

**MULPHA LAND BERHAD**

(Incorporated in Malaysia - 182350-H)

**Quarterly report on consolidated results for the financial period ended 30 September 2013**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 30.09.13 RM'000	Comparative Quarter Ended 30.09.12 RM'000	9 Months Cumulative To 30.09.13 RM'000	9 Months Cumulative To 30.09.12 RM'000
Revenue		19,808	680	28,289	2,955
Operating expenses		(15,335)	(2,183)	(24,876)	(6,244)
Other operating income		2,769	96	3,220	166
Profit/(loss) from operations		7,242	(1,407)	6,633	(3,123)
Finance cost		(519)	(508)	(1,610)	(604)
Profit/(loss) before taxation		6,723	(1,915)	5,023	(3,727)
Income tax expense	20	(445)	(92)	(849)	(447)
<b>Profit/(loss) for the period</b>		<b>6,278</b>	<b>(2,007)</b>	<b>4,174</b>	<b>(4,174)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>6,278</b>	<b>(2,007)</b>	<b>4,174</b>	<b>(4,174)</b>
<b>Profit/(loss) for the period attributable to:</b>					
Owners of the Company		5,276	(1,894)	2,971	(3,772)
Non-controlling interests		1,002	(113)	1,203	(402)
		<b>6,278</b>	<b>(2,007)</b>	<b>4,174</b>	<b>(4,174)</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>					
Owners of the Company		5,276	(1,894)	2,971	(3,772)
Non-controlling interests		1,002	(113)	1,203	(402)
		<b>6,278</b>	<b>(2,007)</b>	<b>4,174</b>	<b>(4,174)</b>
<b>Earnings/(loss) per share attributable to owners of the Company (sen) :-</b>					
Basic / Diluted	25	5.78	(2.07)	3.25	(4.13)

(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
		30.09.2013	31.12.2012
	NOTE	RM '000	RM '000
<b>Assets</b>			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	324	496
Investment properties		965	20,380
Inventories		56,484	69,239
Goodwill		1,891	1,891
		<u>59,664</u>	<u>92,006</u>
<i>Current Assets</i>			
Inventories		105,606	105,108
Trade and other receivables		22,064	25,173
Income tax recoverable		-	62
Cash and bank balances		10,175	6,317
		<u>137,845</u>	<u>136,660</u>
Non-current asset classified as held for sale		18,950	-
		<u>156,795</u>	<u>136,660</u>
<b>Total Assets</b>		<u>216,459</u>	<u>228,666</u>
<b>Equity and Liabilities</b>			
<i>Equity attributable to owners of the Company</i>			
Share capital		9,132	9,132
Share premium		16,179	16,179
Capital reserve		77,403	77,403
Retained earnings		15,418	12,447
		<u>118,132</u>	<u>115,161</u>
Non-controlling interests		7,095	5,892
<b>Total Equity</b>		<u>125,227</u>	<u>121,053</u>
<i>Non - Current Liabilities</i>			
Deferred tax liabilities		6,398	7,389
Bank borrowings	22	18,670	26,868
		<u>25,068</u>	<u>34,257</u>
<i>Current Liabilities</i>			
Bank borrowings	22	9,454	9,181
Trade and other payables		45,331	58,067
Other current liabilities		10,471	5,803
Income tax payable		908	305
		<u>66,164</u>	<u>73,356</u>
<b>Total Liabilities</b>		<u>91,232</u>	<u>107,613</u>
<b>Total Equity and Liabilities</b>		<u>216,459</u>	<u>228,666</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.29</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.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Owners of the Parent ----->		Non-distributable ----->		Distributable -->		Total	
	Share Capital	Share Premium	Capital Reserves	Retained Earnings	Non-controlling Interests	Total	Total Equity	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>At 1 January 2013</b>	9,132	16,179	77,403	12,447	5,892	115,161	121,053	
Total comprehensive income for the period	-	-	-	2,971	1,203	2,971	4,174	
<b>At 30 September 2013</b>	9,132	16,179	77,403	15,418	7,095	118,132	125,227	
<b>At 1 January 2012</b>	9,132	16,179	77,429	9,744	5,774	112,484	118,258	
Total comprehensive loss for the period	-	-	-	(3,772)	(402)	(3,772)	(4,174)	
Dissolution of a subsidiary	-	-	(25)	-	-	(25)	(25)	
<b>At 30 September 2012</b>	9,132	16,179	77,404	5,972	5,372	108,687	114,059	

(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**

	NOTE	9 Months Ended 30.09.2013 RM '000	9 Months Ended 30.09.2012 RM '000
Profit/(loss) before tax		5,023	(3,727)
Adjustments for :-			
<i>Depreciation of property, plant and equipment</i>		22	26
<i>Depreciation of investment properties</i>		273	305
<i>Write off of share issuance expense</i>		-	450
<i>Gain on disposal of property, plant and equipment</i>		(570)	-
<i>Gain on disposal of an investment property</i>		(364)	-
<i>Reversal of impairment loss on a trade receivable</i>		(632)	-
<i>Non-cash items</i>		-	(61)
<i>Interest expense</i>		1,610	604
<i>Interest income</i>		(1,657)	(80)
Operating profit/(loss) before changes in working capital		3,705	(2,483)
Changes in working capital:			
<i>Net change in current assets</i>		17,544	(19,298)
<i>Net change in current liabilities</i>		(8,068)	20,888
Cash generated from/(used in) operations		13,181	(893)
Tax paid		(1,175)	(351)
Interest paid		(3,148)	(2,038)
Net cash generated from /(used in) operating activities		8,858	(3,282)
Cash Flow from Investing Activities			
Purchase of property, plant and equipment		(2)	(7)
Refurbishment of investment properties		-	(8)
Proceed from disposal of property, plant and equipment		720	-
Proceed from disposal of an investment property		550	-
Interest received		1,657	80
Net cash generated from investing activities		2,925	65
Cash Flow from Financing Activity			
Net (repayment)/drawdown of borrowings		(7,858)	1,104
Placement of pledged deposits		(4)	-
Net cash (used in)/generated from financing activity		(7,862)	1,104
Net increase/(decrease) in Cash & Cash Equivalents		3,921	(2,113)
Cash & Cash Equivalents at beginning of year		4,695	2,493
Cash & Cash Equivalents at end of financial period		8,616	380

(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.)

## **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 30 September 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 30 September 2013.

## 8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial quarter.

## 9. SEGMENTAL REPORTING

	9 Months Ended 30.09.2013 RM'000	9 Months Ended 30.09.2012 RM'000
<b>Segment Revenue</b>		
Property	27,073	1,946
Investment holding & Others	1,216	1,009
<b>Group Revenue</b>	<b>28,289</b>	<b>2,955</b>
<b>Segment Results</b>		
Property	6,116	(2,269)
Investment holding & Others	517	(854)
<b>Profit/(loss) from operations</b>	<b>6,633</b>	<b>(3,123)</b>

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 period other than as disclosed in Note 21.

## 12. CHANGES IN THE COMPOSITION OF THE GROUP

On 4 June 2013, Mulpha Land Berhad acquired 2 ordinary shares of RM1 each of Mayfair Ventures Sdn Bhd ("MVSB"), representing the total issued and paid-up share capital of MVSB for a total consideration of RM2. MVSB is presently dormant and its intended principal activity is property development.

## 13. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

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

## 14. RELATED PARTIES TRANSACTIONS

	3rd Quarter Ended		9 Months Ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
<b>Holding company, Mulpha International Bhd.</b>				
-Management services payable	-	-	-	(136)
-Interest expense payable to a related company in which a person connected with a Director of the holding company has an interest	(98)	(98)	(291)	(292)
<b>Subsidiaries of Mulpha International Bhd.</b>				
-Interest expense	(380)	(440)	(1,164)	(440)
-Management services payable	(79)	(109)	(624)	(548)
-Rental paid	(6)	(18)	(63)	(55)
-Sales marketing, sales administration and project management payable	(1,250)	(98)	(2,031)	(307)

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

**15. REVIEW OF PERFORMANCE**

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

The Group recorded a revenue of RM28.29 million for the current financial period ended 30 September 2013 as compared to a revenue of RM2.96 million in the corresponding preceding year's period. The strong revenue was mainly attributed to sales recognised for the development projects at Bangsar, Kuala Lumpur and Nibong Tebal, Penang. In line with the higher revenue, the Group registered a strong pre-tax profit of RM5.02 million as compared to a pre-tax loss of RM3.73 million in the corresponding preceding year's period.

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

The Group recorded a revenue of RM19.81 million and a profit before taxation of RM6.72 million for the 3rd quarter ended 30 September 2013 as compared to the revenue and a loss before taxation of RM0.68 million and RM1.92 million respectively in the 3rd quarter ended 30 September 2012. The strong revenue was mainly due to the sales recognised for the Group's development projects at Bangsar, Kuala Lumpur and Nibong Tebal, Penang. In line with the higher revenue, the Group's performance has improved by RM8.64 million as compared to the 3rd quarter ended 30 September 2012.

**16. COMPARISONS WITH PRECEDING QUARTER'S RESULTS**

The Group recorded a revenue of RM19.81 million in the current quarter as compared to a revenue of RM7.00 million in the previous quarter. The Group also reported a pre-tax profit of RM6.72 million in the current quarter as compared to a pre-tax loss of RM0.17 million in the previous quarter. The stronger performance of the current quarter was mainly due to better contributions from improved sales of development projects at Bangsar, Kuala Lumpur and Nibong Tebal, Penang.

**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. PROFIT/(LOSS) BEFORE TAXATION**

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

	3rd Quarter Ended		9 Months Ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	8	9	22	26
Depreciation of investment properties	70	102	273	305
Write off of share issuance expense	-	450	-	450
Gain on disposal of an investment property	-	-	(364)	-
Gain on disposal of property, plant and equipment	(570)	-	(570)	-
Reversal of impairment loss on a trade receivable	(632)	-	(632)	-
Interest income	(1,639)	(31)	(1,657)	(80)



## 20. INCOME TAX EXPENSE

	3rd Quarter Ended		9 Months Ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Current income tax	(788)	(104)	(1,794)	(504)
Deferred income tax	343	12	945	57
	<u>(445)</u>	<u>(92)</u>	<u>(849)</u>	<u>(447)</u>

## 21. STATUS OF CORPORATE PROPOSALS

- (i) On 5 June 2013, Mayfair Ventures Sdn Bhd, a wholly-owned subsidiary of the Company, is proposing to acquire two (2) adjacent parcels of leasehold land held under PN 30649, Lot 212 and PN 30650, Lot 213 respectively, both within Mukim Bandar Damansara, Daerah Petaling, Negeri Selangor, from Tropicana Golf & Country Resort Berhad, a wholly-owned subsidiary of Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad), for a total cash consideration of RM116,123,925.42.

The above proposed acquisition will increase the property development land bank of Mulpha Land Berhad ("MLB") Group, which would be in line with the Group's strategy to focus on identifying and developing properties in strategic locations.

The proposed acquisition has been approved by MLB's shareholders at an extraordinary general meeting held on 3 October 2013 and completed on 11 November 2013.

- (ii) On 29 July 2013, MLB announced the following proposals:-
- (a) MLB has proposed to dispose of a parcel of freehold land held under Geran 449268, Lot 137699, Mukim Pulai, Daerah Johor Bahru, Negeri Johor, to Leisure Farm Equestrian Sdn Bhd ("LFESB"), a wholly-owned subsidiary of Leisure Farm Corporation Sdn Bhd, which in turn is wholly-owned by Mulpha International Bhd ("MIB"), being MLB's immediate holding company, for a consideration of RM14,915,000.
- (b) Indahview Sdn Bhd, a wholly-owned subsidiary of MLB, has proposed to dispose of a parcel of freehold land held under Geran 333611, Lot 49255, Mukim Pulai, Daerah Johor Bahru, Negeri Johor, to LFESB for a consideration of RM4,750,000.
- (c) MLB has entered into a conditional share sale agreement with Mulpha Group Services Sdn Bhd ("MGS"), a wholly-owned subsidiary of MIB, to acquire 3,196,588 ordinary shares of RM1.00 each in Mulpha Properties (M) Sdn Bhd ("MPM"), representing 100% of the issued and paid-up share capital of MPM ("Proposed MPM Acquisition"), for a cash consideration of RM47,072,424 or 23% of the gross sale value (whichever is higher) for an intended development of high-rise serviced residences on a parcel of land measuring 86,865 square feet in Section 13, Jalan Semangat of Petaling Jaya, which shall be satisfied on a deferred payment basis in the form of a bullet payment at the end of the third year from the completion of the Proposed MPM Acquisition.
- (d) MLB has proposed a bonus issue of 136,981,500 new ordinary shares of RM0.10 each in MLB ("Bonus Shares") on the basis of three (3) Bonus Shares for every two (2) existing shares of MLB held on an entitlement date to be determined later.

The above proposals are not inter-conditional upon one another and subject to the following approvals being obtained:-

- (a) The shareholders of MLB at an extraordinary general meeting to be convened;
- (b) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities; and
- (c) Any other relevant authorities (if applicable).

## 21. STATUS OF CORPORATE PROPOSALS (CONT'D.)

(iii) On 30 August 2013, Mulpha Land Berhad ("MLB") has proposed to undertake a joint venture with MJC Development Sdn Bhd ("MJC"), a wholly-owned subsidiary of Mudajaya Corporation Berhad ("MCB"), which in turn is a wholly-owned subsidiary of Mudajaya Group Berhad ("MGB"), in respect of Mayfair Ventures Sdn Bhd ("MVSB"), a wholly-owned subsidiary of MLB, whereby MLB and MJC will subscribe for 51% and 49% of the enlarged issued and paid-up share capital of MVSB respectively. The said proposed joint venture is subject to the following approvals being obtained:-

- (a) The shareholders of MLB at an extraordinary general meeting to be convened; and
- (b) Any other relevant authorities (if applicable).

## 22. BANK BORROWINGS

The details of the Group's bank borrowings as at 30 September 2013 are as follows:-

	RM'000
<b>Short Term - Secured</b>	
Overdraft	414
Loan / Revolving credit	9,040
	<u>9,454</u>
<b>Long Term - Secured</b>	
Loan	18,670
	<u>28,124</u>

## 23. 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.

## 24. DIVIDENDS

The Board of Directors has on 19 August 2013 declared an interim dividend of 1 sen gross per share less 25% income tax for the financial year ending 31 December 2013, which was paid on 15 November 2013.

## 25. EARNINGS /(LOSS) PER SHARE

The basic earnings/(loss) per share for the financial period ended 30 September 2013 is calculated based on the profit attributable to equity holders of the parent of RM2,971,000 (2012: loss of RM3,772,000) and on 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 earnings/(loss) per share for the current period is equal to basic earnings/(loss) per share.

## 26. DISCLOSURE OF REALISED AND UNREALISED EARNINGS

The retained earnings is analysed as follows:

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of Mulpha Land Berhad and its subsidiaries:		
- Realised	6,949	7,008
- Unrealised	55	(890)
	<u>7,004</u>	<u>6,118</u>
Consolidated adjustments	8,414	6,329
	<u>15,418</u>	<u>12,447</u>