

**Muda Holdings Berhad ( 10427 A )**  
**Condensed Consolidated Interim Financial Statements**  
**For the three-month ended 31 March 2013**

**Condensed Consolidated Statements of Comprehensive Income**

	Note	Current Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31.3.2013 Unaudited	31.3.2012 Unaudited	31.3.2013 Unaudited	31.3.2012 Unaudited
		RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Revenue		263,705	270,671	263,705	270,671
Cost of sales		(216,328)	(227,173)	(216,328)	(227,173)
<b>Gross profit</b>		<u>47,377</u>	<u>43,498</u>	<u>47,377</u>	<u>43,498</u>
Other income		2,804	2,476	2,804	2,476
Distribution expenses		(18,259)	(18,391)	(18,259)	(18,391)
Administration expenses		(17,752)	(17,123)	(17,752)	(17,123)
Other expenses		(1,160)	(541)	(1,160)	(541)
Finance costs		(6,830)	(7,200)	(6,830)	(7,200)
Share of profit of associate companies		115	410	115	410
<b>Profit before tax</b>	B 5	<u>6,295</u>	<u>3,129</u>	<u>6,295</u>	<u>3,129</u>
Tax expense	B 6	(1,687)	(947)	(1,687)	(947)
<b>Profit for the period</b>		<u>4,608</u>	<u>2,182</u>	<u>4,608</u>	<u>2,182</u>
<b>Other comprehensive income / (loss), net of tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Defined benefit plan actuarial gains/(losses)		(5,955)	-	(5,955)	-
Tax effects thereon		1,268	-	1,268	-
		<u>(4,687)</u>	<u>-</u>	<u>(4,687)</u>	<u>-</u>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(504)	(488)	(504)	(488)
		<u>(504)</u>	<u>(488)</u>	<u>(504)</u>	<u>(488)</u>
<b>Other Comprehensive income / (loss) for the period net of tax</b>		<u>(5,191)</u>	<u>(488)</u>	<u>(5,191)</u>	<u>(488)</u>
<b>Total comprehensive income / (loss) for the period</b>		<u>(583)</u>	<u>1,694</u>	<u>(583)</u>	<u>1,694</u>

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		31.3.2013 Unaudited	31.3.2012 Unaudited	31.3.2013 Unaudited	31.3.2012 Unaudited
		RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
<b>Profit attributable to:</b>					
Owners of the Company		3,850	753	3,850	753
Non-controlling interests		758	1,429	758	1,429
<b>Profit for the period</b>		<u>4,608</u>	<u>2,182</u>	<u>4,608</u>	<u>2,182</u>
<b>Total comprehensive income / (loss) attributable to:</b>					
Owners of the Company		(1,185)	280	(1,185)	280
Non-controlling interests		602	1,414	602	1,414
<b>Total comprehensive income / (loss) for the period</b>		<u>(583)</u>	<u>1,694</u>	<u>(583)</u>	<u>1,694</u>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic, for profit from operations (Sen)	B13(a)	<u>1.27</u>	<u>0.25</u>	<u>1.27</u>	<u>0.25</u>
Diluted, for profit from operations (Sen)	B13(b)	<u>1.27</u>	<u>0.25</u>	<u>1.27</u>	<u>0.25</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 three-month ended 31 March 2013**

**Condensed Consolidated Statements of Financial Position as at**

	Note	31-3-2013 Unaudited	31-12-2012 Audited
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		690,849	708,714
Prepaid land lease payments		11,645	11,753
Capital work-in-progress		31,050	31,742
Investment properties		6,650	6,650
Investment in associate companies		173	661
Intangible assets		3,260	3,275
Deferred tax assets		22,248	22,696
		<u>765,875</u>	<u>785,491</u>
<b>Current Assets</b>			
Inventories		179,592	183,619
Trade receivables		166,259	188,729
Other receivables		20,837	17,336
Amount due from associate companies		1,235	2,140
Tax recoverable		2,144	2,596
Held-for-trading investments		3,525	3,542
Derivative financial instruments		26	6
Cash and bank balances, deposits and short term placements		48,814	63,024
Assets held for sale		40,514	-
		<u>462,946</u>	<u>460,992</u>
<b>TOTAL ASSETS</b>		<u><u>1,228,821</u></u>	<u><u>1,246,483</u></u>

**Muda Holdings Berhad ( 10427 A )**  
**Condensed Consolidated Interim Financial Statements**  
**For the three-month ended 31 March 2013**

**Condensed Consolidated Statements of Financial Position as at**

	Note	31-3-2013 Unaudited	31-12-2012 Audited
		RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	A6	151,916	151,843
Share premium		6,764	6,732
Reserves		72,556	72,962
Unappropriated profit		351,971	353,329
<b>Equity attributable to owners of the parent</b>		<u>583,207</u>	<u>584,866</u>
<b>Non-Controlling interests</b>		32,497	34,149
<b>Total Equity</b>		<u>615,704</u>	<u>619,015</u>
<b>Non-Current Liabilities</b>			
Finance lease liabilities	B9	8,020	10,002
Borrowings	B9	121,894	132,065
Provision for retirement benefits		32,343	25,851
Deferred tax liabilities		4,317	4,918
		<u>166,574</u>	<u>172,836</u>
<b>Current Liabilities</b>			
Trade payables		27,809	37,087
Other payables		45,581	58,088
Finance lease liabilities	B9	8,866	10,715
Borrowings	B9	352,900	346,849
Tax payable		1,086	1,893
Derivative liabilities		-	-
Liabilities held for sale		10,301	-
		<u>446,543</u>	<u>454,632</u>
<b>Total Liabilities</b>		<u>613,117</u>	<u>627,468</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,228,821</u>	<u>1,246,483</u>
		-	-
<b>Net Assets per Share (RM)</b>		2.03	2.04

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 three-month ended 31 March 2013**

**Condensed Consolidated Statements of Changes in Equity**

	← Attributable to Owners of the Company →					Distributable Unappropriated Profit 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						
<b>At 1 January 2013</b>	151,843	6,732	187	1,881	70,894	353,329	584,866	34,149	619,015
Profit for the period	-	-	-	-	-	3,850	3,850	758	4,608
Total other comprehensive loss	-	-	-	(349)	(28)	(4,658)	(5,035)	(156)	(5,191)
<b>Total comprehensive income / (loss) for the period</b>	-	-	-	(349)	(28)	(808)	(1,185)	602	(583)
Issuance of shares under the ESOS	73	3	-	-	-	-	76	-	76
Transfer to share premium for share option exercised	-	29	(29)	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	(550)	(550)	(2,254)	(2,804)
<b>At 31 March 2013</b>	<b>151,916</b>	<b>6,764</b>	<b>158</b>	<b>1,532</b>	<b>70,866</b>	<b>351,971</b>	<b>583,207</b>	<b>32,497</b>	<b>615,704</b>
	-	-	-	-	-	-	-	-	-

**Muda Holdings Berhad ( 10427 A )**  
**Condensed Consolidated Interim Financial Statements**  
**For the three-month ended 31 March 2013**

**Condensed Consolidated Statements of Changes in Equity**

	← Attributable to Owners of the Company →					Distributable Unappropriated Profit 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						
<b>At 1 January 2012</b>	150,822	6,409	445	7,062	76,408	344,263	585,409	32,082	617,491
Effect of adopting MFRS 1, MFRS 117 & MFRS 119	-	-	-	(5,275)	(4,673)	(376)	(10,324)	(55)	(10,379)
Restated balance	150,822	6,409	445	1,787	71,735	343,887	575,085	32,027	607,112
Profit for the period	-	-	-	-	-	753	753	1,429	2,182
Total other comprehensive income / (loss)	-	-	-	(560)	(188)	275	(473)	(15)	(488)
<b>Total comprehensive income / (loss) for the period</b>	-	-	-	(560)	(188)	1,028	280	1,414	1,694
Issuance of shares under the ESOS	99	3	-	-	-	-	102	-	102
Effect of share based payment	-	-	21	-	-	-	21	-	21
Transfer to share premium for share options exercised	-	18	(18)	-	-	-	-	-	-
<b>At 31 March 2012 (Restated)</b>	<b>150,921</b>	<b>6,430</b>	<b>448</b>	<b>1,227</b>	<b>71,547</b>	<b>344,915</b>	<b>575,488</b>	<b>33,441</b>	<b>608,929</b>

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 three-month ended 31 March 2013**

**Condensed Consolidated Statements of Cash Flows**

	<b>Three Months Ended</b>	
	<b>Ended 31-3-2013 Unaudited</b>	<b>Ended 31-3-2012 Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	6,295	3,129
<b>Adjustments For :-</b>		
Non-cash and non-operating items	<u>21,006</u>	<u>20,136</u>
Operating profit before working capital changes	27,301	23,265
<b>Changes in working capital:-</b>		
Net changes in inventories	1,460	15,571
Net change in receivables	(3,708)	(9,554)
Net change in payable	(17,952)	(25,802)
Bills payable	<u>(7,348)</u>	<u>1,121</u>
<b>Cash generated from operations</b>	(247)	4,601
Retirement benefits paid	(295)	(131)
Tax paid	(360)	(752)
Tax refund	1,029	3
Interest paid	<u>(6,063)</u>	<u>(6,604)</u>
Net cash generated from operating activities	<u>(5,936)</u>	<u>(2,883)</u>
<b>INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	(5,881)	(4,734)
Purchase of property, plant & equipment	(2,721)	(2,696)
Purchase of investment property	-	(342)
Proceeds from disposal of property, plant & equipment	362	92
Payments for investment in associate	<u>(245)</u>	<u>-</u>
Net cash used in investing activities	<u>(8,485)</u>	<u>(7,680)</u>

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**Condensed Consolidated Statements of Cash Flows**

	<b>Three Months Ended</b>	
	<b>Ended 31-3-2013 Unaudited</b>	<b>Ended 31-3-2012 Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	76	102
Acquisition of non-controlling interest	(2,804)	-
Dividend received	149	145
Interest received	176	100
Proceeds from finance leases	-	42
Revolving credit drawdown	1,100	3,900
Repayment of term loans	(9,671)	(2,598)
Repayment of finance leases	(2,875)	(2,833)
Term loans drawdown	750	5,067
Net cash (used) / generated from financing activities	<u>(13,099)</u>	<u>3,925</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(27,520)	(6,638)
Effect of exchange rate changes	(70)	103
At beginning of financial period	<u>49,854</u>	<u>25,831</u>
At end of financial period	<u>22,264</u>	<u>19,296</u>
	-	
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash and bank balances	33,043	43,285
Fixed deposits with licensed banks	4,497	3,255
Short term placements with financial institutions	11,274	10,806
Cash and bank balances classified as held for sale	1,573	-
Bank overdraft	(27,375)	(38,050)
Bank overdraft classified as held for sale	(748)	-
	<u>22,264</u>	<u>19,296</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”).

The condensed consolidated interim financial statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

**2. Significant Accounting Policies**

Significant accounting policies and methods of computation adopted for the condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following new/ revised MFRS below.

**2.1 Adoption of MFRS, Amendments to MFRS and IC Interpretation**

On 1 January 2013, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2013:

MFRS 10: Consolidated Financial Statement

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of Interest in Other Entities

MFRS 13: Fair Value Measurement

MFRS 127: Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

MFRS 128: Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)

Amendment to MFRS 1: First-time adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 7: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance

Amendments to MFRS 11: Joint Arrangement: Transition Guidance

Amendments to MFRS 12: Disclosure of Interest in Other Entities: Transition Guidance

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)

## **Muda Holdings Berhad (10427 A)**

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

Amendments to MFRS 132: Financial Instruments: Presentations (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above standards and amendments are not expected to have any impact on the financial statements of the Group, except for the following:

#### **Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income**

The amendments to MFRS 101 Presentation of Items of Other Comprehensive Income changes the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations) are presented separately from items which will never be reclassified to profit or loss (for example, actuarial gains and losses on defined benefit plans).

The adoption of Amendments MFRS 101 has no financial impact on the Group's financial statements.

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

The following MFRSs, Amendments to MFRSs and IC Interpretation issued by the MASB are relevant to the Group, however, they have not been early adopted in this set of financial statements.

##### **Amendments effective for annual periods beginning on or after 1 January 2014**

Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities

Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities

Amendments to MFRS 127: Separate Financial Statements: Investment Entities

Amendments to MFRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

##### **MFRS and Amendments effective for annual periods beginning on or after 1 January 2015**

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009)

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in October 2010)

The Directors anticipate that the adoption of above 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.

#### **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 March 2013.

**Muda Holdings Berhad (10427 A)****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****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 March 2013 except for 67,000 and 79,400 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**

Segmental information for the period ended is as follows:-

	<b>Manufacturing RM '000</b>	<b>Trading RM '000</b>	<b>Others RM '000</b>	<b>Elimination RM '000</b>	<b>Total RM '000</b>
<b>Period Ended 31 March 2013</b>					
<b>Revenue</b>					
External revenue	202,824	60,880	1	-	263,705
Inter-segment revenue	6,875	43,343	-	(50,218)	-
<b>Total revenue</b>	<b>209,699</b>	<b>104,223</b>	<b>1</b>	<b>(50,218)</b>	<b>263,705</b>
<b>Segment Profit</b>	<b>12,769</b>	<b>2,037</b>	<b>(1,753)</b>	<b>(219)</b>	<b>12,834</b>
Interest Income					176
Finance costs					(6,830)
Share of profit of associates					115
<b>Profit before tax</b>					<b>6,295</b>
	<b>Manufacturing RM '000</b>	<b>Trading RM '000</b>	<b>Others RM '000</b>	<b>Elimination RM '000</b>	<b>Total RM '000</b>
<b>Period Ended 31 March 2012</b>					
<b>Revenue</b>					
External revenue	207,239	63,420	12	-	270,671
Inter-segment revenue	7,473	42,846	-	(50,319)	-
<b>Total revenue</b>	<b>214,712</b>	<b>106,266</b>	<b>12</b>	<b>(50,319)</b>	<b>270,671</b>
<b>Segment Profit</b>	<b>9,977</b>	<b>2,782</b>	<b>(1,640)</b>	<b>(1,300)</b>	<b>9,819</b>
Interest Income					100
Finance costs					(7,200)
Share of profit of associates					410
<b>Profit before tax</b>					<b>3,129</b>

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

As announced on 13 April 2013, Intrapac (Singapore) Pte. Ltd., a 70% owned subsidiary company of the Group entered into an agreement on even date with Tansfield Limited for the disposal of 112,550 ordinary shares representing 22.51% of the capital of KL Resources Pte Ltd for a cash consideration of SGD7,277,481 (equivalent to RM17,858,211). The transaction was completed on 17 May 2013.

**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 6 December 2012, Intrapac (Singapore) Pte. Ltd. entered into an agreement with the minority shareholder to acquire the remaining 40% equity interest in Pacific Bookstores Pte. Ltd. comprising 200,000 ordinary shares for a total consideration of SGD2,400,000 (equivalent to RM6,006,000). The completion of the purchase of the first tranche of 100,000 shares on 2 January 2013 raised the Group's interest in Pacific Bookstores Pte Ltd from 60% to 80%. The purchase of the remaining 20% interest in Pacific Bookstores Pte Ltd is scheduled for completion in January 2014.
- (ii) KL Resources Viet Nam Co. Ltd. became an associate company of the Group on 28 January 2013 after a subsidiary company KL Resources Pte. Ltd. acquired 40% equity interest in the company for a consideration of SGD98,400 (equivalent to RM246,000).

**11. Changes in Contingent Liabilities and Contingent Assets**

	<b>30.03.2013</b>	<b>31.12.2012</b>
	<b>RM '000</b>	<b>RM '000</b>
<b><u>Company</u></b>		
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	1,022,481	1,005,150
Guarantees given to third parties for supply of goods and services to subsidiary companies	11,157	10,996
	<u>1,033,638</u>	<u>1,016,146</u>
<b><u>Group</u></b>		
Usance bills under customers' letters of credit discounted with banks	-	31,482
	<u>-</u>	<u>31,482</u>

**12. Capital Commitment**

Amount of capital commitments for purchase of property, plant and equipment not provided in the interim financial statements as at 31 March 2013 are as follows :-

	<b>RM '000</b>
Approved and contracted for	25,543
Approved but not contracted for	46,000
	<u>71,543</u>

**13. Related Party Transactions**

Transactions with associate companies of the Group are as follows:

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Three Months Ended</b>		<b>Three months Ended</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Sales of goods	183	39	183	39
Rental Income	88	85	88	85

The above transactions were entered into in the ordinary course of business. These transactions were established on terms that are not materially different from those with unrelated parties.

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

**1. Performance Review**

Revenue of RM263.71 million for the quarter under review is 2.6% lower than RM270.67 million reported in the corresponding quarter in 2012. The reduction in revenue is due to slow recovery in the global economy which has softened selling prices of industrial and recovered paper. However, profit before tax for the quarter increased by twofold to RM6.30 million compared with RM3.13 million in the corresponding quarter in 2012 due to lower material cost.

**Manufacturing Division**

The reduction in revenue for the Division in the quarter under review by 2.3% to RM209.70 million compared with RM214.71 million achieved in 2012 is due to lower selling prices of industrial paper. However, profit for the Division which improved by 28.0% compared with the preceding quarter is mainly attributable to lower material cost.

**Trading Division**

Revenue for the Trading Division declined by 1.9% compared with the corresponding period in 2012 which is mainly attributable to lower revenue from sales of recovered paper due to reduced selling prices.

**2. Comparison with Preceding Quarter**

Revenue of RM263.71 million for the quarter under review is 15.0% lower compared with revenue of RM310.12 million for the preceding quarter due to end of peak season for stationery products and lower demand and selling prices of recovered paper. Profit before tax for the quarter under review declined by 50.0% to RM6.30 million from RM12.58 million in the preceding quarter due to lower margins arising from lower selling prices and reduced revenue.

**3. Commentary on Prospects**

Notwithstanding weak external demand for manufactured goods exported from Malaysia, the positive economic outlook of regional economies and continuing robust domestic consumption will continue to drive demand for the Group's products. Riding on the potential growth opportunities, the Group will continue to expand its market in the domestic and Asia region and the Board is confident that the Group will be profitable for the remaining period of the year.

**4. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee issued.

**5. Profit before tax**

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

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three months Ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM '000	RM '000	RM '000	RM '000
<b>Income</b>				
Interest income	176	100	176	100
Rental Income	277	191	277	191
Fair value gain / (loss) on held-for-trading investment	(17)	75	(17)	75
Gain on disposal of property, plant and equipment	168	85	168	85
Gain on foreign exchange				
- realised	1,195	739	1,195	739
Gain / (Loss) on foreign exchange				
- unrealised	265	97	265	97
Impairment on doubtful receivables				
- no longer required	88	103	88	103

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2013	31.03.2012	31.03.2013	30.03.2012
	RM '000	RM '000	RM '000	RM '000
<b>Expenses</b>				
Interest expenses	6,010	6,604	6,010	6,604
Depreciation and amortisation	14,256	13,790	14,256	13,790
Loss / (Gain) on derivative instruments	(21)	3	(21)	3
Inventories written off	450	21	450	21
Property, plant and equipment written off	14	45	14	45
Impairment on doubtful receivables	348	-	348	-

**6. Tax expense**

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM '000	RM '000	RM '000	RM '000
Current tax	188	691	188	691
Deferred tax	1,499	255	1,499	255
Total tax expense / (income)	<u>1,687</u>	<u>947</u>	<u>1,687</u>	<u>947</u>

The Group's tax charge is disproportionate to statutory rate due to non-deductible expenses and absence of Group relief.

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

	<b>As At 31.03.2013</b>	<b>As At 31.12.2012</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Short Term Borrowings</b>		
<u>Secured :-</u>		
Bank overdraft	4,062	1,299
Term loans	-	727
Revolving credit	-	1,252
<u>Unsecured:-</u>		
Bank overdraft	23,313	11,871
Bankers' acceptance	211,145	218,355
Revolving credit	80,016	77,670
Term loans	34,318	35,490
Trust receipts	46	185
Finance lease liabilities	8,866	10,715
	<u>361,766</u>	<u>357,564</u>
<b>Long Term Borrowings</b>		
<u>Secured:-</u>		
Term loans	-	2,608
<u>Unsecured:-</u>		
Term loans	121,894	129,457
Finance lease liabilities	8,020	10,002
	<u>129,914</u>	<u>142,067</u>
<b>Total borrowings</b>	<b>491,680</b>	<b>499,631</b>

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

\* Total borrowings above exclude borrowings held for sale of RM4,951,806 which is classified as Liabilities held for sale in the Statement of Financial Position.

Borrowings of foreign subsidiaries in their respective currencies as at 31 March 2013 are shown below:-

	<b><u>Amount</u></b>
	<b>'000</b>
(i) Singapore	SGD 2,618
(ii) Hong Kong	HKD 743



**10. Realised and Unrealised Profits Disclosure**

	<b>As At 31.03.2013 RM '000</b>	<b>As At 31.12.2012 RM '000</b>
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	330,243	322,967
-Unrealised	21,753	30,665
	<u>351,996</u>	<u>353,632</u>
Total unappropriated profit from associate companies:-		
-Realised	(25)	(303)
	<u>(25)</u>	<u>(303)</u>
<b>Total Group unappropriated profit as per consolidated accounts</b>	<u>351,971</u>	<u>353,329</u>

**11. Changes in Material Litigation**

There were no material litigations pending as at 15 May 2013.

**12. Dividend**

There were no dividends declared for the financial period ended 31 March 2013.

**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 :-

	<b>Individual Quarter Three Months Ended</b>		<b>Cumulative Quarter Three Months Ended</b>	
	<b>31.03.2013 RM '000</b>	<b>31.03.2012 RM '000</b>	<b>31.03.2013 RM '000</b>	<b>31.03.2012 RM '000</b>
Profit attributable to owners of the Company	3,850	753	3,850	753
Weighted average number of ordinary shares in issue	<u>303,748</u>	<u>301,744</u>	<u>303,748</u>	<u>301,744</u>
Basic earnings per share (Sen)	<u>1.27</u>	<u>0.25</u>	<u>1.27</u>	<u>0.25</u>

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Profit attributable to owners of the Company	3,850	753	3,850	753
Weighted average number of ordinary shares in issue	303,748	301,744	303,748	301,744
Effect of dilution - ESOS	<u>402</u>	<u>1,616</u>	<u>402</u>	<u>1,616</u>
Adjusted weighted average number of ordinary share in issue	<u>304,150</u>	<u>303,360</u>	<u>304,150</u>	<u>303,360</u>
Diluted earnings per share (Sen)	<u>1.27</u>	<u>0.25</u>	<u>1.27</u>	<u>0.25</u>

**14. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on financial statements for year ended 31 December 2012 was not qualified.

**BY ORDER OF THE BOARD**

Goh Ching Yee

Yong Ee Chern

Secretaries

21 May 2013