

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Year Ended 31 December 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Year Ended	
		31.12.2014 Unaudited	31.12.2013 Unaudited	31.12.2014 Unaudited	31.12.2013 Audited
		RM'000	RM'000	RM'000	RM'000
Revenue		303,892	289,636	1,051,572	1,044,864
Cost of sales		(249,123)	(232,976)	(873,141)	(862,816)
Gross profit		<u>54,769</u>	<u>56,660</u>	<u>178,431</u>	<u>182,048</u>
Other income		3,657	3,710	11,507	31,937
Distribution expenses		(25,076)	(23,323)	(72,692)	(72,053)
Administration expenses		(15,425)	(13,662)	(56,385)	(60,472)
Other expenses		(1,195)	(2,538)	(2,938)	(6,115)
Finance costs		(6,686)	(6,678)	(25,936)	(24,910)
Share of profit of associate companies		47	614	2,712	1,513
Profit before tax	B 5	<u>10,091</u>	<u>14,783</u>	<u>34,699</u>	<u>51,948</u>
Tax expense	B 6	(3,917)	58	(10,145)	(5,283)
Profit for the year		<u>6,174</u>	<u>14,841</u>	<u>24,554</u>	<u>46,665</u>
Other comprehensive income / (loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligations		-	-	-	(5,955)
Revaluation of property, plant and equipment		-	488	-	217,175
Income tax relating to revaluation reserves		16	(923)	1,488	(31,311)
		<u>16</u>	<u>(435)</u>	<u>1,488</u>	<u>179,909</u>
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2,509	(414)	1,372	1,942
		<u>2,509</u>	<u>(414)</u>	<u>1,372</u>	<u>1,942</u>
Other comprehensive income for the year, net of tax		<u>2,525</u>	<u>(849)</u>	<u>2,860</u>	<u>181,851</u>
Total comprehensive income for the year		<u>8,699</u>	<u>13,992</u>	<u>27,414</u>	<u>228,516</u>

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	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Year Ended	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
		Unaudited	Unaudited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		4,127	10,482	21,759	43,226
Non-controlling interests		2,047	4,359	2,795	3,439
Profit for the year		<u>6,174</u>	<u>14,841</u>	<u>24,554</u>	<u>46,665</u>
Total comprehensive income / (loss) attributable to:					
Owners of the Company		5,997	9,483	24,176	224,177
Non-controlling interests		2,702	4,509	3,238	4,339
Total comprehensive income for the year		<u>8,699</u>	<u>13,992</u>	<u>27,414</u>	<u>228,516</u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B14(a)	<u>1.35</u>	<u>3.44</u>	<u>7.13</u>	<u>14.20</u>
Diluted, for profit from operations (Sen)	B14(b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

These Condensed Consolidated Statement of Profit or Loss and Other 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
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Condensed Consolidated Statement of Financial Position as at

	Note	31-12-2014 Unaudited RM'000	31-12-2013 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		904,107	912,178
Prepaid land lease payments		12,308	12,662
Capital work-in-progress		103,500	65,459
Investment properties		6,930	6,810
Investment in associate companies		18,106	15,526
Intangible assets		9,467	9,401
Deferred tax assets		8,295	11,033
		<u>1,062,713</u>	<u>1,033,069</u>
Current Assets			
Inventories		184,454	175,479
Trade receivables		195,812	182,545
Other receivables		18,059	16,695
Amount due from associate companies		2,227	2,162
Tax recoverable		1,654	1,697
Held-for-trading investments		4,410	4,461
Cash and bank balances, deposits and short term placements		102,940	76,342
Asset held for sale		-	244
		<u>509,556</u>	<u>459,625</u>
TOTAL ASSETS		<u><u>1,572,269</u></u>	<u><u>1,492,694</u></u>

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Condensed Consolidated Statement of Financial Position as at

	Note	31-12-2014 Unaudited RM'000	31-12-2013 Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A6	152,525	152,525
Share premium		6,946	6,946
Reserves		256,995	257,010
Unappropriated profit		398,028	383,290
Equity attributable to owners of the parent		<u>814,494</u>	<u>799,771</u>
Non-Controlling Interests		<u>19,867</u>	<u>20,734</u>
Total Equity		<u>834,361</u>	<u>820,505</u>
Non-Current Liabilities			
Finance lease liabilities	B9	17,956	7,730
Borrowings	B9	121,260	122,517
Provision for retirement benefits		36,095	33,120
Deferred tax liabilities		32,517	28,601
		<u>207,828</u>	<u>191,968</u>
Current Liabilities			
Trade payables		41,122	43,521
Other payables		70,297	64,027
Finance lease liabilities	B9	7,649	6,364
Borrowings	B9	409,617	365,856
Tax payable		1,192	366
Derivative liabilities		203	87
		<u>530,080</u>	<u>480,221</u>
Total Liabilities		<u>737,908</u>	<u>672,189</u>
TOTAL EQUITY AND LIABILITIES		<u>1,572,269</u>	<u>1,492,694</u>
Net Assets per Share (RM)		2.74	2.69

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

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Condensed Consolidated Statement of Changes in Equity

	← Attributable to Owners of the Company →					Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable	Exchange	Revaluation	Distributable	Unappro-			
	Share Capital RM'000	Share Premium RM'000	Fluctuation Reserve RM'000	Reserve RM'000	-priated Profit RM'000			
At 1 January 2014	152,525	6,946	2,857	254,153	383,290	799,771	20,734	820,505
Profit for the year	-	-	-	-	21,759	21,759	2,795	24,554
Other comprehensive income / (loss)	-	-	929	(888)	2,376	2,417	443	2,860
Total comprehensive income / (loss) for the year	-	-	929	(888)	24,135	24,176	3,238	27,414
Transaction with owners:								
Acquisition of non-controlling interest	-	-	(56)	-	(245)	(301)	(2,873)	(3,174)
Dividend paid to shareholders	-	-	-	-	(9,152)	(9,152)	-	(9,152)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,232)	(1,232)
At 31 December 2014	152,525	6,946	3,730	253,265	398,028	814,494	19,867	834,361

Muda Holdings Berhad (10427 A)
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Condensed Consolidated Statement of Changes in Equity

	← Attributable to Owners of the Company →					→	Total	Non-Controlling Interests	Total Equity
	← Non-Distributable →			Distributable					
	Share Capital	Share Premium	Share Option Reserve	Exchange Fluctuation Reserve	Revaluation Reserve	-priated Profit	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 year	-	-	-	-	-	43,226	43,226	3,439	46,665
Other comprehensive loss	-	-	-	1,042	183,259	(3,350)	180,951	900	181,851
Total comprehensive income / (loss) for the year	-	-	-	1,042	183,259	39,876	224,177	4,339	228,516
Transaction with owners:									
Issuance of shares under the ESOS	682	27	-	-	-	-	709	-	709
Transfer to share premium for share options exercised	-	187	(187)	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	(66)	-	(772)	(838)	(2,275)	(3,113)
Disposal of subsidiary companies	-	-	-	-	-	-	-	(13,486)	(13,486)
Dividend paid to shareholders	-	-	-	-	-	(9,143)	(9,143)	-	(9,143)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,993)	(1,993)
At 31 December 2013	152,525	6,946	-	2,857	254,153	383,290	799,771	20,734	820,505

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

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Condensed Consolidated Statement of Cash Flows

	Year Ended	
	31-12-2014 Unaudited	31-12-2013 Audited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	34,699	51,948
Adjustments For :-		
Non-cash and non-operating items	<u>83,136</u>	<u>64,660</u>
Operating profit before working capital changes	117,835	116,608
Changes in working capital:-		
Net changes in inventories	(8,665)	11,031
Net change in receivables	(14,110)	(6,610)
Net change in payable	3,291	2,081
Bill payable	<u>12,845</u>	<u>7,247</u>
Cash generated from operations	111,196	130,357
Retirement benefits paid	(517)	(1,346)
Tax paid	(1,377)	(2,115)
Tax refund	238	1,461
Dividend paid	(10,384)	(11,136)
Interest paid	<u>(27,410)</u>	<u>(25,186)</u>
Net cash from operating activities	<u>71,746</u>	<u>92,035</u>
INVESTING ACTIVITIES		
Net cash outflow from acquisition of subsidiary	-	(4,144)
Capital work-in-progress incurred	(55,417)	(52,218)
Purchase of property, plant & equipment	(15,059)	(26,254)
Acquisition of non-controlling interest	(3,174)	(3,113)
Proceeds from disposal of property, plant & equipment	2,650	718
Purchase of held-for trading investments	-	(500)
Proceeds from disposal of assets held for sale	393	-
Proceeds from disposal of subsidiary	-	16,046
Net cash used in investing activities	<u>(70,607)</u>	<u>(69,465)</u>

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For The Year Ended 31 December 2014

Condensed Consolidated Statement of Cash Flows

	Year Ended	
	31-12-2014	31-12-2013
	Unaudited	Audited
	RM'000	RM'000
FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	709
Dividend received	480	151
Interest received	658	669
Payment from associate companies	15	584
Proceeds from finance leases	2,148	-
Drawdown from revolving credit	1,250	6,887
Repayment of term loans	(34,578)	(36,120)
Repayment of flexi financing loan	(6,838)	-
Repayment of finance leases	(7,933)	(11,209)
Flexi financing loans drawdown	28,832	-
Term loans drawdown	39,257	27,665
Net cash from / (used in) financing activities	<u>23,291</u>	<u>(10,664)</u>
CASH AND CASH EQUIVALENTS		
Net changes	24,430	11,906
Effect of exchange rate changes	434	471
At beginning of financial year	<u>62,231</u>	<u>49,854</u>
At end of financial year	<u>87,095</u>	<u>62,231</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	83,371	56,333
Fixed deposits with licensed banks	5,693	6,700
Short term placements with financial institutions	13,876	13,309
Bank overdraft	<u>(15,845)</u>	<u>(14,111)</u>
	<u>87,095</u>	<u>62,231</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 complied 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 2013. 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 2013.

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 2013 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 2014, 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 2014:

MFRS and Amendments effective for annual periods beginning on or after 1 January 2014

- (a) Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities
- (b) Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities
- (c) Amendments to MFRS 127: Consolidated and Separate Financial Statements: Investment Entities
- (d) Amendments to MFRS 132: Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities
- (e) Amendments to MFRS 136: Impairment of assets: Recoverable Amount Disclosures for Non-Financial Assets
- (f) Amendments to MFRS 139: Financial Instruments: Recognition and Measurements: Novation of Derivatives and Continuation of Hedge Accounting
- (g) IC Interpretation 21: Levies

Adoption of the above standards and amendments does not have material impact on the financial statements of the Group.

2.2 MFRSs and Amendments to MFRSs Issued but not yet Effective

The following MFRSs and Amendments to MFRSs issued by the MASB and they have not been early adopted in this set of financial statements.

(a) MFRS and Amendments effective for annual periods beginning on or after 1 July 2014

- 1) Annual Improvements to MFRSs 2010-2012 Cycle
 - a. Amendment to MFRS 2 Share-based Payment
 - b. Amendments to MFRS 8 Operating Segments
 - c. Amendments to MFRS 116 Property, Plant and Equipment
 - d. Amendments to MFRS 124 Related Party
 - e. Amendments to MFRS 138 Intangible
- 2) Annual Improvements to 2011-2013 Cycle
 - a. Amendments to MFRS 3 Business Combinations
 - b. Amendments to MFRS 13 Fair Value Measurement and
 - c. Amendments to MFRS 140 Investment
- 3) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

(b) MFRS and Amendments effective for annual periods beginning on or after 1 January 2016

- 1) MFRS 14 Regulatory Deferral Accounts
- 2) Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture
- 3) Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the Consolidation Exception
- 4) Amendments to MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
- 5) Amendments to MFRS 101 - Disclosure Initiative
- 6) Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation
- 7) Amendments to MFRS 116 and MFRS 141 -Agriculture: Bearer Plants
- 8) Amendments to MFRS 127 - Separate Financial Statements
- 9) Annual Improvements to MFRSs 2012–2014 Cycle
 - a. Amendments to MFRS 5
 - b. Amendments to MFRS 7
 - c. Amendments to MFRS 119
 - d. Amendment to MFRS 134

(c) MFRS and Amendments effective for annual periods beginning on or after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

(d) MFRS and Amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014)

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 year ended 31 December 2014.

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 year ended 31 December 2014.

7. Dividend Paid

A first and final tax exempt dividend of 3 sen (6%) per 50 sen share amounting to RM9,151,525 in respect of financial year ended 31 December 2013 was paid on 17 July 2014.

8. Operating Segments

Segmental information for the year ended is as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Year Ended 31 December 2014					
Revenue					
External revenue	900,737	150,777	58	-	1,051,572
Inter-segment revenue	31,907	181,182	-	(213,089)	-
Total revenue	<u>932,644</u>	<u>331,959</u>	<u>58</u>	<u>(214,369)</u>	<u>1,051,572</u>
Segment Profit	54,302	8,968	13,480	(19,485)	57,265
Interest Income					658
Finance costs					(25,936)
Share of profit of associates					2,712
Profit before tax					<u><u>34,699</u></u>

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Year Ended 31 December 2013					
Revenue					
External revenue	858,231	186,626	7	-	1,044,864
Inter-segment revenue	28,773	170,646	-	(199,419)	-
Total revenue	<u>887,004</u>	<u>357,272</u>	<u>7</u>	<u>(199,419)</u>	<u>1,044,864</u>
Segment Profit	61,116	26,584	12,854	(25,878)	74,676
Interest Income					669
Finance costs					(24,910)
Share of profit of associates					1,513
Profit before tax					<u><u>51,948</u></u>

9. Material Events Subsequent to the End of the Current Financial Year

There were no material events subsequent to the end of the current financial year.

10. Changes in the Composition of the Group

The following are changes in the composition of the Group for the year under review: -

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

- (a) The Group's interest in Pacific Bookstores Pte. Ltd. increased from 56% to 70% after Intrapac Singapore Pte. Ltd., a 70% subsidiary company of the Group, completed the acquisition of an additional 20% equity interest from a minority shareholder on 2 January 2014; and
- (b) The voluntary liquidation of Comform (M) Sdn Bhd, a wholly-owned dormant subsidiary, was completed on 23 December 2014. The liquidation has no significant impact on the financial position of the Group for the year ended 31 December 2014.

11. Changes in Contingent Liabilities and Contingent Assets

	31.12.2014	31.12.2013
	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	1,028,685	1,047,333
Guarantees given to third parties for supply of goods and services to subsidiary companies	7,269	7,215
	<u>1,035,954</u>	<u>1,054,548</u>

12. Capital Commitment

	31.12.2014	31.12.2013
	RM'000	RM'000
Approved and contracted for	7,129	31,565
Approved but not contracted for	1,183	1,869
	<u>8,312</u>	<u>33,434</u>

13. Related Party Transactions

Related party transactions conducted during the quarter and the year ended 31 December 2014 is as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Twelve Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
a) Recurrent Related Party Transactions with Major Shareholder				
Sales of goods				
i. Asia File Products Sdn Bhd	405	554	2,380	3,398
ii. AFP Composite Sdn Bhd	98	145	399	295

Asia File Products Sdn Bhd and AFP Composite Sdn Bhd are subsidiaries of Asia File Corporation Bhd, a major shareholder of the Company.

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Twelve Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
b) Transactions with Associate Companies				
Sales of goods	881	536	2,251	1,414
Management fee income	16	15	62	40
Rental income	-	-	-	119
Dividend income	-	-	480	151

The above transactions were entered into in the ordinary course of business and were made on normal commercial terms which are not more favourable than those generally available to the public.

14. Fair Value Hierarchy

The Group uses the following hierarchy to determine the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active market for identical assets and liabilities

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial assets and financial liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
At 31 December 2014				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,410	-	-	4,410
<u>Financial Liabilities</u>				
Derivatives				
Forward currency contracts	-	(203)	-	(203)
At 31 December 2013				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,461	-	-	4,461
<u>Financial Liabilities</u>				
Derivatives				
Forward currency contracts	-	(87)	-	(87)

There were no transfers between any levels of the fair value hierarchy in the year and the preceding year. There were also no changes in the purpose of any financial instruments that caused a subsequent change in classification of those instruments.

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

1. Performance Review

The Group registered revenue of RM1.052 billion for year ended 31 December 2014, which is comparable to RM1.044 billion reported in the preceding year. Growth in domestic consumption and increased export of manufactured goods from Malaysia boosted demand for paper packaging products during the year under review. However, the increased contribution from paper packaging products is offset by a marginal reduction in sales of paper manufactured by the Group and deconsolidation of the revenue from trading of recovered paper by K L Resources Pte. Ltd. after it became an associate company in May 2013 following the disposal of 22.51% equity interest in the latter.

Profit before tax for current year under review is RM34.70 million which is 33.2% lower compared to RM51.95 million reported in the preceding year. The reduction is mainly attributable to higher cost of production due to higher tariff for electricity and gas in 2014 and there was a gain of RM18.2 million from the disposal of K L Resources Pte. Ltd reported in 2013.

Manufacturing Division

Better demand arising from increased domestic consumption and higher export of manufactured goods from Malaysia has translated into a 5.1% growth in revenue for the Division compared to preceding year. However, benefits of the above increase were offset by increased production cost, resulting in lower profit for the Division compared to preceding year.

Trading Division

Revenue in the Trading Division is reduced by 7.1% compared to the preceding year due to lower revenue from trading of recovered paper. The 66.3% reduction of profit in this segment for the year under review against the preceding year is attributable to gain from the disposal of K L Resources Pte. Ltd. in 2013.

2. Comparison with Preceding Quarter

Revenue for the quarter under review of RM303.89 million increased by 23.2% against preceding quarter revenue of RM246.60 million. The increase is mainly contributed by higher sales of stationery products during the peak season in the last quarter of the year. Revenue from other products manufactured by the Group remained at the preceding quarter level. Profit before tax for the quarter registered an increase of 109.4% to RM10.09 million compared to RM4.82 million for the preceding quarter. The improvement is mainly attributable to better margin from the Trading Division.

3. Commentary on Prospects

Forecast growth in the domestic economy is expected to generate higher demand for paper products manufactured by the Group. The positive outlook of local demand for paper products of the Group is complemented by a moderate recovery in global economies. Premised on this optimism, the Board is confident that the Group will be profitable in 2015.

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		Twelve Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Income	RM'000	RM'000	RM'000	RM'000
Interest income	182	97	658	669
Rental Income	281	177	1,120	1,037
Fair value gain / (loss) on investment properties	-	(135)	120	160
Gain on disposal of asset held for sale	-	-	149	-
Gain on disposal of subsidiary	-	-	-	18,205
Gain on disposal of property, plant and equipment	136	14	503	320
Gain on foreign exchange				
- realised	2,624	1,366	5,272	5,368
Gain / (loss) on foreign exchange				
- unrealised	(600)	(374)	321	(231)
Impairment on doubtful receivables				
- no longer required	308	518	1,109	851
Impairment loss on investment in associate no longer required	-	106	-	106

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Twelve Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Expenses	RM'000	RM'000	RM'000	RM'000
Interest expenses	6,686	6,678	25,936	24,910
Depreciation and amortisation	15,170	14,134	57,252	55,590
Fair value loss / (gain) on held-for-trading investment	249	(248)	214	(240)
Inventories written off	95	(31)	251	160
Loss on derivative instruments	215	33	116	93
Property, plant and equipment written off	(319)	31	104	988
Impairment on doubtful receivables	593	541	1,122	886
Impairment loss on properties, plant and equipment	10	399	314	399

6. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Twelve Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Current tax	629	245	1,996	891
Deferred tax	3,288	(303)	8,149	4,392
Total tax expense	<u>3,917</u>	<u>(58)</u>	<u>10,145</u>	<u>5,283</u>

Tax charge for the year ended 31 December 2013 is disproportionate to statutory tax rate mainly due to non-chargeable income arising from disposal of 22.51% equity interest in a former subsidiary company, KL Resources Pte. Ltd..

7. Sales of Unquoted Investments

There were no sales of unquoted investments in the year.

8. Corporate Proposals

There is no outstanding corporate proposal.

9. Borrowings

	As At 31.12.2014	As At 31.12.2013
	RM'000	RM'000
Short Term Borrowings		
Secured	-	7,354
Unsecured	417,266	364,866
	<u>417,266</u>	<u>372,220</u>
Long Term Borrowings		
Unsecured	139,216	130,427
Total borrowings	<u>556,482</u>	<u>502,467</u>

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

Borrowings of foreign subsidiaries in their respective currencies as at 31 December 2014 are shown below:-

		<u>Amount</u>
		'000
(i) Singapore	SGD	17
(ii) Hong Kong	HKD	1,053

10. Derivative Financial Instruments

The Group entered into forward currency contracts to manage the exposure to foreign exchange risk arising from transactions that are not denominated in the functional currency of the operations.

Details of the Group's derivative financial instruments outstanding as at 31 December 2014 are as follows:

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

	Contract or Notional Amount RM'000	Fair value Net loss RM'000
Forward currency contracts		
- Less than 1 year	6,035	(203)

11. Realised and Unrealised Profits Disclosure

	As At 31.12.2014 RM'000	As At 31.12.2013 RM'000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	376,321	354,837
-Unrealised	18,977	27,485
	<u>395,298</u>	<u>382,322</u>
Total unappropriated profit from associate companies:-		
-Realised	2,730	968
	<u>2,730</u>	<u>968</u>
Total Group unappropriated profit as per consolidated accounts	<u>398,028</u>	<u>383,290</u>

12. Changes in Material Litigation

There were no material litigations pending as at 19 February 2015.

13. Dividend

The Board is recommending a first and final single tier dividend of 3 sen (6%) (2013: First and Final tax exempt dividend of 3 sen (6%)) per 50 sen share amounting to RM 9,151,525 (2013: RM9,151,525) for the year ended 31 December 2014.

14. Earnings Per Share**(a) Basic**

Basic earnings per share is calculated by dividing profits for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period :-

	Current Quarter Three Months Ended		Cumulative Quarter Twelve Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit attributable to owners of the Company (RM'000)	4,127	10,482	21,759	43,226
Number of ordinary shares in issue (Unit 000)	<u>305,051</u>	<u>305,051</u>	<u>305,051</u>	<u>304,486*</u>
Basic earnings per share (Sen)	<u>1.35</u>	<u>3.44</u>	<u>7.13</u>	<u>14.20</u>

*Weighted average number of ordinary shares in issue.

Diluted earnings per share were not computed in the Condensed Interim Financial Statements for the year under review because the Muda Holdings Berhad Employees' Shares Option Scheme has expired on 27 July 2013.

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****(b) Diluted earnings per share in 2013**

Profit for the year attributable to owners of the Company and weighted average number of ordinary shares in issue during the year have been adjusted for dilutive effects of share options granted to employees under the Muda Holdings Berhad Employees' Shares Option Scheme in the calculation of diluted earnings per share in 2013.

	Quarter Ended 31.12.2013	Cumulative Quarter Twelve Months Ended 31.12.2013
Profit attributable to owners of the Company(RM'000)	10,482	43,226
Weighted average number of ordinary shares in issue (Unit 000)	305,051	304,486
Effect of dilution – ESOS (Unit 000)	-	193
Adjusted weighted average number of ordinary shares in issue	<u>305,051</u>	<u>304,679</u>
Diluted earnings per share (Sen)	<u>-</u>	<u>-</u>

15. Auditors' Report on Preceding Annual Financial Statements

There is no qualification in auditors' report on financial statements for the year ended 31 December 2013.

BY ORDER OF THE BOARD

Goh Ching Yee

Secretary

26 February 2015