

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Nine Months Ended 30 September 2012

Condensed Consolidated Statements Of Comprehensive Income

	Note	Current Quarter Three Months Ended		Cumulative Quarter Nine Months Ended	
		30.9.2012 Unaudited RM'000	30.9.2011 Unaudited (Restated) RM'000	30.9.2012 Unaudited RM'000	30.9.2011 Unaudited (Restated) RM'000
Revenue		245,108	270,452	778,254	789,450
Cost of sales		(199,316)	(228,074)	(639,205)	(648,169)
Gross profit		<u>45,792</u>	<u>42,378</u>	<u>139,049</u>	<u>141,281</u>
Other income		2,440	5,286	7,696	10,284
Distribution expenses		(16,718)	(17,314)	(52,859)	(52,255)
Administration expenses		(16,891)	(16,659)	(51,293)	(49,214)
Other expenses		(2,399)	(1,159)	(3,514)	(2,741)
Finance costs		(7,248)	(6,839)	(21,773)	(15,318)
Share of profit of associate companies		36	88	190	354
Profit before tax	B 5	<u>5,012</u>	<u>5,781</u>	<u>17,496</u>	<u>32,391</u>
Tax expense	B 6	(1,672)	6,407	(5,719)	3,795
Profit for the period		<u><u>3,340</u></u>	<u><u>12,188</u></u>	<u><u>11,777</u></u>	<u><u>36,186</u></u>
Profit attributable to:					
Owners of the Company		2,960	9,943	10,037	28,477
Non-controlling interests		380	2,245	1,740	7,709
Profit for the period		<u><u>3,340</u></u>	<u><u>12,188</u></u>	<u><u>11,777</u></u>	<u><u>36,186</u></u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B13(a)	<u><u>0.98</u></u>	<u><u>3.30</u></u>	<u><u>3.32</u></u>	<u><u>9.50</u></u>
Diluted, for profit from operations (Sen)	B13(b)	<u><u>0.97</u></u>	<u><u>3.29</u></u>	<u><u>3.31</u></u>	<u><u>9.43</u></u>

These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statements Of Comprehensive Income

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	Unaudited	Unaudited	Unaudited	Unaudited
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,340	12,188	11,777	36,186
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(563)	271	855	2,105
Other comprehensive income for the period	<u>(563)</u>	<u>271</u>	<u>855</u>	<u>2,105</u>
Total comprehensive income for the period	<u>2,777</u>	<u>12,459</u>	<u>12,632</u>	<u>38,291</u>
Total comprehensive income attributable to:				
Owners of the Company	2,457	10,290	10,177	29,900
Non-controlling interests	320	2,170	2,455	8,391
Total comprehensive income for the period	<u>2,777</u>	<u>12,460</u>	<u>12,632</u>	<u>38,291</u>

These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Nine Months Ended 30 September 2012

Condensed Consolidated Statements of Financial Position as at

	Note	30-09-2012 Unaudited RM'000	31-12-2011 Unaudited (Restated) RM'000	1-1-2011 Unaudited (Restated) RM'000
ASSETS				
Non-Current Assets				
Property, plant and equipment		705,824	710,120	490,251
Prepaid land lease payments	A 2(b)	13,595	14,039	14,019
Capital work-in-progress		33,370	26,231	198,711
Investment properties		6,630	7,435	7,495
Investment in associate companies		963	857	469
Intangible assets		3,597	3,512	-
Deferred tax assets		23,129	27,784	17,355
		<u>787,108</u>	<u>789,978</u>	<u>728,300</u>
Current Assets				
Inventories		189,365	191,000	137,866
Trade receivables		165,851	186,280	171,143
Other receivables		25,821	18,832	31,316
Amount due from associate companies		1,328	1,694	1,478
Tax recoverable		2,098	2,290	1,723
Held-for-trading investments		3,410	3,218	3,137
Assets held for sale		-	-	2,360
Derivative financial instruments		138	-	50
Cash and bank balances, deposits and short term placements		54,733	60,113	39,795
		<u>442,744</u>	<u>463,427</u>	<u>388,868</u>
TOTAL ASSETS		<u><u>1,229,852</u></u>	<u><u>1,253,405</u></u>	<u><u>1,117,168</u></u>

Muda Holdings Berhad (10427 A)
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For the Nine Months Ended 30 September 2012

Condensed Consolidated Statements of Financial Position as at

	Note	30-09-2012 Unaudited RM'000	31-12-2011 Unaudited (Restated) RM'000	1-1-2011 Unaudited (Restated) RM'000
EQUITY AND LIABILITIES				
Equity				
Share capital	A6	151,804	150,822	149,769
Share premium		6,710	6,409	5,964
Reserves		75,122	75,782	75,122
Unappropriated profit		353,014	349,807	305,248
Equity attributable to owners of the parent		<u>586,650</u>	<u>582,820</u>	<u>536,103</u>
Non-Controlling Interests		<u>33,061</u>	<u>32,082</u>	<u>22,855</u>
Total Equity		<u>619,711</u>	<u>614,902</u>	<u>558,958</u>
Non-Current Liabilities				
Finance lease liabilities	B9	12,553	16,077	18,033
Borrowings	B9	137,074	147,399	132,242
Provision for retirement benefits		18,500	16,432	14,408
Deferred tax liabilities		5,258	5,483	20,464
		<u>173,385</u>	<u>185,391</u>	<u>185,147</u>
Current Liabilities				
Trade payables		24,868	31,433	20,823
Other payables		54,692	70,785	59,278
Finance lease liabilities	B9	10,927	10,717	9,335
Borrowings	B9	346,148	337,272	280,347
Tax payable		121	2,887	3,280
Derivative liabilities		-	18	-
		<u>436,756</u>	<u>453,112</u>	<u>373,063</u>
Total Liabilities		<u>610,141</u>	<u>638,503</u>	<u>558,210</u>
TOTAL EQUITY AND LIABILITIES		<u>1,229,852</u>	<u>1,253,405</u>	<u>1,117,168</u>
		-	-	-
Net Assets per Share (RM)		2.04	2.04	1.87

These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Nine months ended 30 September 2012

Condensed Consolidated Statements of Changes in Equity

	← Attributable to Owners of the Company →					Distributable Unappropriated Profit RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000				
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000						
At 1 January 2012 (Restated)	150,822	6,409	446	7,062	76,408	344,263	585,410	32,082	617,492
-Effect of adopting MFRS 1	-	-	-	(5,275)	(2,859)	5,544	(2,590)	-	(2,590)
Restated balance	150,822	6,409	446	1,787	73,549	349,807	582,820	32,082	614,902
Other comprehensive income:									
Currency translation differences	-	-	-	139	-	-	139	716	855
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(563)	563	-	-	-
Other comprehensive income for financial year	-	-	-	139	(563)	563	139	716	855
Profit for financial year	-	-	-	-	-	10,037	10,037	1,740	11,777
Total comprehensive income for financial year	-	-	-	139	(563)	10,600	10,176	2,456	12,632
Transaction with owners:									
Issuance of shares under the ESOS	982	35	-	-	-	-	1,017	-	1,017
Effect of share based payment	-	-	30	-	-	-	30	-	30
Transfer to share premium for share options exercised	-	266	(266)	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	191	191	(938)	(747)
Dividend paid to shareholders	-	-	-	-	-	(7,584)	(7,584)	-	(7,584)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(539)	(539)
At 30 September 2012	151,804	6,710	210	1,926	72,986	353,014	586,650	33,061	619,711
	-	-	-	-	-	-	-	-	-

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Nine months ended 30 September 2012

Condensed Consolidated Statements of Changes in Equity

	← Attributable to Owners of the Company →					Distributable Unappropriated Profit RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000				
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000						
At 1 January 2011 (Restated)	149,769	5,964	730	5,275	77,255	299,784	538,777	22,855	561,632
-Effect of adopting MFRS 1	-	-	-	(5,275)	(2,863)	5,464	(2,674)	-	(2,674)
Restated balance	149,769	5,964	730	-	74,392	305,248	536,103	22,855	558,958
Other comprehensive income:									
Currency translation differences	-	-	-	1,423	-	-	1,423	682	2,105
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(564)	564	-	-	-
Other comprehensive income for financial year	-	-	-	1,423	(564)	564	1,423	682	2,105
Profit for financial year	-	-	-	-	-	28,477	28,477	7,709	36,186
Total comprehensive income for financial year	-	-	-	1,423	(564)	29,041	29,900	8,391	38,291
Transaction with owners:									
Issuance of shares under the ESOS	1,018	42	-	-	-	-	1,060	-	1,060
Effect of share based payment	-	-	97	-	-	-	97	-	97
Transfer to share premium for share options exercised	-	381	(381)	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	3,836	3,836
Dividend paid to shareholders	-	-	-	-	-	(7,498)	(7,498)	-	(7,498)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,166)	(1,166)
At 30 September 2011 (Restated)	150,787	6,387	446	1,423	73,828	326,791	559,662	33,916	593,578

These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Nine Months Ended 30 September 2012

Condensed Consolidated Statements of Cash Flows

	Nine Months Ended	
	Ended 30-09-2012 Unaudited RM'000	Ended 30-09-2011 Unaudited (Restated) RM'000
OPERATING ACTIVITIES		
Profit before tax	17,496	32,391
Adjustments For :-		
Non-cash and non-operating items	<u>61,872</u>	<u>48,305</u>
Operating profit before working capital changes	79,368	80,696
Changes in working capital:-		
Net changes in inventories	2,536	(33,411)
Net change in receivables	14,648	(8,897)
Net change in payable	(22,857)	1,210
Bill payable	<u>5,354</u>	<u>22,101</u>
Cash generated from operations	79,049	61,699
Retirement benefits paid	(514)	(589)
Tax paid	(4,059)	(4,954)
Tax refund	106	119
Dividend paid	(8,126)	(8,664)
Interest paid	<u>(19,316)</u>	<u>(13,735)</u>
Net cash generated from operating activities	<u>47,140</u>	<u>33,876</u>
INVESTING ACTIVITIES		
Net cash outflow from acquisition of subsidiary	-	(5,320)
Purchase of intangible assets	-	(555)
Capital work-in-progress incurred	(21,525)	(45,552)
Purchase of property, plant & equipment	(12,970)	(31,599)
Purchase of investment property	-	(493)
Proceeds from disposal of property, plant & equipment	1,258	5,343
Proceeds from disposal of held-for-trading investments	-	2,923
Proceeds from disposal of available-for-sale investments	-	2,475
Purchase of held-for-trading investments	(97)	(2,964)
Payments for investment in associate	<u>(197)</u>	<u>-</u>
Net cash used in investing activities	<u>(33,531)</u>	<u>(75,742)</u>

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For the Nine Months Ended 30 September 2012

Condensed Consolidated Statements of Cash Flows

	Nine Months Ended	
	Ended	Ended
	30-09-2012	30-09-2011
	Unaudited	Unaudited
		(Restated)
	RM'000	RM'000
FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,016	1,060
Acquisition of non-controlling interest	(938)	-
Dividend received	296	91
Interest received	379	309
Proceeds from finance leases	2,788	7,087
Revolving credit drawdown	5,100	9,000
Repayment of term loans	(15,296)	(7,084)
Repayment of finance leases	(9,228)	(9,542)
Term loans drawdown	11,291	26,979
Net cash (used) / generated from financing activities	<u>(4,592)</u>	<u>27,900</u>
CASH AND CASH EQUIVALENTS		
Net changes	9,017	(13,966)
Effect of exchange rate changes	205	384
At beginning of financial period	<u>25,830</u>	<u>18,096</u>
At end of financial period	<u>35,052</u>	<u>4,514</u>
	-	

These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Notes

A. Explanatory Notes Pursuant to MFRS 134

1. Basis of preparation

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”). Prior to financial year beginning from 1 January 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”) approved by MASB.

The Group will issue its first MFRS annual financial statements in the financial year ending 31 December 2012 and these Condensed Interim Financial Statements is the Group’s first MFRS condensed consolidated interim financial statements. The Group has applied MFRS 1 First Time Adoption of MFRS in preparing this interim financial reports and in preparing the opening MFRS Statements of Financial Position as at 1 January 2011, which is the transition date, the Group has adjusted the amounts previously reported under FRS to MFRS .The impact of the transition from FRS to MFRS is explained in Note 2.1 below.

2. Significant Accounting Policies

2.1 Application of MFRS 1

The Group has adopted all the new and revised MFRSs and IC Interpretations which are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations did not result in any changes to significant accounting policies of the Group except as discussed below:-

a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. The option provided relief from full retrospective application of MFRS which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition and the followings are the results of applying the above exemption in respect of acquisitions prior to the date of transition:-

- (i) The classification of business combinations under FRS is maintained
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****b) Prepaid land lease payments**

Prior to implementation of MFRS, the Group retained the unamortised revalued amount of leasehold land as the surrogate carrying amount of prepaid lease payments in accordance with transitional provision of FRS 117 Leases. However upon transition to MFRS, prepaid land lease payments of the Group were restated to its original cost in accordance with MFRS 117 Leases.

The impact arising from the above is summarised as follows :-

Consolidated Statement of Profit or Loss and Other Comprehensive Income for	1 January 2011	Quarter Ended 30 September 2011	Year Ended 31 December 2011
Administrative Expenses - Decrease in Amortisation	-	64,050	85,402
Increase in Profit Before Tax	-	64,050	85,402
Consolidated Statements of Financial Position at	1 January 2011	Quarter Ended 30 September 2011	Year Ended 31 December 2011
Increase / (Decrease) in Prepaid Land Lease Payments	(2,743,971)	64,050	85,402
Increase / (Decrease) in Revaluation Reserve	(2,863,218)	3,328	4,437
Increase / (Decrease) in Deferred Tax Liability	(69,791)	832	1,109
Increase / (Decrease) in Retained Earnings	189,038	59,890	79,856

c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences of foreign operations as a separate component of equity. At the date of transition to MFRS, the Group applied optional exemption available under MFRS 1 and reclassified the cumulative foreign currency translation differences at 1 January 2011 amounting to RM5,275,215 (30 September: RM 5,275,215; 31 December 2011: RM5,125,215) to retained earnings.

d) Estimates

The estimates at 1 January 2011 and 31 December 2011 under MFRS were consistent with those estimates under FRSs at the above dates respectively.

The transition from FRS to MFRS has no material impact on the statement of comprehensive income and statement of cash flows. The reconciliation of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:-

Muda Holdings Berhad (10427 A)

Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

(i) Reconciliation of equity as at 1 January 2011

	As at 1 Jan 2011 Per FRS RM '000	Prepaid Land Lease Payment RM '000	Foreign currency translation reserve RM '000	As at 1 Jan 2011 Per MFRS RM '000
ASSETS				
Non-current Assets				
Property, plant and equipment	490,251			490,251
Prepaid land lease payment	16,763	(2,744)	-	14,019
Capital work-in-progress	198,711			198,711
Investment properties	7,495			7,495
Investment in associate companies	469			469
Deferred tax assets	17,355			17,355
	<u>731,044</u>			<u>728,300</u>
Current Assets				
Inventories	137,866			137,866
Trade receivables	171,143			171,143
Other receivables	31,316			31,316
Amount due from associate companies	1,478			1,478
Tax recoverable	1,723			1,723
Held-for-trading investments	3,137			3,137
Assets held for sale	2,360			2,360
Derivative assets	50			50
Cash and bank, deposits and short term placements	39,795			39,795
	<u>388,868</u>			<u>388,868</u>
TOTAL ASSETS	<u><u>1,119,912</u></u>			<u><u>1,117,168</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	149,769			149,769
Share premium	5,964			5,964
Revaluation reserve	77,255	(2,863)		74,392
Share option reserve	730			730
Exchange fluctuation reserve	5,275		(5,275)	-
Retained earnings	299,784	189	5,275	305,248
Equity attributable to owners of the parent	<u>538,777</u>			<u>536,103</u>
Non-controlling interests	<u>22,855</u>			<u>22,855</u>
	<u>561,632</u>			<u>558,958</u>
Non-current liabilities				
Finance lease liabilities	18,033			18,033
Borrowings	132,242			132,242
Provision for retirement benefits	14,408			14,408
Deferred tax liabilities	20,534	(70)		20,464
	<u>185,217</u>			<u>185,147</u>

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

	As at 1 Jan 2011 Per FRS RM '000	Prepaid Land Lease Payment RM '000	Foreign currency translation reserve RM '000	As at 1 Jan 2011 Per MFRS RM '000
Current liabilities				
Trade payables	20,823			20,823
Other payables	59,278			59,278
Finance lease liabilities	9,335			9,335
Borrowings	280,347			280,347
Tax payable	3,280			3,280
	<u>373,063</u>			<u>373,063</u>
Total liabilities	<u>558,280</u>			<u>558,210</u>
TOTAL EQUITY AND LIABILITIES	<u>1,119,912</u>			<u>1,117,168</u>

Muda Holdings Berhad (10427 A)

Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

(ii) Reconciliation of equity as at 30 September 2011

	As at 30 Sept 2011 Per FRS	Prepaid Land Lease Payment	Foreign currency translation reserve	As at 30 Sept 2011 Per MFRS
	RM '000	RM '000	RM '000	RM '000
ASSETS				
Non-current Assets				
Property, plant and equipment	708,656			708,656
Prepaid land lease payment	16,763	(2,680)	-	14,083
Capital work-in-progress	23,169			23,169
Investment properties	7,988			7,988
Investment in associate companies	843			843
Intangible assets	4,409			4,409
Deferred tax assets	16,581			16,581
	<u>778,409</u>			<u>775,729</u>
Current Assets				
Inventories	190,305			190,305
Trade receivables	184,498			184,498
Other receivables	34,780			34,780
Amount due from associate companies	1,488			1,488
Tax recoverable	1,766			1,766
Held-for-trading investments	3,058			3,058
Derivative assets	-			-
Cash and bank, deposits and short term placements	49,880			49,880
	<u>465,775</u>			<u>465,775</u>
TOTAL ASSETS	<u><u>1,244,184</u></u>			<u><u>1,241,504</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	150,787			150,787
Share premium	6,387			6,387
Revaluation reserve	76,688	(2,860)		73,828
Share option reserve	446			446
Exchange fluctuation reserve	6,698		(5,275)	1,423
Retained earnings	321,266	250	5,275	326,791
Equity attributable to owners of the parent	<u>562,272</u>			<u>559,662</u>
Non-controlling interests	<u>33,916</u>			<u>33,916</u>
	<u>596,188</u>			<u>593,578</u>
Non-current liabilities				
Finance lease liabilities	17,690			17,690
Borrowings	144,871			144,871
Provision for retirement benefits	16,453			16,453
Deferred tax liabilities	12,671	(70)		12,601
	<u>191,685</u>			<u>191,615</u>

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

	As at 30 Sept 2011 Per FRS	Prepaid Land Lease Payment	Foreign currency translation reserve	As at 30 Sept 2011 Per MFRS
	RM '000	RM '000	RM '000	RM '000
Current liabilities				
Trade payables	26,180			26,180
Other payables	74,001			74,001
Finance lease liabilities	10,845			10,845
Borrowings	342,383			342,383
Tax payable	2,170			2,170
Derivative liabilities	732			732
	<u>456,311</u>			<u>456,311</u>
Total liabilities	647,996			647,926
TOTAL EQUITY AND LIABILITIES	<u>1,244,184</u>			<u>1,241,504</u>

Muda Holdings Berhad (10427 A)

Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

(iii) Reconciliation of equity as at 31 Dec 2011

	As at 31 Dec 2011 Per FRS	Prepaid Land Lease Payment	Foreign currency translation reserve	As at 31 Dec 2011 Per MFRS
	RM '000	RM '000	RM '000	RM '000
ASSETS				
Non-current Assets				
Property, plant and equipment	710,120			710,120
Prepaid land lease payment	16,698	(2,659)		14,039
Capital work-in-progress	26,231			26,231
Investment properties	7,435			7,435
Investment in associate companies	857			857
Intangible assets	3,512			3,512
Deferred tax assets	27,784			27,784
	<u>792,637</u>			<u>789,978</u>
Current Assets				
Inventories	191,000			191,000
Trade receivables	186,280			186,280
Other receivables	18,832			18,832
Amount due from associate companies	1,694			1,694
Tax recoverable	2,290			2,290
Held-for-trading investments	3,218			3,218
Asset held for sale	-			-
Derivative assets	-			-
Cash and bank, deposits and short term placements	60,113			60,113
	<u>463,427</u>			<u>463,427</u>
TOTAL ASSETS	<u>1,256,064</u>			<u>1,253,405</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	150,822			150,822
Share premium	6,409			6,409
Revaluation reserve	76,408	(2,859)		73,549
Share option reserve	446			446
Exchange fluctuation reserve	7,062		(5,275)	1,787
Retained earnings	344,263	269	5,275	349,807
Equity attributable to owners of the parent	<u>585,410</u>			<u>582,820</u>
Non-controlling interests	<u>32,082</u>			<u>32,082</u>
	<u>617,492</u>			<u>614,902</u>
Non-current liabilities				
Finance lease liabilities	16,077			16,077
Borrowings	147,399			147,399
Provision for retirement benefits	16,432			16,432
Deferred tax liabilities	5,552	(69)		5,483
	<u>185,460</u>			<u>185,391</u>

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

	As at 31 Dec 2011 Per FRS	Prepaid Land Lease Payment	Foreign currency translation reserve	As at 31 Dec 2011 Per MFRS
	RM '000	RM '000	RM '000	RM '000
Current liabilities				
Trade payables	31,433			31,433
Other payables	70,785			70,785
Finance lease liabilities	10,717			10,717
Borrowings	337,272			337,272
Tax payable	2,887			2,887
Derivative liabilities	18			18
	<u>453,112</u>			<u>453,112</u>
Total liabilities	638,572			638,503
TOTAL EQUITY AND LIABILITIES	<u>1,256,064</u>			<u>1,253,405</u>

2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have yet to be applied by the Group.

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10: Consolidated Financial Statement	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosures of Interest in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employees Benefits (as amended in June 2011)	1 January 2013
MFRS 127: Separate Financial Statements (as amended by IASB in May 2011)	1 January 2013
MFRS 128: Investment in Associates and joint Ventures (as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and financial Liabilities	1 January 2013

Muda Holdings Berhad (10427 A)

Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 101: Amendment to Presentation of Financial Statements	1 January 2013
Amendments to MFRS 116: Amendment to Property, Plant and Equipment	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 134: Amendment to Interim Financial Reporting	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendment to IC Interpretation 20: Amendment to Members' Share in Co-operative Entities and Similar Instruments	1 January 2013

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 September 2012.

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 September 2012 except for 1,225,000 and 739,000 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. 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 RM7,585,000 in respect of financial year ended 31 December 2011 was paid on 17 July 2012.

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
Period Ended 30 September 2012					
Revenue					
External revenue	604,807	173,432	15	-	778,254
Inter-segment revenue	20,486	131,213	-	(151,699)	-
Total revenue	<u>625,293</u>	<u>304,645</u>	<u>15</u>	<u>(151,699)</u>	<u>778,254</u>
Segment Profit	39,754	5,723	2,895	(9,672)	38,700
Interest Income					379
Finance costs					(21,773)
Share of profit of associates					190
Profit before tax					<u><u>17,496</u></u>

	Manufacturing RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Total RM '000
Period Ended 30 September 2011					
Revenue					
External revenue	576,448	213,001	1	-	789,450
Inter-segment revenue	26,016	185,842	-	(211,858)	-
Total revenue	<u>602,464</u>	<u>398,843</u>	<u>1</u>	<u>(211,858)</u>	<u>789,450</u>
Segment Profit	38,945	13,084	(1,228)	(3,755)	47,046
Interest Income					309
Finance costs					(15,318)
Share of profit of associates					354
Profit before tax					<u><u>32,391</u></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 the composition of the Group

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

- (i) On 27 July 2012, a subsidiary company, Federal Packages Sdn Bhd, subscribed for 40% equity interest comprising 80,000 ordinary shares of RM 1.00 each at par in Asia Pacific Printer & Packer Sdn Bhd.
- (ii) On 3 September 2012, a subsidiary company, KL Resources Pte. Ltd. acquired additional 15% equity interest in Asia Recycling Resources Pte. Ltd. for a total cash consideration of RM 0.749 million.

11. Changes in Contingent Liabilities and Contingent Assets

	30.09.2012	31.12.2011
	RM '000	RM '000
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	1,029,260	1,000,166

12. Capital Commitment

Amount of capital commitments for purchase of property, plant and equipment not provided in the interim financial statements as at 30 September 2012 are as follows :-

	RM '000
Approved and contracted for	16,000
Approved but not contracted for	50,395
	<u>66,395</u>

13. Related Party Transactions

Sales to an associate company during the period is RM 119,000(2011: Nil)

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

1. Performance Review

Revenue for the period under review is reduced by 1.4% to RM778.25 million compared with RM789.45 million reported in the corresponding period in 2011 due to 18.6% reduction in revenue from Trading Division. Lower revenue from Trading Division is attributable to lower selling prices and sales quantity of recovered paper. In the Manufacturing Division, revenue increased by 4.9% to RM604.74 million due to higher sales of industrial paper.

Gross margin for the period under review is maintained at 2011 level of 17.9% due to lower raw material cost in the Manufacturing Division. However, profit before tax is 46.0% lower due to lower revenue and higher finance cost incurred on higher borrowings.

Manufacturing Division

Revenue from Manufacturing Division increased by 3.8% to RM625.29 million compared with RM602.46 million reported in the corresponding period due to higher output of paper products manufactured by the Group.

Profit for the Division is 2.1% higher than the corresponding period due to higher revenue and lower raw material cost.

Trading Division

Profit for the Division dropped by 56.3% from RM13.08 million in the corresponding period in 2011 to RM5.72 million for the period under review. The reduction is attributable to 26.7% lower revenue from trading of recovered paper due to lower selling prices and demand.

2. Comparison with Preceding Quarter

Revenue decreased by 6.6% to RM245.11 million for the quarter under review compared with RM262.48 million achieved in the preceding quarter. The decline in revenue is due to lower sales of paper products from the Manufacturing Division and lower selling prices of recovered paper from the Trading Division.

Gross margin for the quarter is maintained at preceding quarter level. However, profit before tax is 46.6% lower than the preceding quarter due to lower revenue.

3. Commentary on Prospects

Riding on resilient domestic demand and contribution from productivity improvement program implemented in the year, the Group is expected to deliver a profit for the remaining quarter of the year.

4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued.

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****5. Profit before tax**

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

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM '000	RM '000	RM '000	RM '000
Income				
Interest income	145	117	379	308
Rental Income	434	188	815	591
Gain on disposal of investment	-	2	-	4
Fair value (loss) / gain on held-for-trading investment	(16)	(216)	95	(123)
Gain on disposal of asset held for sale	-	-	-	86
Gain on disposal of property, plant and equipment	443	219	709	709
Gain on foreign exchange realised	984	1,175	3,015	2,678
(Loss) / Gain on foreign exchange - unrealised	(844)	881	(111)	978
Impairment on doubtful receivables - no longer required	22	30	156	433

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM '000	RM '000	RM '000	RM '000
Expenses				
Interest expenses	6,365	6,349	19,317	13,735
Depreciation and amortisation	13,957	13,512	41,732	34,348
(Gain) / Loss on derivative instruments	(234)	775	(157)	782
Inventories written off	17	13	60	28
Property, plant and equipment written off	76	95	203	102
Impairment on doubtful receivables	495	-	525	92

6. Tax expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM '000	RM '000	RM '000	RM '000
Current tax	(254)	1,474	1,293	3,172
Deferred tax	1,926	(7,881)	4,426	(6,967)
Total tax expense / (income)	1,672	(6,407)	5,719	(3,795)

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 30.09.2012	As At 31.12.2011
	RM '000	RM '000
Short Term Borrowings		
Secured	2,041	879
Unsecured	355,034	347,110
	<u>357,075</u>	<u>347,989</u>
Long Term Borrowings		
Secured	2,761	-
Unsecured	146,866	163,476
	<u>149,627</u>	<u>163,476</u>
	<u>506,702</u>	<u>511,465</u>

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

Borrowings of foreign subsidiaries in their respective currencies as at 30 September 2012 are shown below:-

	<u>Amount</u>
	'000
(i) Singapore	SGD 3,961
(ii) Hong Kong	HKD 933

10. Realised and Unrealised Profits Disclosure

	As At	As At
	30.09.2012	31.12.2011
	RM '000	RM '000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	328,848	314,323
-Unrealised	23,911	35,446
	<u>352,759</u>	<u>349,769</u>
Total unappropriated profit from associate companies:-		
-Realised	255	38
	<u>255</u>	<u>38</u>
Total Group unappropriated profit as per consolidated accounts	<u>353,014</u>	<u>349,807</u>

11. Changes in Material Litigation

There were no material litigations pending as at 14 November 2012.

12. Dividend

There were no dividends declared for the financial period ended 30 September 2012.

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 Three Months Ended		Cumulative Quarter Nine Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM '000	RM '000	RM '000	RM '000
Profit attributable to owners of the Company	2,960	9,943	10,037	28,477
Weighted average number of ordinary shares in issue	<u>303,486</u>	<u>301,108</u>	<u>302,565</u>	<u>299,802</u>
Basic earnings per share (Sen)	<u>0.98</u>	<u>3.30</u>	<u>3.32</u>	<u>9.50</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 Three Months Ended		Cumulative Quarter Nine Months Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM '000	RM '000	RM '000	RM '000
Profit attributable to owners of the Company	2,960	9,943	10,037	28,477
Weighted average number of ordinary shares in issue	303,486	301,108	302,565	299,802
Effect of dilution - ESOS	<u>712</u>	<u>1,563</u>	<u>1,079</u>	<u>2,043</u>
Adjusted weighted average number of ordinary share in issue	<u>304,198</u>	<u>302,671</u>	<u>303,644</u>	<u>301,845</u>
Diluted earnings per share (Sen)	<u>0.97</u>	<u>3.29</u>	<u>3.31</u>	<u>9.43</u>

14. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on financial statements for year ended 31 December 2011 was not qualified.

BY ORDER OF THE BOARD

Goh Ching Yee

Yong Ee Chern

Secretaries

20 November 2012