

MULPHA INTERNATIONAL BHD^(19764-T)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

	CURRENT QUARTER ENDED 31.03.2009	COMPARATIVE QUARTER ENDED 31.03.2008	3 MONTHS CUMULATIVE TO 31.03.2009	3 MONTHS CUMULATIVE TO 31.03.2008
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	166,616	267,265	166,616	267,265
Operating expenses	(190,748)	(268,474)	(190,748)	(268,474)
Other operating income	8,716	17,363	8,716	17,363
Profit/(Loss) from operations	<u>(15,416)</u>	<u>16,154</u>	<u>(15,416)</u>	<u>16,154</u>
Finance costs	(14,298)	(18,414)	(14,298)	(18,414)
Share of profit of associates	12,516	5,169	12,516	5,169
Share of profit of jointly-controlled entities	2,330	4,031	2,330	4,031
Profit/(Loss) before tax	<u>(14,868)</u>	<u>6,940</u>	<u>(14,868)</u>	<u>6,940</u>
Taxation	<i>B5</i> 5,366	(3,531)	5,366	(3,531)
Profit/(Loss) for the period	<u>(9,502)</u>	<u>3,409</u>	<u>(9,502)</u>	<u>3,409</u>
Attributable to:				
Equity holders of the parent	-12,033	4,613	-12,033	4,613
Minority interests	<u>2,531</u>	<u>-1,204</u>	<u>2,531</u>	<u>-1,204</u>
Profit/(Loss) for the period	<u>-9,502</u>	<u>3,409</u>	<u>-9,502</u>	<u>3,409</u>
Earnings/(Loss) per share (sen):-				
- Basic	(1.02)	0.39	(1.02)	0.39
- Fully diluted	<u>(1.02)</u>	<u>0.39</u>	<u>(1.02)</u>	<u>0.39</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2008)

MULPHA INTERNATIONAL BHD (19764-T)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	<i>Note</i>	UNAUDITED AS AT 31.03.2009 RM'000	AUDITED AS AT 31.12.2008 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	<i>A9</i>	1,223,589	1,167,660
Investment properties		21,540	21,545
Prepaid lease payments		15,032	14,716
Investments in associates		749,289	716,544
Investments in jointly-controlled entities		186,459	177,300
Other receivables		75,572	71,786
Available for sale financial assets		2,307	2,394
Other investments		1,160	1,160
Land held for property development		529,295	596,553
Goodwill		13,764	13,589
		2,818,007	2,783,247
CURRENT ASSETS			
Property development costs		325,741	233,336
Inventories		79,786	91,190
Trade and other receivables		207,994	259,815
Financial assets at fair value through profit or loss	<i>B7</i>	25,378	17,406
Tax recoverable		6,930	5,903
Cash and bank balances		276,030	310,832
		921,859	918,482
TOTAL ASSETS		3,739,866	3,701,729

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	<i>Note</i>	UNAUDITED AS AT 31.03.2009 RM'000	AUDITED AS AT 31.12.2008 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		627,485	627,485
Share premium		797,104	797,104
Treasury shares	A6	(98,013)	(97,999)
Reserves		180,019	131,676
Retained earnings		496,184	508,189
		2,002,779	1,966,455
Minority interests		154,820	160,751
Total equity		2,157,599	2,127,206
Non-current liabilities			
Bank borrowings	B9a	775,041	803,882
Other borrowings	B9b	122,702	117,606
Deferred tax liabilities		110,554	112,932
Lease and hire purchase payables		14,394	15,204
Other long term liabilities		3,555	3,433
		1,026,246	1,053,057
Current liabilities			
Trade and other payables		283,101	294,643
Provisions for liabilities		9,980	9,811
Bank borrowings	B9a	226,615	207,510
Other borrowings	B9b	28,569	1,769
Tax payable		7,756	7,733
		556,021	521,466
Total Liabilities		1,582,267	1,574,523
TOTAL EQUITY AND LIABILITIES		3,739,866	3,701,729
Net assets per share (RM)		1.70	1.67

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2008)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED 31 MARCH 2009

	<----- Attributable to Equity Holders of the Parent ----->								Total Shareholders Equity RM'000	Minority Interest RM'000	Total Equity RM'000
	<----- Non-distributable ----->				<Distributable>						
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profit RM'000	Treasury shares RM'000			
At 1 January 2009	627,485	797,104	1,355	(11,504)	74,200	67,625	508,189	(97,999)	1,966,455	160,751	2,127,206
Net profit/(loss) for the period	-	-	-	-	-	-	(12,033)	-	(12,033)	2,531	(9,502)
Available-for-sale financial assets:											
Fair value movement	-	-	-	-	-	(108)	-	-	(108)	-	(108)
Purchase of treasury shares	-	-	-	-	-	-	-	(14)	(14)	-	(14)
Movement in subsidiaries' net assets and group reserve	-	-	-	48,824	8	-	-	-	48,832	(8,462)	40,370
Convertible Notes - equity component	-	-	-	-	-	(353)	-	-	(353)	-	(353)
Transfer within reserves	-	-	-	-	(28)	-	28	-	-	-	-
At 31 March 2009	627,485	797,104	1,355	37,320	74,180	67,164	496,184	(98,013)	2,002,779	154,820	2,157,599
At 1 January 2008	627,485	797,104	1,415	209,819	80,870	101,901	621,868	(54,641)	2,385,821	152,991	2,538,812
Net profit/(loss) for the period	-	-	-	-	-	-	4,613	-	4,613	(1,204)	3,409
Available-for-sale financial assets:											
Fair value movement	-	-	-	-	-	(208,941)	-	-	(208,941)	-	(208,941)
Purchase of treasury shares	-	-	-	-	-	-	-	(28,647)	(28,647)	-	(28,647)
Movement in subsidiaries' net assets and group reserve	-	-	-	7,882	-	-	-	-	7,882	(3,544)	4,338
Convertible Notes - equity component	-	-	-	-	-	(371)	-	-	(371)	-	(371)
At 31 March 2008	627,485	797,104	1,415	217,701	80,870	(107,411)	626,481	(83,288)	2,160,357	148,243	2,308,600

(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 2008)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2009

	<-----3 MONTHS ENDED----->	
	31.03.2009	31.03.2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(14,868)	6,940
Adjustments for non-cash items	12,698	83,032
Operating profit/(loss) before changes in working capital	(2,170)	89,972
Changes in working capital		
Net change in current assets	(953)	(58,762)
Net change in current liabilities	(12,363)	17,548
Net change in working capital	(13,316)	(41,214)
Cash (used in)/generated from operations	(15,486)	48,758
Interest paid	(14,298)	(18,414)
Interest received	4,205	4,288
Income tax paid	(493)	(584)
Staff benefits paid	(3,473)	(3,661)
Net cash (used in)/generated from operating activities	(29,545)	30,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Refurbishment of investment properties	(89)	(1,346)
Purchase of property, plant and equipment	(28,590)	(14,689)
Proceeds from sale of property, plant and equipment	219	827
Other investments	3,214	(88,848)
Refund of deposit on property, plant and equipment	40,970	-
Net cash generated from/(used in) investing activities	15,724	(104,056)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2009

	<-----3 MONTHS ENDED----->	
	31.03.2009	31.03.2008
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits uplifted	15,555	13,475
Payment of finance lease liabilities	(2,379)	(715)
Purchase of treasury shares	(14)	(28,647)
Purchase and cancellation of treasury shares by a subsidiary	(10,933)	-
Net (repayment)/drawdown of borrowings	(15,205)	78,330
Other receivables	(3,767)	-
Net cash (used in)/generated from financing activities	(16,743)	62,443
NET DECREASE IN CASH AND CASH EQUIVALENTS	(30,564)	(11,226)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	267,828	354,514
FOREIGN CURRENCY DIFFERENCES ON OPENING CASH AND CASH EQUIVALENTS	11,008	(1,559)
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	248,272	341,729

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 December 2008)

PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134: Interim Financial Reporting

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard ("FRS") 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 2008.

The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2008.

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 2008 was not subject to any qualification.

A3. Seasonal or Cyclicity of Operations

Except for the hotel 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 assets, liabilities, equity, net income or cash flows of the Group for the current quarter ended 31 March 2009.

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 period.

A6. Changes in Debt And Equity Securities

During the financial period ended 31 March 2009, the Company has bought back 32,000 ordinary shares of RM0.50 each at an average cost of RM0.45 per share. The shares bought back have been retained as treasury shares. On 22 May 2009, the Board of Directors resolved to cancel all the treasury shares of the Company comprising of 77,015,000 ordinary shares of RM0.50 each. Following the cancellation, the Company's issued and paid-up share capital decreased from RM627,485,790 to RM588,978,290.

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A7. Dividend Paid

There was no dividend paid during the current financial quarter.

A8. Segment Information

Segment analysis for the period ended 31 March 2009 is set out below:

	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Business Segment		
Property	35,492	(10,372)
Hospitality	84,716	7,842
Manufacturing	24,183	2,717
General Trading	22,150	2,675
Investment	-	(11,757)
Others	75	(6,521)
External Sales	<u>166,616</u>	<u>(15,416)</u>
Finance cost		(14,298)
Share of results of associates/ jointly controlled entities		14,846
	<u><u>166,616</u></u>	<u><u>-14,868</u></u>

A9. Valuation Of Property, Plant And Equipment

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

A10. Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at 31 March 2009 amounted to RM39.77 million.

A11. Material Events Subsequent To The Balance Sheet Date

There are no material events subsequent to 31 March 2009 to be disclosed.

A12. Changes in The Composition Of the Group

Manta Professional Services Limited ("MPSL"), an indirect 88% owned subsidiary of the Company, was deregistered and dissolved on 13 February 2009. MPSL was dissolved as it was inactive.

LF Polo Management Pte Ltd ("LFPM"), an indirect 100% owned subsidiary of the Company, was struck-off on 15 April 2009. The Company had arranged for LFPM to be struck-off as LFPM was inactive.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Changes in the contingent liabilities since 31 December 2008 are as follows:-

	Decrease RM'000
Guarantees given to third parties	6,649
Machineries buy back option	3,062
	<u>9,711</u>

(b) There are no contingent assets as at the date of this report.

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 RM166.6 million and a loss after tax of RM9.5 million for the 1st quarter of 2009 as compared to a revenue of RM267.3 million and a profit after tax of RM3.4 million for the corresponding 1st quarter of 2008. The weaker performance for the current quarter was mainly due to lower contribution from the Group's property and hotel operations in Australia, however, partially offset by lower fair value adjustment loss for the Group's financial assets.

B2. Comparisons With Preceding Quarter's Results

The Group recorded a loss after tax of RM9.5 million for the 1st quarter of 2009 as compared to the loss after tax of RM132.0 million for the 4th quarter of 2008. The weak results of the preceding quarter was mainly due to impairment provisions recognised relating to an island resort in Australia and a development land in Malaysia, losses incurred on the Group's investments and equity share of loss of an associate's results.

B3. Current Year Prospects

Given the difficult global economic conditions, the Group's prospect for the year 2009 is expected to be challenging.

B4. Variance from Profit Forecast or Profit Guarantee

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

B5. Taxation

	1st Quarter Ended		3 Months Period Ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
Current year income tax				
- Malaysian	506	22	506	22
- Foreign	387	1,223	387	1,223
	<u>893</u>	<u>1,245</u>	<u>893</u>	<u>1,245</u>
Deferred tax				
- Malaysian	-6	-643	-6	(643)
- Foreign	-6,225	4,740	-6,225	4,740
	<u>-6,231</u>	<u>4,097</u>	<u>-6,231</u>	<u>4,097</u>
Overprovision of taxation in prior years	-28	-1,811	-28	-1,811
	<u><u>-5,366</u></u>	<u><u>3,531</u></u>	<u><u>-5,366</u></u>	<u><u>3,531</u></u>

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B6. Profit on Sale of Unquoted Investments or Properties

There were no material sale of unquoted investments and properties (not in the ordinary course of business of the Group) for the period ended 31 March 2009.

B7. Purchase and Disposal of Quoted Securities

(a) Purchase/disposal of quoted securities by the Group in the ordinary course of business are as follows:

	3 Months Period Ended 31.03.2009 RM'000
Total purchases at cost	<u>3,883</u>
Total disposal (at disposal value)	<u>14</u>
Total loss on disposal	<u>202</u>

(b) Investments in quoted securities as at 31 March 2009 by the Group in the ordinary course of business are as follows:-

	RM'000
Total investment at cost	<u>63,378</u>
Total investment at market value	<u>25,378</u>

B8. Status of Corporate Proposals

There was no outstanding corporate proposal as at the date of this report.

B9. Group Borrowings and Debt Securities

(a) The details of the bank borrowings as at 31 March 2009 are as follows:-

	RM'000	RM'000
Short term - Secured	221,828	
- Unsecured	<u>4,787</u>	226,615
Long term - Secured		<u>775,041</u>
		<u>1,001,656</u>

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Included in the above Group borrowings are the following bank borrowings raised by foreign subsidiaries and denominated in foreign currencies:

		'000	RM'000 equivalent
Australian Dollar	AUD	295,127	734,866
Pound Sterling	GBP	2,117	11,051
Hong Kong Dollar	HKD	175,246	82,751
Singapore Dollar	SGD	564	1,354
US Dollar	USD	4,525	16,563
Japanese Yen	JPY	87,651	3,278
			<u>849,863</u>

(b) Other borrowings comprise of the following :-

	RM'000	RM'000
Short term -		
Secured : Bonds	1,935	
Unsecured : Revolving Loan	<u>26,634</u>	28,569
Long term -		
Secured : Bonds	94,316	
Unsecured : Convertible Notes	<u>28,386</u>	<u>122,702</u>
		<u>151,271</u>

B10. Material Litigation

As at the date of this report, there was no pending material litigation which would adversely affect the financial position of the Group.

B11. Dividend

The Board of Directors does not recommend any dividend for the current financial period ended 31 March 2009.

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B12. Earnings/(Loss) Per Share

The basic earnings/(loss) per share for the period ended 31 March 2009 is computed by dividing the loss of RM12,033,000 (2008: profit of RM4,613,000) attributable to equity holders of the parent by the weighted average number of 1,177,959,246 (2008: 1,197,376,779) ordinary shares in issue during the period, excluding the treasury shares held by the Company.

The effects on the basic earnings/(loss) per share for the current financial period arising from the assumed conversion of the warrants are anti-dilutive. Accordingly, the diluted earnings/(loss) per share for the current period is presented as equal to basic earnings/(loss) per share.

By Order Of The Board

NG SENG NAM
Company Secretary

Petaling Jaya
22 May 2009