

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Income Statement
For the Six-Month Period Ended 30 June 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.6.2011	30.6.2010	30.6.2011	30.6.2010
		RM'000	RM'000	RM'000	RM'000
Revenue		256,847	241,720	518,998	457,851
Cost of sales		(207,598)	(192,642)	(419,900)	(367,652)
Gross profit		<u>49,249</u>	<u>49,078</u>	<u>99,098</u>	<u>90,199</u>
Other income		2,430	3,548	4,803	8,249
Distribution expenses		(17,161)	(14,876)	(34,941)	(28,417)
Administration expenses		(16,488)	(14,587)	(32,598)	(29,069)
Other expenses		(1,064)	(840)	(1,582)	(2,724)
Finance costs		(4,401)	(3,878)	(8,479)	(7,399)
Share of profit/(loss) of associate companies		145	94	266	(67)
Profit before taxation		<u>12,710</u>	<u>18,539</u>	<u>26,567</u>	<u>30,772</u>
Income tax expense	B 5	552	(2,335)	(2,611)	(4,111)
Profit for the period		<u><u>13,262</u></u>	<u><u>16,204</u></u>	<u><u>23,956</u></u>	<u><u>26,661</u></u>
Profit attributable to:					
Owners of the Company		10,968	13,191	18,492	21,423
Non-controlling interests		<u>2,294</u>	<u>3,013</u>	<u>5,464</u>	<u>5,238</u>
Profit for the period		<u><u>13,262</u></u>	<u><u>16,204</u></u>	<u><u>23,956</u></u>	<u><u>26,661</u></u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B14(a)	<u>3.66</u>	<u>4.43</u>	<u>6.17</u>	<u>7.23</u>
Diluted, for profit from operations (Sen)	B14(b)	<u>3.64</u>	<u>4.38</u>	<u>6.13</u>	<u>7.15</u>

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with audited financial statements for year ended 31 December 2010 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 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	13,262	16,204	23,956	26,661
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	1,653	(1,192)	1,833	(4,192)
Other comprehensive income / (loss) for the period	<u>1,653</u>	<u>(1,192)</u>	<u>1,833</u>	<u>(4,192)</u>
Total comprehensive income for the period	<u>14,915</u>	<u>15,012</u>	<u>25,789</u>	<u>22,469</u>
Total comprehensive income attributable to:				
Owners of the Company	12,002	12,320	19,568	18,026
Non-controlling interests	2,913	2,692	6,221	4,443
Total comprehensive income for the period	<u>14,915</u>	<u>15,012</u>	<u>25,789</u>	<u>22,469</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with audited financial statements for year ended 31 December 2010 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 2011

	Note	AS AT 30-06-2011 RM'000	AS AT 31-12-2010 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		492,821	490,251
Prepaid land lease payments		16,556	16,764
Capital work-in-progress		218,625	198,711
Investment properties		7,988	7,495
Investment in associate companies		760	469
Intangible assets		4,416	-
Deferred tax assets		16,527	17,355
		<u>757,693</u>	<u>731,045</u>
Current Assets			
Inventories		160,788	137,866
Trade receivables		186,350	171,143
Other receivables		29,163	31,316
Amount due from associate companies		1,492	1,478
Tax recoverable		2,176	1,723
Held-for-trading investments		3,183	3,137
Assets held for sale		-	2,360
Derivative financial instruments		43	50
Cash and bank balances, deposits and short term placements		39,398	39,795
		<u>422,593</u>	<u>388,868</u>
TOTAL ASSETS		<u><u>1,180,286</u></u>	<u><u>1,119,913</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	A6	149,970	149,769
Share premium		6,087	5,964
Reserves		83,923	83,260
Unappropriated profit		318,654	299,784
		<u>558,634</u>	<u>538,777</u>
Non-Controlling Interests		<u>31,728</u>	<u>22,855</u>
Total Equity		<u>590,362</u>	<u>561,632</u>
Non-Current Liabilities			
Finance lease liabilities	B9	17,139	18,033
Borrowings	B9	147,659	132,242
Provision for retirement benefits		15,766	14,408
Deferred tax liabilities		20,498	20,534
		<u>201,062</u>	<u>185,217</u>
Current Liabilities			
Trade payables		27,499	20,823
Other payables		62,078	59,278
Finance lease liabilities	B9	10,281	9,335
Borrowings	B9	285,357	280,348
Tax payable		3,647	3,280
		<u>388,862</u>	<u>373,064</u>
Total Liabilities		<u>589,924</u>	<u>558,281</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,180,286</u></u>	<u><u>1,119,913</u></u>
		-	-
Net Assets per Share (RM)		1.97	1.88

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with audited financial statements for year ended 31 December 2010 and accompanying explanatory notes attached to interim financial statements.

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2011

	← Attributable to Owners of the Company →						Non-Controlling Interests	Total Equity	
	Share Capital	Share Premium	Share Option Reserve	Exchange Fluctuation Reserve	Revaluation Reserve	Unappropriated Profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2011	149,769	5,964	730	5,275	77,255	299,784	538,777	22,855	561,632
Other comprehensive income:									
Currency translation differences	-	-	-	1,076	-	-	1,076	757	1,833
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(378)	378	-	-	-
Other comprehensive income for the period	-	-	-	1,076	(378)	378	1,076	757	1,833
Profit for the period	-	-	-	-	-	18,492	18,492	5,464	23,956
Total comprehensive income for the period	-	-	-	1,076	(378)	18,870	19,568	6,221	25,789
Issuance of shares under the ESOS	201	11	-	-	-	-	212	-	212
Share options granted under ESOS	-	-	77	-	-	-	77	-	77
Transfer to share premium for share options exercised	-	112	(112)	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	3,811	3,811
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,159)	(1,159)
At 30 June 2011	149,970	6,087	695	6,351	76,877	318,654	558,634	31,728	590,362
	-	-	-	-	-	-	-	-	-
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
Other comprehensive income:									
Currency translation differences	-	-	-	(3,397)	-	-	(3,397)	(795)	(4,192)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(311)	311	-	-	-
Other comprehensive income for the period	-	-	-	(3,397)	(311)	311	(3,397)	(795)	(4,192)
Profit for the period	-	-	-	-	-	21,423	21,423	5,238	26,661
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 non-controlling interests	-	-	-	-	-	-	-	(643)	(643)
At 30 June 2010	149,244	5,824	770	3,849	80,264	289,650	529,601	20,310	549,911

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with audited financial statements for year ended 31 December 2010 and accompanying explanatory notes attached to interim financial statements.

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

	6 Months Ended 30-06-2011	6 Months Ended 30-06-2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	26,567	30,772
Adjustments For :-		
Non-cash items	<u>28,627</u>	<u>27,160</u>
Operating profit before working capital changes	55,194	57,932
Changes in working capital:-		
Net change in current assets	(10,808)	(64,787)
Net change in current liabilities	(7,450)	47,858
Retirement benefits paid	(399)	(667)
Tax paid	(2,399)	(1,478)
Tax refund	103	122
Dividend paid	(1,159)	(643)
Dividend received	-	84
Interest paid	(7,386)	(6,459)
Interest received	191	126
Net cash generated from operating activities	<u>25,887</u>	<u>32,088</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow from acquisition of subsidiary	(5,320)	-
Purchase of intangible assets	(555)	-
Capital work-in-progress incurred	(28,303)	(77,189)
Purchase of property, plant & equipment	(15,362)	(6,352)
Purchase of investment property	(493)	-
Proceeds from disposal of property, plant & equipment	4,249	1,300
Proceeds from disposal of held-for-trading investments	2,400	215
Proceeds from disposal of available-for-sale investments	2,475	-
Purchase of held-for-trading investments	(2,351)	(98)
Proceeds from disposal of an associate company	-	12
Net cash used in investing activities	<u>(43,260)</u>	<u>(82,112)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	212	1,291
Net change in borrowings	<u>13,610</u>	<u>58,753</u>
Net cash generated from financing activities	<u>13,822</u>	<u>60,044</u>
CASH AND CASH EQUIVALENTS		
Net (decrease)/ increase	(3,551)	10,020
Effect of exchange rate changes	345	(825)
At beginning of financial period	<u>18,096</u>	<u>(6,894)</u>
At end of financial period	<u>14,890</u>	<u>2,301</u>
	-	

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with audited financial statements for year ended 31 December 2010 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 the audited financial statements for year ended 31 December 2010. 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 2010.

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 2010, except for adoption of the following new and revised FRSs, Amendments to FRSs and IC Interpretations for financial period beginning 1 January 2011:-

Amendments to FRS 1	-	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	-	Share-Based Payment Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	-	Business Combinations
Amendments to FRS 7	-	Improving Disclosures about Financial Instruments
Amendments to FRS 101	-	Presentation of Financial Statements
Amendments to FRS 121	-	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	-	Investments in Associates
Amendments to FRS 132	-	Financial Instruments: Presentation
Amendments to FRS 134	-	Interim Financial Reporting
Amendments to FRS 139	-	Financial Instruments: Recognition and Measurement
IC Interpretation 4	-	Determining Whether an Arrangement Contains a Lease
Amendment to IC Interpretation 13	-	Customer Loyalty Programmes

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

The following Amendments to FRSs and IC Interpretations which are effective for financial period beginning on or after 1 January 2011, are not applicable to the Group:-

Amendments to FRS 131	-	Interests in Joint Ventures
IC Interpretation 18	-	Transfer of Assets from Customers

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 Interpretations</u>	<u>Effective for Financial Period Beginning On or After</u>
Amendment to - Prepayments of a Minimum	
IC Interpretation 14 - Funding Requirement	1 July 2011
IC Interpretation 19 - Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendment to IC - Agreements for the Construction Interpretation 15 of Real Estate	1 January 2012
FRS 124 - Related Party Disclosures	1 January 2012

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 of 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 treatments when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to be allocated to non-controlling interests, even if it results in deficit position for the non-controlling interest.

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 flow during the period ended 30 June 2011.

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 the period ended 30 June 2011 except for 89,000 and 312,800 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. Proceeds from the shares issued were used for working capital purpose.

7. Dividend Paid

There were no dividends paid during the period under review.

8. Operating Segments

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

	Manufacturing	Trading	Others	Elimination	Total
	RM 000	RM 000	RM 000	RM 000	RM 000
Period Ended 30 June 2011					
Revenue					
External revenue	377,162	141,835	1	-	518,998
Intersegment revenue	81,059	112,938	-	(193,997)	-
Total revenue	458,221	254,773	1	(193,997)	518,998
Segment Profit					
Interest income	28,891	8,834	(2,131)	(1,005)	34,589
Finance costs					191
Share of profit of associates					(8,479)
Profit before taxation					266
					<u>26,567</u>

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

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

On 18 January 2011, the Company's 70% owned subsidiary, Intrapac (Singapore) Pte. Ltd. has completed its acquisition of 60% equity interest in Pacific Bookstores Pte. Ltd. for RM 8.21 million.

11. Changes in Contingent Liabilities and Contingent Assets

	30.06.2011	31.12.2010
	RM 000	RM 000
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	991,574	891,155

12. Capital Commitment

Amount of capital commitments for purchase of property, plant and equipment not provided in the interim financial statements as at 30 June 2011 are as follows :-

	RM 000
Approved and contracted for	34,396
Approved but not contracted for	1,940
	<u>36,336</u>

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

The increase in Group revenue for the half year of 2011 by 13.4% to RM 519.00 million compared to RM 457.85 million reported in the corresponding period of 2010 was driven by growth in the economy. Notwithstanding better selling prices and higher volume during the period, the Group registered lower profitability due to higher raw material cost and energy cost.

2. Comparison with Preceding Quarter

Group revenue declined by 2% from RM 262.15 million to RM 256.85 million due to slower economic growth in the second quarter. The decline is attributable to 12.6% reduction in revenue from the Trading Division and the decrease is partially offset by 2.3% increase in revenue from the Manufacturing Division. Profitability for the quarter was affected by higher raw material and energy cost.

3. Commentary on Prospects

Notwithstanding slower growth anticipated for the rest of the year, the Board expects the Group to remain profitable in 2011.

4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued.

5. Income Tax (Income) / Expense

	Current Quarter	Year To Date
	RM 000	RM 000
Current taxation	-	1,698
Deferred taxation	(552)	913
Total Income Tax (income)/expense	<u>(552)</u>	<u>2,611</u>

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 period.

7. Quoted Securities

(a) Details of purchases and disposals of quoted securities for financial period ended 30 June 2011 are as follows :-

	Current Quarter	Year to Date
	RM 000	RM 000
(i) Total consideration for purchases	2,351	2,351
(ii) Total proceeds from disposals	2,400	2,400
(iii) Gain on disposals	2	2

(b) Details of investment in quoted securities as at 30 June 2011

	As At 30.06.2011	As At 31.12.2010
	RM 000	RM 000
(i) At Cost	2,862	2,656
(ii) At Book Value	3,183	3,137
(iii) At Market Value	3,183	3,137

8. Corporate Proposals

There is no outstanding corporate proposal.

9. Borrowings

	As At 30.06.2011	As At 31.12.2010
	RM 000	RM 000
Short Term Borrowings		
Secured	1,024	474
Unsecured	294,614	289,209
	<u>295,638</u>	<u>289,683</u>
Long Term Borrowings		
Secured	-	-
Unsecured	164,798	150,275
	<u>164,798</u>	<u>150,275</u>
	<u>460,436</u>	<u>439,958</u>

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

Borrowings of foreign subsidiaries in their respective currencies as at 30.06.2011 are shown below:-

	Amount
	'000
(i) Singapore	SGD 1,729
(ii) Hong Kong	HKD 991

10. Derivative Financial Instruments

Details of outstanding derivative financial instruments as at 30 June 2011:-

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	11,542	11,499	43	Hedging for contracted sales

11. Realised and Unrealised Profits /(Losses) Disclosure

	As At 30.06.2011 RM 000	As At 31.12.2010 RM 000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:		
-Realised	308,331	287,591
-Unrealised	10,347	12,225
	<u>318,678</u>	<u>299,816</u>
Total unappropriated profit/(accumulated losses) from associate companies:		
-Realised	(24)	(32)
	<u>(24)</u>	<u>(32)</u>
Total Group unappropriated profit as per consolidated accounts	<u>318,654</u>	<u>299,784</u>

12. Changes in Material Litigation

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

13. Dividend

There were no dividends declared for the financial period ended 30 June 2011

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 6 Months Ended	
	30.6.2011 RM 000	30.6.2010 RM 000	30.6.2011 RM 000	30.6.2010 RM 000
Profit attributable to owners of the Company	10,968	13,191	18,492	21,423
Weighted average number of ordinary shares in issue	<u>299,809</u>	<u>298,100</u>	<u>299,594</u>	<u>296,397</u>
Basic earnings per share (Sen)	<u>3.66</u>	<u>4.43</u>	<u>6.17</u>	<u>7.23</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 6 Months Ended	
	30.6.2011 RM 000	30.6.2010 RM 000	30.6.2011 RM 000	30.6.2010 RM 000
Profit attributable to owners of the Company	10,968	13,191	18,492	21,423
Weighted average number of ordinary shares in issue	<u>299,809</u>	<u>298,100</u>	<u>299,594</u>	<u>296,397</u>
Effect of dilution - ESOS	<u>1,886</u>	<u>2,930</u>	<u>1,938</u>	<u>3,302</u>
Adjusted weighted average number of ordinary share in issue	<u>301,695</u>	<u>301,030</u>	<u>301,532</u>	<u>299,699</u>
Diluted earnings per share (Sen)	<u>3.64</u>	<u>4.38</u>	<u>6.13</u>	<u>7.15</u>

15. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on financial statements for year ended 31 December 2010 was not qualified.

BY ORDER OF THE BOARD

Goh Ching Yee

Yong Ee Chern

Secretaries

23-Aug-2011