

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Income Statements
For the Three-Month Period Ended 31 March 2009

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Revenue		141,645	188,078	141,645	188,078
Cost of sales		(126,478)	(145,679)	(126,478)	(145,679)
Gross Profit		<u>15,167</u>	<u>42,399</u>	<u>15,167</u>	<u>42,399</u>
Other income		5,552	2,622	5,552	2,622
Selling and distribution costs		(7,356)	(8,890)	(7,356)	(8,890)
Administrative expenses		(12,066)	(11,547)	(12,066)	(11,547)
Other expenses		(974)	(2,014)	(974)	(2,014)
Finance costs		(4,076)	(4,468)	(4,076)	(4,468)
Share of profits of associate		16	-	16	-
(Loss)/Profit Before Taxation		<u>(3,737)</u>	<u>18,102</u>	<u>(3,737)</u>	<u>18,102</u>
Income tax expenses	B 5	(985)	2,017	(985)	2,017
(Loss)/Profit for The Period		<u>(4,722)</u>	<u>20,119</u>	<u>(4,722)</u>	<u>20,119</u>
Attributable to:					
Equity holders of the Company		(4,747)	18,759	(4,747)	18,759
Minority interests		25	1,360	25	1,360
		<u>(4,722)</u>	<u>20,119</u>	<u>(4,722)</u>	<u>20,119</u>
(Loss)/Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for (loss)/profit from operations (Sen)	B13(a)	<u>(1.62)</u>	<u>6.58</u>	<u>(1.62)</u>	<u>6.58</u>
Diluted, for (loss)/profit from operations (Sen)	B13(b)	<u>(1.61)</u>	<u>N/A</u>	<u>(1.61)</u>	<u>N/A</u>

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Balance Sheet
As At 31 March 2009

	Note	AS AT 31-3-2009 RM'000	AS AT 31-12-2008 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		439,451	445,879
Prepaid land lease payments		47,372	47,322
Capital work-in-progress		46,465	39,962
Investment properties		9,790	9,790
Investment in associate companies		194	179
Other investments		2,517	2,489
Deferred tax assets		2,625	2,872
		<u>548,414</u>	<u>548,493</u>
Current Assets			
Inventories		124,652	132,934
Trade receivables		107,648	139,653
Other receivables		14,830	11,436
Other investments		2,806	1,679
Amount due from associate companies		1,710	1,702
Assets held for sale		-	830
Tax recoverable		2,190	1,604
Cash and bank balances		27,777	20,112
		<u>281,613</u>	<u>309,950</u>
TOTAL ASSETS		<u><u>830,027</u></u>	<u><u>858,443</u></u>
EQUITY AND LIABILITIES			
Equity holders of the Company			
Share capital	A10	146,614	146,551
Share premium		5,217	5,216
Reserves		64,770	63,378
Unappropriated profit		231,799	236,425
		<u>448,400</u>	<u>451,570</u>
Minority Interests		14,220	14,239
Total Equity		<u>462,620</u>	<u>465,809</u>
Non-Current Liabilities			
Finance lease liabilities		13,660	9,176
Borrowings	B9	31,813	23,685
Deferred liabilities		25,805	25,029
Deferred income		-	2
		<u>71,278</u>	<u>57,892</u>
Current Liabilities			
Borrowings	B9	237,499	262,536
Trade payables		12,900	17,592
Other payables		44,435	52,636
Tax payable		1,295	1,978
		<u>296,129</u>	<u>334,742</u>
Total Liabilities		<u>367,407</u>	<u>392,634</u>
TOTAL EQUITY AND LIABILITIES		<u><u>830,027</u></u>	<u><u>858,443</u></u>
		-	-
Net Assets per Share (RM)		1.58	1.59

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Statement Of Changes In Equity
For the Three-Month Period Ended 31 March 2009

	← Attributable to Equity Holders of the Company →					Unappro- -priated Profit RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000				
At 1 January 2008, restated	142,453	4,772	-	6,303	59,906	197,016	410,450	11,215	421,665
Currency translation differences	-	-	-	(268)	-	-	(268)	35	(233)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(127)	127	-	-	-
Acquisition of additional interest from minority shareholders	-	-	-	(540)	-	-	(540)	(2,472)	(3,012)
Net profit for the financial year	-	-	-	-	-	18,759	18,759	1,360	20,119
At 31 March 2008	142,453	4,772	-	5,495	59,779	215,902	428,401	10,138	438,539
At 1 January 2009	146,551	5,216	400	4,059	58,919	236,425	451,570	14,239	465,809
Currency translation differences	-	-	-	1,242	-	-	1,242	(44)	1,198
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(121)	121	-	-	-
Issuance of shares under the ESOS	63	1	-	-	-	-	64	-	64
Share options granted under ESOS	-	-	271	-	-	-	271	-	271
Net loss for the financial year	-	-	-	-	-	(4,747)	(4,747)	25	(4,722)
At 31 March 2009	146,614	5,217	671	5,301	58,798	231,799	448,400	14,220	462,620

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Cash Flow Statement

	3 Months Ended 31-3-2009 RM'000	3 Months Ended 31-3-2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(3,737)	18,102
Adjustments For :-		
Non-cash items	<u>12,212</u>	<u>15,319</u>
Operating profit before working capital changes	8,475	33,421
Changes in working capital:-		
Net change in current assets	39,579	(6,544)
Net change in current liabilities	(25,439)	(3,851)
Retirement benefits paid	(657)	(191)
Tax paid	(1,628)	(930)
Tax refund	10	636
Dividend received	50	-
Interest paid	(3,686)	(4,066)
Interest received	<u>67</u>	<u>116</u>
Net cash generated from operating activities	<u>16,771</u>	<u>18,591</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(8,704)	(4,713)
Purchase of property, plant & equipment	(1,159)	(707)
Proceeds from disposal of property, plant & equipment	338	960
Proceeds from disposal of investments	-	923
Proceeds from disposal asset held for sale	922	-
Purchase of investments	(50)	(923)
Acquisition of minority interests	-	(3,169)
Acquisition of associate company	<u>-</u>	<u>(4)</u>
Net cash used in investing activities	<u>(8,653)</u>	<u>(7,633)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	64	-
Net change in borrowings	<u>17,204</u>	<u>(3,541)</u>
Net cash generated from/(used in) financing activities	<u>17,268</u>	<u>(3,541)</u>
CASH AND CASH EQUIVALENTS		
Net increase	25,386	7,417
Effect of exchange rate changes	171	(60)
At beginning of financial period	<u>(17,200)</u>	<u>(10,520)</u>
At end of financial period	<u>8,357</u>	<u>(3,163)</u>
	-	

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes to the interim financial statements.

Notes

A. Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements have been prepared under historical cost convention except for revaluation of properties included within property, plant and equipment, prepaid land lease payments and investment properties which are stated at fair values.

The interim financial statements are unaudited and have been prepared in accordance with requirements of FRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with audited financial statements for the year ended 31 December 2008.

2. Changes in Accounting Policies

Accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2008.

The following Financial Reporting Standards ("FRSs") and IC Interpretations were issued but not yet effective, have not been applied by the Group:-

FRSs and IC Interpretations	Effective for Financial period beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instrument: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

Initial application of above standards and IC Interpretations are not expected to have any material impact on Financial Statements of the Group. The Group is exempted from disclosing possible impact, if any, to the financial statements upon initial application of FRS 139.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on financial statements for the year ended 31 December 2008 was not qualified.

4. Segmental Information

	3 Months Ended	
	31.3.2009 RM'000	31.3.2008 RM'000
Segment Revenue		
Paper Milling	100,200	160,282
Paper Packaging	64,241	76,794
Trading	26,054	34,235
Investments, Management & Others	8,825	4,873
	<u>199,320</u>	<u>276,184</u>
Elimination of inter-segment sales	<u>(57,675)</u>	<u>(88,106)</u>
	<u>141,645</u>	<u>188,078</u>
Segmental Results		
Paper Milling	(4,202)	19,438
Paper Packaging	3,456	938
Trading	594	2,538
Investments, Management & Others	(441)	(118)
	<u>(593)</u>	<u>22,796</u>
Elimination	<u>849</u>	<u>(342)</u>
Segment results	<u>256</u>	<u>22,454</u>
Interest income	67	116
Finance costs	(4,076)	(4,468)
Share of profits of associate	16	-
(Loss)/Profit before taxation	<u>(3,737)</u>	<u>18,102</u>

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2009.

6. Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period which would have a material effect on current financial quarter.

7. Comments about Seasonal or Cyclical Factors

Prices of Group's products are affected by cyclical nature of international paper prices.

8. Dividend Paid

There were no dividends paid during the period under review.

9. Carrying Amount of Revalued Assets

Carrying amount of revalued property, plant and equipment and prepaid land lease payments have been brought forward without amendment from financial statements for the year ended 31 December 2008.

10. Debt and Equity Securities

The Company did not implement any scheme involving issuance of debt or equity securities or shares buyback during current financial period ended 31 March 2009 except for 125,000 ordinary shares of RM0.50 each issued at RM 0.51 per share under Muda Holdings Berhad Employees' Share Option Scheme.

11. Changes in Composition of the Group

On 16 February 2009, the Company announced voluntary liquidation of three wholly-owned subsidiaries, namely Mudapack Sdn. Bhd., Muda Indah (M) Sdn. Bhd. and Muda Century Oleo Sdn. Bhd. Liquidation of these subsidiaries will not have significant impact on the financial position of the Group.

12. Capital Commitment

Amount of capital commitments for purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2009 is as follows:

	RM'000
Approved and contracted for	7,080
Approved but not contracted for	20,331
	<u>27,411</u>

13. Changes in Contingent Liabilities and Contingent Assets

	31.3.2009	31.12.2008
	RM'000	RM'000
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	759,412	815,504

14. Subsequent Events

There were no material events subsequent to the end of current quarter.

15. Related Party Transactions

There were no related party transactions during the quarter.

B. Explanatory Notes Pursuant to Appendix 9B of The Listing Requirements of Bursa Malaysia Securities Berhad**1 Performance Review**

Despite an extremely challenging economic environment in the first quarter, demand for products of Paper Milling Division recovered from the decline experienced in preceding quarter as customers increased their inventory. Sales volume of Paper Packaging Division is maintained at preceding quarter level.

2 Comparison with Preceding Quarter

Revenue for first quarter is 13.3% lower than preceding quarter. Though sales volume of Paper Milling Division has increased, margins in the Division is eroded due to reduction in selling price. Lower paper cost has resulted in better margin for the Paper Packaging Division.

3 Commentary on Prospects

Despite differing views expressed about the prospects of recovery in the global economy, the Board expects revenue and earnings of the Group to improve for the rest of the year.

4 Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued.

5 Income Tax Expense

	Current Quarter	Year To date
	RM'000	RM'000
Current taxation	361	361
Deferred taxation	624	624
Total income tax expense	<u>985</u>	<u>985</u>

The Group's current tax charge is disproportionate to statutory rate due to availability of reinvestment allowance and absence of group tax relief.

6 Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current financial quarter.

7 Quoted Securities

Details of quoted securities for current financial period are as summarised below :-

	As At	As At
	31.3.2009	31.12.2008
	RM'000	RM'000
(a) (i) Total Purchases	2,477	2,060
(ii) Total Disposals	(1,300)	(1,817)
(iii) Total Gain on Disposal	-	138
(b) Investment in quoted securities as at 31 March 2009:-		
(i) At Cost	6,660	5,514
(ii) At Book Value	5,064	3,909
(iii) At Market Value	5,072	3,852

8 Corporate Proposals

There is no outstanding corporate proposal.

9 Borrowings

	As At	As At
	31.3.2009	31.12.2008
	RM'000	RM'000
Short Term Borrowings		
Secured	1,072	1,309
Unsecured	<u>236,427</u>	<u>261,227</u>
	<u>237,499</u>	<u>262,536</u>
Long Term Borrowings		
Secured	1,687	1,751
Unsecured	<u>30,126</u>	<u>21,934</u>
	<u>31,813</u>	<u>23,685</u>
	<u>269,312</u>	<u>286,221</u>

All Malaysian subsidiaries within the Group have no foreign currency borrowings.

Borrowings of foreign subsidiaries in their respective currencies as at 31-3-2009 are shown below:-

	Amount
	'000
(i) Singapore Dollar	1,149
(ii) Hong Kong Dollar	1,711

10 Off Balance Sheet Financial Instruments

As at 20 May 2009, amount of forward exchange contracts with licensed banks to hedge sales amounted to RM2.53 million. Settlement periods for these contracts ranged between 1 and 2 months.

11 Changes in Material Litigation

There were no material litigations pending as at 20 May 2009.

12 Dividend

A proposed First and Final tax exempt dividend of 2.5 sen (5%) per 50 sen share amounting to RM 7,327,553 (2007: 2.5 sen (5%) per share amounting to RM 7,122,659) in respect of financial year ended 31 December 2008 is pending shareholders' approval at forthcoming Annual General Meeting.

There were no dividends declared for financial period ended 31 March 2009.

13 (Loss)/Earnings Per Share

a) Basic

Basic (loss)/earnings per share is calculated by dividing (loss)/profits for the period attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the period:-

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to equity holders of the Company	(4,747)	18,759	(4,747)	18,759
Weighted average number of ordinary shares in issue	293,199	284,906	293,199	284,906
Basic (loss)/earnings per share (Sen)	<u>(1.62)</u>	<u>6.58</u>	<u>(1.62)</u>	<u>6.58</u>

b) Diluted

For purpose of calculating diluted (loss)/earnings per share, (loss)/profit for the period attributable to equity holders of the Company and weighted average number of ordinary shares in issue during the period have been adjusted for dilutive effects of share options granted to employees:-

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to equity holders of the Company	(4,747)	N/A	(4,747)	N/A
Weighted average number of ordinary shares in issue	293,199		293,199	
Effect of dilution - ESOS	1,332		1,332	
Adjusted weighted average number of ordinary shares in issue	<u>294,531</u>	<u>N/A</u>	<u>294,531</u>	<u>N/A</u>
Diluted (loss)/earnings per share (Sen)	<u>(1.61)</u>	<u>N/A</u>	<u>(1.61)</u>	<u>N/A</u>

BY ORDER OF THE BOARD

Goh Ching Yee, Janet
Secretary
27-May-09