17,562	3.14	55,145	AUD	2,247	3.14	7,056	AUD	19,809	3.14	62,201
				766,743				1,396,278				2,163,021
<b>Unsecured</b>												
Other Loan	AUD	-	3.14	-	AUD	8,645	3.14	27,145	AUD	8,645	3.14	27,145
				-				27,145				27,145
				766,743				1,423,423				2,190,166
								(Note 1)				

Note 1: The Group anticipates no difficulties in renewing loans and borrowings maturing within the next 12 months. Furthermore, as of the end of January 2024, an amount of RM1,018,930,000 has been successfully refinanced for an additional 3-year tenure.

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**B8. Group Loans and Borrowings (Cont'd)**

The details of the loans and borrowings as at 31 December 2022 are as follows:-

	As at 4th Quarter Ended 2022											
	Long term				Short term				Total borrowings			
	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000
<b>Secured</b>												
Revolving Credit/Loan	RM			-	RM			87,449	RM			87,449
Revolving Credit/Loan	AUD	140,000	2.99	418,600	AUD	24,951	2.99	74,603	AUD	164,951	2.99	493,203
Term Loan	RM			25,070	RM			5,500	RM			30,570
Term Loan	AUD	312,736	2.99	935,081	AUD	77,000	2.99	230,230	AUD	389,736	2.99	1,165,311
Term Loan	NZD	-	2.80	-	NZD	34,629	2.80	96,961	NZD	34,629	2.80	96,961
Finance Lease	AUD	2,770	2.99	8,282	AUD	-	2.99	-	AUD	2,770	2.99	8,282
Bonds	AUD	19,554	2.99	58,466	AUD	3,662	2.99	10,949	AUD	23,216	2.99	69,415
				1,445,499				505,692				1,951,191

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### B9. Material Litigation

In September 2012, the Company disposed of the entire equity interest in its wholly-owned subsidiary, Bestari Sepang Sdn Bhd (“Bestari”) for a cash consideration of RM1.0 million to Mula Holdings Sdn Bhd (“Mula”). As part of this transaction, the Company also entered into a Settlement Agreement with Mula whereby Mula shall pay a settlement sum (“Settlement Sum”) of RM104.0 million on or before 15 December 2012, as full and final settlement of the advances that the Company had previously made to Bestari and its subsidiaries, Spanstead Sdn Bhd (“Spanstead”) and Seri Ehsan (Sepang) Sdn Bhd (“Seri Ehsan”), failing which, additional payments will apply until the final settlement date of 15 December 2013 (“final settlement date”).

Mula failed to pay the Settlement Sum on the final settlement date. Accordingly, the Settlement Agreement automatically terminated and the Company’s right to receive payment of the full amount of RM301,506,429 as at 30 June 2012 (“Full Outstanding Amount”) that the Company had previously advanced to Bestari, Spanstead and Seri Ehsan (collectively “Bestari Group”) was reinstated. The Full Outstanding Amount is secured by land titles belonging to Seri Ehsan (“the Land”) and an irrevocable Power of Attorney to deal with the Land.

As Bestari Group failed to settle the Full Outstanding Amount, the Company filed a Writ of Summons and Statement of Claim against Mula and Bestari Group on 30 January 2015 claiming for, amongst others, a declaration that the Full Outstanding Amount of RM301,506,429 as at 30 June 2012 together with interest thereon is due and owing by Bestari Group (“MIB Action”). Separately, Mulpha Ventures Sdn Bhd (a wholly-owned subsidiary of the Company and a licensed moneylender) (“MVSB”) filed a writ of claim against Mula and Bestari Group to recover an outstanding loan granted by MVSB to Bestari (“MVSB Action”).

Judgment for the MIB Action was delivered on 17 July 2020 and declared the amount due and payable to the Company to be RM301 million plus interest and held that the Power Attorney is valid. Further, the defendants are restrained from dealing with the Land. Moreover, the High Court dismissed Mula’s counterclaim with costs. On 24 June 2022, the Court of Appeal dismissed Mula’s appeal with costs. Subsequently on 15 November 2022, the Federal Court dismissed Mula’s leave application and the matter is fully litigated. In respect of the MVSB Action, the High Court allowed the claim for the principal sum of the loan and outgoings totalling RM48 million plus interest and matter is fully litigated.

### B10. Dividend

The Board of Directors does not recommend any dividend for the financial year ended 31 December 2023.

### B11. Earnings Per Share

#### (i) Basic earnings per share

The basic earnings per share of the Group have 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 financial year, excluding treasury shares held by the Company as set out below:

	<b>12 Months Ended 31.12.2023</b>	<b>12 Months Ended 31.12.2022</b>
Profit for the year, amount attributable to equity holders of the parent (RM'000)	<u>109,544</u>	<u>84,879</u>
Weighted average number of ordinary shares ('000)	<u>311,178</u>	<u>311,178</u>
Basic earnings per share (sen)	<u>35.20</u>	<u>27.28</u>

#### (ii) Diluted earnings per share

The Group has no dilution in its earnings per share for the financial year under review as there are no dilutive potential ordinary shares.