

# MULPHA INTERNATIONAL BHD<sup>(19764-T)</sup>

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2007

(The figures have not been audited)

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	<b>CURRENT QUARTER ENDED 31.12.2007</b>	<b>COMPARATIVE QUARTER ENDED 31.12.2006</b>	<b>12 MONTHS CUMULATIVE TO 31.12.2007</b>	<b>12 MONTHS CUMULATIVE TO 31.12.2006</b>
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Revenue	<b>251,706</b>	246,543	<b>987,985</b>	846,633
Operating expenses	<b>(231,570)</b>	(240,746)	<b>(914,019)</b>	(838,217)
Other operating income	<b>33,710</b>	58,068	<b>81,248</b>	88,639
Profit from operations	<b>53,846</b>	63,865	<b>155,214</b>	97,055
Finance costs	<b>(15,963)</b>	(19,156)	<b>(65,869)</b>	(68,714)
Share of profit of associates	<b>1,891</b>	335	<b>14,904</b>	11,992
Share of profit of jointly-controlled entities	<b>12,153</b>	15,401	<b>27,868</b>	15,401
Profit before tax	<b>51,927</b>	60,445	<b>132,117</b>	55,734
Taxation	<b>(8,447)</b>	(4,915)	<b>(9,243)</b>	2,592
Profit for the period	<b>43,480</b>	55,530	<b>122,874</b>	58,326
Attributable to:				
Equity holders of the parent	<b>46,219</b>	58,947	<b>120,714</b>	54,645
Minority interests	<b>-2,739</b>	-3,417	<b>2,160</b>	3,681
Profit for the period	<b>43,480</b>	55,530	<b>122,874</b>	58,326
Earnings/(losses) per share (sen):-				
- Basic	<b>3.81</b>	4.94	<b>9.94</b>	4.58
- Fully diluted	<b>3.74</b>	4.94	<b>9.77</b>	4.58

*(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 2006)*

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	<i>Note</i>	UNAUDITED AS AT <b>31.12.2007</b> RM'000	AUDITED AS AT <b>31.12.2006</b> RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	A9	<b>1,416,481</b>	1,370,192
Investment property		<b>14,912</b>	13,124
Prepaid lease payments		<b>14,235</b>	12,375
Investment in associates		<b>98,864</b>	78,412
Investments in jointly-controlled entities		<b>191,345</b>	156,173
Other receivables		<b>72</b>	74
Available for sale financial assets		<b>509,582</b>	348,729
Other investments		<b>1,160</b>	1,160
Land held for property development		<b>508,344</b>	611,612
Goodwill		<b>12,693</b>	13,091
		<b>2,767,688</b>	2,604,942
<b>CURRENT ASSETS</b>			
Property development costs		<b>266,599</b>	198,753
Inventories		<b>84,918</b>	98,284
Trade and other receivables		<b>272,139</b>	238,633
Derivative financial instruments		-	64,937
Financial assets at fair value through profit or loss	B7	<b>117,280</b>	52,713
Tax recoverable		<b>1,977</b>	2,972
Cash and bank balances		<b>399,276</b>	279,998
		<b>1,142,189</b>	936,290
<b>TOTAL ASSETS</b>		<b>3,909,877</b>	3,541,232

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	<i>Note</i>	UNAUDITED AS AT <b>31.12.2007</b> RM'000	AUDITED AS AT <b>31.12.2006</b> RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>627,485</b>	627,485
Share premium		<b>797,104</b>	709,843
Treasury shares	A6	<b>(54,641)</b>	(51,275)
Reserves		<b>394,003</b>	354,453
Retained earnings		<b>622,446</b>	496,323
		<b>2,386,397</b>	2,136,829
Minority interests		<b>166,933</b>	125,166
<b>Total equity</b>		<b>2,553,330</b>	2,261,995
<b>Non-current liabilities</b>			
Bank borrowings	B9a	<b>688,280</b>	624,783
Other borrowings	B9b	<b>139,115</b>	107,942
Deferred tax liabilities		<b>175,983</b>	163,661
Lease and hire purchase payables		<b>15,931</b>	11,744
Other long term liabilities		<b>4,527</b>	3,196
		<b>1,023,836</b>	911,326
<b>Current liabilities</b>			
Trade and other payables		<b>201,017</b>	214,516
Provisions for liabilities		<b>12,094</b>	10,892
Bank borrowings	B9a	<b>109,804</b>	126,142
Other borrowings		<b>1,927</b>	1,641
Tax payable		<b>7,869</b>	14,720
		<b>332,711</b>	367,911
<b>Total Liabilities</b>		<b>1,356,547</b>	1,279,237
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,909,877</b>	3,541,232
<b>Net assets per share (RM)</b>		<b>1.96</b>	1.81

*(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 2006)*

## MULPHA INTERNATIONAL BHD (19764-T)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	-----> Attributable to Equity Holders of the Parent <----->										
	-----> Non-distributable <----->					<Distributable>			Total		
	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	Total Shareholders Equity RM'000	Minority Interest RM'000	Total Equity RM'000
<b>At 1 January 2007</b>	627,485	709,843	1,393	169,834	81,066	102,160	496,323	(51,275)	2,136,829	125,166	2,261,995
Net profit for the period	-	-	-	-	-	-	120,714	-	120,714	2,160	122,874
Transfer (to)/from income statement	-	-	(34)	-	-	-	5,409	-	5,375	-	5,375
Available-for-sale financial assets:											
Fair value movement	-	-	-	-	-	(17,262)	-	-	(17,262)	-	(17,262)
Purchase of treasury shares	-	-	-	-	-	-	(59,818)	-	(59,818)	-	(59,818)
Sale of treasury shares	-	87,261	-	-	-	-	-	56,452	143,713	-	143,713
Surplus/(Deficit) arising on translation of net investments in foreign entities	-	-	-	43,846	-	-	-	-	43,846	(8,793)	35,053
Movement in subsidiaries' net assets and group reserve	-	-	-	-	-	-	-	-	-	48,400	48,400
Convertible Notes - equity component	-	-	-	-	-	13,000	-	-	13,000	-	13,000
<b>At 31 December 2007</b>	<b>627,485</b>	<b>797,104</b>	<b>1,359</b>	<b>213,680</b>	<b>81,066</b>	<b>97,898</b>	<b>622,446</b>	<b>(54,641)</b>	<b>2,386,397</b>	<b>166,933</b>	<b>2,553,330</b>
<b>At 1 January 2006 (restated)</b>	627,485	709,843	2,850	162,906	81,066	4,106	378,602	(19,919)	1,946,939	137,403	2,084,342
Effect of adopting:											
FRS 3	-	-	-	-	-	-	4,305	-	4,305	-	4,305
FRS 116	-	-	-	-	-	-	(1,026)	-	(1,026)	-	(1,026)
FRS 139	-	-	-	-	-	53,820	50,816	-	104,636	-	104,636
	627,485	709,843	2,850	162,906	81,066	57,926	432,697	(19,919)	2,054,854	137,403	2,192,257
Net profit for the period	-	-	-	-	-	-	54,645	-	54,645	3,681	58,326
Deferred taxation	-	-	(960)	-	-	-	-	-	(960)	-	(960)
Available-for-sale financial assets:											
Fair value movement	-	-	-	-	-	49,910	-	-	49,910	-	49,910
Purchase of treasury shares	-	-	-	-	-	-	-	(31,356)	(31,356)	-	(31,356)
Surplus/(deficit) arising on translation of net investments in foreign entities	-	-	-	9,736	-	-	-	-	9,736	(4,809)	4,927
Movement in subsidiaries' net assets and group reserves	-	-	-	-	-	-	-	-	-	(11,109)	(11,109)
Realisation of revaluation surplus and capital profits on disposal of investments	-	-	(497)	(2,808)	-	(5,676)	8,981	-	-	-	-
<b>At 31 December 2006</b>	<b>627,485</b>	<b>709,843</b>	<b>1,393</b>	<b>169,834</b>	<b>81,066</b>	<b>102,160</b>	<b>496,323</b>	<b>(51,275)</b>	<b>2,136,829</b>	<b>125,166</b>	<b>2,261,995</b>

*(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 2006)*

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	<-----12 MONTHS ENDED----->	
	31.12.2007	31.12.2006
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	132,117	55,734
Adjustment for non-cash items	45,447	29,492
Operating profit before changes in working capital	177,564	85,226
Changes in working capital		
Net change in current assets	(38,676)	66,007
Net change in current liabilities	(18,599)	50,267
Net change in working capital	(57,275)	116,274
Cash generated from operations	120,289	201,500
Interest paid	(65,869)	(68,714)
Interest received	17,886	17,767
Income tax refund/(paid)	240	(9,109)
Staff benefits paid	(12,950)	(13,159)
Net cash generated from operating activities	59,596	128,285
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Liquidation of joint venture	727	-
Placement of shares in a subsidiary	53,654	-
Disposal of shares in a subsidiary	53,851	-
Additional investments in a subsidiary	(52,505)	-
Purchase of property, plant and equipment	(74,021)	(38,007)
Proceeds from sale of property, plant and equipment	10,445	9,522
Other investments	(48,826)	5,384
Net cash used in investing activities	(56,675)	(23,101)

# MULPHA INTERNATIONAL BHD (19764-T)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	<-----12 MONTHS ENDED----->	
	<u>31.12.2007</u>	<u>31.12.2006</u>
	RM'000	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	(20,338)	(6,274)
Payment of finance lease liabilities	(4,130)	(3,650)
Purchase of treasury shares	(59,818)	(31,356)
Sale of treasury shares	143,713	-
Proceeds from convertible notes	12,600	-
Net drawdown/(repayment) of borrowings	28,524	(31,747)
Dividends paid to minority interests	(5,309)	(7,999)
Net cash generated from/(used in) financing activities	<u>95,242</u>	<u>(81,026)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>98,163</b>	24,158
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	<b>251,817</b>	230,015
FOREIGN CURRENCY DIFFERENCES ON OPENING CASH AND CASH EQUIVALENTS	<b>6,077</b>	(2,356)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	<u><b>356,057</b></u>	<u>251,817</u>

*(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 2006)*

**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 2006.

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 2006 except for the adoption of the new and revised FRS issued by MASB that are effective for the Group's annual reporting for the year ending 31 December 2007.

**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 2006 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**

The Group recognised a gain on dilution of shares in a subsidiary of RM9.1 million and loss on disposal of a 49% equity interest in a subsidiary of RM1.3 million during the current financial year.

Other than the above, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the year ended 31 December 2007.

**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 year.

**A6. Changes in Debt And Equity Securities**

The shareholders at the Annual General Meeting on 21 June 2007 approved the renewal of authority for the Company to buy back up to 10% of its issued shares.

During the financial year ended 31 December 2007, the Company sold 75,733,000 of its treasury shares at average price of RM1.93 per share deriving a total net consideration of RM143.7 million.

As at 31 December 2007, the Company has bought back 36,567,600 ordinary shares of RM0.50 each at an average cost of RM 1.494 per share. The shares bought back have been retained as treasury shares.

**A7. Dividend Paid**

There was no dividend paid during the current financial year.

**A8. Segment Information**

Segment analysis for the year ended 31 December 2007 is set out below:

	<b>Revenue</b>	<b>Profit Before Tax</b>
	RM'000	RM'000
<b>Business Segment</b>		
Property	372,169	40,316
Hospitality	384,647	59,728
Manufacturing	137,648	3,994
General Trading	89,535	9,150
Investment	2,442	41,897
Others	1,544	129
External Sales	<u>987,985</u>	<u>155,214</u>
Finance cost		(65,869)
Share of results of associates/ jointly controlled entities		42,772
	<u><u>987,985</u></u>	<u><u>132,117</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 December 2007 amounted to RM66.9 million.

**A11. Material Events Subsequent To The Balance Sheet Date**

The material event subsequent to 31 December 2007 is disclosed in note B8.

**A12. Changes In The Composition Of the Group**

During the year ended 31 December 2007, the changes in the composition of the Group are as follow:-

- (a) Nine dormant/inactive subsidiaries incorporated in Malaysia were disposed of for nominal considerations of RM2 each. In addition, seven dormant/inactive subsidiaries incorporated in Australia and Hong Kong were deregistered.
- (b) Changzhou Manfield Chemical Company Limited became a 80% owned subsidiary of Manfield Chemical Limited, a subsidiary of Greenfield Chemical Holdings Limited upon the completion of the Corporate proposals as disclosed in Note B8(b).
- (c) Jumbo Hill Group Limited. became a wholly owned subsidiary of Mulpha Strategic Limited, an indirect subsidiary of the Company.
- (d) The shareholding by Mulpha Land Berhad in Mulpha Argyle Property Sdn Bhd ( formerly known as Mega Readymixed Sdn Bhd) ("MAPSB") was reduced from 100% to 51%. MAPSB is considered an associate company as the Group does not have control over the Board of Directors of MAPSB.

**A13. Changes In Contingent Liabilities or Contingent Assets**

- (a) Changes in the contingent liabilities since 31 December 2006 are as follows:-

	Decrease RM'000
Guarantees given to third parties	35,466
Machineries buy back option	1,554
	<u>37,020</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 net profit of RM122.87 million for the year ended 31 December 2007 as compared to the net profit of RM58.33 million for the year ended 31 December 2006. The major contributors were the Group's investment in Australia and Leisure Farm in the Iskandar Development Region. Other operations of the Group generally performed to expectations.

**B2. Comparisons With Preceding Quarter's Results**

The Group recorded a profit after tax of RM43.5 million for the fourth quarter ended 31 December 2007 as compared to the profit after tax of RM39.31 million recorded for the third quarter of year 2007. The increase was mainly due to the better performance of the Australian operations.

**B3. Current Year Prospects**

On the basis that the economies of Malaysia and the countries in which the Group operates will record reasonable growth in 2008 which will benefit the Group's operations, the performance of the Group is expected to be satisfactory in year 2008.

**B4. Variance from Profit Forecast or Profit Guarantee**

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

**B5. Taxation**

	4th Quarter Ended		12 Months Period Ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
Current year income tax				
- Malaysian	713	659	868	1,171
- Foreign	9,781	4,561	11,141	5,455
	<u>10,494</u>	<u>5,220</u>	<u>12,009</u>	<u>6,626</u>
Deferred tax				
- Malaysian	-706	(2,232)	(2,679)	(2,232)
- Foreign	-1,239	3,672	120	-5,192
	<u>-1,945</u>	<u>1,440</u>	<u>-2,559</u>	<u>-7,424</u>
Under/(over) provision of taxation in prior years	-102	-1,745	-207	-1,794
	<u>8,447</u>	<u>4,915</u>	<u>9,243</u>	<u>-2,592</u>

The Group's effective tax rate for the year ended 31 December 2007 was lower than the Malaysian statutory tax rate of 27% mainly due to availability of group relief tax incentive and accumulated tax losses that was set-off against chargeable income.

**B6. Profit on Sale of Unquoted Investments or Properties**

Apart from the loss on disposal of a 49% equity interest in Rookwood Investments Limited of RM1.3 million (as disclosed in Note B8(e)(ii)), there was no other material sale of unquoted investments and properties (not in the ordinary course of business of the Group) for the current quarter and the year ended 31 December 2007.

**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:-

	<b>4th Quarter Ended 31.12.2007 RM'000</b>	<b>12 Months Year Ended 31.12.2007 RM'000</b>
Total purchases at cost	<u>42,711</u>	<u>139,064</u>
Total disposal ( at disposal value)	<u>11,617</u>	<u>72,625</u>
Total gain on disposal	<u>660</u>	<u>8,347</u>

(b) Investments in quoted securities as at 31 December 2007 by the Group in the ordinary course of business are as follows:-

	<b>RM'000</b>
Total investment at cost	<u>122,159</u>
Total investment at market value	<u>117,280</u>

**B8. Status of Corporate Proposals**

(a) Expiry of Investment Licence for the International Hotel (Saigon) Joint Venture ('the JV')

The Investment Licence for the JV in Ho Chi Minh City, Vietnam expired on 22 January 2005. The Company, through Asian Fame Development Ltd ("AFDL"), has a 70% interest in the JV. The JV owned and operated a 50 room hotel known as International Hotel (Saigon) in Ho Chi Minh City. The People's Committee of Ho Chi Minh City has vide its letter dated 14 December 2006 given its approval for the dissolution of the JV. The dissolution of the JV was completed on 17 January 2007 with the distribution of the liquidation surplus of the JV assets. AFDL's share of the liquidation distribution amounted to RM727,596. The Group had accrued for a loss of RM1,323,822 in the previous financial year 2006 for the dissolution of the JV.

(b) Establishment of a Joint Venture Company in China

Manfield Chemical Limited ("MCL") had on 30 March 2007 entered into a Joint Venture Agreement with Changzhou Taike Chemical Co Ltd ("the JV Partner") to incorporate a joint venture company named Changzhou Manfield Chemical Company Limited ("the JV Company") to be owned 80% by MCL and 20% by the JV Partner. MCL is a subsidiary of Greenfield Chemical Holdings Limited which is an indirect subsidiary of the Company.

The JV Company will be principally engaged in the manufacture of acrylic stoving enamel which is a type of paints applied mainly to metal or plastic electronic products, and will have a registered capital of HK\$42 million (approximately RM20 million). MCL will contribute capital in the form of cash and/or raw materials in the aggregate amount of HK\$33.6 million (approximately RM16 million) while the capital contribution of the JV partner will be by way of injection of assets including land use rights, machinery, equipment and plant in the aggregate amount of HK\$8.4 million (approximately RM4 million).

(c) Proposed Disposal of 100% equity interest in Leisure Farm Corporation Sdn Bhd ("LFCSB") to Mulpha Land Berhad ("MLB")

The Company had on 31 May 2007 entered into a conditional Share Sale Agreement ("SSA") with MLB for the proposed disposal of its 100% equity interest in LFCSB for a consideration of RM148 million to be satisfied by the issuance of RM148 million Redeemable Convertible Preference Shares ("RCPS A") and the settlement of an indicative amount of RM328,897,658 owing by LFCSB to MIB ("Intercompany Amount") to be satisfied by the issuance of up to RM328 million Redeemable Convertible Preference Shares ("RCPS B"). If the Intercompany Amount exceeds RM328 million as at the completion date, the excess will be satisfied in cash.

The Proposed Disposal is subject to the approvals from the Securities Commission ("SC"), Foreign Investment Committee, Bursa Malaysia Securities Berhad and the shareholders of MLB.

The SC vide its letter dated 9 October 2007 did not approve the Proposed Disposal. MLB has submitted an appeal on the matter, but has decided to withdraw its appeal on 13 February 2008.

(d) Proposed Purchase of Land in Bukit Tunku, Kuala Lumpur by Mulpha Land Berhad ("MLB")

- (i) Mulpha Land Berhad ("MLB"), through its wholly-owned subsidiary, Mulpha Argyle Property Sdn Bhd (formerly known as Mega Readymixed Sdn Bhd) ("MAPSB") had on 28 June 2007 entered into a conditional Sale and Purchase Agreement ("the Agreement") with Imbasan Azim Sdn Bhd for the proposed acquisition of a peice of land in Bukit Tunku, Kuala Lumpur for a cash consideration of RM17.9 million ("Proposed Acquisition"). MLB is a 55.6% owned subsidiary of the Company.

The Foreign Investment Committe has vide its letter dated 4 September 2007 approved the participation by Modern State Management Limited ("MSML") which is a foreign party, of 49% in the shareholding of MAPSB with the balance of 51% to be held by MLB. MSML is owned by Argyle Street Management Limited, a fund management company in Hong Kong. The Proposed Acquisition was completed in January 2008.

**B8. Status of Corporate Proposals (Cont'd)**

(d) Proposed Purchase of Land in Bukit Tunku, Kuala Lumpur by Mulpha Land Berhad ("MLB")(cont'd)

(ii) On 12 December 2007, MLB announced that MAPSB had entered into a conditional Sale and Purchase agreement with Mr. Teh Yean Teong for the proposed acquisition of two parcels of freehold vacant land located in Bukit Tunku. The total purchase price of the land was RM12.8 million and the purchase is expected to be completed by April 2008.

(e) (i) Proposed Acquisition of a 49% Equity Interest in Pacific Orchid Investments Limited; and

(ii) Proposed Disposal of a 49% equity interest in Rookwood Investments Limited

(i) Mulpha Strategic Limited ("MSL"), an indirect wholly-owned subsidiary of the Company and Jumbo Hill Group Limited ("Jumbo Hill"), a wholly-owned subsidiary of MSL, had on 30 July 2007 entered into a conditional Agreement for Sale and Purchase with Yuen Shu Wah ("Yuen"), Ko Jack Lum ("Ko"), Yuen Shi Ki, Wong Chi Kong, Wong Shiu Chun and Kwok Wai Kit (collectively "the Vendors") to acquire a 49% equity interest comprising 4,900 shares of US\$1.00 each in Pacific Orchid Investments Limited ("POIL") for a cash consideration of HK\$119,439,500 (approximately RM53 million)("Proposed Acquisition"). MSL and Jumbo Hill will acquire 17% and 32% equity interest in POIL respectively; and

(ii) Greenfield Chemical Holdings Limited ("Greenfield"), a subsidiary of POIL, had on 30 July 2007 entered into a conditional Agreement for Sale and Purchase with the Vendors to dispose of a 49% equity interest comprising 4,900 shares of US\$1.00 each in Rookwood Investments Limited ("Rookwood"), for a consideration of HK\$122,500,000 (approximately RM54 million)("Proposed Disposal").

The Proposed Acquisition and Proposed Disposal are interconditional.

Yuen and Ko are also directors of POIL and Greenfield. MSL currently holds a 51% equity interest in POIL which in turn holds a 75% equity interest in Greenfield which is listed on the Stock Exchange of Hong Kong. Upon the completion of the Proposed Acquisition, the Group will hold 100% equity interest in POIL.

The Proposed Disposal was approved by the shareholders of Greenfield at the Extraordinary General Meeting held on 5 October 2007.

The Proposed Acquisition and Disposal were completed in the 4th quarter 2007.

(f) Proposed Acquisition of a 100% Equity Interest in Winfame Investments Limited

Greenfield Chemical Holdings Limited ("Greenfield"), through its wholly-owned subsidiary, Smart Million Limited, had on 5 November 2007 entered into a conditional Agreement for Sale and Purchase with New Hoong Investment Limited, New Mine Investment Limited, Will High International Limited and Mr. Lin Xu Ming to acquire 100% equity interest in Winfame Investments Limited comprising 50,000 shares of US\$1.00 each for a consideration of up to HK\$1 billion (approximately RM446 million)("Proposed Acquisition"). Greenfield, listed on the Hong Kong Stock Exchange, is a subsidiary of the Company.

The Proposed Acquisition is subject to the approval of the Securities and Future Commission of Hong Kong, the Hong Kong Stock Exchange and the shareholders of Greenfield.

**B8. Status of Corporate Proposals (Cont'd)**

(g) Proposed Purchase of Bungalow lot in Leisure Farm Resort, Johor

On 28 January 2008, Mulpha Land Berhad("MLB") announced that is had entered into a conditional Sale and Purchase agreement with Leisure Farm Corporation Sdn Bhd("LFCSB") for the proposed acquisition of a freehold vacant bungalow lot in the Leisure Farm Resort, Johor for a cash consideration of RM2.4 million. The proposed acquisition is expected to be completed by the second quarter of year 2008. Both MLB and LFCSB are subsidiaries of the Company.

**B9. Group Borrowings and Debt Securities**

(a) The details of the Group's borrowings as at 31 December 2007 are as follows:-

	<b>RM'000</b>	<b>RM'000</b>
Short term - Secured	105,106	
- Unsecured	4,698	109,804
Long term - Secured		688,280
		798,084

		<b>RM'000</b>	<b>RM'000</b>
		'000	equivalent
Bank borrowings raised by foreign subsidiaries and denominated in foreign currencies:			
Australian Dollar	AUD	215,187	626,195
Pound Sterling	GBP	2,823	18,686
Hong Kong Dollar	HKD	141,027	59,894
Singapore Dollar	SGD	2,547	5,833
Japanese Yen	JPY	138,124	4,075
			714,683

(b) Other borrowings comprise of the following :-

	<b>RM'000</b>
Bond liability	112,160
Convertible Notes	26,955
	139,115

**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 year.

**B12. Earnings/(Losses) Per Share**

**Basic earnings/(losses) per share**

The basic earnings/(losses) per share of the Group has 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 year, excluding treasury shares held by the Company.

	<b>12 Months Year Ended 31.12.2007</b>	<b>12 Months Year Ended 31.12.2006</b>
Profit/(loss) attributable to equity holders of the parent (RM'000)	<u>120,714</u>	<u>54,645</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,213,824</u>	<u>1,194,078</u>
Basic earnings/(losses) per share (sen)	<u>9.94</u>	<u>4.58</u>

**Fully diluted earnings/(losses) per share**

The diluted earnings/(losses) per share of the Group has 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 year, adjusted for the assumed conversion of the warrants.

	<b>12 Months Year Ended 31.12.2007</b>	<b>12 Months Year Ended 31.12.2006</b>
Profit/(loss) attributable to equity holders of the parent (RM'000)	<u>120,714</u>	<u>54,645</u>
Weighted average number of ordinary shares in issue ('000)	1,213,824	1,194,078
Effect of unexercised warrants ('000)	22,297	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,236,121</u>	<u>1,194,078</u>
Diluted earnings/(losses) per share(sen)	<u>9.77</u>	<u>4.58</u>

By Order Of The Board

NG SENG NAM  
 Company secretary

Petaling Jaya  
 28 February 2008

**MULPHA INTERNATIONAL BHD**  
**PART A2: SUMMARY OF KEY FINANCIAL INFORMATION**

**SUMMARY OF KEY FINANCIAL INFORMATION**  
**FOR THE FINANCIAL PERIOD ENDED 31/12/2007**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/07 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/06 RM'000	CURRENT YEAR TODATE 31/12/07 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/06 RM'000
Revenue	251,706	246,543	987,985	846,633
Profit before tax	51,927	60,445	132,117	55,734
Profit for the period	43,480	55,530	122,874	58,326
Profit attributable to ordinary equity holders of the parent	46,219	58,947	120,714	54,645
Basic earnings per share (sen)	3.81	4.94	9.94	4.58
Diluted earnings per share (sen)	3.74	4.94	9.77	4.58
Dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END		
Net assets per share (RM)	1.96	1.81		

**MULPHA INTERNATIONAL BHD**  
**PART A3: ADDITIONAL INFORMATION**

**ADDITIONAL INFORMATION FOR**  
**THE FINANCIAL PERIOD ENDED 31/12/2007**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER 31/12/07 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31/12/06 RM'000</b>	<b>CURRENT YEAR TODATE 31/12/07 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/06 RM'000</b>
Profit from operations	53,846	63,865	155,214	97,055
Gross interest income	4,959	5,893	17,886	17,767
Gross interest expense	15,963	19,156	65,869	68,714