

MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the third financial quarter ended 30 September 2024

The figures have not been audited

I(A) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		CURRENT QUARTER ENDED 30.09.2024	COMPARATIVE QUARTER ENDED 30.09.2023	9 MONTHS CUMULATIVE TO 30.09.2024	9 MONTHS CUMULATIVE TO 30.09.2023
	<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue		245,377	417,416	749,057	818,493
Operating expenses		(286,512)	(399,539)	(822,160)	(829,652)
Other operating income		29,649	116,572	158,588	151,509
(Loss)/Profit from operations		(11,486)	134,449	85,485	140,350
Finance costs		(34,816)	(33,020)	(104,376)	(92,392)
Share of (loss)/profit of associates		(1,463)	(2,708)	526	(10,605)
Share of profit of joint ventures		704	1,326	1,186	11,422
(Loss)/Profit before tax	<i>B5</i>	(47,061)	100,047	(17,179)	48,775
Tax benefit/(expense)	<i>B6</i>	12,518	(1,654)	21,087	11,182
(Loss)/Profit for the period		(34,543)	98,393	3,908	59,957
Attributable to:					
Owners of the Company		(34,619)	95,635	1,546	56,986
Non-controlling interests		76	2,758	2,362	2,971
(Loss)/Profit for the period		(34,543)	98,393	3,908	59,957
(Loss)/Earnings per share (sen):-					
- Basic/Diluted	<i>B11</i>	(11.12)	30.73	0.50	18.31

(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 2023 and the accompanying explanatory notes attached to the interim financial statements)

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PART A1 : QUARTERLY REPORT

I(B) CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 30.09.2024 <u>RM'000</u>	COMPARATIVE QUARTER ENDED 30.09.2023 <u>RM'000</u>	9 MONTHS CUMULATIVE TO 30.09.2024 <u>RM'000</u>	9 MONTHS CUMULATIVE TO 30.09.2023 <u>RM'000</u>
(Loss)/Profit for the period	(34,543)	98,393	3,908	59,957
Foreign currency translation differences for foreign operations	(277,730)	(75,647)	(278,091)	33,207
Net change in fair value of equity instruments designated at fair value through other comprehensive income ("FVOCI")	<u>87,985</u>	<u>(99,021)</u>	<u>36,399</u>	<u>(75,002)</u>
Other comprehensive expense for the period, net of tax	<u>(189,745)</u>	<u>(174,668)</u>	<u>(241,692)</u>	<u>(41,795)</u>
Total comprehensive (expense)/ income for the period	<u>(224,288)</u>	<u>(76,275)</u>	<u>(237,784)</u>	<u>18,162</u>
Attributable to:				
Owners of the Company	(225,739)	(74,495)	(239,602)	17,744
Non-controlling interests	<u>1,451</u>	<u>(1,780)</u>	<u>1,818</u>	<u>418</u>
Total comprehensive (expense)/ income for the period	<u>(224,288)</u>	<u>(76,275)</u>	<u>(237,784)</u>	<u>18,162</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 2023 and the accompanying explanatory notes attached to the interim financial statements)

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PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		UNAUDITED	AUDITED
		AS AT	AS AT
	<i>Note</i>	30.09.2024	31.12.2023
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>A10</i>	1,538,037	1,751,186
Right-of-use assets		13,577	25,868
Investment properties		1,140,193	1,548,519
Investment in associates		85,262	90,012
Investment in joint ventures		57,629	81,872
Investment securities		544,775	562,927
Other investments		5,090	5,090
Goodwill		41,228	47,274
Inventories		626,264	640,630
Trade and other receivables		28,752	21,005
Other non-current assets		17,858	17,804
		<u>4,098,665</u>	<u>4,792,187</u>
Current assets			
Inventories		1,046,636	883,797
Trade and other receivables		235,075	331,717
Other current assets		43,895	55,142
Current tax assets		2,201	1,437
Cash and deposits		334,968	278,892
Assets classified as held for sale	<i>A12</i>	236,685	-
		<u>1,899,460</u>	<u>1,550,985</u>
TOTAL ASSETS		<u>5,998,125</u>	<u>6,343,172</u>

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PART A1 : QUARTERLY REPORT

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

	UNAUDITED	AUDITED
	AS AT	AS AT
<i>Note</i>	30.09.2024	31.12.2023
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,983,858	1,983,858
Treasury shares	(4,463)	-
Reserves	(93,522)	147,626
Retained earnings	1,474,374	1,472,828
Equity attributable to owners of the Company	3,360,247	3,604,312
Non-controlling interests	19,964	21,464
Total equity	3,380,211	3,625,776
Non-current liabilities		
Loans and borrowings	1,555,046	766,743
Lease liabilities	44,511	57,485
Trade and other payables	42,607	49,777
Provision for liabilities	3,437	4,247
Deferred tax liabilities	48,810	82,882
	1,694,411	961,134
Current liabilities		
Loans and borrowings	667,199	1,423,423
Lease liabilities	2,735	7,136
Trade and other payables	152,607	227,144
Contract liabilities	52,713	49,194
Provision for liabilities	45,668	48,634
Current tax liabilities	2,581	731
	923,503	1,756,262
Total liabilities	2,617,914	2,717,396
TOTAL EQUITY AND LIABILITIES	5,998,125	6,343,172
Net assets per share (RM)	10.80	11.58

(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 2023 and the accompanying explanatory notes attached to the interim financial statements)

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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 Equity RM'000
	Share Capital RM'000	Exchange Reserve RM'000	Revaluation Reserve RM'000	Other Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Controlling Interests RM'000	
At 1 January 2024	1,983,858	127,557	89,444	(69,375)	-	1,472,828	3,604,312	21,464	
Foreign currency translation differences for foreign operations	-	(275,996)	-	-	-	-	(275,996)	(2,095)	(278,091)
Net change in fair value of equity instruments designated at FVOCI	-	-	-	34,848	-	-	34,848	1,551	36,399
Total other comprehensive (expense)/ income for the period	-	(275,996)	-	34,848	-	-	(241,148)	(544)	(241,692)
Profit for the period	-	-	-	-	-	1,546	1,546	2,362	3,908
Total comprehensive (expense)/income for the period	-	(275,996)	-	34,848	-	1,546	(239,602)	1,818	(237,784)
Purchase of treasury shares	-	-	-	-	(4,463)	-	(4,463)	-	(4,463)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,318)	(3,318)
Total transactions with owners	-	-	-	-	(4,463)	-	(4,463)	(3,318)	(7,781)
At 30 September 2024	1,983,858	(148,439)	89,444	(34,527)	(4,463)	1,474,374	3,360,247	19,964	3,380,211

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PART A1 : QUARTERLY REPORT

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

	< ----- Attributable to owners of the Company ----- >							Non- Controlling Interests	Total Equity
	< ----- Non-distributable ----- >				<i>Distributable</i>		Total		
	Share Capital	Exchange Reserve	Revaluation Reserve	Other Reserve	Retained Earnings	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023	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	-	32,957	-	-	-	32,957	250	33,207	
Net change in fair value of equity instruments designated at FVOCI	-	-	-	(72,199)	-	(72,199)	(2,803)	(75,002)	
Total other comprehensive income/(expense) for the period	-	32,957	-	(72,199)	-	(39,242)	(2,553)	(41,795)	
Profit for the period	-	-	-	-	56,986	56,986	2,971	59,957	
Total comprehensive income/(expense) for the period	-	32,957	-	(72,199)	56,986	17,744	418	18,162	
Dividends paid to non-controlling interests	-	-	-	-	-	-	(3,144)	(3,144)	
Total transactions with owners	-	-	-	-	-	-	(3,144)	(3,144)	
At 30 September 2023	1,983,858	18,080	89,444	33,579	1,420,270	3,545,231	23,214	3,568,445	

(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 2023 and the accompanying explanatory notes attached to the interim financial statements)

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PART A1 : QUARTERLY REPORT

IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<---9 MONTHS ENDED-->	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(17,179)	48,775
Adjustments for non-cash items:		
Change in fair value of investment properties	29,240	2,492
Dividend income	(76,847)	(97,217)
Gain on disposal of a business	(1,681)	-
Net impairment losses	1,705	1,532
Interest income	(19,312)	(16,009)
Interest expense	104,376	92,392
Loss on disposal of subsidiaries	56	-
Gain on lease modification	(164)	-
Depreciation and amortisation	70,404	61,814
Property, plant and equipment:		
- (Gain)/Loss on disposal	(2,828)	156
- Written off	34	51
Share of (profit)/loss of associates	(526)	10,605
Share of profit of joint ventures	(1,186)	(11,422)
Operating profit before changes in working capital	<u>86,092</u>	<u>93,169</u>
Changes in working capital		
Contract liabilities	8,418	3,730
Inventories	(238,696)	(122,113)
Other current assets	6,511	(7,330)
Other non-current assets	98	492
Other non-current liabilities	(2,592)	11,065
Payables	(57,306)	77,175
Receivables	86,522	41,964
Net change in working capital	<u>(197,045)</u>	<u>4,983</u>
Cash (used in)/generated from operations	(110,953)	98,152
Interest paid	(120,234)	(96,401)
Interest received	9,298	7,487
Income tax (paid)/refunded	(5,703)	32,650
Net cash (used in)/generated from operating activities	<u>(227,592)</u>	<u>41,888</u>

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PART A1 : QUARTERLY REPORT

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

	<---9 MONTHS ENDED-->	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in joint ventures	-	(7,275)
Acquisition of property, plant and equipment	(31,712)	(127,649)
Acquisition of business, net of cash and cash equivalents acquired	(1,510)	(8,321)
Acquisition of investment securities	(3,294)	(17,871)
Capital expenditure of investment properties	(4,132)	(10,685)
Dividend received	79,652	99,512
Proceeds from disposal of a business	4,599	-
Proceeds from disposal of subsidiaries	23,484	-
Proceeds from disposal of property, plant and equipment	10,515	157
(Placement)/Withdrawal of fixed deposits with maturity profile more than three months	(31,749)	22,050
Net cash generated from/(used in) investing activities	<u>45,853</u>	<u>(50,082)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests of subsidiaries	(3,318)	(3,144)
Payment of lease liabilities	(6,214)	(4,057)
Net withdrawal/(placement) of pledged deposits	162	(3,009)
Purchase of treasury shares	(4,463)	-
Net drawdown of borrowings	244,979	55,243
Net cash generated from financing activities	<u>231,146</u>	<u>45,033</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	49,407	36,839
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	229,074	164,351
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(24,918)	1,590
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	<u>253,563</u>	<u>202,780</u>
Note A		
Included in cash and cash equivalents as at 30 Sep are the following:		
- Cash and deposits with licensed banks	334,968	250,517
- Less: Pledged bank balances and deposits	(49,656)	(47,737)
- Less: Fixed deposits with maturity profile more than three months	(31,749)	-
	<u>253,563</u>	<u>202,780</u>

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 2023.

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 2023 except for the adoption of the following:

- 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*

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 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 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments Disclosures - Classification and Measurement of Financial Instruments*
- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements – Volume 11)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements – Volume 11)*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements – Volume 11)*
- Amendments to MFRS 10, *Consolidated Financial Statements (Annual Improvements – Volume 11)*
- Amendments to MFRS 107, *Statement of Cash Flows (Annual Improvements – Volume 11)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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 2023 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

As at 30 September 2024, the Company has repurchased a total of 1,777,600 of its issued ordinary shares from open market at an average cost of RM2.51 per share and these shares were retained as treasury shares in accordance with Section 127 of Companies Act, 2016.

Other than the above, there were no other issuance, cancellation, resale or repayments of debts and equity securities for the financial quarter ended 30 September 2024.

A7. Dividend Paid

There was no dividend paid during the current financial quarter.

A8. Segment Information

Segment analysis for the financial quarter ended 30 September 2024 and 2023 are set out below:

	Revenue		(Loss)/Profit Before Tax	
	9 months ended 30.09.2024	9 months ended 30.09.2023	9 months ended 30.09.2024	9 months ended 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Property development	91,899	223,733	5,776	33,075
Property investment and finance	76,147	80,052	45,124	44,005
Hospitality and leisure	538,446	475,597	23,072	29,139
Investment and others	42,565	39,111	11,513	34,131
	749,057	818,493	85,485	140,350
Finance costs	-	-	(104,376)	(92,392)
Share of results of associates and joint ventures	-	-	1,712	817
	749,057	818,493	(17,179)	48,775

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THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024

A8. Segment Information (Cont'd)

Segment analysis for the financial quarter ended 30 September 2024 and 2023 are set out below: (Cont'd)

	Total Assets		Total Liabilities	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Property development	1,748,408	1,614,772	866,196	701,076
Property investment and finance	1,309,244	1,481,981	487,604	551,717
Hospitality and leisure	1,845,530	2,129,924	668,235	708,932
Investment and others	2,757,269	2,824,377	2,258,205	2,463,553
	<u>7,660,451</u>	<u>8,051,054</u>	<u>4,280,240</u>	<u>4,425,278</u>
Adjustments and eliminations	<u>(1,662,326)</u>	<u>(1,707,882)</u>	<u>(1,662,326)</u>	<u>(1,707,882)</u>
	<u>5,998,125</u>	<u>6,343,172</u>	<u>2,617,914</u>	<u>2,717,396</u>

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

	Revenue		Non-current assets [^]	
	30.09.2024	30.09.2023	30.09.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Australia	724,555	792,295	2,809,922	3,412,024
Malaysia	13,897	12,816	357,238	357,383
New Zealand	10,605	13,382	192,139	244,070
	<u>749,057</u>	<u>818,493</u>	<u>3,359,299</u>	<u>4,013,477</u>

[^] *Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, goodwill and inventories.*

A9. Related Party Disclosures

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

	3rd Quarter Ended		9 Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
A. Joint Ventures				
Dividend income	557	575	2,805	2,295
Share service income	<u>1,068</u>	<u>71</u>	<u>3,211</u>	<u>214</u>
B. Other related parties				
Companies related to Directors				
- Administration fee	125	116	406	538
- Rental paid	101	178	304	515
Companies related to a person connected to a Director				
- Rental income	<u>60</u>	<u>55</u>	<u>208</u>	<u>178</u>

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 30 September 2024 are as below:

	RM'000
(a) Approved and contracted for	8,042
(b) Approved but not contracted for	<u>82</u>

A12. Asset Classified as Held for Sale

(a) Divestment of Capri Via Roma Shopping Centre ("Capri")

During the current financial period, the Group has entered into a negotiation in relation to the divestment of its investment property in Capri. The Board has approved on the sale of Capri and is being actively marketed for sale at fair value. The divestment is expected to be completed within the next 12 months. The divestment of Capri is presented as asset classified as held for sale as at 30 September 2024 with carrying amount of RM236.69 million.

A13. Material Events Subsequent to the Reporting Date

There were no material events subsequent to 30 September 2024 that the Directors believe warrant disclosure.

A14. Changes in the Composition of the Group

On 13 September 2024, Mulpha Global Investment Pte. Ltd. ("MGIH"), a wholly-owned subsidiary of the Company has completed a transaction to dispose of its entire 100% equity interest in Mulpha Child Care Pty. Ltd. ("MCC") for a total consideration of AUD6.7 million. Consequently, MCC has ceased to be a subsidiary of MGIH.

On 30 September 2024, Mulpha Australia Limited ("MAL"), a wholly-owned subsidiary of the Company has completed a transaction to dispose of its entire 100% equity interest in Mulpha Education Group Pty. Ltd. ("MEG") for a total consideration of AUD1.0 million, of which AUD0.4 million shall be receivable on 31 January 2026. Consequently, MEG has ceased to be a subsidiary of MAL.

Other than as disclosed above and in Note A12, there were no other material changes in the composition of the Group during the current financial quarter.

A15. 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 2023.

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			
	CURRENT QUARTER ENDED 30.09.2024	COMPARATIVE QUARTER ENDED 30.09.2023			9 MONTHS ENDED 30.09.2024	9 MONTHS ENDED 30.09.2023	CHANGES	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	245,377	417,416	(172,039)	(41)	749,057	818,493	(69,436)	(8)
(Loss)/Profit from operations	(11,486)	134,449	(145,935)	>(100)	85,485	140,350	(54,865)	(39)
(Loss)/Profit before interest and tax	(12,245)	133,067	(145,312)	>(100)	87,197	141,167	(53,970)	(38)
(Loss)/Profit before tax	(47,061)	100,047	(147,108)	>(100)	(17,179)	48,775	(65,954)	>(100)
(Loss)/Profit after tax	(34,543)	98,393	(132,936)	>(100)	3,908	59,957	(56,049)	(93)
(Loss)/Profit attributable to owners of the Company	(34,619)	95,635	(130,254)	>(100)	1,546	56,986	(55,440)	(97)

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

In the current quarter ended 30 September 2024, the Group saw a revenue decrease of 41% to RM245.38 million compared to RM417.42 million in the same quarter of the previous year. The decline in revenue with lower settlements from the property development division driven by the development cycle, whilst offset by the improved performance of hospitality and leisure, property investment and finance, and investment and others divisions.

The property development division recorded a lower revenue of RM175.75 million due to high settlements in The Bond project in Australia during the previous year corresponding quarter. The hospitality and leisure division's revenue increased by RM5.19 million, driven by strong trading results from InterContinental Sydney and Sanctuary Cove supported by business travels, various Sydney events as well as the results from the newly opened golf entertainment facility, Swing City at Norwest, Australia. The investment and others division observed a decline in revenue by RM2.0 million, driven by weaker trading results from corporate merchandises and car wash businesses. The property investment and finance division's revenue increased by RM0.51 million, primarily due to an increase of leasing income generated from the Group's commercial and retail properties.

The Group's pre-tax loss for the current quarter is RM47.06 million, a reduction of RM147.11 million compared to pre-tax profit of RM100.05 million in the same quarter of the previous year mainly due to weaker operation performance from the respective division as explained above.

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

The Group's revenue of RM749.06 million for the 9 months period ended 30 September 2024 decreased by 8% as compared to revenue of RM818.49 million in the previous year's corresponding period. The decline aligns with the weaker performance from property development, property investment and finance divisions offset by better performance from the hospitality and leisure and investment and others division.

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The property development division reported a lower revenue of RM131.83 million for the 9 months period ended 30 September 2024 as compared to previous year's corresponding period, due to high settlements of The Bond project in the previous year whilst offset by higher settlements in Mulpha Norwest and Sanctuary Cove development in Australia. The investment and others division's revenue increased by RM3.45 million as compared to previous year's corresponding period was due to higher contributions from corporate merchandises and car wash businesses. The revenue for the hospitality and leisure division saw an increase in revenue of RM62.85 million for the 9 months period ended 30 September 2024 as compared to the previous year's corresponding period due to the continuous strong performance of InterContinental Sydney, contribution from Swing City at Norwest, which has commenced full operation since launched in December 2023. The revenue for property investment and finance division observed a decrease of RM3.90 million as a result of decreased debt financing deals.

The Group's pre-tax loss decreased by RM65.95 million as compared to pre-tax profit of RM48.78 million in the previous year's corresponding period mainly attributed to the weaker operation performance from the respective division and lower net dividend income received from the Group's investment securities on Hydra RL TopCo Pty Limited.

B2. Comparisons with Preceding Quarter's Results

	CURRENT	PRECEDING	CHANGES	
	QUARTER	QUARTER		
	ENDED	ENDED		
	30.09.2024	30.06.2024		
	RM'000	RM'000	RM'000	%
Revenue	245,377	257,878	(12,501)	(5)
(Loss)/Profit from operations	(11,486)	72,218	(83,704)	>(100)
(Loss)/Profit before interest and tax	(12,245)	76,146	(88,391)	>(100)
(Loss)/Profit before tax	(47,061)	40,898	(87,959)	>(100)
(Loss)/Profit after tax	(34,543)	45,570	(80,113)	>(100)
(Loss)/Profit attributable to owners of the Company	(34,619)	43,401	(78,020)	>(100)

The Group's revenue decreased by 5% to RM245.38 million for the quarter ended 30 September compared to RM257.88 million for the preceding quarter. The decrease was primarily driven by the weaker performance of hospitality and leisure, property development, and investment and others divisions offset by the better performance in property investment and finance division.

The investment and others division reported reduction in revenue of RM3.76 million as compared to the preceding quarter, mainly attributed to the decline in trading results from corporate merchandises businesses and divestment of education business in the current quarter. The decline in revenue of the property development division by RM28.83 million was primarily due to lower settlements from Mulpha Norwest developments in Australia offset by higher settlements from Sanctuary Cove developments in Australia. The hospitality and leisure division observed a decrease in revenue of RM1.0 million compared to the preceding quarter due to the successful Sanctuary Cove International Boat Show event which took place in May 2024 whilst offset against the strong performance from InterContinental Sydney from higher occupancy rate in the current quarter. Revenue in the property investment and finance division observed a marginal increase of RM0.48 million compared to the preceding quarter, primarily due to higher occupancy in Norwest City, Australia.

The Group's pre-tax loss for the current quarter ended 30 September 2024 amounted to RM47.06 million, representing a decrease of RM87.96 million compared to the pre-tax profit of RM40.90 million in the preceding quarter in line with the fair value loss on Nesuto Stadium Hotel and Apartment, Auckland and the higher dividend income from the Group's investment securities in Hydra RL TopCo Pty Limited received in the preceding quarter.

B3. Prospect

The third quarter saw mixed trading for the Group's hotel portfolio with InterContinental Sydney occupancy level at 87%, and slightly higher room rates compared to Q2. Consistent corporate market business travel and conferencing and the return of cruise ship visitors are helping keep occupancy and rates high. InterContinental Hayman Island also experienced better trading conditions than Q2 with occupancy at 71%, however that was driven by lower room rates. Lower levels of domestic and international demand for luxury travel are still affecting the Islands performance. InterContinental Sanctuary Cove also experienced a pick up in the third quarter, with consistent conference business and better leisure demand helping the hotel. Looking ahead to the fourth quarter of 2024, it is anticipated that occupancy levels will vary by location. Sydney is expected to be similar to the third quarter and to continue to perform ahead of expectations. InterContinental Hayman Island is expected to experience improved occupancy with demand levels increasing in the fourth quarter. Pleasingly, resort properties are expected to experience stronger group business in the final quarter of 2024.

The Group's investment properties have continued to maintain solid occupancies in the third quarter of 2024. 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 centre assets. While transactions in the commercial real estate market remain thin, valuations should be positively impacted if interest rates reduce over the coming 12 months.

The residential property market in the third quarter had slower sales despite the ongoing supply constraints for houses and apartments 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 slowed during the quarter. As a result of the market conditions, small and mid-size developers are not committing to projects due to construction costs and financing constraints as well as many builders facing financial pressures, including some going into liquidation. 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 and into 2025. Once interest rates start to fall, it's expected that there will be an uplift in interest, as affordability increases.

The Leisure Farm project in Iskandar Malaysia operates in a highly competitive market, however, enquiry levels have continued to improve since the beginning of 2024. 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 2025. The ability to offer completed-built products in response to market demands positions it favourably to capitalise 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, has continued to perform strongly this quarter, exceeding expectations and is expected to have a solid performance and contribute positively to the Group's hospitality results 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 specialised 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/(Loss) Before Tax

	3rd Quarter Ended		9 Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after (crediting)/charging:				
Change in fair value of investment properties	29,095	1,791	29,240	2,492
Dividend income	(424)	(97,217)	(76,847)	(97,217)
Gain on lease modification	(308)	-	(164)	-
Gain on disposal of a business	(1,681)	-	(1,681)	-
Loss on disposal of subsidiaries	56	-	56	-
Net impairment losses	675	1,194	1,705	1,532
Interest income	(6,658)	(5,576)	(19,312)	(16,009)
Interest expense	34,816	33,020	104,376	92,392
Insurance recoveries	(86)	-	(8,071)	-
Net foreign exchange loss/(gain)	8,189	(2,127)	8,195	(2,896)
Depreciation and amortisation	24,568	21,077	70,404	61,814
Rental income	(6,608)	(8,958)	(20,935)	(17,278)

B6. Tax (Benefit)/Expense

	3rd Quarter Ended		9 Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense/(benefit)				
Malaysian - current year	4,188	945	6,797	3,805
Malaysian - prior year	1,136	39	1,088	39
Overseas - current year	(1,731)	(492)	(1,114)	628
Overseas - prior year	(37)	(383)	(65)	(24,463)
	3,556	109	6,706	(19,991)
Deferred tax (benefit)/expense				
Origination and reversal of temporary differences	(10,792)	1,094	(22,511)	(15,722)
(Over)/Under provision in prior year	(5,282)	451	(5,282)	24,531
	(16,074)	1,545	(27,793)	8,809
Tax (benefit)/expense	(12,518)	1,654	(21,087)	(11,182)

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B7. Status of Corporate Proposals

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

B8. Group Loans and Borrowings

The details of the loans and borrowings as at 30 September 2024 are as follows:-

	As at 3rd Quarter Ended 2024											
	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
<u>Secured</u>												
Revolving Credit/Loan	RM			-	RM			117,448	RM			117,448
Revolving Credit/Loan	AUD	87,715	2.84	249,111	AUD	98,139	2.84	278,715	AUD	185,854	2.84	527,826
Term Loan	RM			17,447	RM			19,956	RM			37,403
Term Loan	AUD	434,960	2.84	1,235,286	AUD	55,736	2.84	158,290	AUD	490,696	2.84	1,393,576
Term Loan	NZD	-	2.62	-	NZD	30,629	2.62	80,248	NZD	30,629	2.62	80,248
Finance Lease	AUD	2,770	2.84	7,867	AUD	-	2.84	-	AUD	2,770	2.84	7,867
Bonds	AUD	15,963	2.84	45,335	AUD	2,383	2.84	6,768	AUD	18,346	2.84	52,103
				1,555,046				661,425				2,216,471
<u>Unsecured</u>												
Term Loan	AUD	-	2.84	-	AUD	2,033	2.84	5,774	AUD	2,033	2.84	5,774
				-				5,774				5,774
				1,555,046				667,199				2,222,245

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B8. Group Loans and Borrowings (Cont'd)

The details of the loans and borrowings as at 30 September 2023 are as follows:-

	As at 3rd 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
Secured												
Revolving Credit/Loan	RM			-	RM			87,448	RM			87,448
Revolving Credit/Loan	AUD	5,000	3.02	15,100	AUD	180,524	3.02	545,182	AUD	185,524	3.02	560,282
Term Loan	RM			7,682	RM			24,891	RM			32,573
Term Loan	AUD	55,736	3.02	168,323	AUD	334,215	3.02	1,009,329	AUD	389,951	3.02	1,177,652
Term Loan	NZD	-	2.80	-	NZD	32,629	2.80	91,361	NZD	32,629	2.80	91,361
Finance Lease	AUD	2,770	3.02	8,365	AUD	-	3.02	-	AUD	2,770	3.02	8,365
Bonds	AUD	18,075	3.02	54,587	AUD	3,888	3.02	11,742	AUD	21,963	3.02	66,329
				254,057				1,769,953				2,024,010

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B9. Material Litigation

There was no material litigation against the Group as at reporting date.

B10. Dividend

The Board of Directors does not recommend any dividend for the financial period ended 30 September 2024.

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:

	9 Months Ended 30.09.2024	9 Months Ended 30.09.2023
Profit for the period, amount attributable to equity holders of the parent (RM'000)	1,546	56,986
Weighted average number of ordinary shares in issue ('000)	311,178	311,178
Effect of share buyback ('000)	(201)	-
Weighted average number of ordinary shares ('000)	310,977	311,178
Basic earnings per share (sen)	0.50	18.31

(ii) Diluted earnings per share

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