

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial period ended 30 September 2012

The figures have not been audited.

I(A) CONDENSED CONSOLIDATED INCOME STATEMENT

		Current Quarter Ended 30.09.12 RM'000	Comparative Quarter Ended 30.09.11 RM'000	9 Months Cumulative To 30.09.12 RM'000	9 Months Cumulative To 30.09.11 RM'000
Revenue		680	2,215	2,955	10,162
Operating expenses		(2,183)	(2,362)	(6,244)	(10,226)
Other operating income		96	54	166	129
(Loss)/profit from operations		(1,407)	(93)	(3,123)	65
Finance cost		(508)	(91)	(604)	(334)
Loss before taxation		(1,915)	(184)	(3,727)	(269)
Taxation	B6	(92)	727	(447)	390
(Loss)/profit for the period		(2,007)	543	(4,174)	121
Attributable to :					
Owners of the parent		(1,894)	470	(3,772)	(117)
Non-controlling interests		(113)	73	(402)	238
		(2,007)	543	(4,174)	121
(Loss)/profit per share attributable to owners of the parent :-					
(i) Basic (sen)	B11	(2.07)	0.51	(4.13)	(0.13)
(ii) Diluted (sen)		(2.07)	0.51	(4.13)	(0.13)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2011 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 30.09.12 RM'000	Comparative Quarter Ended 30.09.11 RM'000	9 Months Cumulative To 30.09.12 RM'000	9 Months Cumulative To 30.09.11 RM'000
(Loss)/profit for the period	(2,007)	543	(4,174)	121
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(2,007)</u>	<u>543</u>	<u>(4,174)</u>	<u>121</u>
Attributable to :				
Owners of the parent	(1,894)	470	(3,772)	(117)
Non-controlling interests	<u>(113)</u>	<u>73</u>	<u>(402)</u>	<u>238</u>
	<u>(2,007)</u>	<u>543</u>	<u>(4,174)</u>	<u>121</u>

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited)	
		As At	As At
		30.09.2012	31.12.2011
	NOTE	RM '000	RM '000
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	A9	505	524
Investment properties		20,502	20,800
Inventories		72,541	71,624
Goodwill		1,891	1,891
		95,439	94,839
<i>Current Assets</i>			
Inventories		116,793	98,914
Trade and other receivables		5,820	5,760
Other current assets		54	24
Tax recoverable		-	147
Deposits, cash and bank balances		2,937	5,607
		125,604	110,452
Total Assets		221,043	205,291

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited)	
		As At	As At
		30.09.2012	31.12.2011
	NOTE	RM '000	RM '000
Equity and Liabilities			
<i>Equity Attributable to Owners of the Parent</i>			
Share capital		9,132	9,132
Share premium		16,179	16,179
Capital reserves		77,404	77,429
Retained earnings		5,972	9,744
		<u>108,687</u>	<u>112,484</u>
Non-controlling interests		5,372	5,774
Total Equity		<u>114,059</u>	<u>118,258</u>
<i>Non - Current Liabilities</i>			
Deferred taxation		7,246	7,303
Bank borrowings	B8	27,709	21,991
		<u>34,955</u>	<u>29,294</u>
<i>Current Liabilities</i>			
Bank borrowings	B8	7,238	12,411
Trade and other payables		46,680	37,390
Other current liabilities		17,987	7,821
Tax payable		124	117
		<u>72,029</u>	<u>57,739</u>
Total Liabilities		106,984	87,033
Total Equity and Liabilities		<u>221,043</u>	<u>205,291</u>
Net Assets per share attributable to owners of the parent (RM)		<u>1.19</u>	<u>1.23</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 2011 and the accompanying explanatory notes attached to the interim financial statements.

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent		Attributable to Owners of the Parent		Attributable to Owners of the Parent		Attributable to Owners of the Parent		Attributable to Owners of the Parent					
	Share Capital	Share Premium	Non-distributable Capital Reserves	Retained Earnings	Subtotal	Non-controlling Interests	Total Equity	Share Capital	Share Premium	Non-distributable Capital Reserves	Retained Earnings	Subtotal	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance at 1 January 2012	9,132	16,179	77,429	9,744	112,484	5,774	118,258							
Total comprehensive loss for the period	-	-	-	(3,772)	(3,772)	(402)	(4,174)							
Transactions with owners														
Dissolution of a subsidiary	-	-	(25)	-	(25)	-	(25)							
Balance at 30 September 2012	9,132	16,179	77,404	5,972	108,687	5,372	114,059							
Balance at 1 January 2011	9,132	16,179	77,429	9,318	112,058	6,408	118,466							
Total comprehensive income/(loss) for the period	-	-	-	(117)	(117)	238	121							
Transactions with owners														
Dividend paid to a minority interest	-	-	-	-	-	(1,125)	(1,125)							
Balance at 30 September 2011	9,132	16,179	77,429	9,201	111,941	5,521	117,462							

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months Ended 30.09.2012 RM '000	9 Months Ended 30.09.2011 RM '000
Loss before tax	(3,727)	(269)
Adjustments for :-		
<i>Depreciation of property, plant & equipment</i>	26	25
<i>Depreciation of investment properties</i>	305	312
<i>Write off of share issuance expense</i>	450	-
<i>Non-cash items</i>	(61)	-
<i>Interest expense</i>	604	334
<i>Interest income</i>	(80)	(91)
Operating (loss)/profit before changes in working capital	<u>(2,483)</u>	<u>311</u>
Changes in working capital:		
<i>Net change in current assets</i>	(19,298)	(19,727)
<i>Net change in current liabilities</i>	20,888	24,250
Cash (used in)/generated from operations	<u>(893)</u>	<u>4,834</u>
Tax paid	(351)	(673)
Interest paid	(2,038)	(1,996)
Net cash (used in)/generated from operating activities	<u>(3,282)</u>	<u>2,165</u>
Cash Flow from Investing Activities		
Purchase of property, plant & equipment	(7)	(10)
Refurbishment of investment properties	(8)	(7)
Interest received	80	91
Net cash generated from investing activities	<u>65</u>	<u>74</u>
Cash Flow from Financing Activity		
Net drawdown of borrowings	1,104	102
Dividend paid to a minority interest	-	(1,125)
Net cash generated from/(used in) financing activity	<u>1,104</u>	<u>(1,023)</u>
Net Changes in Cash & Cash Equivalents	(2,113)	1,216
Cash & Cash Equivalents at beginning of financial period	3,619	643
Cash & Cash Equivalents at end of financial period	<u>1,506</u>	<u>1,859</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2011 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 statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the 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 2011.

The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the annual audited financial statements for the year ended 31 December 2011.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The transition to MFRS framework does not have any material financial impact to the financial statements of the Group.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A3. SEASONAL OR CYCLICAL FACTORS

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

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and the cumulative period ended 30 September 2012.

A5. CHANGES IN ESTIMATES

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

A6. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities during the financial period ended 30 September 2012.

A7. PAYMENT OF DIVIDEND

No dividend was paid during the current financial quarter.

A8. SEGMENTAL REPORTING

	9 Months Ended 30.09.2012 RM'000	9 Months Ended 30.09.2011 RM'000
Segment Revenue		
Property	1,946	9,160
Investment holding & Others	1,009	1,002
Group Revenue	2,955	10,162
Segment Results		
Property	(2,269)	132
Investment holding & Others	(854)	(67)
(Loss)/profit from operations	(3,123)	65

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

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A10. MATERIAL EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There are no material events subsequent to the end of the financial period other than as disclosed in Note B7.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 September 2012.

A12. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

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

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

PART B**Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.****B1. REVIEW OF PERFORMANCE**

The Group recorded a revenue of RM2.955 million and a loss before taxation of RM3.727 million for the current financial period ended 30 September 2012 as compared to the revenue and loss before taxation of RM10.162 million and RM269,000 respectively in the corresponding preceding year's period. The weaker performance in the current quarter is due to lower revenue recognised for the Group's development project at Nibong Tebal, Penang.

B2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION AGAINST IMMEDIATE PRECEDING QUARTER

The Group reported a pre-tax loss of RM1.915 million in the current quarter as compared to RM1.211 million in the previous quarter. The weaker performance of the current quarter was due to lower revenue recognised for the Group's development project at Nibong Tebal, Penang.

B3. PROSPECTS

The Group's results for the year 2012 is expected to be better than indicated in this quarter's performance despite the generally challenging economic environment arising from global uncertainties. Upon completion of certain development projects in 4th quarter 2012, we expect the performance of the Group to improve.

B4. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. LOSS BEFORE TAXATION

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

	3rd Quarter Ended		9 Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	9	8	26	25
Depreciation of investment properties	102	105	305	312
Interest income	(31)	(35)	(80)	(91)
Write off of share issuance expense	450	-	450	-

B6. TAXATION

	3rd Quarter Ended		9 Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Malaysian tax expense				
Income tax				
- current year	(85)	672	(485)	267
- over provision of tax in respect of prior years	(19)	41	(19)	81
Reversal of deferred tax	12	14	57	42
	<u>(92)</u>	<u>727</u>	<u>(447)</u>	<u>390</u>

B7. STATUS OF CORPORATE PROPOSALS

On 4 May 2011, the Company ("Company" or "MLB") announced the following proposals:-

- (a) a renounceable rights issue of 456,605,000 rights shares and 273,963,000 free warrants at an indicative issue price of RM0.22 per rights share on the basis of five (5) rights shares and three (3) warrants for every one (1) existing share held in MLB at an entitlement date to be determined by the Board of Directors of MLB and announced later by the Company;
- (b) an increase in authorised share capital of the Company from RM120,000,000 comprising 200,000,000 ordinary shares of RM0.10 each ("Ordinary Shares") and 100,000,000 preference shares of RM1.00 each ("Preference Shares") to RM200,000,000 comprising 1,000,000,000 Ordinary Shares and 100,000,000 Preference Shares; and
- (c) amendments to the memorandum and articles of association of the Company to effect the proposed increase in the authorised share capital.

The Company has procured an unconditional and irrevocable undertaking from its major shareholder, Mulpha International Bhd ("MIB"), to fully subscribe to MIB's own entitlement under the above proposed rights issue as well as an unconditional and irrevocable undertaking from MIB to fully subscribe for all the rights shares not subscribed by the other entitled shareholders and/or their renounee(s).

The above proposals were approved by the shareholders at an Extraordinary General Meeting held on 23 June 2011.

The Company had on 30 September 2011 obtained the approval of Bursa Malaysia Securities Berhad for the extension of time of six (6) months from 19 November 2011 to 19 May 2012 to implement the above mentioned proposed rights issue.

On 22 March 2012, Bursa Malaysia Securities Berhad had approved a further extension of time from 19 May 2012 to 19 November 2012 to implement the above mentioned proposal.

On 18 October 2012, the Company made a withdrawal of the extension of time applied to Bursa Malaysia Securities Berhad on 19 September 2012 and has decided not to proceed with the above mentioned proposal.

B8. BANK BORROWINGS

The details of the Group's bank borrowings as at 30 September 2012 are as follows:-

	RM'000
Short Term - Secured	
Overdraft	1,431
Loan	<u>5,807</u>
	7,238
Long Term - Secured	
Loan	<u>27,709</u>
	<u><u>34,947</u></u>

B9. CHANGES IN MATERIAL LITIGATION

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

B10. DIVIDENDS

The Directors do not recommend any dividend for the financial period ended 30 September 2012.

B11. LOSS PER SHARE

The basic loss per share for the financial period ended 30 September 2012 is calculated by dividing the Group's loss attributable to owners of the parent of RM3,772,000 (2011: loss of RM117,000) by the weighted average number of 91,321,000 (2011: 91,321,000) ordinary shares.

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

B12. DISCLOSURE OF REALISED AND UNREALISED EARNINGS

The retained earnings is analysed as follows:

	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000
Total retained earnings of Mulpha Land Berhad and its subsidiaries:		
- Realised	(1,740)	1,934
- Unrealised	<u>778</u>	<u>721</u>
	(962)	2,655
Consolidated adjustments	<u>6,934</u>	<u>7,089</u>
	<u><u>5,972</u></u>	<u><u>9,744</u></u>