

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended 31 March 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	B 6	465,493	415,014	465,493	415,014
Cost of sales		(391,993)	(320,519)	(391,993)	(320,519)
Gross profit		<u>73,500</u>	<u>94,495</u>	<u>73,500</u>	<u>94,495</u>
Other income		4,101	3,418	4,101	3,418
Distribution expenses		(34,021)	(26,742)	(34,021)	(26,742)
Administration expenses		(19,468)	(18,937)	(19,468)	(18,937)
Other expenses		(1,381)	(1,395)	(1,381)	(1,395)
Finance costs		(5,179)	(4,111)	(5,179)	(4,111)
Share of results of associates		(42)	1,684	(42)	1,684
Profit before tax	B 7	<u>17,510</u>	<u>48,412</u>	<u>17,510</u>	<u>48,412</u>
Tax expense	B 8	(4,691)	(11,433)	(4,691)	(11,433)
Profit for the period		<u>12,819</u>	<u>36,979</u>	<u>12,819</u>	<u>36,979</u>
Other comprehensive income/(loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investment designated at fair value through other comprehensive income ("FVOCI")		1,138	-	1,138	-
Tax effect thereon		(193)	-	(193)	-
		<u>945</u>	<u>-</u>	<u>945</u>	<u>-</u>
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		1,518	2,557	1,518	2,557
		<u>1,518</u>	<u>2,557</u>	<u>1,518</u>	<u>2,557</u>
Other comprehensive income/(loss) for the period, net of tax		<u>2,463</u>	<u>2,557</u>	<u>2,463</u>	<u>2,557</u>
Total comprehensive income for the period		<u>15,282</u>	<u>39,536</u>	<u>15,282</u>	<u>39,536</u>

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	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Three Months Ended	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		12,252	35,421	12,252	35,421
Non-controlling interests		567	1,558	567	1,558
Profit for the period		<u>12,819</u>	<u>36,979</u>	<u>12,819</u>	<u>36,979</u>
Total comprehensive income attributable to:					
Owners of the Company		14,540	37,433	14,540	37,433
Non-controlling interests		742	2,103	742	2,103
Total comprehensive income for the period		<u>15,282</u>	<u>39,536</u>	<u>15,282</u>	<u>39,536</u>
Earnings per share attributable to owners of the Company:					
Basic (Sen)	B14(a)	<u>4.02</u>	<u>11.61</u>	<u>4.02</u>	<u>11.61</u>
Diluted (Sen)	B14(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 2021 and the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statement of Financial Position

	Note	31-03-2022 Unaudited RM'000	31-12-2021 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,346,797	1,307,565
Right-of-use assets		69,812	81,530
Capital work-in-progress		52,093	53,507
Investment properties		10,180	10,180
Investment in associates		1,176	1,212
Financial assets at FVOCI		15,449	14,230
Intangible assets		15,858	15,823
Deferred tax assets		715	748
		<u>1,512,080</u>	<u>1,484,795</u>
Current Assets			
Inventories		388,726	367,078
Trade receivables		320,956	325,990
Other receivables		53,350	50,985
Amount due from associates		920	918
Tax recoverable		7,778	6,938
Financial assets at fair value through profit or loss (FVPL")		2,785	5,344
Derivative financial assets		9	-
Cash and bank balances, deposits and short term placements		133,453	144,500
		<u>907,977</u>	<u>901,753</u>
TOTAL ASSETS		<u><u>2,420,057</u></u>	<u><u>2,386,548</u></u>

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Condensed Consolidated Statement of Financial Position

	Note	31-03-2022 Unaudited RM'000	31-12-2021 Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital		159,471	159,471
Reserves		434,050	432,853
Retained earnings		737,617	724,274
Equity attributable to owners of the Company		<u>1,331,138</u>	<u>1,316,598</u>
Non-controlling Interests		<u>39,355</u>	<u>38,613</u>
Total Equity		<u>1,370,493</u>	<u>1,355,211</u>
Non-Current Liabilities			
Borrowings	B11	122,874	101,362
Provision for retirement benefit		60,415	59,618
Deferred income		6,072	-
Deferred tax liabilities		134,167	130,907
		<u>323,528</u>	<u>291,887</u>
Current Liabilities			
Trade payables		78,450	76,541
Other payables		88,196	116,831
Borrowings	B11	556,670	540,175
Tax payable		2,720	5,870
Derivative financial liabilities		-	33
		<u>726,036</u>	<u>739,450</u>
Total Liabilities		<u>1,049,564</u>	<u>1,031,337</u>
TOTAL EQUITY AND LIABILITIES		<u>2,420,057</u>	<u>2,386,548</u>
Net assets per share attributable to owners of the Company (RM)			
		4.36	4.32

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 2021 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 2022

Condensed Consolidated Statement of Changes in Equity

	← Attributable to Owners of the Company →					Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Distributable					
	Share Capital RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000				
At 1 January 2022	159,471	10,731	1,553	2,887	417,682	724,274	1,316,598	38,613	1,355,211
Profit for the period	-	-	-	-	-	12,252	12,252	567	12,819
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(1,091)	1,091	-	-	-
Other comprehensive income	-	1,343	945	-	-	-	2,288	175	2,463
Total comprehensive income for the period	-	1,343	945	-	(1,091)	13,343	14,540	742	15,282
At 31 March 2022	159,471	12,074	2,498	2,887	416,591	737,617	1,331,138	39,355	1,370,493

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 2021 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
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	(623)	623	-	-	-
Other comprehensive loss	-	2,012	-	-	-	2,012	545	2,557
Total comprehensive income for the period	-	2,012	-	(623)	36,044	37,433	2,103	39,536
Transaction with owners:								
Acquisition of 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 2021 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 2022

Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2022	31-03-2021
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	17,510	48,412
Adjustments For :-		
Non-cash and non-operating items	<u>28,773</u>	<u>21,867</u>
Operating profit before working capital changes	46,283	70,279
Changes in working capital:-		
Net changes in inventories	(21,626)	(61,873)
Net change in receivables	3,466	(14,862)
Net change in payable	(26,680)	(15,370)
Bill payable	<u>28,793</u>	<u>53,140</u>
Cash generated from operations	<u>30,236</u>	<u>31,314</u>
Retirement benefits paid	(789)	(860)
Net tax paid	(5,656)	(3,930)
Dividend received	-	155
Interest received	235	178
Interest paid	<u>(5,212)</u>	<u>(4,116)</u>
Net cash from operating activities	<u>18,814</u>	<u>22,741</u>
INVESTING ACTIVITIES		
Net cash outflows from acquisition of subsidiaries	-	(35,003)
Capital work-in-progress incurred	(11,352)	(12,942)
Purchase of property, plant and equipment	(35,369)	(20,155)
Proceeds from disposal of property, plant and equipment	1,507	587
Government grant received	6,177	-
Net cash used in investing activities	<u>(39,037)</u>	<u>(67,513)</u>

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Condensed Consolidated Statement of Cash Flows

	Three Months Ended	
	31-03-2022	31-03-2021
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Drawdown of borrowings	78,665	74,942
Repayment of borrowings	(63,660)	(55,532)
Placement of fixed deposit pledged	(72)	(3,202)
Net cash from financing activities	<u>14,933</u>	<u>16,208</u>
CASH AND CASH EQUIVALENTS		
Net changes	(5,290)	(28,564)
Effect of exchange rate changes	366	801
At beginning of financial period	<u>112,515</u>	<u>115,075</u>
At end of financial period	<u><u>107,591</u></u>	<u><u>87,312</u></u>
Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	74,436	63,426
Fixed deposits with licensed banks	15,167	16,797
Short term placements with financial institutions	43,850	29,363
	<u>133,453</u>	<u>109,586</u>
Less: Fixed deposits pledged	(12,340)	(9,972)
Bank overdraft	(13,522)	(12,302)
	<u><u>107,591</u></u>	<u><u>87,312</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 2021 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 2021.

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 2021 except for the adoption of the new/revised MFRS mentioned below.

2.1 Adoption of Amendments to MFRSs and IC Interpretation

On 1 January 2022, the Group adopted the following Amendments to MFRSs which are mandatory for annual financial 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

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:

2. Significant Accounting Policies (cont'd)

2.2 MFRSs and Amendments to MFRSs issued but not yet effective (cont'd)

(a) 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*
- Amendments to MFRS 112 – *Income Taxes*

(b) 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 2022.

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 2022.

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 2022.

7. Dividend Paid

No dividend was paid during the quarter ended 31 March 2022.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended****31 March 2022****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 2022 and 31 March 2021 are as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Period Ended 31 March 2022					
Revenue					
External revenue	431,120	34,356	17	-	465,493
Inter-segment revenue	9,080	87,181	2,358	(98,619)	-
Total revenue	<u>440,200</u>	<u>121,537</u>	<u>2,375</u>	<u>(98,619)</u>	<u>465,493</u>
Segment Profit/(Loss)	20,724	2,251	(537)	58	22,496
Interest Income					235
Finance costs					(5,179)
Share of results of associates					(42)
Profit before tax					<u><u>17,510</u></u>
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	<u>389,709</u>	<u>92,904</u>	<u>2,386</u>	<u>(69,985)</u>	<u>415,014</u>
Segment Profit	48,545	4,049	10,888	(12,822)	50,660
Interest Income					179
Finance costs					(4,111)
Share of results of associates					1,684
Profit before tax					<u><u>48,412</u></u>

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.

11. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets subsequent to the end of the current quarter and financial period under review.

12. Capital Commitment

	31.03.2022	31.12.2021
	RM'000	RM'000
Contracted but not provided for	<u>61,080</u>	<u>79,223</u>

13. Related Party Transactions

Related party transactions conducted during the three months ended 31 March 2022 and 31 March 2021 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
(a) Transactions with Major Shareholder, Asia File Corporation Bhd and its subsidiaries				
Sales of goods	424	854	424	854
(b) Transactions with a company in which directors have interest				
Rental of premises	36	36	36	36
(c) Transactions with Associates				
Sales of goods	-	45	-	45
Purchase of goods	-	4,931	-	4,931
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.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended****31 March 2022****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Main Market Listing Requirements****B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****1. Performance Review**

	Current quarter			Cumulative quarter		
	Three months ended			Three months ended		
	31.03.2022	31.03.2021	Variance	31.03.2022	31.03.2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Manufacturing	431,120	384,671	12.07	431,120	384,671	12.07
- Trading	34,356	30,296	13.40	34,356	30,296	13.40
- Others	17	47	(63.83)	17	47	(63.83)
Total revenue	465,493	415,014	12.16	465,493	415,014	12.16
Gross profit ("GP")	73,500	94,495	(22.22)	73,500	94,495	(22.22)
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	43,683	71,998	(39.33)	43,683	71,998	(39.33)
Profit before tax ("PBT")	17,510	48,412	(63.83)	17,510	48,412	(63.83)
GP margin (%)	15.79	22.77	(30.65)	15.79	22.77	(30.65)
EBITDA margin (%)	9.38	17.35	(45.91)	9.38	17.35	(45.91)
PBT margin (%)	3.76	11.67	(67.75)	3.76	11.67	(67.75)

Comparison with corresponding quarter in previous year (Q1 FY22 vs Q1 FY21)

Total revenue of the Group in Q1 FY22 rose by 12.2% to RM465.5 million as compared with Q1 FY21. The significant increase was attributable to the manufacturing segment, where it rose by 12.1% as compared with same period last year. The higher revenue achieved was due to the increase in average selling price ("ASP") of industrial grade paper and paper related products by 18.9% and 11.4% respectively.

Revenue for trading segment increased by 13.4% as a result of increase in ASP of waste paper by 28.0% as compared with same period last year.

Despite the increase in revenue, the PBT of the Group declined by 63.8% from RM48.4 million to RM17.5 million in Q1 FY22. The reduction was due to the gradual increase in waste paper cost, which represented more than 70% of production cost and the increase in energy cost namely gas in which is reflected in the reduction in the GP margin from 22.8% to 15.8%. Further, the profitability was affected by the increase in overseas freight.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended****31 March 2022****Explanatory Notes Pursuant to MFRS 134 and Appendix 9B of the Main Market Listing Requirements****2. Comparison with Preceding Quarter (Q1 FY22 vs Q4 FY21)**

	Current quarter		
	Three months ended		
	31.03.2022	31.12.2021	Variance
	RM'000	RM'000	%
Revenue			
- Manufacturing	431,120	463,125	(6.91)
- Trading	34,356	96,549	(64.42)
- Others	17	83	(79.52)
Total revenue	<u>465,493</u>	<u>559,757</u>	<u>(16.84)</u>
Gross profit ("GP")	73,500	84,088	(12.59)
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	43,683	50,225	(13.03)
Profit before tax ("PBT")	<u>17,510</u>	<u>24,288</u>	<u>(27.91)</u>
GP margin (%)	15.79	15.02	5.11
EBITDA margin (%)	9.38	8.97	4.59
PBT margin (%)	<u>3.76</u>	<u>4.34</u>	<u>(13.31)</u>

Revenue in Q1 FY22 of RM465.5 million was 16.8% lower than Q4 FY21 mainly due to lower working days as a result of the festive season. Hence, PBT decrease to RM17.5 million as opposed to RM24.3 million in the Q4 FY21. On top of the reduced revenue, the major decrease in PBT was due to the nature of our stationery trading business which was seasonal in nature where the margin would be better in Q4 FY22 when the students usher in the new school year.

3. Commentary on Prospects

Despite the challenges brought on by the pandemic in 2021, there were signs of recovery in the manufacturing sector as Malaysia moves to the endemic phase and markets and borders open. With this, we are seeing encouraging orders and the opening of borders is expected to relieve the shortage of workers in the long run.

On the external front, the ongoing Russia-Ukraine conflict and the lockdown in Shanghai as a result of the new wave of infections, would have repercussions for the already strained global supply chain. This has led to the rising global commodity and raw material prices as well as global logistic disruptions and soaring shipping costs. Additionally, the recent implementation of the new minimum wage standard, higher energy cost and the hike on overnight prescribe interest rate as announced by Bank Negara Malaysia will result in higher costs to our manufacturing operations. With this, the Group will continue to emphasize on cost management, efficiency improvement and automation initiatives across our operations.

Barring any unforeseen circumstances, the Group is positive that its performance will remain profitable for the financial year ending 31 December 2022.

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 2022				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	399,988	-	-	399,988
Trading of school books, uniforms and stationery	-	21,256	-	21,256
Trading of paper related products and agency commission earned	-	13,100	-	13,100
Others	31,132	-	17	31,149
Total revenue	431,120	34,356	17	465,493
Primary geographical markets				
Malaysia	423,050	7,317	17	430,384
Republic of Singapore	4,580	24,339	-	28,919
Others	3,490	2,700	-	6,190
	431,120	34,356	17	465,493
Period Ended 31 March 2021				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	356,785	-	-	356,785
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	27,886	-	47	27,933
Total revenue	384,671	30,296	47	415,014
Primary geographical markets				
Malaysia	377,077	5,008	47	382,132
Republic of Singapore	4,671	23,781	-	28,452
Others	2,923	1,507	-	4,430
	384,671	30,296	47	415,014

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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
After crediting				
Interest income	235	179	235	179
Gain on disposal of property, plant and equipment	937	582	937	582
Gain/(loss) on derivative financial instruments	35	(70)	35	(70)
Net gain on foreign exchange				
- realised	135	(409)	135	(409)
- unrealised	921	1,029	921	1,029
Fair value (loss)/gain on financial assets at fair value through profit or loss	22	36	22	36
Writeback of impairment losses on financial assets	21	370	21	370
Rental Income	334	343	334	343
After charging				
Depreciation	20,994	19,475	20,994	19,475
Interest expenses	5,179	4,111	5,179	4,111
Inventories written off	101	-	101	-
Property, plant and equipment written off	492	244	492	244

7. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Current tax	1,651	11,213	1,651	11,213
Deferred tax	3,040	220	3,040	220
Total tax expense	4,691	11,433	4,691	11,433

Tax charged for the current quarter ended 31 March 2022 were higher than the statutory tax rate mainly due to lower relief from reinvestment allowance.

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

	As At 31.03.2022 RM'000	As At 31.12.2021 RM'000
Short Term Borrowings		
Secured	5,415	2,115
Unsecured	551,255	538,060
	<u>556,670</u>	<u>540,175</u>
Long Term Borrowings		
Secured	1,083	1,227
Unsecured	121,791	100,135
	<u>122,874</u>	<u>101,362</u>
Total borrowings	<u><u>679,544</u></u>	<u><u>641,537</u></u>

Borrowings denominated in foreign currencies are as follows:

	As At 31.03.2022 RM'000	As At 31.12.2021 RM'000
Short Term Borrowings in RM		
United States Dollar	755	6,230
Australia Dollar	-	303
Singapore Dollar	2,554	2,518
	<u>3,309</u>	<u>9,051</u>
Long Term Borrowings in RM		
United States Dollar	-	5,928
Singapore Dollar	3,139	3,613
	<u>6,448</u>	<u>18,592</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.

11. Derivative Financial Instruments(cont'd)

Details of the Group's derivative financial instruments outstanding as at 31 March 2022 are as follows:

	Contract or Notional Amount RM'000	Fair Value Asset RM'000
Forward currency contracts		
- Less than 1 year	5,167	9

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. Changes in Material Litigation

There were no material litigations pending as at 17 May 2022.

13. Dividend

There was no dividend declared for the financial period ended 31 March 2022.

14. 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 Three Months Ended		Cumulative Quarter Three Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	12,252	35,421	12,252	35,421
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>4.02</u>	<u>11.61</u>	<u>4.02</u>	<u>11.61</u>

(b) Diluted

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

Muda Holdings Berhad (197101000036)

Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended

31 March 2022

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

15. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications in auditors' report on financial statements for the financial year ended 31 December 2021.

BY ORDER OF THE BOARD

Goh Ching Yee

Lam Yoke Teng

Secretaries

24 May 2022