

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Three Months Ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	B 5	415,014	339,484	415,014	339,484
Cost of sales		(320,519)	(270,071)	(320,519)	(270,071)
Gross profit		<u>94,495</u>	<u>69,413</u>	<u>94,495</u>	<u>69,413</u>
Other income		2,607	1,862	2,607	1,862
Distribution expenses		(26,742)	(22,221)	(26,742)	(22,221)
Administration expenses		(18,937)	(18,010)	(18,937)	(18,010)
Other expenses		(954)	(1,881)	(954)	(1,881)
Finance costs		(4,111)	(5,953)	(4,111)	(5,953)
Writeback of impairment losses on financial assets		370	392	370	392
Share of profit of associates		1,684	583	1,684	583
Profit before tax	B 6	<u>48,412</u>	<u>24,185</u>	<u>48,412</u>	<u>24,185</u>
Tax expense	B 7	(11,433)	(5,942)	(11,433)	(5,942)
Profit for the period		<u><u>36,979</u></u>	<u><u>18,243</u></u>	<u><u>36,979</u></u>	<u><u>18,243</u></u>
Other comprehensive income/(loss), net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		<u>2,557</u>	<u>(1,009)</u>	<u>2,557</u>	<u>(1,009)</u>
		<u>2,557</u>	<u>(1,009)</u>	<u>2,557</u>	<u>(1,009)</u>
Other comprehensive income/(loss) for the period, net of tax		<u>2,557</u>	<u>(1,009)</u>	<u>2,557</u>	<u>(1,009)</u>
Total comprehensive income for the period		<u><u>39,536</u></u>	<u><u>17,234</u></u>	<u><u>39,536</u></u>	<u><u>17,234</u></u>

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	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Three Months Ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		35,421	17,487	35,421	17,487
Non-controlling interests		1,558	756	1,558	756
Profit for the period		<u>36,979</u>	<u>18,243</u>	<u>36,979</u>	<u>18,243</u>
Total comprehensive income attributable to:					
Owners of the Company		37,433	16,651	37,433	16,651
Non-controlling interests		2,103	583	2,103	583
Total comprehensive income for the period		<u>39,536</u>	<u>17,234</u>	<u>39,536</u>	<u>17,234</u>
Earnings per share attributable to owners of the Company:					
Basic (Sen)	B15(a)	<u>11.61</u>	<u>5.73</u>	<u>11.61</u>	<u>5.73</u>
Diluted (Sen)	B15(b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

This 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 2020 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

Condensed Consolidated Statement of Financial Position as at

	Note	31-03-2021 Unaudited RM'000	31-12-2020 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,132,082	1,081,080
Right-of-use assets		82,177	85,815
Capital work-in-progress		36,733	31,030
Investment properties		10,670	10,670
Investment in associates		23,198	21,290
Intangible assets		14,234	11,656
Deferred tax assets		816	855
		<u>1,299,910</u>	<u>1,242,396</u>
Current Assets			
Inventories		315,101	245,318
Trade receivables		285,559	272,378
Other receivables		63,895	46,612
Amount due from associates		919	1,068
Tax recoverable		1,429	1,066
Financial assets at fair value through profit or loss		5,267	5,211
Derivative financial assets		-	13
Cash and bank balances, deposits and short term placements		109,586	126,699
		<u>781,756</u>	<u>698,365</u>
TOTAL ASSETS		<u><u>2,081,666</u></u>	<u><u>1,940,761</u></u>

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

Condensed Consolidated Statement of Financial Position as at

	Note	31-03-2021 Unaudited RM'000	31-12-2020 Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A 6	159,471	159,471
Reserves		318,161	316,772
Retained earnings		697,043	660,999
Equity attributable to owners of the Company		<u>1,174,675</u>	<u>1,137,242</u>
Non-controlling Interests		36,929	29,217
Total Equity		<u>1,211,604</u>	<u>1,166,459</u>
Non-Current Liabilities			
Borrowings	B10	76,625	69,687
Lease liabilities	B10	35,999	34,730
Provision for retirement benefit		53,503	52,872
Deferred tax liabilities		103,001	98,814
		<u>269,128</u>	<u>256,103</u>
Current Liabilities			
Trade payables		67,802	63,407
Other payables		80,779	94,629
Amount due to associates		2,295	2,375
Lease liabilities	B10	19,011	17,915
Borrowings	B10	419,697	335,995
Tax payable		11,288	3,878
Derivative financial liabilities		62	-
		<u>600,934</u>	<u>518,199</u>
Total Liabilities		<u>870,062</u>	<u>774,302</u>
TOTAL EQUITY AND LIABILITIES		<u>2,081,666</u>	<u>1,940,761</u>
Net Assets per Share (RM)		3.85	3.73

This 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 2020 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

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 →			Distributable				
	Share Capital RM'000	Exchange Fluctuation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
At 1 January 2021	159,471	8,750	2,887	305,135	660,999	1,137,242	29,217	1,166,459
Profit for the period	-	-	-	-	35,421	35,421	1,558	36,979
Other comprehensive income	-	2,012	-	-	-	2,012	545	2,557
Total comprehensive income for the period	-	2,012	-	-	35,421	37,433	2,103	39,536
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	(623)	623	-	-	-
Transaction with owners:								
Acquisition of a subsidiary	-	-	-	-	-	-	5,609	5,609
At 31 March 2021	159,471	10,762	2,887	304,512	697,043	1,174,675	36,929	1,211,604

This 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 2020 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

Condensed Consolidated Statement of Changes in Equity

	← Attributable to Owners of the Company →					Distributable	Non-controlling Interests	Total Equity
	← Non-Distributable →							
	Exchange Share Capital RM'000	Fluctuation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2020	159,471	6,923	2,887	308,372	579,944	1,057,597	24,172	1,081,769
Profit for the period	-	-	-	-	17,487	17,487	756	18,243
Other comprehensive loss	-	(836)	-	-	-	(836)	(173)	(1,009)
Total comprehensive income for the period	-	(836)	-	-	17,487	16,651	583	17,234
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	(631)	631	-	-	-
At 31 March 2020	159,471	6,087	2,887	307,741	598,062	1,074,248	24,755	1,099,003

This 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 2020 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2021	31-03-2020
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	48,412	24,185
Adjustments For :-		
Non-cash and non-operating items	<u>21,867</u>	<u>25,042</u>
Operating profit before working capital changes	70,279	49,227
Changes in working capital:-		
Net changes in inventories	(61,873)	7,674
Net change in receivables	(14,862)	6,329
Net change in payable	(15,370)	(34,205)
Bill payable	<u>53,140</u>	<u>(37,837)</u>
Cash generated from/(used in) operations	<u>31,314</u>	<u>(8,812)</u>
Retirement benefits paid	(860)	(488)
Tax paid	(3,930)	(1,621)
Dividend received	155	-
Interest received	178	423
Interest paid	<u>(4,116)</u>	<u>(6,101)</u>
Net cash from/(used in) operating activities	<u>22,741</u>	<u>(16,599)</u>
INVESTING ACTIVITIES		
Net cash outflows from acquisition of subsidiaries	(35,003)	-
Capital work-in-progress incurred	(12,942)	(4,690)
Purchase of property, plant and equipment	(20,155)	(3,943)
Proceeds from disposal of property, plant and equipment	587	163
Net cash used in investing activities	<u>(67,513)</u>	<u>(8,470)</u>

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2021

Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2021	31-03-2020
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Drawdown of borrowings	74,942	60,970
Repayment of borrowings	(50,571)	(58,963)
Repayment of lease liabilities	(4,961)	(4,699)
Placement of fixed deposit pledged	<u>(3,202)</u>	<u>(5,427)</u>
Net cash from/(used in) financing activities	<u>16,208</u>	<u>(8,119)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(28,564)	(33,188)
Effect of exchange rate changes	801	(202)
At beginning of financial period	<u>115,075</u>	<u>122,822</u>
At end of financial period	<u><u>87,312</u></u>	<u><u>89,432</u></u>
Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	63,426	57,245
Fixed deposits with licensed banks	16,797	23,824
Short term placements with financial institutions	29,363	19,966
Bank overdraft	<u>(12,302)</u>	<u>(4,928)</u>
	97,284	96,107
Less: Fixed deposits pledged	<u>(9,972)</u>	<u>(6,675)</u>
	<u><u>87,312</u></u>	<u><u>89,432</u></u>

This 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 2020 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”) 134: *Interim Financial Reporting* and Paragraph 9.22 of Main Market 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 2020. 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 Muda Holdings Berhad (“MHB” or the “Company”) and its subsidiaries and associates (the “Group”) since the financial year ended 31 December 2020.

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 2020 except for the adoption of the new/revised MFRS mentioned below.

2.1 Adoption of Amendments to MFRSs and IC Interpretation

On 1 January 2021, the Group adopted the following Amendments to MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 7 – *Financial Instruments: Disclosures*
- Amendments to MFRS 9 – *Financial Instruments*
- Amendments to MFRS 16 – *Leases*
- Amendments to MFRS 139 – *Financial Instruments: Recognition and Measurement*

The adoption of the above amendments to MFRSs did not have any significant effects on the interim financial report upon their initial application.

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 2022 issued by Malaysian Accounting Standard Board (“MASB”) and they have not been early adopted by the Group in this set of financial statements other than marked “*” which are not applicable to the Group:

(a) Amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16 – *Leases**

(b) Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3 – *Business Combinations*
- Amendments to MFRS 116 – *Property, Plant and Equipment*
- Amendments to MFRS 137 – *Provisions, Contingent Liabilities and Contingent Assets*
- Annual Improvements to MFRS Standards 2018 – 2020

(c) MFRS and Amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 – *Insurance Contracts**
- Amendments to MFRS 17 – *Insurance Contracts**
- Amendment to MFRS 101 – *Presentation of Financial Statements*
- Amendment to MFRS 108 – *Accounting Policies, Changes in Accounting Estimates and Errors*

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

- Amendments to MFRS 10 – *Consolidated Financial Statements*
- Amendments to MFRS 128 – *Investments in Associates and Joint Ventures*

3. Comments about Seasonal or Cyclical Factors

Prices of the Group's products were affected by the cyclical nature of international paper prices.

4. Extraordinary and exceptional items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 31 March 2021.

5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year which would have material effect in the quarter ended 31 March 2021.

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 2021.

7. Dividend Paid

No dividend was paid during the quarter ended 31 March 2021.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended****31 March 2021****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Main Market Listing Requirements****8. Operating Segments**

Segmental information for the period ended 31 March 2021 and 31 March 2020 are as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Period Ended 31 March 2021					
Revenue					
External revenue	384,671	30,296	47	-	415,014
Inter-segment revenue	5,038	62,608	2,339	(69,985)	-
Total revenue	389,709	92,904	2,386	(69,985)	415,014
Segment Profit	48,545	4,049	10,888	(12,822)	50,660
Interest Income					179
Finance costs					(4,111)
Share of profit of associates					1,684
Profit before tax					48,412
Period Ended 31 March 2020					
Revenue					
External revenue	310,325	29,115	44	-	339,484
Inter-segment revenue	2,799	35,723	2,151	(40,673)	-
Total revenue	313,124	64,838	2,195	(40,673)	339,484
Segment Profit / (Loss)	29,030	1,219	(141)	(976)	29,132
Interest Income					423
Finance costs					(5,953)
Share of profit of associates					583
Profit before tax					24,185

9. Material Event and Event 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.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the quarter under review except for:

- a newly acquired 60% owned subsidiary known as Quantum Total Packages Sdn Bhd (1997010338448/449347-U) in February 2021; and
- a newly acquired wholly-owned subsidiary known Sea Paper Industries Sdn Bhd (197801000640/37653-W)(formerly known as South East Asia Paper Products Sdn Bhd) in March 2021.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended****31 March 2021****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Main Market Listing Requirements****11. Changes in Contingent Liabilities and Contingent Assets**

	31.03.2021	31.12.2020
	RM'000	RM'000
<u>Company</u>		
Guarantees given to financial institutions for credit facilities granted to subsidiaries	1,219,036	1,193,814
Guarantees given to third parties for supply of goods and services to subsidiaries	5,757	5,781
	<u>1,224,793</u>	<u>1,199,595</u>

12. Capital Commitment

	31.03.2021	31.12.2020
	RM'000	RM'000
Contracted but not provided for	<u>93,782</u>	<u>76,568</u>

13. Related Party Transactions

Related party transactions conducted during the three months ended 31 March 2021 and 31 March 2020 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	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	778	329	778	329
ii. AFP Composite Sdn Bhd	69	98	69	98
iii. Formosa Technology Sdn Bhd	7	5	7	5

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

(b) Transactions with Associates

Sales of goods	45	73	45	73
Management fee income	-	18	-	18
Purchase of goods	4,931	1,431	4,931	1,431
Dividend income	155	-	155	-

The above transactions were entered into in the ordinary course of business and were made on normal commercial terms which were 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 were measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 March 2021				
<u>Financial Assets</u>				
Financial assets at fair value through profit or loss				
Quoted in Malaysia	5,267	-	-	5,267
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<u>Financial Liabilities</u>				
Derivatives				
Forward currency contracts	-	62	-	62
<hr/>				
At 31 December 2020				
<u>Financial Assets</u>				
Financial assets at fair value through profit or loss				
Quoted in Malaysia	5,211	-	-	5,211
<hr/>				
Derivatives				
Forward currency contracts	-	13	-	13
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There were no transfers between any levels of the fair value hierarchy during the current quarter and the preceding quarter. 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

Revenue for the first quarter of 2021 has improved by 22.2% to RM415.0 million compared to the corresponding quarter in 2020 when production and sales activities were curtailed during Movement Control Order (MCO) implemented from 18 March 2020. The improvement was mainly attributable to better selling prices for industrial paper and paper packaging products. In addition, higher sales volume for paper packaging products also contributed to the higher revenue in the first quarter of 2021 compared to the corresponding quarter of last year.

Profit before tax in the current quarter of 2021 of RM48.4 million was 100.2% higher compared to the corresponding quarter in 2020 of RM24.2 million due to improved selling prices in the Group's products.

Manufacturing Division

Revenue for the Manufacturing Division for the first quarter of 2021 of RM384.7 million surpassed the revenue of RM310.3 million in the corresponding quarter of 2020. This was mainly due to better selling prices for the industrial paper and paper packaging products coupled with the higher sales volume for paper packaging products by 27%.

Compared to the corresponding quarter in 2020, improvement in profit for the Manufacturing Division by 67.2% during the first quarter of 2021 was mainly attributable to better selling prices for the industrial paper and paper packaging products. The lower gas price was translated into lower net production costs, also contributed to higher profit margin in the first quarter of 2021 compared to the corresponding quarter of 2020.

Trading Division

The improvement in revenue and profit for the Trading Division was mainly attributable to the increase in the selling price for recycled paper by 68% compared to the corresponding quarter in 2020.

2. Comparison with Preceding Quarter

Profit before tax for the quarter under review of RM48.4 million was comparable to the preceding quarter even though revenue for the quarter under review was lower than the preceding quarter. The slight dip in revenue was due to end of peak season for school bookshop operations in the Trading Division and partially offset by the net positive impact from higher selling prices for recycled paper, industrial paper and paper packaging products with lower sales volume in the current quarter.

3. Commentary on Prospects

Global economic recovery continues to strengthen, supported by the manufacturing and trade activities although the pace may vary across different countries. In Malaysia, the recent re-imposition of containment measures is expected to affect economic activities in the short term.

The impact from the implementation of MCO 3.0 nationwide on the domestic economic activities would have a spill over effect on the Group's performance in the near term as demand for the Group's products would be affected by lower consumption across all industries. With effective cost control measures put in place, improved production efficiencies and current market sentiment, the Board of Directors is confident that the Group will be profitable for the rest of the year.

4. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee issued.

5. Revenue

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition in the following table:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Total RM'000
Period Ended 31 March 2021				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	384,671	-	-	384,671
Trading of school books, uniforms and stationery	-	22,698	-	22,698
Trading of paper related products and agency commission earned	-	7,598	-	7,598
Others	-	-	26	26
Total revenue	<u>384,671</u>	<u>30,296</u>	<u>26</u>	<u>414,993</u>
Primary geographical markets				
Malaysia	377,077	5,008	26	382,111
Republic of Singapore	4,671	23,781	-	28,452
The People's Republic of China	2,923	-	-	2,923
Australia	-	1,507	-	1,507
	<u>384,671</u>	<u>30,296</u>	<u>26</u>	<u>414,993</u>
Timing of revenue recognition				
Products and services transferred at a point in time	<u>384,671</u>	<u>30,296</u>	<u>26</u>	<u>414,993</u>
Revenue from contracts with customers	<u>384,671</u>	<u>30,296</u>	<u>26</u>	<u>414,993</u>
Other revenue	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
External revenue as reported in the announcement	<u>384,671</u>	<u>30,296</u>	<u>47</u>	<u>415,014</u>

5. Revenue (continued)**Disaggregation of revenue from contracts with customers (continued)**

Revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition in the following table (continued):-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Total RM'000
Period Ended 31 March 2020				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	310,325	-	-	310,325
Trading of school books, uniforms and stationery	-	21,396	-	21,396
Trading of paper related products and agency commission earned	-	7,719	-	7,719
Others	-	-	13	13
Total revenue	<u>310,325</u>	<u>29,115</u>	<u>13</u>	<u>339,453</u>
Primary geographical markets				
Malaysia	304,741	5,792	13	310,546
Republic of Singapore	3,823	22,444	-	26,267
The People's Republic of China	1,761	-	-	1,761
Australia	-	879	-	879
	<u>310,325</u>	<u>29,115</u>	<u>13</u>	<u>339,453</u>
Timing of revenue recognition				
Products and services transferred at a point in time	<u>310,325</u>	<u>29,115</u>	<u>13</u>	<u>339,453</u>
Revenue from contracts with customers	<u>310,325</u>	<u>29,115</u>	<u>13</u>	<u>339,453</u>
Other revenue	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>
External revenue as reported in the announcement	<u>310,325</u>	<u>29,115</u>	<u>44</u>	<u>339,484</u>

6. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit for the period was derived after taking into consideration of the following:-

	Current Quarter		Cumulative Quarter	
	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
After crediting				
Interest income	179	423	179	423
Gain on disposal of property, plant and equipment	582	118	582	118
Net gain on foreign exchange				
- unrealised	1,029	1,092	1,029	1,092
Fair value gain / (loss) on financial assets at fair value through profit or loss	36	(163)	36	(163)
Writeback of impairment losses on financial assets	370	392	370	392
Rental Income	343	113	343	113
After charging				
Depreciation	19,475	19,068	19,475	19,068
Interest expenses	4,111	5,953	4,111	5,953
Inventories written off	-	1	-	1
Loss on derivative financial instruments	70	495	70	495
Net loss on foreign exchange				
- realised	409	473	409	473
Property, plant and equipment written off	244	23	244	23

7. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Current tax	11,213	2,583	11,213	2,583
Deferred tax	220	3,359	220	3,359
Total tax expense	<u>11,433</u>	<u>5,942</u>	<u>11,433</u>	<u>5,942</u>

Tax charge for the current quarter ended 31 March 2021 was lower than the statutory tax rate mainly due to the utilisation of tax credits.

8. Sales of Unquoted Investments

There were no sales of unquoted investments during the current quarter.

9. Corporate Proposals

There were no outstanding corporate proposals.

10. Borrowings and lease liabilities

	As At	As At
	31.03.2021	31.12.2020
	RM'000	RM'000
Short Term Borrowings		
Secured	4,900	2,368
Unsecured	433,808	351,542
	<u>438,708</u>	<u>353,910</u>
Long Term Borrowings		
Secured	1,993	-
Unsecured	110,631	104,417
	<u>112,624</u>	<u>104,417</u>
Total borrowings	<u>551,332</u>	<u>458,327</u>

10. Borrowings and lease liabilities (continued)

Borrowings and lease liabilities denominated in foreign currencies are as follows:

	As At 31.12.2020 RM'000	As At 31.12.2019 RM'000
Short Term Borrowings in RM		
United States Dollar	2,067	3,031
Australia Dollar	1,323	1,139
China Renminbi	-	1,229
Singapore Dollar	2,118	2,026
	<u>5,508</u>	<u>7,425</u>
Long Term Borrowings in RM		
United States Dollar	7,207	7,405
Singapore Dollar	7,801	5,186
	<u>20,516</u>	<u>20,016</u>

11. Derivative Financial Instruments

The Group enters into foreign currency forward contracts to manage the exposure to foreign exchange risk arising from sales and purchases 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 2021 are as follows:

	Contract or Notional Amount RM'000	Fair Value Liability RM'000
Forward currency contracts		
- Less than 1 year	6,491	62

The fair value of the foreign currency forward contract is based on the difference between the contracted forward rates and the mark-to-market rates. There was no change to the risks associated with the derivatives and policies to mitigate those risks since the last financial year.

12. Gain and Losses arising from fair value changes of financial liabilities

The Group recognised a loss of RM70,000 arising from changes in fair value of the forward contracts for the current quarter ended 31 March 2021 mainly due to unfavourable exchange rate.

13. Changes in Material Litigation

There were no material litigations pending as at 18 May 2021.

Muda Holdings Berhad (197101000036)

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31 March 2021

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

14. Dividend

There was no dividend declared for the financial period ended 31 March 2021.

15. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing profit 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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit attributable to owners of the Company (RM'000)	35,421	17,487	35,421	17,487
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>11.61</u>	<u>5.73</u>	<u>11.61</u>	<u>5.73</u>

(b) Diluted

Not applicable. The Group does not have any financial instrument which may dilute its earnings per share.

16. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications in auditors' report on financial statements for the financial year ended 31 December 2020.

BY ORDER OF THE BOARD

Goh Ching Yee

Lam Yoke Teng

Secretaries

25 May 2021