

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Income Statement
For the Six-Month Period Ended 30 June 2010

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.6.2010	30.6.2009 (restated)	30.6.2010	30.6.2009 (restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		241,720	162,930	457,851	304,575
Cost of sales		(192,642)	(134,926)	(367,652)	(259,282)
Gross profit		<u>49,078</u>	<u>28,004</u>	<u>90,199</u>	<u>45,293</u>
Other income		3,548	3,639	8,249	9,191
Distribution expenses		(14,876)	(10,842)	(28,417)	(20,506)
Administration expenses		(14,587)	(12,239)	(29,069)	(24,119)
Other expenses		(840)	(1,250)	(2,724)	(2,224)
Finance costs		(3,878)	(3,568)	(7,399)	(7,644)
Share of profit/(loss) of associate companies		94	54	(67)	70
Profit before taxation		<u>18,539</u>	<u>3,798</u>	<u>30,772</u>	<u>61</u>
Income tax (expense)/income	B 5	(2,335)	1,446	(4,111)	461
Profit for the period		<u><u>16,204</u></u>	<u><u>5,244</u></u>	<u><u>26,661</u></u>	<u><u>522</u></u>
Profit attributable to:					
Owners of the Company		13,191	5,085	21,423	338
Minority interests		3,013	159	5,238	184
Profit for the period		<u><u>16,204</u></u>	<u><u>5,244</u></u>	<u><u>26,661</u></u>	<u><u>522</u></u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B13(a)	<u><u>4.43</u></u>	<u><u>1.73</u></u>	<u><u>7.23</u></u>	<u><u>0.12</u></u>
Diluted, for profit from operations (Sen)	B13(b)	<u><u>4.38</u></u>	<u><u>1.73</u></u>	<u><u>7.15</u></u>	<u><u>0.11</u></u>

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with audited financial statements for year ended 31 December 2009 and accompanying explanatory notes attached to interim financial statements.

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Six-Month Period Ended 30 June 2010

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.6.2010	Quarter	30.6.2010	Period
	RM'000	30.6.2009	RM'000	30.6.2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,204	5,244	26,661	522
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(1,192)	1,886	(4,192)	3,084
Total comprehensive income for the period	<u>15,012</u>	<u>7,130</u>	<u>22,469</u>	<u>3,606</u>
Total comprehensive income attributable to:				
Owners of the Company	12,320	6,873	18,026	3,368
Minority interests	<u>2,692</u>	<u>257</u>	<u>4,443</u>	<u>238</u>
Total comprehensive income for the period	<u>15,012</u>	<u>7,130</u>	<u>22,469</u>	<u>3,606</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with audited financial statements for year ended 31 December 2009 and accompanying explanatory notes attached to interim financial statements.

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Statement of Financial Position
As At 30 June 2010

	Note	AS AT 30-6-2010 RM'000	AS AT 31-12-2009 (restated) RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		485,287	483,808
Prepaid land lease payments		17,180	17,583
Capital work-in-progress		146,380	84,256
Investment properties		7,415	9,775
Investment in associate companies		409	277
Deferred tax assets		19,121	19,890
		<u>675,792</u>	<u>615,589</u>
Current Assets			
Inventories		145,599	115,500
Trade receivables		159,771	148,288
Other receivables		38,701	16,557
Amount due from associate companies		1,571	1,853
Tax recoverable		1,497	1,525
Held-for-trading investments		2,698	2,819
Assets held for sale		2,360	-
Cash and bank balances, deposits and short term placements		41,540	26,228
		<u>393,737</u>	<u>312,770</u>
TOTAL ASSETS		<u><u>1,069,529</u></u>	<u><u>928,359</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	A6	149,244	147,992
Share premium		5,824	5,541
Reserves		84,883	88,518
Unappropriated profit		289,650	267,623
		<u>529,601</u>	<u>509,674</u>
Minority Interests		<u>20,310</u>	<u>16,510</u>
Total Equity		<u><u>549,911</u></u>	<u><u>526,184</u></u>
Non-Current Liabilities			
Finance lease liabilities		17,990	13,544
Borrowings	B9	84,536	22,786
Provision for retirement benefits		12,050	11,125
Deferred tax liabilities		17,633	17,665
		<u>132,209</u>	<u>65,120</u>
Current Liabilities			
Trade payables		20,058	17,579
Other payables		61,528	56,471
Finance lease liabilities		8,834	8,146
Provision for retirement benefits		1,033	1,291
Borrowings	B9	292,765	252,305
Tax payable		3,190	1,263
Derivative liabilities		1	-
		<u>387,409</u>	<u>337,055</u>
Total Liabilities		<u>519,618</u>	<u>402,175</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,069,529</u></u>	<u><u>928,359</u></u>
		-	-
Net Assets per Share (RM)		1.84	1.78

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with audited financial statements for year ended 31 December 2009 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 2010

	← Attributable to Owners of the Company →					Unappro- -priated Profit RM'000	Total RM'000	Minority Interests 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 2010, restated	147,992	5,541	697	7,246	80,575	267,623	509,674	16,510	526,184
-Effect of adopting FRS 139	-	-	-	-	-	293	293	-	293
Restated balance	147,992	5,541	697	7,246	80,575	267,916	509,967	16,510	526,477
Total comprehensive income for the period	-	-	-	(3,397)	(311)	21,734	18,026	4,443	22,469
Issuance of shares under the ESOS	1,252	38	-	-	-	-	1,290	-	1,290
Share options granted under ESOS	-	-	318	-	-	-	318	-	318
Transfer to share premium for share options exercised	-	245	(245)	-	-	-	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-	(643)	(643)
At 30 June 2010	149,244	5,824	770	3,849	80,264	289,650	529,601	20,310	549,911
	-	-	-	-	-	-	-	-	-
At 1 January 2009	146,551	5,216	400	4,059	58,919	236,425	451,570	14,239	465,809
Total comprehensive income for the period	-	-	-	3,030	(253)	591	3,368	238	3,606
Issuance of shares under the ESOS	63	1	-	-	-	-	64	-	64
Share options granted under ESOS	-	-	404	-	-	-	404	-	404
Dividend paid to minority interests	-	-	-	-	-	-	-	(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 2009 and accompanying explanatory notes attached to interim financial statements.

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

	6 Months Ended 30-6-2010 RM'000	6 Months Ended 30-6-2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	30,772	61
Adjustments For :-		
Non-cash items	<u>27,160</u>	<u>26,475</u>
Operating profit before working capital changes	57,932	26,536
Changes in working capital:-		
Net change in current assets	(64,787)	40,979
Net change in current liabilities	47,858	(32,729)
Retirement benefits paid	(667)	(1,029)
Tax paid	(1,478)	(3,031)
Tax refund	122	10
Dividend paid	(643)	(84)
Dividend received	84	71
Interest paid	(6,459)	(6,764)
Interest received	126	146
Net cash generated from operating activities	<u>32,088</u>	<u>24,105</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(77,189)	(10,487)
Purchase of property, plant & equipment	(6,352)	(2,628)
Proceeds from disposal of property, plant & equipment	1,300	425
Proceeds from disposal of investments	215	810
Proceeds from disposal of assets held for sale	-	922
Purchase of investments	(98)	(880)
Proceeds from disposal of an associate company	12	-
Net cash used in investing activities	<u>(82,112)</u>	<u>(11,838)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,291	64
Net change in borrowings	<u>58,753</u>	<u>9,961</u>
Net cash generated from financing activities	<u>60,044</u>	<u>10,025</u>
CASH AND CASH EQUIVALENTS		
Net increase	10,020	22,292
Effect of exchange rate changes	(825)	959
At beginning of financial period	<u>(6,894)</u>	<u>(17,200)</u>
At end of financial period	<u>2,301</u>	<u>6,051</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with audited financial statements for year ended 31 December 2009 and accompanying explanatory notes attached 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 2009.

2. Changes in Accounting Policies

(a) Adoption of new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations

Significant 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 2009, except for adoption of the following new and revised FRSs, Amendments to FRSs and IC Interpretations for financial period beginning 1 January 2010:-

FRSs, Amendments to FRSs and IC Interpretations

Amendments to FRS 1	- First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	- Share-based Payment
	- Vesting Conditions and Cancellations
Amendments to FRS 5	- Non-Current Assets Held for Sale and Discontinued Operations
FRS 7	- Financial Instruments: Disclosures
Amendment to FRS 7	- Financial Instruments: Disclosures
FRS 8	- Operating Segments
Amendment to FRS 8	- Operating Segments
FRS 101	- Presentation of Financial Statements (Revised)
Amendment to FRS 107	- Statement of Cash Flows
Amendment to FRS 108	- Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	- Events after the Reporting Period
Amendment to FRS 116	- Property, Plant and Equipment
Amendment to FRS 117	- Leases
Amendment to FRS 118	- Revenue
Amendment to FRS 119	- Employee Benefits
Amendment to FRS 120	- Accounting for Government Grants and Disclosure of Government Assistance
FRS 123	- Borrowing Costs
Amendment to FRS 123	- Borrowing Costs
Amendment to FRS 127	- Consolidated and Separate Financial Statements: Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 128	- Investments in Associates
Amendments to FRS 132	- Financial Instruments: Presentation
Amendment to FRS 134	- Interim Financial Reporting
Amendment to FRS 136	- Impairment of Assets
Amendments to FRS 138	- Intangible Assets
FRS 139	- Financial Instruments: Recognition and Measurement
Amendments to FRS 139	- Financial Instruments: Recognition and Measurement
Amendment to FRS 140	- Investment Property
IC Interpretation 10	- Interim Financial Reporting and Impairment
IC Interpretation 11	- FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	- FRS 119 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

(b) FRSs, Amendments to FRSs and IC Interpretations Issued but Not Adopted

The following FRSs, Amendments to FRSs and IC Interpretations which are effective for financial period beginning on or after 1 January 2010 are not applicable to the Group:-

FRS 4	- Insurance Contracts
Amendment to FRS 129	- Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	- Interests in Joint Ventures
IC Interpretation 9	- Reassessment of Embedded Derivatives
IC Interpretation 13	- Customer Loyalty Programmes

The following are the FRSs, Amendments to FRSs and IC Interpretations which are not yet effective and have not been early adopted by the Group:-

<u>FRSs, Amendments to FRSs and IC Interpretations</u>	<u>Effective for financial period beginning on or after</u>
Amendments to FRS 132	- Financial Instruments: Presentation 1 March 2010
FRS 1	- First-time Adoption of Financial Reporting Standards 1 July 2010
Amendments to FRS 2	- Share-Based Payment 1 July 2010
FRS 3	- Business Combinations (Revised) 1 July 2010
Amendments to FRS 5	- Non-Current Assets Held for Sale and Discontinued Operations 1 July 2010
FRS 127	- Consolidated and Separate Financial Statements 1 July 2010
Amendments to FRS 138	- Intangible Assets 1 July 2010
Amendments to IC Interpretation 9	- Reassessment of Embedded Derivatives 1 July 2010
IC Interpretation 12	- Service Concession Arrangements 1 July 2010
IC Interpretation 15	- Agreements for the Construction of Real Estate 1 July 2010
IC Interpretation 16	- Hedges of a Net Investment in a Foreign Operation 1 July 2010
IC Interpretation 17	- Distributions of Non-Cash Assets to Owners 1 July 2010
Amendment to FRS 1	- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters 1 January 2011
Amendments to FRS 1	- Additional Exemptions for First-time Adopters 1 January 2011
Amendments to FRS 2	- Group Cash-settled Share-based Payment Transactions 1 January 2011
Amendment to FRS 7	- Improving Disclosures about Financial Instruments 1 January 2011
IC Interpretation 4	- Determining Whether an Arrangement contains a Lease 1 January 2011
IC Interpretation 18	- Transfers of Assets from Customers 1 January 2011

(c) Adoption of these new and revised FRSs, Amendments to FRS and IC Interpretations will have no material impact on financial statements of the Group, except for the following:-

FRS 8 Operating Segments

FRS 8 replaces FRS 114²⁰⁰⁴. Segmental Reporting for which the Group's segment reporting was based on a primary reporting format of business segments and a secondary reporting format of geographical segments. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision makers in order to allocate resources to the respective segments and to assess their performance.

The new format of presentation with comparatives are shown in Note A8.

FRS 101 Presentation of Financial Statements (Revised)

Before adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. After adoption of revised FRS 101 in 2010, the components of interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in statement of comprehensive income as components in other comprehensive income. The Group presents the statement of comprehensive income in two statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income). Total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

Comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and does not have any impact on the financial position and results of the Group.

Amendment to FRS 117 Leases

Prior to adoption of the Amendment to FRS 117, short term leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid land lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards are incidental to ownership.

Effective from 1 Jan 2010, the Group classifies leasehold land with unexpired lease period of fifty years or more as finance lease and the change were accounted for retrospectively and the comparatives are restated as follows:-

31 December 2009	As previously stated RM'000	Reclassification RM'000	Revaluation RM'000	As restated RM'000
Prepaid land lease payments	49,240	(32,429)	772	17,583
Property, plant and equipment	449,158	32,429	2,221	483,808
Revaluation Reserve	78,909		1,666	80,575
Unappropriated profit	266,851		772	267,623
Deferred tax liabilities	17,009		656	17,665
Deferred tax assets	19,789		101	19,890

Leasehold lands were revalued by C H Williams Talhar & Wong in 2009.

FRS 123 Borrowing Costs

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. Therefore, the Group and the Company will capitalise borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 139 Financial Instruments: Recognition and Measurement

Prior to adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

The measurement bases applied to financial assets and financial liabilities in prior financial year are changed to comply with measurement standards of FRS 139 in the current quarter.

At initial recognition, all financial assets and financial liabilities are measured at fair value, plus in the case of financial instruments not at fair value through profit or loss, transactions costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, financial assets and financial liabilities are measured as follows:

	Category	Measurement basis
1	Financial instrument at fair value through profit or loss	At fair value through profit or loss
2	Held-to-maturity investments	At amortised cost using effective interest method
3	Loans and receivables	At amortised cost using effective interest method
4	Available-for-sale investments	At fair value through other comprehensive income or cost if fair value cannot be reliably measured
5	Loans and other financial liabilities	At amortised cost using effective interest method

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classified into the following categories:

	Pre-FRS 139	Post-FRS139
1	Unquoted equity investments	Available-for-sale investments
2	Quoted equity investments	Held-for-trading investments
3	Unrecognised derivative assets	Derivative assets, at fair value through profit or loss
4	Unrecognised derivative liabilities	Derivative liabilities, at fair value through profit or loss
5	Receivables	Loans and receivables
6	Payables	Financial liabilities at amortised cost
7	Long term borrowings	Financial liabilities at amortised cost

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of remeasurement on 1 January 2010 of financial assets and financial liabilities brought forward from previous financial year are adjusted to opening retained profits and other opening reserves as disclosed in the statement of changes in equity.

Effect under FRS 139:

	Unappropriated profits (RM'000)
At 1 January 2010, restated	267,623
Fair value changes of held-for-trading investments	293
Restated balance	<u>267,916</u>

3. Comments about Seasonal or Cyclical Factors

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

4. 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 2010.

5. 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 period.

6. 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 2010 except for 1,824,500 and 680,000 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.

7. Dividend Paid

There were no dividends paid during the period under review.

8. Operating Segment Information

The segment information for current financial period is as follows:-

Period ended 30 June 2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	348,252	109,578	21	-	457,851
Intersegment revenue	82,856	115,988	-	(198,844)	-
Total revenue	431,108	225,566	21	(198,844)	457,851
Segment Profit/(Loss)	32,189	9,284	(7,404)	4,043	38,112
Interest income					126
Finance costs					(7,399)
Share of loss of associate					(67)
Profit before taxation					30,772

Period ended 30 June 2009 (restated)	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	243,667	60,470	438	-	304,575
Intersegment revenue	62,223	50,473	149	(112,845)	-
Total revenue	305,890	110,943	587	(112,845)	304,575
Segment Profit/(Loss)	10,550	736	(1,923)	(1,874)	7,489
Interest income					146
Finance costs					(7,644)
Share of profit of associate					70
Profit before taxation					61

9. Material Events Subsequent to the End of the Current Financial Period

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

10. Changes in Composition of the Group

(a) During current financial period, the Group disposed its 50% investment in a foreign associate company, Will-San Pte. Ltd. and the disposal has no significant impact on financial position of the Group.

(b) The following wholly-owned subsidiaries were dissolved on the respective dates stated across their names:-

<u>Company</u>	<u>Date of Dissolution</u>
Century Cans Manufacturing Sdn Bhd	5 May 2010
Muda Indah (M) Sdn Bhd	5 May 2010
Mudapack Sdn Bhd	5 May 2010
Bumtra Jaya Sdn Bhd	6 August 2010
Muda Century Oleo Sdn Bhd	6 August 2010
Chiyoda Muda Packaging Sdn Bhd	6 August 2010

Dissolution of above named wholly-owned subsidiaries has no significant financial impact on the Group.

11. Changes in Contingent Liabilities and Contingent Assets

Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies

30.6.2010 RM'000	31.12.2009 RM'000
928,870	778,549

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 2010 are as follows:

	RM'000
Approved and contracted for	65,128
Approved but not contracted for	21,658
	86,786

13. 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**

Revenue increased by 50.3% in the first half of the year compared with the corresponding period last year due to continued growth in the domestic and regional economies which resulted in higher demand for the Group's products. The Group reported better margins during the period under review due to improved selling prices and higher demand.

2 Comparison with Preceding Quarter

Compared with preceding quarter, revenue improved by 11.8% to RM 241.72 million which was attributable to better performance from the Manufacturing Operation and Trading Operation as the economy continued to improve. Notwithstanding increase in material cost, favourable selling prices on increased demand has resulted in better margins during the period under review.

3 Commentary on Prospects

The Board expects the Group will continue to be profitable for the second half of the year.

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	1,752	3,365
Deferred taxation	583	746
Total income tax expense	<u>2,335</u>	<u>4,111</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 period.

7 Quoted Securities

(a) Details of purchases and disposals of quoted securities for financial period ended 30 June 2010 are as follows:-

	Current Quarter RM'000	Year To date RM'000
(i) Total consideration for purchases	47	98
(ii) Total proceeds from disposals	-	215
(iii) Gain on disposals	-	15

(b) Details of investment in quoted securities as at 30 June 2010:-

	As At 30.6.2010 RM'000	As At 31.12.2009 RM'000
(i) At Cost	2,644	3,287
(ii) At Book Value	2,698	2,566
(iii) At Market Value	2,698	2,859

8 Corporate Proposals

There is no outstanding corporate proposal.

9 Borrowings

	As At 30.6.2010 RM'000	As At 31.12.2009 RM'000
Short Term Borrowings		
Secured	1,840	1,766
Unsecured	290,925	250,539
	<u>292,765</u>	<u>252,305</u>
Long Term Borrowings		
Secured	1,361	1,562
Unsecured	83,175	21,224
	<u>84,536</u>	<u>22,786</u>
	<u>377,301</u>	<u>275,091</u>

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

Borrowings of foreign subsidiaries in their respective currencies as at 30-6-2010 are shown below:-

	Amount '000
(i) Singapore Dollar	SGD 1,383
(ii) Hong Kong Dollar	HKD 1,165

10 Derivative Financial Instruments

Details of outstanding derivative financial instruments as at 30 June 2010:-

Type of Derivatives	Contract/ Notional Value (RM'000)	Fair Value (RM'000)	Gain/(Loss) on Fair Value Changes (RM'000)	Purpose
Forward exchange contract -Maturing within 2 months	639	638	(1)	Hedging for contracted purchases

11 Changes in Material Litigation

There were no material litigations pending as at 19 August 2010.

12 Dividend

There were no dividends declared for financial period ended 30 June 2010.

13 Earnings Per Share**a) Basic**

Basic earnings per share is calculated by dividing profits for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period:-

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2010 RM'000	30.6.2009 RM'000	30.6.2010 RM'000	30.6.2009 RM'000
Profit attributable to owners of the Company	13,191	5,085	21,423	338
Weighted average number of ordinary shares in issue	298,100	293,199	296,397	293,199
Basic earnings per share (Sen)	4.43	1.73	7.23	0.12

b) Diluted

For purpose of calculating diluted earnings per share, profit for the period attributable to owners 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 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2010 RM'000	30.6.2009 RM'000	30.6.2010 RM'000	30.6.2009 RM'000
Profit attributable to owners of the Company	13,191	5,085	21,423	338
Weighted average number of ordinary shares in issue	298,100	293,199	296,397	293,199
Effect of dilution - ESOS	2,930	1,332	3,302	1,332
Adjusted weighted average number of ordinary shares in issue	301,030	294,531	299,699	294,531
Diluted earnings per share (Sen)	4.38	1.73	7.15	0.11

14. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on financial statements for year ended 31 December 2009 was not qualified.

BY ORDER OF THE BOARD

Goh Ching Yee, Janet
Secretary
26-Aug-10