

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Three Months Ended	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		257,468	249,168	257,468	249,168
Cost of sales		(213,810)	(205,984)	(213,810)	(205,984)
Gross profit		<u>43,658</u>	<u>43,184</u>	<u>43,658</u>	<u>43,184</u>
Other income		4,126	3,094	4,126	3,094
Distribution expenses		(17,456)	(16,433)	(17,456)	(16,433)
Administration expenses		(15,376)	(14,063)	(15,376)	(14,063)
Other expenses		(1,129)	(863)	(1,129)	(863)
Finance costs		(6,568)	(6,248)	(6,568)	(6,248)
Share of profit of associate companies		423	950	423	950
Profit before tax	B 5	<u>7,678</u>	<u>9,621</u>	<u>7,678</u>	<u>9,621</u>
Tax expense	B 6	(1,854)	(2,754)	(1,854)	(2,754)
Profit for the period		<u>5,824</u>	<u>6,867</u>	<u>5,824</u>	<u>6,867</u>
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		1,929	51	1,929	51
		<u>1,929</u>	<u>51</u>	<u>1,929</u>	<u>51</u>
Other comprehensive income for the period, net of tax		<u>1,929</u>	<u>51</u>	<u>1,929</u>	<u>51</u>
Total comprehensive income for the period		<u>7,753</u>	<u>6,918</u>	<u>7,753</u>	<u>6,918</u>

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		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		5,207	6,197	5,207	6,197
Non-controlling interests		617	670	617	670
Profit for the period		<u>5,824</u>	<u>6,867</u>	<u>5,824</u>	<u>6,867</u>
Total comprehensive income attributable to:					
Owners of the Company		6,668	6,259	6,668	6,259
Non-controlling interests		1,085	659	1,085	659
Total comprehensive income for the period		<u>7,753</u>	<u>6,918</u>	<u>7,753</u>	<u>6,918</u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B14(a)	<u>1.71</u>	<u>2.03</u>	<u>1.71</u>	<u>2.03</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 Group's audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2015

Condensed Consolidated Statement of Financial Position as at

	Note	31-03-2015 Unaudited RM'000	31-12-2014 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		900,671	904,107
Prepaid land lease payments		12,331	12,308
Capital work-in-progress		104,291	103,500
Investment properties		6,930	6,930
Investment in associate companies		18,906	18,106
Intangible assets		9,539	9,467
Deferred tax assets		7,989	8,295
		<u>1,060,657</u>	<u>1,062,713</u>
Current Assets			
Inventories		187,153	184,454
Trade receivables		197,381	195,812
Other receivables		27,971	18,059
Amount due from associate companies		2,298	2,227
Tax recoverable		1,620	1,654
Held-for-trading investments		4,532	4,410
Cash and bank balances, deposits and short term placements		73,503	102,940
		<u>494,458</u>	<u>509,556</u>
TOTAL ASSETS		<u><u>1,555,115</u></u>	<u><u>1,572,269</u></u>

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For The Three Months Ended 31 March 2015

Condensed Consolidated Statement of Financial Position as at

	Note	31-03-2015 Unaudited RM'000	31-12-2014 Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A6	152,525	152,525
Share premium		6,946	6,946
Reserves		257,948	256,995
Unappropriated profit		403,743	398,028
Equity attributable to owners of the parent		<u>821,162</u>	<u>814,494</u>
Non-Controlling Interests		<u>20,952</u>	<u>19,867</u>
Total Equity		<u>842,114</u>	<u>834,361</u>
Non-Current Liabilities			
Finance lease liabilities	B9	18,965	17,956
Borrowings	B9	112,535	121,260
Provision for retirement benefits		36,967	36,095
Deferred tax liabilities		33,163	32,517
		<u>201,630</u>	<u>207,828</u>
Current Liabilities			
Trade payables		32,636	41,122
Other payables		55,781	70,297
Finance lease liabilities	B9	7,432	7,649
Borrowings	B9	413,356	409,617
Tax payable		1,800	1,192
Derivative liabilities		366	203
Liabilities held for sale		-	-
		<u>511,371</u>	<u>530,080</u>
Total Liabilities		<u>713,001</u>	<u>737,908</u>
TOTAL EQUITY AND LIABILITIES		<u>1,555,115</u>	<u>1,572,269</u>
Net Assets per Share (RM)		2.76	2.74

These Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (10427 A)
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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	
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Exchange Fluctuation Reserve RM'000	Distributable Revaluation Reserve RM'000				Unappro- -priated Profit RM'000
At 1 January 2015	152,525	6,946	3,730	253,265	398,028	814,494	19,867	834,361
Profit for the period	-	-	-	-	5,207	5,207	617	5,824
Other comprehensive income / (loss)	-	-	1,461	(508)	508	1,461	468	1,929
Total comprehensive income for the period	-	-	1,461	(508)	5,715	6,668	1,085	7,753
At 31 March 2015	152,525	6,946	5,191	252,757	403,743	821,162	20,952	842,114

These Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the year ended 31 December 2014 and 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	Non-Controlling	Total
	Share	Share	Exchange	Revaluation				
	Capital	Premium	Fluctuation	Reserve	Unapp- -priated	RM'000	RM'000	RM'000
	RM'000	RM'000	Reserve	Reserve	Profit	RM'000	RM'000	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 period	-	-	-	-	6,197	6,197	670	6,867
Other comprehensive income / (loss)	-	-	62	(570)	570	62	(11)	51
Total comprehensive income for the period	-	-	62	(570)	6,767	6,259	659	6,918
Transaction with owners:								
Acquisition of non-controlling interest	-	-	-	-	(226)	(226)	(2,869)	(3,095)
At 31 March 2014	152,525	6,946	2,919	253,583	389,831	805,804	18,524	824,328

These Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the year ended 31 December 2014 and 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

	Three Months Ended	
	31-03-2015	31-03-2014
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	7,678	9,621
Adjustments For :-		
Non-cash and non-operating items	<u>20,897</u>	<u>19,791</u>
Operating profit before working capital changes	28,575	29,412
Changes in working capital:-		
Net changes in inventories	(2,113)	(7,092)
Net change in receivables	(11,250)	(7,740)
Net change in payable	(23,323)	(22,598)
Bill payable	<u>(4,610)</u>	<u>3,399</u>
Cash used in operations	<u>(12,721)</u>	<u>(4,619)</u>
Retirement benefits paid	(118)	(210)
Tax paid	(368)	(279)
Tax refund	96	20
Interest paid	<u>(7,149)</u>	<u>(6,339)</u>
Net cash used in operating activities	<u>(20,260)</u>	<u>(11,427)</u>
INVESTING ACTIVITIES		
Capital work-in-progress incurred	(7,153)	(20,524)
Purchase of property, plant & equipment	(3,861)	(2,980)
Acquisition of non-controlling interest	-	(2,948)
Proceeds from disposal of property, plant & equipment	2,227	1,118
Purchase of held-for trading investments	(22)	(8)
Proceeds from disposal of assets held for sale	-	393
Net cash used in investing activities	<u>(8,809)</u>	<u>(24,949)</u>

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Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2015	31-03-2014
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Interest received	189	163
Proceeds from finance leases	2,300	745
(Repayment of) / Drawdown from revolving credit	(5,000)	(1,500)
Repayment of term loans	(8,943)	(8,914)
Repayment of flexi financing loan	(18,004)	-
Repayment of finance leases	(2,726)	(1,920)
Flexi financing loans drawdown	21,143	-
Term loans drawdown	378	10,009
Trust receipts drawdown	53	-
Net cash used in financing activities	<u>(10,610)</u>	<u>(1,417)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(39,679)	(37,793)
Effect of exchange rate changes	245	129
At beginning of financial period	<u>87,095</u>	<u>62,231</u>
At end of financial period	<u><u>47,661</u></u>	<u><u>24,567</u></u>
Cash and cash equivalents at the end of the period comprised of:		
Cash and bank balances	55,641	43,284
Fixed deposits with licensed banks	5,715	6,516
Short term placements with financial institutions	12,147	11,938
Bank overdraft	<u>(25,842)</u>	<u>(37,171)</u>
	<u><u>47,661</u></u>	<u><u>24,567</u></u>

These Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the year ended 31 December 2014 and 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 2014. 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 2014.

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 2014 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 2015, 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 2015:

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. Amendment to MFRS 3 Business Combinations
 - c. Amendments to MFRS 8 Operating Segments
 - d. Amendments to MFRS 116 Property, Plant and Equipment
 - e. Amendments to MFRS 124 Related Party
 - f. 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 Property
- 3) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

There is no material impact arising from adoption of the above standards and amendments on the financial statements of the Group.

2.2 MFRSs and Amendments to MFRSs Issued but not yet effective

The following are MFRSs and Amendments to MFRSs with effective dates after 1 January 2015 issued by MASB and they have not been early adopted by the Group in this set of financial statements.

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

- 1) Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture
- 2) Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the Consolidation Exception
- 3) Amendments to MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
- 4) MFRS 14 Regulatory Deferral Accounts
- 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 – Equity Method in 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

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

MFRS 15 Revenue from Contracts with Customers

(c) 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 quarter ended 31 March 2015.

5. Changes in Estimates

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

6. Debt and Equity Securities

The Company did not implement any scheme involving issuance of debt or equity securities or shares buyback during the quarter ended 31 March 2015.

7. Dividend Paid

There were no dividends paid during the quarter under review.

8. Operating Segments

Segmental information for the quarter ended is as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Quarter Ended 31 March 2015					
Revenue					
External revenue	223,068	34,389	11	-	257,468
Inter-segment revenue	6,929	41,565	-	(48,494)	-
Total revenue	<u>229,997</u>	<u>75,954</u>	<u>11</u>	<u>(48,494)</u>	<u>257,468</u>
Segment Profit	12,118	3,713	(1,872)	(325)	13,634
Interest Income					189
Finance costs					(6,568)
Share of profit of associates					423
Profit before tax					<u>7,678</u>
	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Quarter Ended 31 March 2014					
Revenue					
External revenue	218,278	30,889	1	-	249,168
Inter-segment revenue	7,131	46,705	-	(53,836)	-
Total revenue	<u>225,409</u>	<u>77,594</u>	<u>1</u>	<u>(53,836)</u>	<u>249,168</u>
Segment Profit	14,639	2,245	(1,943)	(185)	14,756
Interest Income					163
Finance costs					(6,248)
Share of profit of associates					950
Profit before tax					<u>9,621</u>

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

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the interim financial statements.

10. Changes in the Composition of the Group

The voluntary liquidation of Agaya (Malaysia) Sdn Bhd, a wholly-owned dormant subsidiary, was completed on 31 March 2015 and the liquidation has no significant impact on the financial position of the Group for the quarter ended 31 March 2015. Except as disclosed above, there were no other changes in the composition of the Group.

11. Changes in Contingent Liabilities and Contingent Assets

	31.03.2015	31.12.2014
	RM'000	RM'000
Company		
Guarantees given to financial institutions and suppliers, for credit facilities granted or supply of goods and services to subsidiary companies	1,021,133	1,028,685
Guarantees given to third parties for supply of goods and services to subsidiary companies	7,433	7,269
	<u>1,028,566</u>	<u>1,035,954</u>

12. Capital Commitment

	31.03.2015	31.12.2014
	RM'000	RM'000
Approved and contracted for	7,029	7,129
Approved but not contracted for	2,148	1,183
	<u>9,177</u>	<u>8,312</u>

13. Related Party Transactions

Related party transactions conducted during the three months ended 31 March 2015 and 31 March 2014 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	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	553	670	553	670
ii. AFP Composite Sdn Bhd	107	71	107	71
Asia File Products Sdn Bhd and AFP Composite Sdn Bhd are subsidiaries of Asia File Corporation Bhd, a major shareholder of the Company.				
b) Transactions with Associate Companies				
Sales of goods	521	643	521	643
Management fee income	16	16	16	16

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

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

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 March 2015				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,532	-	-	4,532
	<hr/>			
<u>Financial Liabilities</u>				
Derivatives				
Forward currency contracts	-	(366)	-	(366)
	<hr/>			
At 31 December 2014				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,410	-	-	4,410
	<hr/>			
<u>Financial Liabilities</u>				
Derivatives				
Forward currency contracts	-	(203)	-	(203)
	<hr/>			

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

Business in the first quarter of 2015 was overshadowed by cautious consumer sentiment in anticipation of the GST implementation and feeble growth in the global economy. Demand for Group's paper products was at par with 2014 due to softened demand for export of manufactured goods and local consumption. Notwithstanding the above, Group revenue for the current quarter under review has increased by 3.3% to RM257.47 million compared to RM249.17 million reported in the corresponding quarter in 2014. The higher revenue is mainly attributable to the upward adjustment in selling prices of the Group's paper products arising from weaker ringgit against the US dollar and marginal increase in revenue from the Trading Division.

The increase in revenue was not translated into increase in profit before tax for the current quarter ended 31 March 2015, due to increased energy cost and higher price of paper incurred by the packaging section compared to the corresponding quarter in 2014. Profit before tax declined by 20.2% to RM7.68 million compared to RM9.62 million reported in the corresponding quarter in 2014.

Manufacturing Division

Demand for Group's paper products remained at the level of the corresponding quarter in 2014 due to lower export of manufactured goods and cautious action of domestic customers in preparation for GST. The marginal increase in revenue for the Manufacturing Division is attributable to adjustment in selling price due to weaker ringgit exchange rate against US dollar. However, contribution from the higher revenue were offset by higher operating cost and increased paper cost incurred in the manufacturing of paper packaging products.

Trading Division

Higher demand in the Division has contributed to the marginal increase in revenue and profitability of the Trading Division compared to the corresponding quarter in 2014.

2. Comparison with Preceding Quarter

Compared to the revenue of RM303.89 million reported in the preceding quarter, revenue for the quarter under review is reduced by 15.3% to RM257.47 million. The decline is mainly attributable to end of peak season for the trading of stationery and lower demand for paper packaging products arising from lower export of manufactured goods from the country and reduced consumption after the end of the festive season. The situation is further compounded by cautious sentiments of consumers and businesses prior to the implementation of GST. However, revenue from paper mill products has increased compared with the preceding quarter as a result of higher selling price caused by weaker ringgit vis-à-vis the US dollar.

Profit before tax for the quarter is reduced by 23.9% to RM7.68 million in the quarter compared to RM10.09 million reported in the preceding quarter mainly due to lower contribution from trading of stationery products and lower margins from paper packaging products.

3. Commentary on Prospects

Domestic sales is expected to experience a setback in the next few months due to implementation of GST. Nonetheless, the fall will be compensated by eventual resumption of consumption once the initial resistance to GST is assimilated by the consumers and business communities as domestic economy is forecast to grow by 4.5% to 5.5% in 2015. In addition, growth in the global economy, although fragile, is expected to generate higher demand for manufactured goods from Malaysia as ringgit remained weak against the US dollar. Therefore, the Board expects the Group to remain profitable although margins may be squeezed as a result of higher cost of doing business after the implementation of GST, and weaker ringgit against the US dollar.

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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Income	RM'000	RM'000	RM'000	RM'000
Interest income	189	163	189	163
Rental Income	253	280	253	280
Gain on disposal of asset held for sale	-	149	-	149
Gain on disposal of property, plant and equipment	576	278	576	278
Gain on foreign exchange				
- realised	1,732	952	1,732	952
Gain on foreign exchange				
- unrealised	225	159	225	159
Fair value gain / (loss) on held-for-trading investment	100	(6)	100	(6)
Impairment on doubtful receivables				
- no longer required	54	87	54	87

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Expenses	RM'000	RM'000	RM'000	RM'000
Interest expenses	6,568	6,248	6,568	6,248
Depreciation and amortisation	13,968	14,167	13,968	14,167
Inventories written off	11	117	11	117
Loss/ (gain) on derivative instruments	162	(185)	162	(185)
Property, plant and equipment written off	202	408	202	408
Impairment on doubtful receivables	332	18	332	18

6. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Current tax	982	724	982	724
Deferred tax	872	2,030	872	2,030
Total tax expense	<u>1,854</u>	<u>2,754</u>	<u>1,854</u>	<u>2,754</u>

7. Sales of Unquoted Investments

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

8. Corporate Proposals

There is no outstanding corporate proposal.

9. Borrowings

	As At 31.03.2015	As At 31.12.2014
	RM'000	RM'000
Short Term Borrowings		
Unsecured	420,788	417,266
Long Term Borrowings		
Unsecured	131,500	139,216
Total borrowings	<u>552,288</u>	<u>556,482</u>

Loans and borrowings denominated in foreign currencies are as follows:

	As At 31.03.2015	As At 31.12.2014
	RM'000	RM'000
Short Term Borrowings		
Hong Kong Dollar	552	474
Singapore Dollar	23	29
United States Dollar	1,433	-
	<u>2,008</u>	<u>503</u>
Long Term Borrowings		
Singapore Dollar	16	15
	<u>2,024</u>	<u>518</u>

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.

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

Details of the Group's derivative financial instruments outstanding as at 31 March 2015 are as follows:

	Contract or Notional Amount RM'000	Fair value Net loss RM'000
Forward currency contracts		
- Less than 1 year	14,539	(366)

11. Realised and Unrealised Profits Disclosure

	As At 31.03.2015 RM'000	As At 31.12.2014 RM'000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	350,504	342,992
-Unrealised	26,989	27,650
	<u>377,493</u>	<u>370,642</u>
Total unappropriated profit from associate companies:-		
-Realised	393	2,731
	<u>377,886</u>	<u>373,373</u>
Consolidation adjustment	25,857	24,655
Total Group unappropriated profit as per consolidated accounts	<u><u>403,743</u></u>	<u><u>398,028</u></u>

12. Changes in Material Litigation

There were no material litigations pending as at 21 May 2015.

13. Dividend

There were no dividends declared for the financial period ended 31 March 2015.

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 Three Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Profit attributable to owners of the Company (RM'000)	5,207	6,197	5,207	6,197
Number of ordinary shares in issue (Unit 000)	<u>305,051</u>	<u>305,051</u>	<u>305,051</u>	<u>305,051</u>
Basic earnings per share (Sen)	<u>1.71</u>	<u>2.03</u>	<u>1.71</u>	<u>2.03</u>

Muda Holdings Berhad (10427 A)

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

(b) Diluted

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.

15. Auditors' Report on Preceding Annual Financial Statements

There is no qualification in auditors' report on financial statements for the year ended 31 December 2014.

BY ORDER OF THE BOARD

Goh Ching Yee

Secretary

28 May 2015