

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the first financial quarter ended 31 March 2013

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 31.03.13 RM'000	Comparative Quarter Ended 31.03.12 RM'000	3 months Cumulative To 31.03.13 RM'000	3 months Cumulative To 31.03.12 RM'000
Revenue		1,479	637	1,479	637
Operating expenses		(2,894)	(1,231)	(2,894)	(1,231)
Other operating income		8	41	8	41
Loss from operations		(1,407)	(553)	(1,407)	(553)
Finance cost		(119)	(48)	(119)	(48)
Loss before taxation		(1,526)	(601)	(1,526)	(601)
Income tax expense	20	(322)	(190)	(322)	(190)
Loss for the period		(1,848)	(791)	(1,848)	(791)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Loss for the period		(1,848)	(791)	(1,848)	(791)
Loss for the period attributable to:					
Owners of the parent		(1,669)	(741)	(1,669)	(741)
Non-controlling interests		(179)	(50)	(179)	(50)
		(1,848)	(791)	(1,848)	(791)
Total Comprehensive Loss for the period attributable to:					
Owners of the parent		(1,669)	(741)	(1,669)	(741)
Non-controlling interests		(179)	(50)	(179)	(50)
		(1,848)	(791)	(1,848)	(791)
Loss per share attributable to equity holders of the parent :-					
(i) Basic (sen)	24	(1.83)	(0.81)	(1.83)	(0.81)
(ii) Diluted (sen)		(1.83)	(0.81)	(1.83)	(0.81)

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

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		(Unaudited)	
		As At	As At
		31.03.2013	31.12.2012
	NOTE	RM '000	RM '000
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	489	496
Investment properties		20,272	20,380
Inventories		69,067	69,239
Goodwill		1,891	1,891
		<u>91,719</u>	<u>92,006</u>
<i>Current Assets</i>			
Inventories		102,470	105,108
Trade and other receivables		17,478	25,173
Income tax recoverable		-	62
Cash and bank balances		6,089	6,317
		<u>126,037</u>	<u>136,660</u>
Total Assets		<u>217,756</u>	<u>228,666</u>
Equity and Liabilities			
<i>Capital and Reserves</i>			
Share capital		9,132	9,132
Share premium		16,179	16,179
Capital reserve		77,403	77,403
Retained earnings		10,778	12,447
Equity attributable to owners of the parent		<u>113,492</u>	<u>115,161</u>
Non-controlling interests		5,713	5,892
Total Equity		<u>119,205</u>	<u>121,053</u>
<i>Non - Current Liabilities</i>			
Deferred tax liabilities		7,380	7,389
Bank borrowings	21	23,310	26,868
		<u>30,690</u>	<u>34,257</u>
<i>Current Liabilities</i>			
Bank borrowings	21	8,606	9,181
Trade and other payables		46,080	58,067
Other current liabilities		12,957	5,803
Income tax payable		218	305
		<u>67,861</u>	<u>73,356</u>
Total Liabilities		<u>98,551</u>	<u>107,613</u>
Total Equity and Liabilities		<u>217,756</u>	<u>228,666</u>
Net Assets per share attributable to owners of the parent (RM)		<u>1.24</u>	<u>1.26</u>

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

MULPHA LAND BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Parent ----->						
	<----- Non-distributable ----->			<-- Distributable -->			
	Share Capital	Share Premium	Capital Reserves	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2013	9,132	16,179	77,403	12,447	115,161	5,892	121,053
Total comprehensive loss for the period	-	-	-	(1,669)	(1,669)	(179)	(1,848)
At 31 March 2013	9,132	16,179	77,403	10,778	113,492	5,713	119,205
At 1 March 2012	9,132	16,179	77,429	9,744	112,484	5,774	118,258
Total comprehensive loss for the period	-	-	-	(741)	(741)	(50)	(791)
At 31 March 2012	9,132	16,179	77,429	9,003	111,743	5,724	117,467

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

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months to 31.03.2013 RM '000	3 Months to 31.03.2012 RM '000
NOTE		
Loss before tax	(1,526)	(601)
Adjustments for :-		
<i>Depreciation of property, plant & equipment</i>	9	9
<i>Depreciation of investment properties</i>	101	101
<i>Interest expense</i>	119	48
<i>Interest income</i>	(4)	(31)
Operating loss before changes in working capital	<u>(1,301)</u>	<u>(474)</u>
Changes in working capital:		
<i>Net change in current assets</i>	10,505	(5,256)
<i>Net change in current liabilities</i>	(4,862)	7,276
Cash generated from operations	<u>4,342</u>	<u>1,546</u>
Tax paid	(347)	(215)
Interest paid	(119)	(698)
Net cash generated from operating activities	<u>3,876</u>	<u>633</u>
Cash Flow from Investing Activities		
Interest received	4	31
Rights issues expenses	-	(2)
Net cash generated from investing activities	<u>4</u>	<u>29</u>
Cash Flow from Financing Activity		
Net (repayment of)/drawdown borrowings	(4,133)	1,650
Placement of pledged deposits	(1)	(440)
Net cash (used in)/generated from financing activity	<u>(4,134)</u>	<u>1,210</u>
Net Changes in Cash & Cash Equivalents	(254)	1,872
Cash & Cash Equivalents at beginning of year	4,695	2,493
Cash & Cash Equivalents at end of financial period	<u>4,441</u>	<u>4,365</u>

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

MULPHA LAND BERHAD

(Incorporated in Malaysia - 182350-H)

FINANCIAL QUARTER ENDED 31 MARCH 2013

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting.

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2012 except for the adoption of the following:

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (2011)
MFRS 127	Separate Financial Statements (2011)
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 101	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance

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

3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

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

4. SEASONAL OR CYCLICAL FACTORS

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

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

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

6. CHANGES IN ESTIMATES

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

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities during the financial quarter ended 31 March 2013.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial quarter.

9. SEGMENTAL REPORTING

	3 months ended 31.03.2013 RM'000	3 months ended 31.03.2012 RM'000
Segment Revenue		
Property	1,116	243
Investment holding & Others	363	394
Group Revenue	1,479	637
Segment Results		
Property	(1,102)	(545)
Investment holding & Others	(305)	(8)
Loss from operations	(1,407)	(553)

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

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

11. MATERIAL EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There are no material events subsequent to the end of the financial quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial quarter ended 31 March 2013.

13. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

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

14. RELATED PARTY TRANSACTIONS

	3 months ended 31/03/2013 RM'000	3 months ended 31/03/2012 RM'000
Holding company, Mulpha International Bhd.		
-Management services payable	-	(136)
-Interest expense payable to a related company in which a person to a Director of the holding company has interest	(96)	(97)
Subsidiaries of Mulpha International Bhd.		
-Management services payable	(190)	-
-Rental paid	(18)	(18)
-Sales marketing, sales administration and project management payable	(251)	(112)

Explanatory Notes Pursuant to paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

15. REVIEW OF PERFORMANCE

The Group recorded a revenue of RM1.479 million and a loss before taxation of RM1.526 million for the current financial period ended 31 March 2013 as compared to the revenue and loss before taxation of RM637,000 and RM601,000 respectively in the corresponding preceding year's quarter. The stronger performance in revenue for the current quarter is due to higher sales recognised for the Group's development project at Nibong Tebal, Penang. Despite the higher revenue, the Group recorded a higher pre-tax loss was mainly due to higher marketing, selling and distribution costs as well as higher finance cost incurred.

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

The Group reported a pre-tax loss of RM1.526 million in the current quarter as compared to a pre-tax profit of RM7.95 million in the previous quarter. The stronger performance of the previous quarter was mainly due to better contributions from improved sales of development projects at Bangsar, Kuala Lumpur and Nibong Tebal, Penang which were completed in the 4th quarter 2012.

17. PROSPECTS

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

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

19. LOSS BEFORE TAXATION

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

	3 months ended 31/03/2013 RM'000	3 months ended 31/03/2012 RM'000
Depreciation of property, plant and equipment	9	9
Depreciation of investment properties	101	101
Interest income	(4)	(31)
	<hr/>	<hr/>

20. INCOME TAX EXPENSE

	3 months ended 31/03/2013 RM'000	3 months ended 31/03/2012 RM'000
Current income tax:		
- Malaysian income tax	(331)	(197)
Deferred income tax	9	7
	<u>(322)</u>	<u>(190)</u>

21. GROUP BORROWINGS

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

	RM'000
Short Term - Secured	
Overdraft	506
Loan	<u>8,100</u>
	8,606
Long Term - Secured	
Loan	<u>23,310</u>
	<u>31,916</u>

22. 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.

23. DIVIDENDS

The Directors do not recommend any dividend for the financial period ended 31 March 2013.

24. LOSS PER SHARE

The basic loss per share for the financial period ended 31 March 2013 is calculated by dividing the Group's loss attributable to equity holders of the parent of RM1,669,000 (2012: loss of RM741,000) by the weighted average number of 91,321,000 (2012: 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.

25. DISCLOSURE OF REALISED AND UNREALISED EARNINGS

The retained earnings is analysed as follows:

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of Mulpha Land Berhad and its subsidiaries:		
- Realised	5,556	7,008
- Unrealised	<u>(890)</u>	<u>(890)</u>
	4,666	6,118
Consolidated adjustments	<u>6,112</u>	<u>6,329</u>
	<u>10,778</u>	<u>12,447</u>