

**Muda Holdings Berhad ( 10427 A )**  
**Unaudited Condensed Consolidated Income Statement**  
**For the Year Ended 31 December 2010**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31.12.2010	31.12.2009 (restated)	31.12.2010	31.12.2009 (restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		245,792	206,134	933,880	702,920
Cost of sales		(198,618)	(163,247)	(754,170)	(574,680)
<b>Gross profit</b>		<u>47,174</u>	<u>42,887</u>	<u>179,710</u>	<u>128,240</u>
Other income		5,782	8,982	16,521	23,426
Distribution expenses		(17,461)	(14,639)	(61,146)	(47,417)
Administration expenses		(15,385)	(14,169)	(58,052)	(51,199)
Other expenses		(3,866)	(8,704)	(7,347)	(12,230)
Finance costs		(3,811)	(3,487)	(15,398)	(14,508)
Share of (loss)/profit of associate companies		(10)	(40)	(1)	95
<b>Profit before taxation</b>		<u>12,423</u>	<u>10,830</u>	<u>54,287</u>	<u>26,407</u>
Income tax income/(expense)	B 5	39	16,235	(10,213)	14,247
<b>Profit for the period</b>		<u><u>12,462</u></u>	<u><u>27,065</u></u>	<u><u>44,074</u></u>	<u><u>40,654</u></u>
<b>Profit attributable to:</b>					
Owners of the Company		11,130	25,404	36,010	37,844
Non-controlling interests		1,332	1,661	8,064	2,810
<b>Profit for the period</b>		<u><u>12,462</u></u>	<u><u>27,065</u></u>	<u><u>44,074</u></u>	<u><u>40,654</u></u>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic, for profit from operations (Sen)	B14(a)	<u><u>3.72</u></u>	<u><u>8.59</u></u>	<u><u>12.08</u></u>	<u><u>12.87</u></u>
Diluted, for profit from operations (Sen)	B14(b)	<u><u>3.69</u></u>	<u><u>8.52</u></u>	<u><u>11.96</u></u>	<u><u>12.75</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 Year Ended 31 December 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	31.12.2010	Quarter 31.12.2009 (restated)	31.12.2010	Period 31.12.2009 (restated)
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	12,462	27,065	44,074	40,654
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences for foreign operations	1,148	(78)	(2,199)	3,357
Surplus on revaluation of properties	-	26,088	-	26,088
Exchange fluctuation reserve realised on deconsolidation of a foreign subsidiary	-	(69)	-	(69)
Income tax relating to components of other comprehensive income	-	(3,747)	-	(3,747)
<b>Other comprehensive income for the period</b>	<u>1,148</u>	<u>22,194</u>	<u>(2,199)</u>	<u>25,629</u>
<b>Total comprehensive income for the period</b>	<u>13,610</u>	<u>49,259</u>	<u>41,875</u>	<u>66,283</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	11,952	47,635	34,039	63,372
Non-controlling interests	1,658	1,624	7,836	2,911
<b>Total comprehensive income for the period</b>	<u>13,610</u>	<u>49,259</u>	<u>41,875</u>	<u>66,283</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 31 December 2010**

	Note	AS AT 31-12-2010 RM'000	AS AT 31-12-2009 (restated) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		490,251	483,808
Prepaid land lease payments		16,764	17,583
Capital work-in-progress		198,711	84,256
Investment properties		7,495	9,775
Investment in associate companies		469	277
Available-for-sale investments		-	253
Deferred tax assets		17,355	19,890
		<u>731,045</u>	<u>615,842</u>
<b>Current Assets</b>			
Inventories		137,866	115,501
Trade receivables		171,143	148,288
Other receivables		31,316	16,557
Amount due from associate companies		1,478	1,853
Tax recoverable		1,723	1,525
Held-for-trading investments		3,137	2,566
Assets held for sale		2,360	-
Derivative financial instruments		50	-
Cash and bank balances, deposits and short term placements		39,795	26,228
		<u>388,868</u>	<u>312,518</u>
<b>TOTAL ASSETS</b>		<u><u>1,119,913</u></u>	<u><u>928,360</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	A6	149,769	147,992
Share premium		5,964	5,541
Reserves		83,260	88,518
Unappropriated profit		299,784	267,623
		<u>538,777</u>	<u>509,674</u>
<b>Non-Controlling Interests</b>		<u>22,855</u>	<u>16,510</u>
<b>Total Equity</b>		<u><u>561,632</u></u>	<u><u>526,184</u></u>
<b>Non-Current Liabilities</b>			
Finance lease liabilities	B9	18,033	13,544
Borrowings	B9	132,076	22,786
Provision for retirement benefits		14,408	12,416
Deferred tax liabilities		20,534	17,666
		<u>185,051</u>	<u>66,412</u>
<b>Current Liabilities</b>			
Trade payables		20,823	17,579
Other payables		59,278	56,471
Finance lease liabilities	B9	9,335	8,146
Borrowings	B9	280,514	252,305
Tax payable		3,280	1,263
		<u>373,230</u>	<u>335,764</u>
<b>Total Liabilities</b>		<u><u>558,281</u></u>	<u><u>402,176</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,119,913</u></u>	<u><u>928,360</u></u>
		-	-
<b>Net Assets per Share (RM)</b>		1.88	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 Year Ended 31 December 2010**

	← Attributable to Owners of the Company →					Unappro- -priated Profit RM'000	Non-Controlling Interests		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	RM'000	
<b>At 1 January 2010, restated</b>	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
<b>Other comprehensive income:</b>									
Currency translation differences	-	-	-	(1,971)	-	-	(1,971)	(228)	(2,199)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(847)	847	-	-	-
Realisation of revaluation reserve upon disposal of revalued assets	-	-	-	-	(2,473)	2,473	-	-	-
Other comprehensive income for financial year	-	-	-	(1,971)	(3,320)	3,320	(1,971)	(228)	(2,199)
Profit for financial year	-	-	-	-	-	36,010	36,010	8,064	44,074
<b>Total comprehensive income for financial year</b>	-	-	-	(1,971)	(3,320)	39,330	34,039	7,836	41,875
Issuance of shares under the ESOS	1,777	56	-	-	-	-	1,833	-	1,833
Share options granted under ESOS	-	-	400	-	-	-	400	-	400
Transfer to share premium for share options exercised	-	367	(367)	-	-	-	-	-	-
Dividend paid to shareholders	-	-	-	-	-	(7,462)	(7,462)	-	(7,462)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,491)	(1,491)
<b>At 31 December 2010</b>	<b>149,769</b>	<b>5,964</b>	<b>730</b>	<b>5,275</b>	<b>77,255</b>	<b>299,784</b>	<b>538,777</b>	<b>22,855</b>	<b>561,632</b>
<b>At 1 January 2009</b>	146,551	5,216	400	4,059	58,919	236,425	451,570	14,239	465,809
<b>Other comprehensive income:</b>									
Currency translation differences	-	-	-	3,256	-	-	3,256	101	3,357
Exchange reserve realised on deconsolidation of a foreign subsidiary	-	-	-	(69)	-	-	(69)	-	(69)
Surplus on revaluation of properties	-	-	-	-	26,088	-	26,088	-	26,088
Transfer to deferred taxation	-	-	-	-	(3,747)	-	(3,747)	-	(3,747)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(685)	685	-	-	-
Other comprehensive income for financial year	-	-	-	3,187	21,656	685	25,528	101	25,629
Profit for financial year	-	-	-	-	-	37,844	37,844	2,810	40,654
<b>Total comprehensive income for financial year</b>	-	-	-	3,187	21,656	38,529	63,372	2,911	66,283
Issuance of shares under the ESOS	1,441	44	-	-	-	-	1,485	-	1,485
Share options granted under ESOS	-	-	578	-	-	-	578	-	578
Transfer to share premium for share options exercised	-	281	(281)	-	-	-	-	-	-
Dividend paid to shareholders	-	-	-	-	-	(7,331)	(7,331)	-	(7,331)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(640)	(640)
<b>At 31 December 2009, restated</b>	<b>147,992</b>	<b>5,541</b>	<b>697</b>	<b>7,246</b>	<b>80,575</b>	<b>267,623</b>	<b>509,674</b>	<b>16,510</b>	<b>526,184</b>

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**

	<b>12 Months Ended 31-12-2010</b>	<b>12 Months Ended 31-12-2009 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	54,287	26,407
<b>Adjustments For :-</b>		
Non-cash items	<u>57,618</u>	<u>56,773</u>
Operating profit before working capital changes	111,905	83,180
Changes in working capital:-		
Net change in current assets	(63,868)	4,510
Net change in current liabilities	52,517	3,901
Retirement benefits paid	(1,450)	(2,003)
Tax paid	(3,064)	(3,938)
Tax refund	89	50
Dividend paid	(8,953)	(7,971)
Dividend received	-	115
Interest paid	(17,338)	(12,943)
Interest received	300	255
Net cash generated from operating activities	<u>70,138</u>	<u>65,156</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	(141,915)	(53,029)
Purchase of property, plant & equipment	(13,260)	(10,645)
Proceeds from disposal of property, plant & equipment	12,077	1,302
Proceeds from disposal of held-for-trading investments	290	1,568
Proceeds from disposal of available-for-sale investments	248	-
Proceeds from disposal of assets held for sale	-	922
Purchase of held-for-trading investments	(160)	(1,454)
Proceeds from disposal of an associate company	12	-
Net cash used in investing activities	<u>(142,708)</u>	<u>(61,336)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	1,832	1,486
Net change in borrowings	<u>96,473</u>	<u>3,382</u>
Net cash generated from financing activities	<u>98,305</u>	<u>4,868</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase	25,735	8,688
Effect of exchange rate changes	(745)	1,618
At beginning of financial period	<u>(6,894)</u>	<u>(17,200)</u>
At end of financial period	<u>18,096</u>	<u>(6,894)</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 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.

The interim financial statements should be read in conjunction with audited financial statements for year ended 31 December 2009. These explanatory notes attached to interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in financial position and performance of the Group since 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 2	- Share-based Payment Vesting Conditions and Cancellations
Amendment to FRS 5	- Non-current Assets Held for Sale and Discontinued Operations
FRS 7	- Financial Instruments: Disclosures
Amendments 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
FRS 123	- Borrowing Costs
Amendment to FRS 123	- Borrowing Costs
Amendments 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
Amendment 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

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 7 Financial Instruments: Disclosures

FRS 7 and the consequential Amendment to FRS 101 - Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's financial position and performance, nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital.

The Group applied FRS 7 prospectively in accordance with the transitional provisions. Disclosures required were included throughout the Group's financial statements for the financial year ended 31 December 2010. However, such disclosures were not applied to the comparatives.

##### FRS 8 Operating Segments

FRS 8, which replaces FRS 114<sup>2004</sup> - Segment Reporting, requires identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group identifies two sets of segments (business and geographical) using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. The Group has adopted FRS 8 retrospectively. These revised disclosures, including related revised comparative information, are shown in Note A8.

##### FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 was adopted retrospectively by the Group.

It introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity and the statement of changes in equity is presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement into two statements.

In addition, the revised FRS 101 requires a statement of financial position at the beginning of the earliest comparative period following a change in accounting policy, correction of an error or reclassification of items in the financial statements.

The revised FRS 101 also requires the Group to disclose new information to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

##### Amendment to FRS 117 Leases

The amendment to FRS 117 clarified that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarified that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for land element as a finance lease in such circumstances would be consistent with economic position of the lessee. Therefore, adoption of amendment to FRS 117 has resulted in reclassification of certain unexpired land leases to finance leases. The Group has applied the change in accounting policy retrospectively and certain comparatives have been restated.

Effects on the statement of financial position, income statement, statement of comprehensive income and statement of cash flows are shown below:-

**Change in accounting policy**

	Increase/(Decrease)		
<u>31 December 2009</u>	<u>Before</u>	<u>After</u>	<u>Effect</u>
	RM'000	RM'000	RM'000
<b>Statement of Financial Position</b>			
Prepaid land lease payments	49,240	17,583	(31,657)
Property, plant and equipment	449,158	483,808	34,650
Revaluation Reserve	78,909	80,575	1,666
Unappropriated profit	266,851	267,623	772
Deferred tax liabilities	17,009	17,665	656
Deferred tax assets	19,789	19,890	101
<b>Income Statement</b>			
Impairment loss on prepaid land lease payments	772	-	(772)
Depreciation	39,853	40,272	419
Amortisation of prepaid land lease payments	853	434	(419)
<b>Statement of Cash Flows</b>			
Purchase of property, plant and equipment	6,807	10,645	3,838
Purchase of prepaid land lease payments	3,838	-	(3,838)

**FRS 123 Borrowing Costs**

FRS 123 removed the option of recognising borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset in profit or loss as available under the previous version of FRS 123. The Group shall capitalise such costs as part of the cost of that asset prospectively.

**FRS 139 Financial Instruments: Recognition and Measurement**

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

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

The following are effects arising from the above changes in accounting policies:-

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

**(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:-

Amendments to FRS 1	- First-time Adoption of Financial Reporting Standards
FRS 4	- Insurance Contracts
Amendment to FRS 120	- Accounting for Government Grants and Disclosure of Government Assistance
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
IC Interpretation 14	- FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

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	1 March 2010
FRS 1	1 July 2010
Amendments to FRS 2	1 July 2010
FRS 3	1 July 2010
Amendments to FRS 5	1 July 2010
FRS 127	1 July 2010
Amendments to FRS 138	1 July 2010
Amendments to IC Interpretation 9	1 July 2010
IC Interpretation 12	1 July 2010
IC Interpretation 16	1 July 2010
IC Interpretation 17	1 July 2010
Amendments to FRS 1	1 January 2011
Amendments to FRS 2	1 January 2011
Amendments to FRS 3	1 January 2011
Amendments to FRS 7	1 January 2011
Amendments to FRS 101	1 January 2011
Amendments to FRS 121	1 January 2011
Amendments to FRS 128	1 January 2011
Amendments to FRS 131	1 January 2011
Amendments to FRS 132	1 January 2011
Amendments to FRS 134	1 January 2011
Amendments to FRS 139	1 January 2011
IC Interpretation 4	1 January 2011
Amendment to IC Interpretation 13	1 January 2011
IC Interpretation 18	*
Amendment to IC Interpretation 14	1 July 2011
IC Interpretation 19	1 July 2011
Amendment to IC Interpretation 15	1 January 2012
FRS 124	1 January 2012

\* During the financial year, MASB approved and issued IC Interpretation 18 - Transfers of Assets from Customers and requires the interpretation to be applied prospectively to all transfers of assets from customers received on or after 1 January 2011.

The existing FRS 1, FRS 3, FRS 127 and FRS 124 will be withdrawn upon the adoption of the new requirements. IC Interpretation 15 will replace FRS 2012004. IC Interpretation 8 and IC Interpretation 11 will be withdrawn upon the application of Amendments to FRS 2 – Company Cash-settled Share-based Payment Transactions.

The above FRS 1, FRS 131, IC Interpretation 9, 12, 13, 14, 15, 16, 18 and 19 are not applicable to the Group's operations.

The Directors anticipate that the adoption of these new/revised FRS, amendments to FRS and IC Interpretations will have no material impact on the financial statements of the Group in the period for initial application except for the following:-

#### FRS 3 Business Combination

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

#### IC Interpretation 17 Distributions of Non-Cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Group should measure the dividend payable at the fair value of the assets to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the Group. On settlement of the dividend, the difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss. If the dividend remains unpaid at the end of the financial year end, the dividend payable carrying amount is reviewed with any changes recognised in equity.

#### FRS 124 Related Party Disclosures

The revised standard modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in the standard do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balance in this financial statement may be affected when the revised standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

#### FRS 127 Consolidated and Separate Financial Statements

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

### 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 year ended 31 December 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 year ended 31 December 2010 except for 2,532,500 and 1,020,500 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

A First and Final tax exempt dividend of 2.5 sen (5%) per 50 sen share amounting to RM7,462,226 (2009: 2.5 sen (5%) per share amounting to RM7,330,684) in respect of financial year ended 31 December 2009 was paid on 15 July 2010.

### 8. Operating Segments

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

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Year ended 31 December 2010</b>					
<b>Revenue</b>					
External revenue	700,992	232,857	31	-	933,880
Intersegment revenue	171,309	211,523	-	(382,832)	-
Total revenue	872,301	444,380	31	(382,832)	933,880
<b>Segment Profit</b>					
Interest income					300
Finance costs					(15,398)
Share of loss of associates					(1)
Profit before taxation	57,686	15,741	8,650	(12,691)	69,386
<b>Year ended 31 December 2009 (restated)</b>					
<b>Revenue</b>					
External revenue	553,922	148,521	477	-	702,920
Intersegment revenue	141,235	143,535	149	(284,919)	-
Total revenue	695,157	292,056	626	(284,919)	702,920
<b>Segment Profit</b>					
Interest income					255
Finance costs					(14,508)
Share of profit of associates					95
Profit before taxation	45,706	2,902	2,471	(10,514)	40,565



**9. Material Events Subsequent to the End of the Current Financial Year**

During the quarter, Intrapac (Singapore) Pte. Ltd., a subsidiary company of the Group, acquired a 60% equity interest in Pacific Bookstores Pte. Ltd., a company incorporated in Singapore for a consideration of SGD3,440,000 (equivalent to RM8,207,496). The acquisition was completed on 19 January 2011.

**10. Changes in Composition of the Group**

(a) During current financial year, 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**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	891,155	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 31 December 2010 are as follows:

	<b>RM'000</b>
Approved and contracted for	23,473
Approved but not contracted for	6,600
	<b><u>30,073</u></b>

**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 of RM993.88million recorded by the Group in 2010 represented an increase of 32.9% over the revenue of RM702.92million reported in 2009. The increase in revenue reported by the Manufacturing Division and Trading Division of 26.6% and 56.8% respectively is attributed to expansion of the manufacturing sector in Malaysia experienced in the first half of the year and increase in demand of recovered paper especially in Singapore. Profit before tax reported by the Group of RM54.29million saw a two fold increase as compared to RM26.41million reported in the preceding year due to improved efficiency and favourable economic environment vis-a-vis better selling price and higher demand.

**2. Comparison with Preceding Quarter**

Revenue of RM245.79million for quarter under review was 6.8% higher than preceding quarter due to improved sales reported by the Trading Division. During the quarter under review, revenue from the Manufacturing Division remained stable due to slower pace of growth in the economy experienced by the country in second half of the year. Notwithstanding higher operating cost, the Group still reported 12.0% improvement in profit before tax, from RM11.09million in the last quarter of 2010 to RM12.42million for the current quarter, due to higher revenue and a RM3.17million gain from disposal of a property in the quarter.

**3. Commentary on Prospects**

The Board expects the Group to continue its good performance in 2011.

**4. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee issued.

**5. Income Tax (Income)/Expense**

	<b>Current Quarter</b>	<b>Year To date</b>
	<b>RM'000</b>	<b>RM'000</b>
Current taxation	250	4,808
Deferred taxation	(289)	5,405
Total income tax (income)/expense	<b><u>(39)</u></b>	<b><u>10,213</u></b>

The Group's 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 year except for a gain of RM3,173,474 recorded for disposal of leasehold building by a subsidiary company.

**7. Quoted Securities**

(a) Details of purchases and disposals of quoted securities for financial period ended 31 December 2010 are as follows:-

	<b>Current Quarter</b>	<b>Year To date</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) Total consideration for purchases	62	160
(ii) Total proceeds from disposals	152	290
(iii) Gain on disposals	6	21

(b) Details of investment in quoted securities as at 31 December 2010:-

	<b>As At 31.12.2010</b>	<b>As At 31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) At Cost	2,656	3,287
(ii) At Book Value	3,137	2,566
(iii) At Market Value	3,137	2,859

**8. Corporate Proposals**

There is no outstanding corporate proposal.

**9. Borrowings**

	As At 31.12.2010 RM'000	As At 31.12.2009 RM'000
<b>Short Term Borrowings</b>		
Secured	474	1,766
Unsecured	289,375	250,539
	<u>289,849</u>	<u>252,305</u>
<b>Long Term Borrowings</b>		
Secured	-	1,562
Unsecured	150,109	21,224
	<u>150,109</u>	<u>22,786</u>
	<u>439,958</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 31-12-2010 are shown below:-

	Amount '000
(i) Singapore Dollar	SGD 927
(ii) Hong Kong Dollar	HKD 896

**10. Derivative Financial Instruments**

Details of outstanding derivative financial instruments as at 31 December 2010:-

Type of Derivatives	Contract/ Notional Value (RM'000)	Fair Value (RM'000)	Gain on Fair Value Changes (RM'000)	Purpose
Forward exchange contracts -Maturing within 1 month	2,363	2,313	50	Hedging for contracted sales

**11. Realised and Unrealised Profits/(Losses) Disclosure**

	As At 31.12.2010 RM'000	As At 30.09.2010 RM'000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:		
-Realised	287,591	274,103
-Unrealised	12,225	11,779
	<u>299,816</u>	<u>285,882</u>
Total unappropriated profit/(accumulated losses) from associate companies:		
-Realised	(32)	(81)
	<u>(32)</u>	<u>(81)</u>
<b>Total group unappropriated profit as per consolidated accounts</b>	<u>299,784</u>	<u>285,801</u>

**12. Changes in Material Litigation**

There were no material litigations pending as at 16 February 2011.

**13. Dividend**

The Board is recommending a First and Final tax exempt dividend of 2.5 sen (5%) per 50 sen share amounting to RM7,488,433 [2009: 2.5 sen (5%) per share amounting to RM 7,399,608] for financial year ended 31 December 2010.

**14. 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 12 Months Ended	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Profit attributable to owners of the Company	11,130	25,404	36,010	37,844
Weighted average number of ordinary shares in issue	299,399	295,706	298,197	294,103
Basic earnings per share (Sen)	<u>3.72</u>	<u>8.59</u>	<u>12.08</u>	<u>12.87</u>

**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 12 Months Ended	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Profit attributable to owners of the Company	11,130	25,404	36,010	37,844
Weighted average number of ordinary shares in issue	299,399	295,706	298,197	294,103
Effect of dilution - ESOS	2,367	2,300	2,829	2,697
Adjusted weighted average number of ordinary shares in issue	<u>301,766</u>	<u>298,006</u>	<u>301,026</u>	<u>296,800</u>
Diluted earnings per share (Sen)	<u>3.69</u>	<u>8.52</u>	<u>11.96</u>	<u>12.75</u>

**15. 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  
23-Feb-11