

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Nine Months Ended	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		261,037	246,599	777,434	747,680
Cost of sales		(214,455)	(208,323)	(643,672)	(624,018)
Gross profit		<u>46,582</u>	<u>38,276</u>	<u>133,762</u>	<u>123,662</u>
Other income		5,684	2,504	11,864	7,850
Distribution expenses		(16,613)	(15,474)	(50,383)	(47,616)
Administration expenses		(15,443)	(13,844)	(45,758)	(40,960)
Other expenses		(5,540)	(925)	(8,456)	(1,743)
Finance costs		(6,366)	(6,657)	(19,406)	(19,250)
Share of profit of associate companies		252	940	756	2,665
Profit before tax	B 5	<u>8,556</u>	<u>4,820</u>	<u>22,379</u>	<u>24,608</u>
Tax expense	B 6	(1,101)	(1,863)	(5,714)	(6,228)
Profit for the period		<u>7,455</u>	<u>2,957</u>	<u>16,665</u>	<u>18,380</u>
Other comprehensive income / (loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Income tax relating to revaluation reserves		-	1,472	-	1,472
		<u>-</u>	<u>1,472</u>	<u>-</u>	<u>1,472</u>
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		11,178	(595)	16,883	(1,137)
		<u>11,178</u>	<u>(595)</u>	<u>16,883</u>	<u>(1,137)</u>
Other comprehensive income / (loss) for the period, net of tax		<u>11,178</u>	<u>877</u>	<u>16,883</u>	<u>335</u>
Total comprehensive income for the period		<u>18,633</u>	<u>3,834</u>	<u>33,548</u>	<u>18,715</u>

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	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Nine Months Ended	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		7,454	2,905	16,396	17,632
Non-controlling interests		1	52	269	748
Profit for the period		<u>7,455</u>	<u>2,957</u>	<u>16,665</u>	<u>18,380</u>
Total comprehensive income attributable to:					
Owners of the Company		16,006	3,794	29,255	18,179
Non-controlling interests		2,627	40	4,293	536
Total comprehensive income for the period		<u>18,633</u>	<u>3,834</u>	<u>33,548</u>	<u>18,715</u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B14(a)	<u>2.44</u>	<u>0.95</u>	<u>5.37</u>	<u>5.78</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 financial 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 Nine Months Ended 30 September 2015

Condensed Consolidated Statement of Financial Position as at

	Note	30-09-2015 Unaudited RM'000	31-12-2014 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		896,790	904,107
Prepaid land lease payments		12,462	12,308
Capital work-in-progress		103,791	103,500
Investment properties		6,930	6,930
Investment in associate companies		22,181	18,106
Intangible assets		10,088	9,467
Deferred tax assets		7,762	8,295
		<u>1,060,004</u>	<u>1,062,713</u>
Current Assets			
Inventories		186,323	184,454
Trade receivables		199,202	195,812
Other receivables		41,590	18,059
Amount due from associate companies		1,588	2,227
Tax recoverable		2,064	1,654
Held-for-trading investments		4,424	4,410
Cash and bank balances, deposits and short term placements		79,434	102,940
		<u>514,625</u>	<u>509,556</u>
TOTAL ASSETS		<u><u>1,574,629</u></u>	<u><u>1,572,269</u></u>

Muda Holdings Berhad (10427 A)
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For The Nine Months Ended 30 September 2015

Condensed Consolidated Statement of Financial Position as at

	Note	30-09-2015 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		268,251	256,995
Unappropriated profits		406,875	398,028
Equity attributable to owners of the parent		<u>834,597</u>	<u>814,494</u>
Non-Controlling Interests		<u>22,850</u>	<u>19,867</u>
Total Equity		<u>857,447</u>	<u>834,361</u>
Non-Current Liabilities			
Finance lease liabilities	B9	18,399	17,956
Borrowings	B9	90,712	121,260
Provision for retirement benefits		38,826	36,095
Deferred tax liabilities		36,082	32,517
		<u>184,019</u>	<u>207,828</u>
Current Liabilities			
Trade payables		39,757	41,122
Other payables		67,285	70,297
Finance lease liabilities	B9	7,897	7,649
Borrowings	B9	414,965	409,617
Tax payable		1,422	1,192
Derivative liabilities		1,837	203
		<u>533,163</u>	<u>530,080</u>
Total Liabilities		<u>717,182</u>	<u>737,908</u>
TOTAL EQUITY AND LIABILITIES		<u>1,574,629</u>	<u>1,572,269</u>
Net Assets per Share (RM)		2.81	2.74

These Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial 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	Revaluation Reserve RM'000	Distributable 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	-	-	-	-	16,396	16,396	269	16,665
Other comprehensive income / (loss)	-	-	12,859	(1,603)	1,603	12,859	4,024	16,883
Total comprehensive income for the period	-	-	12,859	(1,603)	17,999	29,255	4,293	33,548
Transaction with owners:								
Dividend paid to shareholders	-	-	-	-	(9,152)	(9,152)	-	(9,152)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,310)	(1,310)
At 30 September 2015	152,525	6,946	16,589	251,662	406,875	834,597	22,850	857,447

These Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the financial 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 →				Distributable Unappropriated Profit RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve 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	-	-	-	-	17,632	17,632	748	18,380
Other comprehensive income / (loss)	-	-	(925)	(322)	1,794	547	(212)	335
Total comprehensive income for the period	-	-	(925)	(322)	19,426	18,179	536	18,715
Transaction with owners:								
Acquisition of non-controlling interest	-	-	-	-	(226)	(226)	(2,872)	(3,098)
Dividend paid to shareholders	-	-	-	-	(9,152)	(9,152)	-	(9,152)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(385)	(385)
At 30 September 2014	152,525	6,946	1,932	253,831	393,338	808,572	18,013	826,585

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

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Condensed Consolidated Statement of Cash Flows

	Nine Months Ended	
	30-09-2015	30-09-2014
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	22,379	24,608
Adjustments For :-		
Non-cash and non-operating items	<u>67,362</u>	<u>59,916</u>
Operating profit before working capital changes	89,741	84,524
Changes in working capital:-		
Net changes in inventories	1,467	(19,672)
Net change in receivables	(24,199)	(6,428)
Net change in payable	(6,491)	(12,738)
Bill payable	<u>17,568</u>	<u>21,335</u>
Cash generated from operations	<u>78,086</u>	<u>67,021</u>
Retirement benefits paid	(240)	(394)
Tax paid	(2,010)	(1,109)
Tax refund	146	207
Dividend paid	(10,462)	(9,537)
Interest paid	<u>(21,093)</u>	<u>(20,143)</u>
Net cash from operating activities	<u>44,427</u>	<u>36,045</u>
INVESTING ACTIVITIES		
Capital work-in-progress incurred	(14,272)	(55,429)
Purchase of property, plant & equipment	(8,456)	(13,053)
Acquisition of non-controlling interest	-	(3,098)
Proceeds from disposal of property, plant & equipment	2,950	1,331
Purchase of held-for trading investments	(66)	(30)
Proceeds from disposal of assets held for sale	<u>-</u>	<u>393</u>
Net cash used in investing activities	<u>(19,844)</u>	<u>(69,886)</u>

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Condensed Consolidated Statement of Cash Flows

	Nine Months Ended	
	30-09-2015	30-09-2014
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Dividend received	-	479
Interest received	530	476
Proceeds from finance leases	-	5,043
Repayment of revolving credit	(3,000)	(750)
Repayment of term loans	(29,657)	(25,905)
Repayment of flexi financing loan	(133,539)	-
Repayment of finance leases	(8,300)	(5,719)
Flexi financing loans drawdown	128,197	-
Term loans drawdown	378	27,323
Net cash (used in) / from financing activities	<u>(45,391)</u>	<u>947</u>
CASH AND CASH EQUIVALENTS		
Net changes	(20,808)	(32,894)
Effect of exchange rate changes	2,449	(274)
At beginning of financial period	87,095	62,231
At end of financial period	<u>68,736</u>	<u>29,063</u>
Cash and cash equivalents at the end of the period comprised of:		
Cash and bank balances	61,110	51,052
Fixed deposits with licensed banks	5,528	4,934
Short term placements with financial institutions	12,796	11,688
Bank overdraft	<u>(10,698)</u>	<u>(38,611)</u>
	<u>68,736</u>	<u>29,063</u>

These Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial 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 financial 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 financial 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 financial 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. Amendments to MFRS 2 Share-based Payment
 - b. Amendments 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 Disclosures
 - f. Amendments to MFRS 138 Intangible Assets
- 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) 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 – 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 the 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 and financial period ended 30 September 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 the quarter and financial period ended 30 September 2015.

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 and financial period ended 30 September 2015.

7. Dividend Paid

A first and final single tier tax exempt dividend of 3 sen (6%) per 50 sen share amounting to RM9,151,525 in respect of financial year ended 31 December 2014 was paid on 14 July 2015.

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 30 September 2015					
Revenue					
External revenue	690,202	87,153	79	-	777,434
Inter-segment revenue	23,369	117,040	-	(140,409)	-
Total revenue	<u>713,571</u>	<u>204,193</u>	<u>79</u>	<u>(140,409)</u>	<u>777,434</u>
Segment Profit	45,022	3,922	(2,897)	(5,548)	40,499
Interest Income					530
Finance costs					(19,406)
Share of profit of associates					756
Profit before tax					<u>22,379</u>
Quarter Ended 30 September 2014					
Revenue					
External revenue	673,292	74,331	57	-	747,680
Inter-segment revenue	23,730	137,122	-	(160,582)	-
Total revenue	<u>697,022</u>	<u>211,453</u>	<u>57</u>	<u>(160,582)</u>	<u>747,680</u>
Segment Profit	41,377	2,590	(4,309)	1,059	40,717
Interest Income					476
Finance costs					(19,250)
Share of profit of associates					2,665
Profit before tax					<u>24,608</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 and financial period 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 financial period ended 30 September 2015. Except as disclosed above, there were no other changes in the composition of the Group.

11. Changes in Contingent Liabilities and Contingent Assets

	30.09.2015	31.12.2014
	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	1,021,510	1,028,685
Guarantees given to third parties for supply of goods and services to subsidiary companies	7,242	7,269
	<u>1,028,752</u>	<u>1,035,954</u>

12. Capital Commitment

	30.09.2015	31.12.2014
	RM'000	RM'000
Approved and contracted for	14,611	7,129
Approved but not contracted for	9,368	1,183
	<u>23,979</u>	<u>8,312</u>

13. Related Party Transactions

Related party transactions conducted during the nine months ended 30 September 2015 and 30 September 2014 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	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	609	618	1,690	1,975
ii. AFP Composite Sdn Bhd	105	88	253	301
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	547	436	1,726	1,370
Management fee income	18	15	50	46
Purchase of goods	342	-	665	-

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 30 September 2015				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,424	-	-	4,424
	<hr/>			
<u>Financial Liabilities</u>				
Derivatives				
Forward currency contracts	-	(1,837)	-	(1,837)
	<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

During the period under review, the Group registered a 4% increase in revenue over the corresponding period in 2014. Paper mills in the Group reported a 7% improvement in sales volume and the increase is mainly attributable to customers substituting imported paper with locally manufactured paper due to the weakened ringgit. However, sales of paper packaging products declined 4% in volume compared to the corresponding period in 2014 due to lower consumer spending after the implementation of GST and a weakened ringgit.

Revenue for the period of RM777.43 million is 4.0% higher than RM747.68 million achieved in the corresponding period in 2014, mainly due to better demand for industrial paper. Notwithstanding the increase in revenue, profit before tax for the period of RM22.38 million is 9.1% lower than the RM24.61 million reported in the corresponding period in 2014. The reduction in profit is mainly due to reduced share of profit from an associate company.

Manufacturing Division

Revenue from the paper mills has increased by 4.5% for the period under review mainly due to better demand from domestic customers. Higher sales volume and improved selling price of industrial paper has cushioned the effect of higher gas tariff imposed by Gas Malaysia Berhad effective from 1 July 2015.

Trading Division

Revenue for the Trading Division is 17.2% higher than the corresponding period in 2014 as a result of increased turnover in the trading of paper not manufactured by the Group.

2. Comparison with Preceding Quarter

Revenue for the quarter under review is comparable to that of the preceding quarter. Higher selling prices and volume of industrial paper has generated higher revenue but benefits from the above increase were partly offset by higher gas tariff and higher paper cost incurred in the manufacturing of paper packaging products.

Profit before tax for the quarter has improved by 39.2% to RM8.56 million compared to RM6.15 million for the preceding quarter as a result of improved selling price of industrial paper and gain in foreign exchange.

3. Commentary on Prospects

Depreciation of the ringgit vis-à-vis the US dollar and other major currencies has generated greater demand for locally manufactured goods and this has translated into better demand for paper. As the likelihood of immediate recovery in ringgit is remote, customers are substituting the more expensive imported paper with local paper. With the expected increase in the demand for paper packaging products arising from the seasonal festive sales and demand driven by increased exports of manufactured goods, revenue in the last quarter is expected to be better than the preceding quarter. As a result of the higher revenue, the Group will be profitable in the fourth quarter.

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		Nine Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Income	RM'000	RM'000	RM'000	RM'000
Interest income	169	155	530	476
Rental Income	245	280	742	839
Fair value gain on investment properties	-	120	-	120
Gain on disposal of asset held for sale	-	-	-	149
Gain / (Loss) on disposal of property, plant and equipment	41	(17)	809	371
Gain on foreign exchange				
- realised	2,883	891	5,687	2,720
- unrealised	1,884	617	2,820	1,029
Impairment on doubtful receivables				
- no longer required	210	696	273	801

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Expenses	RM'000	RM'000	RM'000	RM'000
Interest expenses	6,366	6,657	19,406	19,250
Depreciation and amortisation	13,314	14,654	40,441	42,082
Inventories written off	976	1	1,004	156
Fair value loss / (gain) on held-for-trading investment	61	45	51	(35)
Loss/ (gain) on derivative instruments	1,368	52	1,624	(99)
Loss / (gain) on foreign exchange				
- realised	799	19	1,000	72
- unrealised	1,219	(150)	2,174	108
Property, plant and equipment written off	28	11	233	423
Impairment on doubtful receivables	991	420	2,104	529
Impairment loss on properties, plant and equipment	-	304	-	304

6. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Current tax	330	84	1,643	1,367
Deferred tax	771	1,779	4,071	4,861
Total tax expense	<u>1,101</u>	<u>1,863</u>	<u>5,714</u>	<u>6,228</u>

The Group's effective tax rate for the current quarter and nine-month ended 30 September 2015 is higher than the statutory tax rate mainly due to non-deductible expenses and absence of group relief.

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 30.09.2015 RM'000	As At 31.12.2014 RM'000
Short Term Borrowings		
Unsecured	422,862	417,266
Long Term Borrowings		
Unsecured	109,111	139,216
Total borrowings	<u>531,973</u>	<u>556,482</u>

Loans and borrowings denominated in foreign currencies are as follows:

	As At 30.09.2015 RM'000	As At 31.12.2014 RM'000
Short Term Borrowings		
Hong Kong Dollar	687	474
Singapore Dollar	141	29
United States Dollar	1,869	-
	<u>2,697</u>	<u>503</u>
Long Term Borrowings		
Singapore Dollar	18	15
	<u>2,715</u>	<u>518</u>

Muda Holdings Berhad (10427 A)**Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****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 30 September 2015 are as follows:

	Contract or Notional Amount RM'000	Fair value Net loss RM'000
Forward currency contracts		
- Less than 1 year	17,018	(1,837)

11. Realised and Unrealised Profits Disclosure

	As At 30.09.2015 RM'000	As At 31.12.2014 RM'000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	358,241	342,992
-Unrealised	21,727	27,650
	<u>379,968</u>	<u>370,642</u>
Total unappropriated profit from associate companies:-		
-Realised	795	2,731
	<u>380,763</u>	<u>373,373</u>
Consolidation adjustment	26,112	24,655
Total Group unappropriated profit as per consolidated accounts	<u>406,875</u>	<u>398,028</u>

12. Changes in Material Litigation

There were no material litigations pending as at 6 November 2015.

13. Dividend

There were no dividends declared for the financial period ended 30 September 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		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Profit attributable to owners of the Company (RM'000)	7,454	2,905	16,396	17,632
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>2.44</u>	<u>0.95</u>	<u>5.37</u>	<u>5.78</u>

(b) Diluted

Not applicable.

15. Auditors' Report on Preceding Annual Financial Statements

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

BY ORDER OF THE BOARD

Goh Ching Yee

Secretary

13 November 2015