

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Three Months Ended	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		290,504	257,468	290,504	257,468
Cost of sales		(233,719)	(213,810)	(233,719)	(213,810)
Gross profit		<u>56,785</u>	<u>43,658</u>	<u>56,785</u>	<u>43,658</u>
Other income		3,700	4,126	3,700	4,126
Distribution expenses		(18,190)	(17,456)	(18,190)	(17,456)
Administration expenses		(16,574)	(15,376)	(16,574)	(15,376)
Other expenses		(3,243)	(1,129)	(3,243)	(1,129)
Finance costs		(6,111)	(6,568)	(6,111)	(6,568)
Share of profit / (loss) of associate companies		(48)	423	(48)	423
Profit before tax	B 5	<u>16,319</u>	<u>7,678</u>	<u>16,319</u>	<u>7,678</u>
Tax expense	B 6	(5,041)	(1,854)	(5,041)	(1,854)
Profit for the period		<u><u>11,278</u></u>	<u><u>5,824</u></u>	<u><u>11,278</u></u>	<u><u>5,824</u></u>
Other comprehensive (loss) / income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(5,792)	1,929	(5,792)	1,929
		<u>(5,792)</u>	<u>1,929</u>	<u>(5,792)</u>	<u>1,929</u>
Other comprehensive (loss) / income for the period, net of tax		<u>(5,792)</u>	<u>1,929</u>	<u>(5,792)</u>	<u>1,929</u>
Total comprehensive income for the period		<u><u>5,486</u></u>	<u><u>7,753</u></u>	<u><u>5,486</u></u>	<u><u>7,753</u></u>

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		11,077	5,207	11,077	5,207
Non-controlling interests		201	617	201	617
Profit for the period		<u>11,278</u>	<u>5,824</u>	<u>11,278</u>	<u>5,824</u>
Total comprehensive income attributable to:					
Owners of the Company		6,447	6,668	6,447	6,668
Non-controlling interests		(961)	1,085	(961)	1,085
Total comprehensive income for the period		<u>5,486</u>	<u>7,753</u>	<u>5,486</u>	<u>7,753</u>
Earnings per share attributable to owners of the Company:					
Basic, for profit from operations (Sen)	B14(a)	<u>3.63</u>	<u>1.71</u>	<u>3.63</u>	<u>1.71</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 2015 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 2016

Condensed Consolidated Statement of Financial Position as at

	Note	31-03-2016 Unaudited RM'000	31-12-2015 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		917,550	903,172
Prepaid land lease payments		11,899	12,205
Capital work-in-progress		78,985	96,706
Investment properties		7,022	7,022
Investment in associate companies		19,736	20,689
Intangible assets		9,804	9,979
Deferred tax assets		7,340	7,840
		<u>1,052,336</u>	<u>1,057,613</u>
Current Assets			
Inventories		182,198	170,747
Trade receivables		215,842	224,439
Other receivables		42,687	29,062
Amount due from associate companies		1,778	867
Tax recoverable		1,771	1,719
Held-for-trading investments		4,514	4,478
Derivative financial instruments		556	43
Cash and bank balances, deposits and short term placements		67,893	93,679
		<u>517,239</u>	<u>525,034</u>
TOTAL ASSETS		<u><u>1,569,575</u></u>	<u><u>1,582,647</u></u>

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2016

Condensed Consolidated Statement of Financial Position as at

	Note	31-03-2016 Unaudited RM'000	31-12-2015 Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A6	152,525	152,525
Share premium		6,946	6,946
Reserves		260,173	265,325
Unappropriated profits		427,830	416,231
Equity attributable to owners of the parent		<u>847,474</u>	<u>841,027</u>
Non-Controlling Interests		<u>23,001</u>	<u>23,962</u>
Total Equity		<u>870,475</u>	<u>864,989</u>
Non-Current Liabilities			
Finance lease liabilities	B9	25,019	24,071
Borrowings	B9	69,935	80,000
Provision for retirement benefit		42,256	41,226
Deferred tax liabilities		43,331	40,518
		<u>180,541</u>	<u>185,815</u>
Current Liabilities			
Trade payables		37,723	46,159
Other payables		61,344	69,045
Finance lease liabilities	B9	9,696	9,270
Borrowings	B9	405,849	404,535
Tax payable		3,947	2,834
		<u>518,559</u>	<u>531,843</u>
Total Liabilities		<u>699,100</u>	<u>717,658</u>
TOTAL EQUITY AND LIABILITIES		<u>1,569,575</u>	<u>1,582,647</u>
Net Assets per Share (RM)		2.85	2.84

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 2015 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 2016

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 2016	152,525	6,946	14,356	250,969	416,231	841,027	23,962	864,989
Profit for the period	-	-	-	-	11,077	11,077	201	11,278
Other comprehensive income / (loss)	-	-	(4,630)	(522)	522	(4,630)	(1,162)	(5,792)
Total comprehensive income for the period	-	-	(4,630)	(522)	11,599	6,447	(961)	5,486
At 31 March 2016	152,525	6,946	9,726	250,447	427,830	847,474	23,001	870,475

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 2015 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 2016

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 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	-	-	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 financial year ended 31 December 2015 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 2016

Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2016	31-03-2015
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	16,319	7,678
Adjustments For :-		
Non-cash and non-operating items	<u>20,936</u>	<u>20,897</u>
Operating profit before working capital changes	37,255	28,575
Changes in working capital:-		
Net changes in inventories	(12,625)	(2,113)
Net change in receivables	(8,000)	(11,250)
Net change in payable	(15,013)	(23,323)
Bill payable	<u>(338)</u>	<u>(4,610)</u>
Cash generated from operations	1,279	(12,721)
Retirement benefits paid	(105)	(118)
Tax paid	(597)	(368)
Tax refund	-	96
Interest paid	<u>(6,530)</u>	<u>(7,149)</u>
Net cash used in operating activities	<u>(5,953)</u>	<u>(20,260)</u>
INVESTING ACTIVITIES		
Capital work-in-progress incurred	(4,428)	(7,153)
Purchase of property, plant & equipment	(4,166)	(3,861)
Proceeds from disposal of property, plant & equipment	263	2,227
Purchase of held-for trading investments	(36)	(22)
Net cash used in investing activities	<u>(8,367)</u>	<u>(8,809)</u>

Muda Holdings Berhad (10427 A)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2016

Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2016	31-03-2015
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Interest received	139	189
Proceeds from finance leases	1,273	2,300
Drawdown of onshore foreign loan	2,500	-
Flexi financing loans drawdown	32,689	21,143
Term loans drawdown	-	378
Trust receipts drawdown	-	53
Repayment of flexi financing loan	(30,924)	(18,004)
Repayment of finance leases	(2,448)	(2,726)
Repayment of onshore foreign loan	(1,734)	-
Repayment of revolving credit	(3,700)	(5,000)
Repayment of term loans	(10,047)	(8,943)
Placement of fixed deposit pledge	42	11
Net cash used in financing activities	<u>(12,210)</u>	<u>(10,599)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(26,530)	(39,668)
Effect of exchange rate changes	(2,016)	245
At beginning of financial period	<u>82,209</u>	<u>87,941</u>
At end of financial period	<u><u>53,663</u></u>	<u><u>48,518</u></u>
Cash and cash equivalents at the end of the period comprised of:		
Cash and bank balances	52,179	55,641
Fixed deposits with licensed banks	6,403	5,715
Short term placements with financial institutions	9,311	12,147
Bank overdraft	<u>(13,306)</u>	<u>(25,842)</u>
	54,587	47,661
Less: Fixed deposit pledged	<u>(924)</u>	<u>857</u>
	<u><u>53,663</u></u>	<u><u>48,518</u></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 2015 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 2016
Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

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 2015. 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 2015.

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 2015 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 2016, 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 2016:

- 1) MFRS 14 Regulatory Deferral Accounts
- 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) Amendments to MFRS 101 - Disclosure Initiative
- 5) Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation
- 6) Amendments to MFRS 116 and MFRS 141 -Agriculture: Bearer Plants
- 7) Amendments to MFRS 127 – Equity Method in Separate Financial Statements
- 8) 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

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

Muda Holdings Berhad (10427 A)

Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016

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

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 2016 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 2017

Amendments to MFRS 107 – Disclosure Initiative

Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses

(b) 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)

MFRS 15 – Revenue from Contracts with Customers

(c) MFRS and Amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16 – Leases

(d) MFRS and Amendments effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture

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 ended 31 March 2016.

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 2016.

7. Dividend Paid

There were no dividends paid during the quarter under review.

Muda Holdings Berhad (10427 A)**Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****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 2016					
Revenue					
External revenue	256,076	34,379	49	-	290,504
Inter-segment revenue	8,771	51,795	-	(60,566)	-
Total revenue	<u>264,847</u>	<u>86,174</u>	<u>49</u>	<u>(60,566)</u>	<u>290,504</u>
Segment Profit	20,324	2,128	(1,034)	921	22,339
Interest Income					139
Finance costs					(6,111)
Share of profit of associates					(48)
Profit before tax					<u>16,319</u>
	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>

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

There were no changes in the composition of the Group for the period under review.

Muda Holdings Berhad (10427 A)**Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****11. Changes in Contingent Liabilities and Contingent Assets**

	31.03.2016	31.12.2015
	RM'000	RM'000
<u>Company</u>		
Guarantees given to financial institutions for credit facilities granted to subsidiary companies	1,036,978	1,010,605
Guarantees given to third parties for supply of goods and services to subsidiary companies	7,524	7,183
	<u>1,044,502</u>	<u>1,017,788</u>

12. Capital Commitment

	31.03.2016	31.12.2015
	RM'000	RM'000
Approved and contracted for	22,136	33,018
Approved but not contracted for	20,827	20,223
	<u>42,963</u>	<u>53,241</u>

13. Related Party Transactions

Related party transactions conducted during the three months ended 31 March 2016 and 31 March 2015 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	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	468	553	468	553
ii. AFP Composite Sdn Bhd	66	107	66	107

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

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.

b) Transactions with Associate Companies

Sales of goods	651	521	651	521
Management fee income	18	16	18	16
Purchase of goods	1,810	-	1,810	-

Muda Holdings Berhad (10427 A)**Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****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 March 2016				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,514	-	-	4,514
	<hr/>			
Derivatives				
Forward currency contracts	-	556	-	556
	<hr/>			
At 31 December 2015				
<u>Financial Assets</u>				
Held-for-trading investments				
Quoted in Malaysia	4,478	-	-	4,478
	<hr/>			
Derivatives				
Forward currency contracts	-	43	-	43
	<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

The Group's financial results for the quarter under review is better than the corresponding quarter in 2015. Group revenue and profit before tax has increased to RM290.50 million and RM16.32 million respectively, representing improvements of 12.8% and 112.5% over the corresponding quarter in 2015. Recovery in private consumption in domestic market after the setback from implementation of GST in April 2015 and growth in global economy, though slow, are factors contributing to better demand for paper products manufactured by the Group and the depressed ringgit exchange rate against other major currencies has bolstered the impact of increased demand.

Manufacturing Division

Revenue in the Manufacturing Division has improved by 14.8% to RM256.08 million in the current quarter under review compared to RM223.07 million achieved in the corresponding quarter in 2015. The increase in revenue for the Division is derived from 19% and 9% increase in revenue generated from paper mills products and paper packaging products respectively. The benefits of higher revenue from paper mill products were partially offset by 17% average increase in gas tariff imposed by Gas Malaysia Berhad effective from January 2016 and higher raw material cost. As opposed to paper mill products, margin for paper packaging products were squeezed by higher paper cost and intense competition which impeded passing through of increased cost to customers.

Trading Division

Revenue in the Division were stagnant mainly due to uncertain outlook and volatile ringgit exchange rate resulted in customers resorting to purchase on need basis.

2. Comparison with Preceding Quarter

Group revenue of RM290.50 million for the quarter under review is 16.4% lower than RM347.42 million registered in the preceding quarter. The reduction is mainly attributable to lower revenue from stationery products in the Trading Division after the peak season, as a result, profit before tax for the quarter dipped by 13.0% to RM16.32 million.

3. Commentary on Prospects

Even with the anticipated rise in cost of production arising from increase in minimum wages, effective from July 2016 and likelihood of increase in gas, electricity and raw material costs, the Board believes that the productivity program put in place will soften the negative impact of rising cost and the Group will remain profitable in the year.

4. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee issued.

Muda Holdings Berhad (10427 A)**Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Income				
Interest income	139	189	139	189
Rental Income	243	253	243	253
Gain / (loss) on derivative instruments	547	(162)	547	(162)
Gain on disposal of property, plant and equipment	104	576	104	576
Gain on foreign exchange				
- realised	223	1,760	223	1,760
- unrealised	1,350	536	1,350	536
Fair value gain on held-for-trading investment	1	100	1	100
Impairment on doubtful receivables				
- no longer required	706	54	706	54

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Expenses				
Interest expenses	6,111	6,568	6,111	6,568
Depreciation and amortisation	13,784	13,968	13,784	13,968
Inventories written off	2	11	2	11
(Gain) / loss on foreign exchange				
- realised	302	28	302	28
- unrealised	2,426	311	2,426	311
Property, plant and equipment written off	17	202	17	202
Impairment on doubtful receivables	-	332	-	332
Impairment loss on properties, plant and equipment	215	-	215	-

6. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Current tax	1,714	982	1,714	982
Deferred tax	3,327	872	3,327	872
Total tax expense	<u>5,041</u>	<u>1,854</u>	<u>5,041</u>	<u>1,854</u>

The Group's effective tax rate for the current quarter ended 31 March 2016 is higher than the statutory tax rate mainly due to non-deductible expenses and absence of group relief.

Muda Holdings Berhad (10427 A)**Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****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 31.03.2016 RM'000	As At 31.12.2015 RM'000
Short Term Borrowings		
Unsecured	415,545	413,805
Long Term Borrowings		
Unsecured	94,954	104,071
Total borrowings	510,499	517,876

Loans and borrowings denominated in foreign currencies are as follows:

	As At 31.03.2016 RM'000	As At 31.12.2015 RM'000
Short Term Borrowings		
Hong Kong Dollar	524	605
Singapore Dollar	8	18
United States Dollar	2,500	1,734
	3,032	2,357

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 March 2016 are as follows:

	Contract or Notional Amount RM'000	Fair value Net Profit RM'000
Forward currency contracts		
- Less than 1 year	16,111	556

Muda Holdings Berhad (10427 A)**Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Listing Requirements****11. Realised and Unrealised Profits Disclosure**

	As At 31.03.2016 RM'000	As At 31.12.2015 RM'000
Total unappropriated profit of Muda Holdings Berhad and its subsidiaries:-		
-Realised	388,762	375,224
-Unrealised	<u>15,056</u>	<u>17,165</u>
	403,818	392,389
Total unappropriated profit from associate companies:-		
-Realised	141	367
	<u>403,959</u>	<u>392,756</u>
Consolidation adjustment	<u>23,871</u>	<u>23,475</u>
Total Group unappropriated profit as per consolidated accounts	<u><u>427,830</u></u>	<u><u>416,231</u></u>

12. Changes in Material Litigation

There were no material litigations pending as at 19 May 2016.

13. Dividend

There were no dividends declared for the financial period ended 31 March 2016.

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		Three Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Profit attributable to owners of the Company (RM'000)	11,077	5,207	11,077	5,207
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>3.63</u>	<u>1.71</u>	<u>3.63</u>	<u>1.71</u>

(b) Diluted

Not applicable.

Muda Holdings Berhad (10427 A)

Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2016

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

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 2015.

BY ORDER OF THE BOARD

Goh Ching Yee

Secretary

26 May 2016