

Muda Holdings Berhad (10427 A)
Unaudited Condensed Consolidated Income Statement
For the Year Ended 31 December 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31.12.2011	31.12.2010	31.12.2011	31.12.2010
		RM'000	RM'000	RM'000	RM'000
Revenue		314,350	245,792	1,103,800	933,880
Cost of sales		(259,343)	(198,618)	(907,512)	(754,170)
Gross profit		<u>55,007</u>	<u>47,174</u>	<u>196,288</u>	<u>179,710</u>
Other income		4,735	8,019	15,019	18,758
Distribution expenses		(21,475)	(17,461)	(73,730)	(61,146)
Administration expenses		(22,910)	(15,385)	(72,188)	(58,052)
Other expenses		(1,282)	(6,103)	(4,024)	(9,584)
Finance costs		(7,478)	(3,811)	(22,796)	(15,398)
Share of profit of associate companies		(57)	(10)	298	(1)
Profit before tax		<u>6,540</u>	<u>12,423</u>	<u>38,867</u>	<u>54,287</u>
Income tax expense	B 5	17,871	39	21,667	(10,213)
Profit for the period		<u>24,411</u>	<u>12,462</u>	<u>60,534</u>	<u>44,074</u>
Profit attributable to:					
Owners of the Company		23,323	11,130	51,736	36,010
Non-controlling interests		1,088	1,332	8,798	8,064
Profit for the period		<u>24,411</u>	<u>12,462</u>	<u>60,534</u>	<u>44,074</u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B14(a)	<u>7.73</u>	<u>3.72</u>	<u>17.22</u>	<u>12.08</u>
Diluted, for profit from operations (Sen)	B14(b)	<u>7.70</u>	<u>3.69</u>	<u>17.11</u>	<u>11.96</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 Year Ended 31 December 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	24,411	12,462	60,534	44,074
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	197	1,148	2,302	(2,199)
Actuarial losses on retirement benefits	(611)	-	(611)	-
Other comprehensive income / (loss) for the period	<u>(414)</u>	<u>1,148</u>	<u>1,691</u>	<u>(2,199)</u>
Total comprehensive income for the period	<u>23,997</u>	<u>13,610</u>	<u>62,225</u>	<u>41,875</u>
Total comprehensive income attributable to:				
Owners of the Company	23,014	11,952	52,851	34,039
Non-controlling interests	983	1,658	9,374	7,836
Total comprehensive income for the period	<u>23,997</u>	<u>13,610</u>	<u>62,225</u>	<u>41,875</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
For the Year Ended 31 December 2011

	Note	AS AT 31-12-2011	AS AT 31-12-2010
		RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		710,120	490,251
Prepaid land lease payments		16,697	16,764
Capital work-in-progress		26,231	198,711
Investment properties		7,435	7,495
Investment in associate companies		857	469
Intangible assets		3,512	-
Deferred tax assets		27,784	17,355
		<u>792,636</u>	<u>731,045</u>
Current Assets			
Inventories		191,000	137,866
Trade receivables		186,819	171,143
Other receivables		18,833	31,316
Amount due from associate companies		1,694	1,478
Tax recoverable		2,290	1,723
Held-for-trading investments		3,218	3,137
Assets held for sale		-	2,360
Derivative financial instruments		-	50
Cash and bank balances, deposits and short term placements		60,113	39,795
		<u>463,967</u>	<u>388,868</u>
TOTAL ASSETS		<u>1,256,603</u>	<u>1,119,913</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	A6	150,822	149,769
Share premium		6,409	5,964
Reserves		83,917	83,260
Unappropriated profit		344,263	299,784
		<u>585,411</u>	<u>538,777</u>
Non-Controlling Interests		32,082	22,855
Total Equity		<u>617,493</u>	<u>561,632</u>
Non-Current Liabilities			
Finance lease liabilities	B9	16,077	18,033
Borrowings	B9	147,399	132,242
Provision for retirement benefits		16,432	14,408
Deferred tax liabilities		5,551	20,534
		<u>185,459</u>	<u>185,217</u>
Current Liabilities			
Trade payables		31,972	20,823
Other payables		70,785	59,278
Finance lease liabilities	B9	10,717	9,335
Borrowings	B9	337,272	280,348
Tax payable		2,887	3,280
Derivative liabilities		18	-
		<u>453,651</u>	<u>373,064</u>
Total Liabilities		<u>639,110</u>	<u>558,281</u>
TOTAL EQUITY AND LIABILITIES		<u>1,256,603</u>	<u>1,119,913</u>
		-	-
Net Assets per Share (RM)		2.05	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 Year Ended 31 December 2011

	← 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	
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	-	-	-	1,721	-	-	1,721	581	2,302
Actuarial lossess on retirement benefits	-	-	-	-	-	(605)	(605)	(6)	(611)
Other comprehensive income for the period	-	-	-	1,721	-	(605)	1,116	575	1,691
Profit for the period	-	-	-	-	-	51,736	51,736	8,798	60,534
Total comprehensive income for the period	-	-	-	1,721	-	51,131	52,852	9,373	62,225
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(846)	846	-	-	-
Issuance of shares under the ESOS	1,053	44	-	-	-	-	1,097	-	1,097
Share options granted under ESOS	-	-	117	-	-	-	117	-	117
Transfer to share premium for share options exercised	-	401	(401)	-	-	-	-	-	-
Non-controlling interest arising from acquisition of subsidiary	-	-	-	66	-	-	66	3,390	3,456
Dividend paid to shareholders	-	-	-	-	-	(7,498)	(7,498)	-	(7,498)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(3,536)	(3,536)
At 31 December 2011	150,822	6,409	446	7,062	76,409	344,263	585,411	32,082	617,493
	-	-	-	-	-	-	-	-	-
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	-	-	-	(1,971)	-	-	(1,971)	(228)	(2,199)
Realisation of revaluation reserve upon disposal of revalued assets	-	-	-	-	(2,473)	2,473	-	-	-
Other comprehensive income for the period	-	-	-	(1,971)	(2,473)	2,473	(1,971)	(228)	(2,199)
Profit for the period	-	-	-	-	-	36,010	36,010	8,064	44,074
Total comprehensive income for the period	-	-	-	(1,971)	(2,473)	38,483	34,039	7,836	41,875
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(847)	847	-	-	-
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)
At 31 December 2010	149,769	5,964	730	5,275	78,102	298,937	538,777	22,855	561,632

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

	12 Months Ended 31-12-2011	12 Months Ended 31-12-2010
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	38,867	54,287
Adjustments For :-		
Non-cash and non-operating items	<u>70,314</u>	<u>57,618</u>
Operating profit before working capital changes	109,181	111,905
Changes in working capital:-		
Net change in inventories	(35,102)	(24,854)
Net change in receivables	3,434	(39,014)
Net change in payables	3,581	6,315
Bills payable	<u>19,923</u>	<u>46,202</u>
Cash generated from operations	<u>101,017</u>	<u>100,554</u>
Retirement benefits paid	(1,522)	(1,450)
Tax paid	(4,898)	(3,064)
Tax refund	29	89
Dividend paid	(7,498)	(7,462)
Dividend paid to non-controlling interest	(3,537)	(1,491)
Interest paid	<u>(24,005)</u>	<u>(17,338)</u>
Net cash generated from operating activities	<u>59,586</u>	<u>69,838</u>
INVESTING ACTIVITIES		
Acquisition of subsidiary company, net of cash acquired	(5,320)	-
Acquisition of associate company	(295)	-
Acquisition of intangible assets	(559)	-
Capital work-in-progress incurred	(52,820)	(141,915)
Purchase of property, plant & equipment	(39,905)	(13,260)
Purchase of investment property	-	-
Proceeds from disposal of property, plant & equipment	6,477	12,077
Proceeds from disposal of held-for-trading investments	2,923	290
Proceeds from disposal of available-for-sale investments	-	248
Proceeds from disposal of assets held for sale	2,475	-
Purchase of held-for-trading investments	(2,874)	(160)
Proceeds from disposal of an associate company	-	12
Net cash used in investing activities	<u>(89,898)</u>	<u>(142,708)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,097	1,832
Dividend received	219	-
Interest received	453	300
Proceeds from finance leases	7,909	2,900
Revolving credit drawdown	9,400	1,500
Repayment of revolving credit	-	(1,800)
Repayment of term loans	(9,490)	(17,504)
Repayment of finance leases	(11,767)	(9,206)
Term loans drawdown	<u>39,665</u>	<u>120,583</u>
Net cash generated from financing activities	<u>37,486</u>	<u>98,605</u>
CASH AND CASH EQUIVALENTS		
Net (decrease)/ increase	7,174	25,735
Effect of exchange rate changes	561	(745)
At beginning of financial period	<u>18,096</u>	<u>(6,894)</u>
At end of financial period	<u>25,831</u>	<u>18,096</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 on and after 1 January 2011:-

Amendments to FRS 2	- Share-Based Payment
FRS 3	- Business Combinations
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
FRS 127	- Consolidated and Separate Financial Statements
Amendments to FRS 128	- Investments in Associates
Amendments to FRS 132	- Financial Instruments: Presentation
Amendments to FRS 134	- Interim Financial Reporting
Amendments to FRS 138	- Intangible Assets
Amendments to FRS 139	- Financial Instruments: Recognition and Measurement
IC Interpretation 4	- Determining Whether an Arrangement Contains a Lease
IC Interpretation 17	- Distributions of Non-cash Assets to Owners

(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 1	- First-time Adoption of Financial Reporting Standards
Amendments to FRS 131	- Interests in Joint Ventures
Amendments to IC Interpretation 9	- Reassessment of Embedded Derivatives

Amendments to IC Interpretation 12	-	Service Concession Arrangements
Amendment to IC Interpretation 13	-	Customer Loyalty Programmes
Amendment to IC 15	-	Agreements for the Construction of Real Estate
IC Interpretation 16	-	Hedges of Net Investment in a Foreign Operation
IC Interpretation 18	-	Transfer of Assets from Customers

The following are the FRSs, Amendments to FRSs and IC Interpretations which are effective but 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 IC Interpretation 14 - Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19 - Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124 - Related Party Disclosures	1 January 2012
Amendment to IC Interpretation 15 - Agreements for the Construction of Real Estate	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.

Malaysian Financial Reporting Standards (“MFRSs”)

On 19 November 2011, MASB issued the new Malaysia Financial Reporting Standards (“MFRS”) Framework, consisting of accounting standards which are in line with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The MFRS Framework is effective for annual periods beginning on or after 1 January 2012. As at 31 December 2011, FRSs issued under existing FRS framework are similar with the MFRSs issued under the MFRS Framework, except for differences in relation to the transitional provisions and differences in effective dates of existing FRSs.

The MFRS Framework is applicable to all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture.

The Group is required to prepare financial statements for the year ending 31 December 2012 under the MFRS Framework. When the Group presents its first MFRS financial statements, it is required to restate the financial position at 1 January 2011 to amounts reflecting the application of MFRS Framework. The Group has not selected optional exemptions from retrospective application under MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards and the effects of adopting the new MFRSs and IC Interpretation has not been determined.

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 31 December 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 31 December 2011 except for 992,000 and 1,115,600 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

A First and Final tax exempt dividend of 2.5 sen (5%) per 50 sen share amounting to RM7,498,483 in respect of financial year ended 31 December 2010 was paid on 15 July 2011.

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 31 December 2011					
Revenue					
External revenue	780,168	323,614	18	-	1,103,800
Intersegment revenue	188,039	238,660	-	(426,699)	-
Total revenue	<u>968,207</u>	<u>562,274</u>	<u>18</u>	<u>(426,699)</u>	<u>1,103,800</u>
Segment Profit	45,492	21,483	25,045	(31,108)	60,912
Interest income					453
Finance costs					(22,796)
Share of profit of associates					<u>298</u>
Profit before tax					<u><u>38,867</u></u>

	Manufacturing RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Total RM '000
Period ended 31 December 2010					
Revenue					
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
Segment Profit					
	57,686	15,741	8,650	(12,691)	69,386
Interest income					300
Finance costs					(15,398)
Share of profit of associates					(1)
Profit before tax					54,287

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

There were no changes in the composition of the Group for the period under review except for the following :-

- a. On 18 January 2011, the Company's 70% owned subsidiary, Intrapac (Singapore) Pte. Ltd. completed its acquisition of 60% equity interest in Pacific Bookstores Pte. Ltd. for RM 8,210,000.
- b. On 22 September 2011, the Company's 60% subsidiary, Ee Sin Paper Products Pte. Ltd subscribed for 40% equity in a newly incorporated company in Timor Leste known as Timor Enterprise Company LDA at a cost of RM 290,000; and
- c. On 21 October 2011, the Company announced voluntary liquidation of two wholly-owned dormant subsidiaries, namely Agaya (Malaysia) Sdn Bhd and Muda Kyokuyo Packing System Sdn Bhd. Liquidation of these subsidiaries will not have any significant impact on the financial position of the Group for the period ended 31 December 2011.

11. Changes in Contingent Liabilities and Contingent Assets

	31.12.2011 RM '000	31.12.2010 RM '000
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	1,000,166	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 31 December 2011 are as follows :-

	RM '000
Approved and contracted for	25,575
Approved but not contracted for	12,301
	<hr/>
	37,876
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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 Group registered an increase of 18.2% in revenue to RM 1,103.8 million in 2011 compared with RM 933.88 million in 2010. The increase is attributable mainly to higher output of the new paper machine in Muda Paper Mills Sdn Bhd which commenced commercial production in second half of the year and revenue from a new subsidiary company acquired in the year.

Gross profit margins for the Group declined to 17.8% in the year from 19.2% in 2010 due to higher raw material price incurred by the paper mills as a result of tight supply situation in the domestic market and increased energy cost due to higher electricity and gas tariff.

There is a reduction in profit before tax from RM 54.29 million in 2010 to RM 38.87 million in 2011 due to lower margins and additional finance cost. Profit after tax increased from RM 44.07 million in 2010 to RM 60.53 million due to one off recognition of Reinvestment Allowances from the new paper machine.

Performance of respective Divisions of the Group are explained below:

a. Manufacturing Division

Revenue of the Manufacturing Division increased by 11.3% as compared with 2010. Higher output from the new paper machine has resulted in higher revenue for Manufacturing Division. Despite higher revenue from higher output, profitability in the Manufacturing Division is affected by increased raw material and energy cost and lower selling price due to soft demand.

b. Trading Division

Higher selling prices of recovered paper due to limited supply and revenue from new subsidiary acquired in the year has resulted in 39.0% increase in revenue for the Trading Division. The improvement in profitability for the Trading Division is attributable to higher profit from trading of recovered paper.

c. Others Division

Profit from Others Division comprised mainly of dividend from subsidiary companies.

2. Comparison with Preceding Quarter

The increase in revenue by 16.23% from RM 270.45 million in the preceding quarter to RM 314.35 million for the quarter under review is mainly attributable to revenue from year end seasonal demand of stationery products. Notwithstanding higher revenue, soft market demand due to Eurozone crisis, high raw material cost and increased finance cost has dampened profitability for the Group. The recognition of Reinvestment Allowance for the new paper machine has resulted in tax income of RM 17.87 million for the quarter under review which increased profit after tax to RM 24.41 million in the quarter as compared to RM 12.17 million in the preceding quarter.

3. Commentary on Prospects

The Board recognises that 2012 will be a challenging year for the Group due to repercussion from Eurozone crisis and slow recovery of US economy which is expected to translate into softer demand for the Group's products. Whilst there are concerns on further increase in raw material and energy cost and volatile exchange rate of USD against Ringgit in 2012, the Group will focus on managing its business with a view to optimize its production facilities and continue its current efforts in growing its revenue and volume in the domestic and regional markets. Despite the less encouraging environment, the Board is confident the Group will remain profitable in 2012.

4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued.

5. Profit before tax

Profit before taxation is derived after taking into consideration of the following :

	Current Quarter	Year To Date
Income	RM'000	RM'000
Interest income	144	453
Rental Income	205	796
Dividend Income (gross)		
- quoted investment in Malaysia	53	144
Fair value gain / (loss) adjustment on investment property	75	(60)
Fair value gain / (loss) on held-for-trading investment	106	(17)
Gain on disposal of property, plant and equipment	222	931
Gain on disposal of assets held for sale	-	115
Gain on disposal of held-for-trading investment	-	14
Gain on foreign exchange - realised	1,960	4,639
Gain / (loss) on foreign exchange - unrealised	(283)	695
Inventories written back	335	988
	Current Quarter	Year To Date
Expenses	RM'000	RM'000
Interest expenses	6,628	20,363
Depreciation and amortisation	13,659	48,071
Impairment on doubtful receivables		
- current	1,045	1,137
- no longer required	(849)	(849)
Inventories written down	1,000	1,000
Inventories written off	321	349
Amortisation of intangible asset	245	245
(Gain)/ Loss on derivative instruments	(714)	68
Property, plant and equipment written off	160	262
Loss on deconsolidation of subsidiary companies written off	71	71

6. Income Tax

	Current Quarter	Year To Date
	RM '000	RM '000
Current tax	648	3,820
Deferred tax	(18,519)	(25,487)
Total Tax income	<u>(17,871)</u>	<u>(21,667)</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.

7. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during current financial period.

8. Corporate Proposals

There is no outstanding corporate proposal.

9. Borrowings

	As At 31.12.2011	As At 31.12.2010
	RM '000	RM '000
Short Term Borrowings		
Secured	880	474
Unsecured	347,111	289,375
	<u>347,991</u>	<u>289,849</u>
Long Term Borrowings		
Secured	-	-
Unsecured	163,475	150,109
	<u>163,475</u>	<u>150,109</u>
	<u>511,466</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 31 December 2011 are shown below:-

	Amount
	'000
(i) Singapore	SGD 1,743
(ii) Hong Kong	HKD 1,033

10. Realised and Unrealised Profits /(Losses) Disclosure

	As At	As At
	31.12.2011	31.12.2010
	RM '000	RM '000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:		
-Realised	328,471	287,591
-Unrealised	15,818	12,225
	<u>344,289</u>	<u>299,816</u>
Total unappropriated profit/(accumulated losses) from associate companies:		
-Realised	(26)	(32)
	<u>(26)</u>	<u>(32)</u>
Total Group unappropriated profit as per consolidated accounts	<u>344,263</u>	<u>299,784</u>

11. Changes in Material Litigation

There were no material litigations pending as at 23 February 2012.

12. Dividend

The Board is recommending a First and Final tax exempt dividend of 2.5 sen (5%) per 50 sen share amounting to RM 7,541,123 for financial year ended 31 December 2011.

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 12 Months Ended	
	31.12.2011 RM '000	31.12.2010 RM '000	31.12.2011 RM '000	31.12.2010 RM '000
Profit attributable to owners of the Company	23,322	11,130	51,736	36,010
Weighted average number of ordinary shares in issue	301,587	299,399	300,517	298,197
Basic earnings per share (Sen)	7.73	3.72	17.22	12.08

(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	
	31.12.2011 RM '000	31.12.2010 RM '000	31.12.2011 RM '000	31.12.2010 RM '000
Profit attributable to owners of the Company	23,322	11,130	51,736	36,010
Weighted average number of ordinary shares in issue	301,587	299,399	300,517	298,197
Effect of dilution - ESOS	1,465	2,367	1,873	2,829
Adjusted weighted average number of ordinary share in issue	303,052	301,766	302,390	301,026
Diluted earnings per share (Sen)	7.70	3.69	17.11	11.96

14. 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

29 February 2012