

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Six Months Ended 30 June 2013

Condensed Consolidated Statement of Comprehensive Income

	Note	Current Quarter Three Months Ended		Cumulative Quarter Six Months Ended	
		30.6.2013 Unaudited	30.6.2012 Unaudited (Restated)	30.6.2013 Unaudited	30.6.2012 Unaudited (Restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		243,820	262,475	507,525	533,146
Cost of sales		(205,178)	(212,716)	(421,506)	(439,889)
Gross profit		<u>38,642</u>	<u>49,759</u>	<u>86,019</u>	<u>93,257</u>
Other income		22,022	2,780	24,826	5,256
Distribution expenses		(15,616)	(17,750)	(33,875)	(36,141)
Administration expenses		(14,791)	(17,289)	(32,543)	(34,412)
Other expenses		(1,389)	(574)	(2,549)	(1,115)
Finance costs		(6,661)	(7,325)	(13,491)	(14,525)
Share of profit of associate companies		347	(256)	462	154
Profit before tax	B 5	<u>22,554</u>	<u>9,345</u>	<u>28,849</u>	<u>12,474</u>
Tax expense	B 6	(1,296)	(3,100)	(2,983)	(4,047)
Profit for the period		<u>21,258</u>	<u>6,245</u>	<u>25,866</u>	<u>8,427</u>
Other comprehensive income / (loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurment of defined benefit obligations		-	-	(5,955)	-
Tax effects thereon		-	-	1,268	-
		<u>-</u>	<u>-</u>	<u>(4,687)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(141)	1,914	(645)	1,426
		<u>(141)</u>	<u>1,914</u>	<u>(645)</u>	<u>1,426</u>
Other comprehensive income / (loss) for the period, net of tax		<u>(141)</u>	<u>1,914</u>	<u>(5,332)</u>	<u>1,426</u>
Total comprehensive income for the period		<u>21,117</u>	<u>8,159</u>	<u>20,534</u>	<u>9,853</u>

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		30.6.2013 Unaudited RM'000	30.6.2012 Unaudited (Restated) RM'000	30.6.2013 Unaudited RM'000	30.6.2012 Unaudited (Restated) RM'000
Profit attributable to:					
Owners of the Company		22,901	6,314	26,751	7,067
Non-controlling interests		(1,643)	(69)	(885)	1,360
Profit for the period		<u>21,258</u>	<u>6,245</u>	<u>25,866</u>	<u>8,427</u>
Total comprehensive income / (loss) attributable to:					
Owners of the Company		22,627	7,438	21,442	7,718
Non-controlling interests		(1,510)	721	(908)	2,135
Total comprehensive income for the period		<u>21,117</u>	<u>8,159</u>	<u>20,534</u>	<u>9,853</u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B13(a)	<u>7.53</u>	<u>2.09</u>	<u>8.80</u>	<u>2.34</u>
Diluted, for profit from operations (Sen)	B13(b)	<u>7.52</u>	<u>2.08</u>	<u>8.79</u>	<u>2.33</u>

These Condensed Consolidated Statement 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 Six Months Ended 30 June 2013

Condensed Consolidated Statement of Financial Position as at

	Note	30-06-2013 Unaudited RM'000	31-12-2012 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		682,227	708,714
Prepaid land lease payments		11,632	11,753
Capital work-in-progress		38,712	31,742
Investment properties		6,650	6,650
Investment in associate companies		14,331	661
Intangible assets		3,288	3,275
Deferred tax assets		21,153	22,696
		<u>777,993</u>	<u>785,491</u>
Current Assets			
Inventories		179,814	183,619
Trade receivables		174,645	188,729
Other receivables		23,570	17,336
Amount due from associate companies		1,641	2,140
Tax recoverable		1,627	2,596
Held-for-trading investments		3,647	3,542
Derivative financial instruments		-	6
Cash and bank balances, deposits and short term placements		59,498	63,024
		<u>444,442</u>	<u>460,992</u>
TOTAL ASSETS		<u><u>1,222,435</u></u>	<u><u>1,246,483</u></u>

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Six Months Ended 30 June 2013

Condensed Consolidated Statement of Financial Position as at

	Note	30-06-2013 Unaudited RM'000	31-12-2012 Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A6	152,380	151,843
Share premium		6,941	6,732
Reserves		71,936	72,962
Unappropriated profit		372,161	353,329
Equity attributable to owners of the parent		<u>603,418</u>	<u>584,866</u>
Non-Controlling Interests		<u>19,833</u>	<u>34,149</u>
Total Equity		<u>623,251</u>	<u>619,015</u>
Non-Current Liabilities			
Finance lease liabilities	B9	7,203	10,002
Borrowings	B9	114,030	132,065
Provision for retirement benefits		32,263	25,851
Deferred tax liabilities		4,324	4,918
		<u>157,820</u>	<u>172,836</u>
Current Liabilities			
Trade payables		27,779	37,087
Other payables		46,934	58,088
Finance lease liabilities	B9	7,751	10,715
Borrowings	B9	358,356	346,849
Tax payable		467	1,893
Derivative liabilities		77	-
		<u>441,364</u>	<u>454,632</u>
Total Liabilities		<u>599,184</u>	<u>627,468</u>
TOTAL EQUITY AND LIABILITIES		<u>1,222,435</u>	<u>1,246,483</u>
		-	-
Net Assets per Share (RM)		2.05	2.04

These Condensed Consolidated Statement 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 Six Months Ended 30 June 2013

Condensed Consolidated Statement of Changes in Equity

	← Attributable to Owners of the Company →					Distributable Unappro- -priated 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 2013	151,843	6,732	187	1,881	70,894	353,329	584,866	34,149	619,015
Profit for the period	-	-	-	-	-	26,751	26,751	(885)	25,866
Total comprehensive income / (loss)	-	-	-	(622)	(217)	(4,470)	(5,309)	(23)	(5,332)
Total comprehensive income for the period	-	-	-	(622)	(217)	22,281	21,442	(908)	20,534
Transaction with owners:									
Issuance of shares under the ESOS	537	22	-	-	-	-	559	-	559
Transfer to share premium for share options exercised	-	187	(187)	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	(551)	(551)	(2,466)	(3,017)
Disposal of subsidiary companies	-	-	-	-	-	(2,898)	(2,898)	(10,942)	(13,840)
At 30 June 2013	152,380	6,941	-	1,259	70,677	372,161	603,418	19,833	623,251
	-	-	-	-	-	-	-	-	-

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For the Six Months Ended 30 June 2013

Condensed Consolidated Statement of Changes in Equity

	← Attributable to Owners of the Company →					Distributable Unappro- -priated 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	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	-	-	-	-	-	7,067	7,067	1,360	8,427
Total comprehensive income / (loss)	-	-	-	643	(375)	383	651	775	1,426
Total comprehensive income for the period	-	-	-	643	(375)	7,450	7,718	2,135	9,853
Transaction with owners:									
Issuance of shares under the ESOS	862	28	-	-	-	-	890	-	890
Effect of share based payment	-	-	29	-	-	-	29	-	29
Transfer to share premium for share options exercised	-	192	(192)	-	-	-	-	-	-
At 31 June 2012 (Restated)	151,684	6,629	282	2,430	71,360	351,337	583,722	34,162	617,884

These Condensed Consolidated Statement 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
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Condensed Consolidated Statement of Cash Flows

	Six Months Ended	
	30-06-2013	30-06-2012
	Unaudited	Unaudited
		(Restated)
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	28,849	12,474
Adjustments For :-		
Non-cash and non-operating items	<u>35,459</u>	<u>41,641</u>
Operating profit before working capital changes	64,308	54,115
Changes in working capital:-		
Net changes in inventories	2,290	12,361
Net change in receivables	(11,383)	(6,119)
Net change in payable	(16,007)	(21,880)
Bill payable	<u>(1,833)</u>	<u>(12,608)</u>
Cash generated from operations	37,375	25,869
Retirement benefits paid	(1,207)	(345)
Tax paid	(1,079)	(2,405)
Tax refund	1,120	-
Interest paid	<u>(12,075)</u>	<u>(12,952)</u>
Net cash generated from operating activities	<u>24,134</u>	<u>10,167</u>
INVESTING ACTIVITIES		
Capital work-in-progress incurred	(15,151)	(8,030)
Purchase of property, plant & equipment	(6,402)	(8,852)
Purchase of investment property	-	(351)
Investment in associate	(13,426)	-
Acquisition of non-controlling interest	(3,017)	-
Proceeds from disposal of property, plant & equipment	643	522
Proceeds from disposal of subsidiary	16,147	-
Net cash used in investing activities	<u>(21,206)</u>	<u>(16,711)</u>

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Condensed Consolidated Interim Financial Statements
For the Six Months Ended 30 June 2013

Condensed Consolidated Statement of Cash Flows

	Six Months Ended	
	30-06-2013	30-06-2012
	Unaudited	Unaudited
		(Restated)
	RM'000	RM'000
FINANCING ACTIVITIES		
Proceeds from issuance of shares	558	889
Dividend received	149	293
Interest received	370	234
Proceeds from finance leases	-	53
Revolving credit drawdown	2,900	9,900
Repayment of term loans	(19,121)	(5,259)
Repayment of finance leases	(5,494)	(5,786)
Term loans drawdown	750	11,291
Net cash generated from financing activities	<u>(19,888)</u>	<u>11,615</u>
CASH AND CASH EQUIVALENTS		
Net changes	(16,960)	5,071
Effect of exchange rate changes	(428)	118
At beginning of financial period	49,854	25,830
At end of financial period	<u>32,466</u>	<u>31,019</u>
	-	
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	41,987	32,429
Fixed deposits with licensed banks	4,315	3,301
Short term placements with financial institutions	13,196	14,281
Bank overdraft	(27,032)	(18,992)
	<u>32,466</u>	<u>31,019</u>

These Condensed Consolidated Statement 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 comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements 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 new/revised MFRS mentioned 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 which are mandatory for annual financial periods beginning on or after 1 January 2013:

MFRS 10: Consolidated Financial Statements

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of Interest in Other Entities

MFRS 13: Fair Value Measurement

MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)

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)

Muda Holdings Berhad (10427 A)

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

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

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 and Amendments to MFRSs Issued but not yet Effective

The following MFRSs and Amendments to MFRSs 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 MFRSs and amendments to MFRSs 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.

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flow during the period ended 30 June 2013.

5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period which would have a material effect on current financial period.

6. Debt and Equity Securities

The Company did not implement any scheme involving issuance of debt or equity securities or shares buyback during the period ended 30 June 2013 except for 548,000 and 525,500 ordinary shares of RM0.50 each issued at RM 0.51 and RM0.53 per share respectively under Muda Holdings Berhad Employees' Share Option Scheme. Proceeds from the shares issued were used for working capital purpose.

7. Dividend Paid

A first and final tax exempt dividend of 3 sen (6%) per 50 sen share amounting to RM9,142,564 in respect of financial year ended 31 December 2012 was paid on 17 July 2013.

8. Operating Segments

Segmental information for the period ended is as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Period Ended 30 June 2013					
Revenue					
External revenue	414,499	93,020	6	-	507,525
Inter-segment revenue	13,505	88,306	-	(101,811)	-
Total revenue	<u>428,004</u>	<u>181,326</u>	<u>6</u>	<u>(101,811)</u>	<u>507,525</u>
Segment Profit	26,262	19,637	(3,615)	(776)	41,508
Interest Income					370
Finance costs					(13,491)
Share of profit of associates					462
Profit before tax					<u>28,849</u>
	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Period Ended 30 June 2012					
Revenue					
External revenue	412,379	120,754	13	-	533,146
Inter-segment revenue	14,153	84,714	-	(98,867)	-
Total revenue	<u>426,532</u>	<u>205,468</u>	<u>13</u>	<u>(98,867)</u>	<u>533,146</u>
Segment Profit	27,592	4,373	4,406	(9,760)	26,611
Interest Income					234
Finance costs					(14,525)
Share of profit of associates					154
Profit before tax					<u>12,474</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 followings : -

- (i) On 2 January 2013, the Group's interest in Pacific Bookstores Pte Ltd ("Pacific") was raised from 60% to 80% following the acquisition of 100,000 shares in Pacific in accordance with the agreement dated 6th December 2012 between the Company's subsidiary, Intrapac (Singapore) Pte Ltd and the minority shareholders of Pacific.
- (ii) On 17 May 2013, KL Resources Pte Ltd became an associate company on completion of disposal of 112,550 ordinary shares or 22.51% of the capital of KL Resources Pte Ltd by Intrapac (Singapore) Pte Ltd pursuant to the agreement dated 13 April 2013.
- (iii) On 8 July 2013, a wholly-owned subsidiary company, Century Packaging Industry Sdn Bhd has been dissolved.
- (iv) On 24 July 2013, KF Paper Products (Melaka) Sdn Bhd became a wholly-owned subsidiary of the Group on completion of the Share Sale Agreement dated 29 January 2013 by Muda Packaging Industries Sdn Bhd.

11. Changes in Contingent Liabilities and Contingent Assets

	30.06.2013	31.12.2012
	RM'000	RM'000
<u>Company</u>		
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	1,066,717	1,005,150
Guarantees given to third parties for supply of goods and services to subsidiary companies	11,090	10,996
	<u>1,077,807</u>	<u>1,016,146</u>
<u>Group</u>		
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 as at 30 June 2013 are as follows :-

	RM'000
Approved and contracted for	44,981
Approved but not contracted for	39,502
	<u>84,483</u>

13. Related Party Transactions

Related party transactions conducted during the financial year ended 30 June 2013 and 30 June 2012 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Six Months Ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
a) Recurrent Related Party Transactions with Major Shareholder				
Sales of goods to Asia File Products Sdn Bhd and AFP Composite Sdn Bhd*	1,084	668	1,627	1,176
*Asia File Products Sdn Bhd and AFP Composite Sdn Bhd are subsidiaries of Asia File Corporation Berhad, a major shareholder.				
b) Transactions with Associate Companies				
Sales of goods	148	327	331	366
Rental Income	29	87	117	172

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

Group revenue of RM507.53 million for the period under review is 4.8% lower compared with RM533.15 million reported in the corresponding period in 2012. The reduction is mainly attributable to contraction in export from Malaysia due to sluggish demand from major economies such as China, the US and Japan. In addition, revenue from KL Resources Pte Ltd were not consolidated in the Group accounts from May 2013 onward after the completion of disposal of 22.51% equity interest in that company. Notwithstanding lower export of manufactured goods from Malaysia, sustained growth in domestic consumption continued to support demand for paper products manufactured by the Group.

Marginal reduction in gross margins registered in the period under review is attributable to higher raw material price and contribution from disposal of 22.51% equity interest in KL Resources Pte Ltd has raised profit before tax for the period by 131.3% to RM28.85 million compared to RM12.47 million achieved in the corresponding period in 2012. Net profit after tax for current period increased by 206.9% to RM25.87 million compared with RM8.43 million for the corresponding period in 2012 mainly due to RM17.42 million gain from the disposal of equity interest in KL Resources Pte Ltd.

Manufacturing Division

Demand for the Group's products was supported by growth in domestic consumption which also cushioned the decline in demand from export oriented customers. However, segment profit for this Division declined by 4.8% to RM26.26 million due to lower selling prices of products in the Division.

Trading Division

Revenue for this Division declined by 11.7% to RM181.33 million compared with RM205.47 million reported in the corresponding period in 2012 due to de-recognition of KL Resources Pte Ltd as a subsidiary of the Group in May 2013. However, segment profit for the period improved by 349.1% to RM19.64 million due to improved margins in trading of recovered paper.

2. Comparison with Preceding Quarter

The 7.5% reduction of revenue from RM263.71 million reported in the preceding quarter to RM243.82 million in the current quarter under review is mainly due to de-recognition of KL Resources Pte Ltd as subsidiary company of the Group in May 2013. Lower gross margins of 15.8% compared with 18.0% for the preceding quarter is mainly due to increase in raw material cost. Profit before tax for the current quarter is 258.3% higher than the preceding quarter due to recognition of gain from the disposal of 22.51% equity interest in KL Resources Pte Ltd.

3. Commentary on Prospects

Despite slower than expected recovery in the US economy and slowdown in China, growth in domestic demand will sustain consumption of Group's products and the Group will remain profitable in the second half 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		Six Months Ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Income				
Interest income	194	134	370	234
Rental Income	386	190	663	382
Gain on disposal of subsidiary	17,420	-	17,420	-
Fair value gain / (loss) on held-for-trading investment	122	36	105	111
Gain on disposal of property, plant and equipment	149	181	317	267
Gain on foreign exchange				
- realised	756	1,292	1,951	2,031
Gain / (Loss) on foreign exchange - unrealised	565	636	830	732
Impairment on doubtful receivables - no longer required	156	31	244	134

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Six Months Ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Expenses				
Interest expenses	5,952	6,348	11,962	12,952
Depreciation and amortisation	13,626	13,994	27,882	27,784
Loss / (Gain) on derivative instruments	104	74	82	77
Inventories written off	(281)	22	169	43
Property, plant and equipment written off	843	82	857	127
Impairment on doubtful receivables	-	30	348	30

6. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Six Months Ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Current tax	205	855	393	1,547
Deferred tax	1,091	2,245	2,590	2,500
Total tax expense / (income)	<u>1,296</u>	<u>3,100</u>	<u>2,983</u>	<u>4,047</u>

The Group's tax charge is disproportionate to statutory tax rate mainly due to non-chargeable income arising from the disposal of KL Resources Pte Ltd.

7. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during current financial period except for the disposal of 22.51% equity interest in KL Resources Pte Ltd as disclosed in Part A: Note 10 Changes in the Composition of the Group.

8. Corporate Proposals

There is no outstanding corporate proposal.

9. Borrowings

	As At 30.06.2013 RM'000	As At 31.12.2012 RM'000
Short Term Borrowings		
Secured	2,507	3,278
Unsecured	363,600	354,286
	366,107	357,564
Long Term Borrowings		
Secured	-	2,608
Unsecured	121,233	139,459
	121,233	142,067
Total borrowings	487,340	499,631

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

Borrowings of foreign subsidiaries in their respective currencies as at 30 June 2013 are shown below:-

	<u>Amount</u> '000
(i) Singapore	SGD 1,614
(ii) Hong Kong	HKD 768

10. Realised and Unrealised Profits Disclosure

	As At 30.06.2013 RM'000	As At 31.12.2012 RM'000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	348,279	322,967
-Unrealised	23,774	30,665
	372,053	353,632
Total unappropriated profit from associate companies:-		
-Realised	108	(303)
	108	(303)
Total Group unappropriated profit as per consolidated accounts	372,161	353,329

11. Changes in Material Litigation

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

12. Dividend

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

	Individual Quarter Three Months Ended		Cumulative Quarter Six Months Ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit attributable to owners of the Company	22,901	6,314	26,751	7,067
Weighted average number of ordinary shares in issue	<u>304,142</u>	<u>302,454</u>	<u>303,946</u>	<u>302,099</u>
Basic earnings per share (Sen)	<u>7.53</u>	<u>2.09</u>	<u>8.80</u>	<u>2.34</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 Six Months Ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit attributable to owners of the Company	22,901	6,314	26,751	7,067
Weighted average number of ordinary shares in issue	304,142	302,454	303,946	302,099
Effect of dilution - ESOS	<u>264</u>	<u>1,095</u>	<u>346</u>	<u>1,316</u>
Adjusted weighted average number of ordinary share in issue	<u>304,406</u>	<u>303,549</u>	<u>304,292</u>	<u>303,415</u>
Diluted earnings per share (Sen)	<u>7.52</u>	<u>2.08</u>	<u>8.79</u>	<u>2.33</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 August 2013