

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Income Statements
For the Six-Month Period Ended 30 June 2009

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Revenue		162,930	215,412	304,575	403,490
Cost of sales		(137,127)	(170,438)	(263,605)	(316,117)
Gross Profit		<u>25,803</u>	<u>44,974</u>	<u>40,970</u>	<u>87,373</u>
Other income		3,639	5,630	9,191	8,252
Selling and distribution costs		(8,497)	(9,940)	(15,853)	(18,830)
Administrative expenses		(12,383)	(13,434)	(24,449)	(24,981)
Other expenses		(1,250)	(5,400)	(2,224)	(7,414)
Finance costs		(3,568)	(4,313)	(7,644)	(8,781)
Share of profit of associates		54	-	70	-
Profit Before Taxation		<u>3,798</u>	<u>17,517</u>	<u>61</u>	<u>35,619</u>
Income tax expense	B 5	1,446	(1,282)	461	735
Profit for The Period		<u>5,244</u>	<u>16,235</u>	<u>522</u>	<u>36,354</u>
Attributable to:					
Equity holders of the Company		5,085	15,908	338	34,667
Minority interests		159	327	184	1,687
		<u>5,244</u>	<u>16,235</u>	<u>522</u>	<u>36,354</u>
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for profit from operations (Sen)	B13(a)	<u>1.73</u>	<u>5.57</u>	<u>0.12</u>	<u>12.15</u>
Diluted, for profit from operations (Sen)	B13(b)	<u>1.73</u>	<u>5.49</u>	<u>0.11</u>	<u>11.97</u>

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

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Balance Sheet
As At 30 June 2009

	Note	AS AT 30-6-2009 RM'000	AS AT 31-12-2008 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		436,697	445,879
Prepaid land lease payments		46,980	47,322
Capital work-in-progress		45,537	39,962
Investment properties		9,790	9,790
Investment in associate companies		251	179
Other investments		2,810	2,489
Deferred tax assets		2,901	2,872
		<u>544,966</u>	<u>548,493</u>
Current Assets			
Inventories		110,037	132,934
Trade receivables		119,026	139,653
Other receivables		16,090	11,436
Other investments		3,494	1,679
Amount due from associate companies		1,729	1,702
Assets held for sale		-	830
Tax recoverable		3,230	1,604
Cash and bank balances		27,735	20,112
		<u>281,341</u>	<u>309,950</u>
TOTAL ASSETS		<u><u>826,307</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		66,559	63,378
Unappropriated profit		237,016	236,425
		<u>455,406</u>	<u>451,570</u>
Minority Interests		14,393	14,239
Total Equity		<u>469,799</u>	<u>465,809</u>
Non-Current Liabilities			
Finance lease liabilities		13,467	9,176
Borrowings	B9	23,748	23,685
Deferred liabilities		24,922	25,029
Deferred income		-	2
		<u>62,137</u>	<u>57,892</u>
Current Liabilities			
Borrowings	B9	228,036	262,536
Trade payables		13,261	17,592
Other payables		51,927	52,636
Tax payable		1,147	1,978
		<u>294,371</u>	<u>334,742</u>
Total Liabilities		<u>356,508</u>	<u>392,634</u>
TOTAL EQUITY AND LIABILITIES		<u><u>826,307</u></u>	<u><u>858,443</u></u>
		-	-
Net Assets per Share (RM)		1.60	1.59

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

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Statement Of Changes In Equity
For the Six-Month Period Ended 30 June 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	-	-	-	1,346	-	-	1,346	177	1,523
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(253)	253	-	-	-
Net profit for the financial year	-	-	-	-	-	34,667	34,667	1,687	36,354
Acquisition of additional interest from minority shareholders	-	-	-	5	-	-	5	(3,018)	(3,013)
Issuance of share by subsidiary to minority shareholders	-	-	-	-	-	-	-	1,083	1,083
Issuance of shares under the ESOS	1,634	32	-	-	-	-	1,666	-	1,666
Dividend paid to minority interest	-	-	-	-	-	-	-	(84)	(84)
At 30 June 2008	144,087	4,804	-	7,654	59,653	231,936	448,134	11,060	459,194
At 1 January 2009	146,551	5,216	400	4,059	58,919	236,425	451,570	14,239	465,809
Currency translation differences	-	-	-	3,030	-	-	3,030	54	3,084
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(253)	253	-	-	-
Issuance of shares under the ESOS	63	1	-	-	-	-	64	-	64
Share options granted under ESOS	-	-	404	-	-	-	404	-	404
Net profit for the financial year	-	-	-	-	-	338	338	184	522
Dividend paid to minority interest	-	-	-	-	-	-	-	(84)	(84)
At 30 June 2009	146,614	5,217	804	7,089	58,666	237,016	455,406	14,393	469,799

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

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

	6 Months Ended 30-6-2009 RM'000	6 Months Ended 30-6-2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	61	35,619
Adjustments For :-		
Non-cash items	<u>26,475</u>	<u>32,025</u>
Operating profit before working capital changes	26,536	67,644
Changes in working capital:-		
Net change in current assets	40,979	(9,101)
Net change in current liabilities	(32,729)	(6,339)
Retirement benefits paid	(1,029)	(451)
Tax paid	(3,031)	(1,956)
Tax refund	10	766
Dividend paid	(84)	(84)
Dividend received	71	-
Interest paid	(6,764)	(7,944)
Interest received	146	239
Net cash generated from operating activities	<u>24,105</u>	<u>42,774</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(10,487)	(20,801)
Purchase of property, plant & equipment	(2,628)	(4,074)
Proceeds from disposal of property, plant & equipment	425	1,747
Proceeds from disposal of investments	810	923
Proceeds from Issuance of shares to minority interests	-	1,083
Proceeds from disposal of assets held for sale	922	-
Purchase of investments	(880)	(923)
Acquisition of minority interests	-	(3,170)
Subsequent expenditure of investment property	-	(61)
Net cash used in investing activities	<u>(11,838)</u>	<u>(25,276)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	64	1,666
Net change in borrowings	<u>9,961</u>	<u>(13,285)</u>
Net cash generated from/(used in) financing activities	<u>10,025</u>	<u>(11,619)</u>
CASH AND CASH EQUIVALENTS		
Net increase	22,292	5,879
Effect of exchange rate changes	959	86
At beginning of financial period	<u>(17,200)</u>	<u>(10,520)</u>
At end of financial period	<u>6,051</u>	<u>(4,555)</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with audited financial statements for year ended 31 December 2008 and accompanying explanatory notes to 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 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 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 year ended 31 December 2008 was not qualified.

4. Segmental Information

	6 Months Ended	
	30.6.2009 RM'000	30.6.2008 RM'000
Segment Revenue		
Paper Milling	216,184	321,056
Paper Packaging	128,711	158,894
Trading	55,491	84,117
Investments, Management & Others	17,034	10,423
	<u>417,420</u>	<u>574,490</u>
Elimination of inter-segment sales	<u>(112,845)</u>	<u>(171,000)</u>
	<u>304,575</u>	<u>403,490</u>
Segmental Results		
Paper Milling	1,145	37,084
Paper Packaging	8,281	3,418
Trading	694	3,858
Investments, Management & Others	<u>(757)</u>	<u>(777)</u>
	<u>9,363</u>	<u>43,583</u>
Elimination	<u>(1,874)</u>	<u>578</u>
Segment results	<u>7,489</u>	<u>44,161</u>
Interest income	146	239
Finance costs	<u>(7,644)</u>	<u>(8,781)</u>
Share of profits of associate	70	-
Profit before taxation	<u>61</u>	<u>35,619</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 financial period ended 30 June 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

A 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 was paid on 15 July 2009.

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 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 30 June 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

- (i) 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.
- (ii) On 17 August 2009, the Company announced voluntary liquidation of another dormant wholly-owned subsidiary, Century Cans Manufacturing Sdn. Bhd..
Liquidation of these subsidiaries will not have any 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 30 June 2009 is as follows:

	RM'000
Approved and contracted for	9,106
Approved but not contracted for	19,136
	<u>28,242</u>

13. Changes in Contingent Liabilities and Contingent Assets

	30.6.2009	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	722,275	815,504

14. Subsequent Events

There were no material events subsequent to 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**

Improved sentiments in the economy generated greater demand for products of the Paper Milling and Paper Packaging Divisions, resulting in increased revenue over the preceding quarter. However, revenue is lower compared with the first half of last year due to lower selling price in the current year and weak demand experienced in the first quarter of 2009.

2 Comparison with Preceding Quarter

Lower material price and energy cost and improved demand resulted in better margin in the Paper Milling Division. Despite lower selling price, margin for the Paper Packaging Division was maintained due to lower material cost and higher sales volume.

3 Commentary on Prospects

The Board expects the results for second half of the year to improve further as global economy is expected to recover.

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	142	503
Deferred taxation	(1,588)	(964)
Total income tax expense	<u>(1,446)</u>	<u>(461)</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 current financial quarter.

7 Quoted Securities

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

	As At	As At
	30.6.2009	31.12.2008
	RM'000	RM'000
(a) (i) Total Purchases	5,964	2,060
(ii) Total Disposals	(4,107)	(1,817)
(iii) Total (Loss)/Gain on Disposal	(27)	138
(b) Investment in quoted securities as at 30 June 2009:-		
(i) At Cost	7,255	5,514
(ii) At Book Value	6,045	3,909
(iii) At Market Value	6,083	3,852

8 Corporate Proposals

There is no outstanding corporate proposal.

9 Borrowings

	As At	As At
	30.6.2009	31.12.2008
	RM'000	RM'000
Short Term Borrowings		
Secured	1,794	1,309
Unsecured	<u>226,242</u>	<u>261,227</u>
	<u>228,036</u>	<u>262,536</u>
Long Term Borrowings		
Secured	1,665	1,751
Unsecured	<u>22,083</u>	<u>21,934</u>
	<u>23,748</u>	<u>23,685</u>
	<u>251,784</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 30-6-2009 are shown below:-

	Amount
	'000
(i) Singapore Dollar	1,422
(ii) Hong Kong Dollar	1,674

10 Off Balance Sheet Financial Instruments

As at 18 August 2009, amount of forward exchange contracts with licensed banks to hedge sales and purchases amounted to RM3.36 million and RM937,960 respectively. Maturity periods for these contracts ranged between 1 week to 2 months from above date.

11 Changes in Material Litigation

There were no material litigations pending as at 18 August 2009.

12 Dividend

There were no dividends declared for financial period ended 30 June 2009.

13 Earnings Per Share

a) Basic

Basic earnings per share is calculated by dividing 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		6 Months Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company	5,085	15,908	338	34,667
Weighted average number of ordinary shares in issue	<u>293,227</u>	<u>285,661</u>	<u>293,213</u>	<u>285,284</u>
Basic earnings per share (Sen)	<u>1.73</u>	<u>5.57</u>	<u>0.12</u>	<u>12.15</u>

b) Diluted

For purpose of calculating diluted earnings per share, 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		6 Months Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company	5,085	15,908	338	34,667
Weighted average number of ordinary shares in issue	293,227	285,661	293,213	285,284
Effect of dilution - ESOS	756	4,191	1,516	4,415
Adjusted weighted average number of ordinary shares in issue	<u>293,983</u>	<u>289,852</u>	<u>294,729</u>	<u>289,699</u>
Diluted earnings per share (Sen)	<u>1.73</u>	<u>5.49</u>	<u>0.11</u>	<u>11.97</u>

BY ORDER OF THE BOARD

Goh Ching Yee, Janet
Secretary
25-Aug-09