

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

| | Note | Individual Quarter | | Cumulative Quarter | |
|--|--------|----------------------|----------------------|----------------------|----------------------|
| | | Current Year | Preceding Year | Current Year To | Preceding Year |
| | | Quarter | Corresponding | Date | Corresponding |
| | | 30.9.2009 | 30.9.2008 | 30.9.2009 | 30.9.2008 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 192,211 | 215,382 | 496,786 | 618,872 |
| Cost of sales | | (154,459) | (173,371) | (418,064) | (489,488) |
| Gross Profit | | <u>37,752</u> | <u>42,011</u> | <u>78,722</u> | <u>129,384</u> |
| Other income | | 5,253 | 4,224 | 14,444 | 12,476 |
| Selling and distribution costs | | (9,433) | (10,454) | (25,286) | (29,284) |
| Administrative expenses | | (13,442) | (14,350) | (37,891) | (39,331) |
| Other expenses | | (1,302) | (2,284) | (3,526) | (9,698) |
| Finance costs | | (3,377) | (4,492) | (11,021) | (13,273) |
| Share of profit of associates | | 65 | - | 135 | - |
| Profit Before Taxation | | <u>15,516</u> | <u>14,655</u> | <u>15,577</u> | <u>50,274</u> |
| Income tax expense | B 5 | (2,449) | (853) | (1,988) | (118) |
| Profit for The Period | | <u><u>13,067</u></u> | <u><u>13,802</u></u> | <u><u>13,589</u></u> | <u><u>50,156</u></u> |
| Attributable to: | | | | | |
| Equity holders of the Company | | 12,102 | 12,551 | 12,440 | 47,218 |
| Minority interests | | 965 | 1,251 | 1,149 | 2,938 |
| | | <u><u>13,067</u></u> | <u><u>13,802</u></u> | <u><u>13,589</u></u> | <u><u>50,156</u></u> |
| Earnings Per Share Attributable to Equity Holders of the Company: | | | | | |
| Basic, for profit from operations (Sen) | B13(a) | <u><u>4.11</u></u> | <u><u>4.31</u></u> | <u><u>4.24</u></u> | <u><u>16.44</u></u> |
| Diluted, for profit from operations (Sen) | B13(b) | <u><u>4.08</u></u> | <u><u>4.26</u></u> | <u><u>4.21</u></u> | <u><u>16.19</u></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 September 2009

| | Note | AS AT 30-9-2009 RM'000 | AS AT 31-12-2008 RM'000 |
|--------------------------------------|------|------------------------------|-------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | | 431,972 | 445,879 |
| Prepaid land lease payments | | 46,671 | 47,322 |
| Capital work-in-progress | | 60,450 | 39,962 |
| Investment properties | | 9,790 | 9,790 |
| Investment in associate companies | | 318 | 179 |
| Other investments | | 2,968 | 2,489 |
| Deferred tax assets | | 3,073 | 2,872 |
| | | <u>555,242</u> | <u>548,493</u> |
| Current Assets | | | |
| Inventories | | 101,467 | 132,934 |
| Trade receivables | | 139,255 | 139,653 |
| Other receivables | | 14,442 | 11,436 |
| Other investments | | 3,712 | 1,679 |
| Amount due from associate companies | | 1,724 | 1,702 |
| Assets held for sale | | - | 830 |
| Tax recoverable | | 2,449 | 1,604 |
| Cash and bank balances | | 34,186 | 20,112 |
| | | <u>297,235</u> | <u>309,950</u> |
| TOTAL ASSETS | | <u><u>852,477</u></u> | <u><u>858,443</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity holders of the Company | | | |
| Share capital | A10 | 147,755 | 146,551 |
| Share premium | | 5,497 | 5,216 |
| Reserves | | 66,591 | 63,378 |
| Unappropriated profit | | 241,914 | 236,425 |
| | | <u>461,757</u> | <u>451,570</u> |
| Minority Interests | | <u>15,442</u> | <u>14,239</u> |
| Total Equity | | <u><u>477,199</u></u> | <u><u>465,809</u></u> |
| Non-Current Liabilities | | | |
| Finance lease liabilities | | 12,711 | 9,176 |
| Borrowings | B9 | 21,844 | 23,685 |
| Provision for retirement benefits | | 11,743 | 10,475 |
| Deferred taxation | | 15,100 | 14,554 |
| Deferred income | | - | 2 |
| | | <u>61,398</u> | <u>57,892</u> |
| Current Liabilities | | | |
| Borrowings | B9 | 238,498 | 262,536 |
| Trade payables | | 16,684 | 17,592 |
| Other payables | | 58,017 | 52,636 |
| Tax payable | | 681 | 1,978 |
| | | <u>313,880</u> | <u>334,742</u> |
| Total Liabilities | | <u><u>375,278</u></u> | <u><u>392,634</u></u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>852,477</u></u> | <u><u>858,443</u></u> |
| | | - | - |
| Net Assets per Share (RM) | | 1.61 | 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 Nine-Month Period Ended 30 September 2009

| | ← Attributable to Equity Holders of the Company → | | | | | Unappro- -priated Profit 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 | | | | Total 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 | - | - | - | 489 | - | - | 489 | 209 | 698 |
| Realisation of revaluation reserve upon depreciation of revalued assets | - | - | - | - | (380) | 380 | - | - | - |
| Net profit for the period | - | - | - | - | - | 47,218 | 47,218 | 2,938 | 50,156 |
| Acquisition of minority interest | - | - | - | 5 | - | - | 5 | (3,018) | (3,013) |
| Issuance of shares to minority interest | - | - | - | - | - | - | - | 1,083 | 1,083 |
| Issuance of shares under the ESOS | 4,064 | 99 | - | - | - | - | 4,163 | - | 4,163 |
| Share options granted under ESOS | - | - | 475 | - | - | - | 475 | - | 475 |
| Transfer to share premium for share options exercised | - | 325 | (325) | - | - | - | - | - | - |
| Dividend paid to shareholders | - | - | - | - | - | (7,123) | (7,123) | - | (7,123) |
| Dividend paid to minority interest | - | - | - | - | - | - | - | (84) | (84) |
| At 30 September 2008 | 146,517 | 5,196 | 150 | 6,797 | 59,526 | 237,491 | 455,677 | 12,343 | 468,020 |
| At 1 January 2009 | 146,551 | 5,216 | 400 | 4,059 | 58,919 | 236,425 | 451,570 | 14,239 | 465,809 |
| Currency translation differences | - | - | - | 3,298 | - | - | 3,298 | 138 | 3,436 |
| Realisation of revaluation reserve upon depreciation of revalued assets | - | - | - | - | (380) | 380 | - | - | - |
| Net profit for the period | - | - | - | - | - | 12,440 | 12,440 | 1,149 | 13,589 |
| Issuance of shares under the ESOS | 1,204 | 37 | - | - | - | - | 1,241 | - | 1,241 |
| Share options granted under ESOS | - | - | 539 | - | - | - | 539 | - | 539 |
| Transfer to share premium for share options exercised | - | 244 | (244) | - | - | - | - | - | - |
| Dividend paid to shareholders | - | - | - | - | - | (7,331) | (7,331) | - | (7,331) |
| Dividend paid to minority interest | - | - | - | - | - | - | - | (84) | (84) |
| At 30 September 2009 | 147,755 | 5,497 | 695 | 7,357 | 58,539 | 241,914 | 461,757 | 15,442 | 477,199 |

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

| | 9 Months Ended 30-9-2009 RM'000 | 9 Months Ended 30-9-2008 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 15,577 | 50,274 |
| Adjustments For :- | | |
| Non-cash items | <u>39,951</u> | <u>48,726</u> |
| Operating profit before working capital changes | 55,528 | 99,000 |
| Changes in working capital:- | | |
| Net change in current assets | 31,169 | (17,927) |
| Net change in current liabilities | (17,747) | 16,753 |
| Retirement benefits paid | (1,317) | (841) |
| Tax paid | (3,933) | (3,458) |
| Tax refund | 67 | 1,054 |
| Dividend paid | (7,415) | (7,207) |
| Dividend received | 74 | 5 |
| Interest paid | (9,584) | (11,902) |
| Interest received | 200 | 332 |
| Net cash generated from operating activities | <u>47,042</u> | <u>75,809</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital work-in-progress incurred | (26,178) | (48,444) |
| Purchase of property, plant & equipment | (5,813) | (6,381) |
| Proceeds from disposal of property, plant & equipment | 620 | 2,565 |
| Proceeds from disposal of investments | 810 | 1,955 |
| Proceeds from issuance of shares to minority interests | - | 1,089 |
| Proceeds from disposal of assets held for sale | 922 | - |
| Purchase of investments | (880) | (1,954) |
| Acquisition of minority interests | - | (3,170) |
| Subsequent expenditure of investment property | - | (61) |
| Net cash used in investing activities | <u>(30,519)</u> | <u>(54,401)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | 1,242 | 4,163 |
| Net change in borrowings | <u>7,286</u> | <u>(15,278)</u> |
| Net cash generated from/(used in) financing activities | <u>8,528</u> | <u>(11,115)</u> |
| CASH AND CASH EQUIVALENTS | | |
| Net increase | 25,051 | 10,293 |
| Effect of exchange rate changes | 1,056 | (497) |
| At beginning of financial period | <u>(17,200)</u> | <u>(10,520)</u> |
| At end of financial period | <u>8,907</u> | <u>(724)</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

| | 9 Months Ended | |
|------------------------------------|---------------------|---------------------|
| | 30.9.2009 RM'000 | 30.9.2008 RM'000 |
| Segment Revenue | | |
| Paper Milling | 368,317 | 492,971 |
| Paper Packaging | 198,889 | 244,882 |
| Trading | 92,892 | 127,749 |
| Investments, Management & Others | 26,239 | 20,911 |
| | <u>686,337</u> | <u>886,513</u> |
| Elimination of inter-segment sales | <u>(189,551)</u> | <u>(267,641)</u> |
| | <u>496,786</u> | <u>618,872</u> |
| Segmental Results | | |
| Paper Milling | 15,108 | 53,194 |
| Paper Packaging | 12,364 | 6,625 |
| Trading | 2,519 | 5,933 |
| Investments, Management & Others | (764) | (1,230) |
| | <u>29,227</u> | <u>64,522</u> |
| Elimination | <u>(2,964)</u> | <u>(1,307)</u> |
| Segment results | <u>26,263</u> | <u>63,215</u> |
| Interest income | 200 | 332 |
| Finance costs | (11,021) | (13,273) |
| Share of profits of associate | 135 | - |
| Profit before taxation | <u>15,577</u> | <u>50,274</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 September 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 7,330,684 (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 September 2009 except for 1,731,500 and 676,900 ordinary shares of RM0.50 each issued at RM 0.51 and RM0.53 per share respectively under Muda Holdings Berhad Employees' Share Option Scheme.

11. Changes in Composition of the Group

The Company has announced proposed voluntary liquidation of the following wholly-owned subsidiaries on the respective dates:

| <u>Date of announcement</u> | <u>Company</u> |
|-----------------------------|---------------------------------------|
| 16 February 2009 | Mudapack Sdn. Bhd. |
| 16 February 2009 | Muda Indah (M) Sdn. Bhd. |
| 16 February 2009 | Muda Century Oleo Sdn. Bhd. |
| 18 August 2009 | 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 September 2009 is as follows:

| | |
|---------------------------------|---------------|
| Approved and contracted for | RM'000 |
| | 52,963 |
| Approved but not contracted for | 44,593 |
| | <u>97,556</u> |

13. Changes in Contingent Liabilities and Contingent Assets

| | 30.9.2009 | 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 | 721,343 | 815,504 |

14. Subsequent Events

There were no material events subsequent to end of the 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**

Stimulus packages implemented by local and overseas governments have mitigated the impact of the economic crisis experienced in the preceding 12 months and consumer confidence has begun to recover in the second half of the year. Measures instituted by the Group in response to the crisis were effective and Operations within the Group were able to respond to the surge in demand arising from the recovery.

2 Comparison with Preceding Quarter

Revenue for the quarter increased by 18.0% compared against preceding quarter with Paper Milling, Paper Packaging and Trading Divisions recording 27.0%, 8.7% and 18.5% rise in revenue respectively. Margins for Paper Milling and Trading Divisions improved due to higher demand and higher selling prices. In the Paper Packaging Division, the impact of higher paper prices is cushioned by higher sales volume and improved productivity.

3 Commentary on Prospects

The Board expects the Group to remain profitable for the rest of 2009.

4 Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued.

5 Income Tax Expense

| | Current Quarter RM'000 | Year To date RM'000 |
|--------------------------|------------------------------|---------------------------|
| Current taxation | 1,143 | 1,646 |
| Deferred taxation | 1,306 | 342 |
| Total income tax expense | <u>2,449</u> | <u>1,988</u> |

The Group's current tax charge is disproportionate to statutory rate due to availability of unabsorbed business losses, unutilised capital allowances, 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

(a) Details of purchases and disposals of quoted securities for financial period ended 30 September 2009 are as follows:-

| | Current Quarter RM'000 | Year To date RM'000 |
|-------------------------------------|---------------------------------------|------------------------------------|
| (i) Total Purchases | 4,759 | 10,723 |
| (ii) Total Disposals | (4,540) | (8,647) |
| (iii) Total (Loss)/Gain on Disposal | - | (27) |

(b) Details of investment in quoted securities as at 30 September 2009:-

| | As At 30.9.2009 RM'000 | As At 31.12.2008 RM'000 |
|-----------------------|---------------------------------------|--|
| (i) At Cost | 7,473 | 5,514 |
| (ii) At Book Value | 6,421 | 3,909 |
| (iii) At Market Value | 6,631 | 3,852 |

8 Corporate Proposals

There is no outstanding corporate proposal.

9 Borrowings

| | As At 30.9.2009 RM'000 | As At 31.12.2008 RM'000 |
|------------------------------|---------------------------------------|--|
| Short Term Borrowings | | |
| Secured | 1,754 | 1,309 |
| Unsecured | 236,744 | 261,227 |
| | <u>238,498</u> | <u>262,536</u> |
| Long Term Borrowings | | |
| Secured | 1,637 | 1,751 |
| Unsecured | 20,207 | 21,934 |
| | <u>21,844</u> | <u>23,685</u> |
| | <u>260,342</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 30-9-2009 are shown below:-

| | Amount '000 |
|-----------------------|------------------------|
| (i) Singapore Dollar | 1,381 |
| (ii) Hong Kong Dollar | 1,506 |

10 Off Balance Sheet Financial Instruments

As at 18 November 2009, amount of forward exchange contracts with licensed banks to hedge sales and purchases amounted to RM2.09 million and RM4.99 million 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 November 2009.

12 Dividend

There were no dividends declared for financial period ended 30 September 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 | | 9 Months Ended | |
| | 30.9.2009 | 30.9.2008 | 30.9.2009 | 30.9.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to equity holders of the Company | 12,102 | 12,551 | 12,440 | 47,218 |
| Weighted average number of ordinary shares in issue | <u>294,252</u> | <u>290,880</u> | <u>293,561</u> | <u>287,163</u> |
| Basic earnings per share (Sen) | <u>4.11</u> | <u>4.31</u> | <u>4.24</u> | <u>16.44</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 | | 9 Months Ended | |
| | 30.9.2009 | 30.9.2008 | 30.9.2009 | 30.9.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to equity holders of the Company | 12,102 | 12,551 | 12,440 | 47,218 |
| Weighted average number of ordinary shares in issue | 294,252 | 290,880 | 293,561 | 287,163 |
| Effect of dilution - ESOS | <u>2,066</u> | <u>3,952</u> | <u>2,265</u> | <u>4,432</u> |
| Adjusted weighted average number of ordinary shares in issue | <u>296,318</u> | <u>294,832</u> | <u>295,826</u> | <u>291,595</u> |
| Diluted earnings per share (Sen) | <u>4.08</u> | <u>4.26</u> | <u>4.21</u> | <u>16.19</u> |

BY ORDER OF THE BOARD

Goh Ching Yee, Janet
Secretary
25-Nov-09