

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Year Ended 31 December 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Year Ended	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		Unaudited	Unaudited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue	B 6	447,303	559,757	1,768,888	1,740,745
Cost of sales		(396,663)	(475,669)	(1,546,129)	(1,425,728)
Gross profit		<u>50,640</u>	<u>84,088</u>	<u>222,759</u>	<u>315,017</u>
Other income		1,982	2,658	16,195	8,676
Distribution expenses		(34,950)	(35,725)	(129,024)	(112,060)
Administration expenses		(22,399)	(24,747)	(82,936)	(82,550)
Other expenses		(9,488)	2,701	(17,378)	(6,643)
Finance costs		(7,396)	(5,181)	(24,731)	(19,346)
Share of results of associates		126	494	162	5,040
(Loss)/Profit before tax	B 7	<u>(21,485)</u>	<u>24,288</u>	<u>(14,953)</u>	<u>108,134</u>
Tax income/(expense)	B 8	8,513	(3,652)	7,029	(23,221)
(Loss)/Profit for the period		<u>(12,972)</u>	<u>20,636</u>	<u>(7,924)</u>	<u>84,913</u>
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		-	(2,882)	-	(2,882)
Revaluation of property, plant and equipment		-	18	-	138,151
Net change in fair value of equity investment designated at fair value through other comprehensive income ("FVOCI")		59	1,553	5,917	1,553
Tax effect thereon		-	3,051	-	(22,033)
		<u>59</u>	<u>1,740</u>	<u>5,917</u>	<u>114,789</u>
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		226	1,869	4,680	2,566
		<u>226</u>	<u>1,869</u>	<u>4,680</u>	<u>2,566</u>
Other comprehensive income for the period, net of tax		<u>285</u>	<u>3,609</u>	<u>10,597</u>	<u>117,355</u>
Total comprehensive (loss)/income for the period		<u>(12,687)</u>	<u>24,245</u>	<u>2,673</u>	<u>202,268</u>

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Note	Current Quarter		Cumulative Quarter		
	Three Months Ended		Year Ended		
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	
	Unaudited	Unaudited	Unaudited	Audited	
	RM'000	RM'000	RM'000	RM'000	
(Loss)/Profit attributable to:					
Owners of the Company	(16,426)	16,485	(10,759)	77,838	
Non-controlling interests	3,454	4,151	2,835	7,075	
(Loss)/Profit for the period	<u>(12,972)</u>	<u>20,636</u>	<u>(7,924)</u>	<u>84,913</u>	
Total comprehensive income attributable to:					
Owners of the Company	(16,589)	19,250	(3,870)	194,608	
Non-controlling interests	3,902	4,995	6,543	7,660	
Total comprehensive (loss)/income for the period	<u>(12,687)</u>	<u>24,245</u>	<u>2,673</u>	<u>202,268</u>	
Earnings per share attributable to owners of the Company:					
Basic (Sen)	B14(a)	<u>(5.38)</u>	<u>5.40</u>	<u>(3.53)</u>	<u>25.52</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	31-12-2022 Unaudited RM'000	31-12-2021 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,375,913	1,307,565
Right-of-use assets		61,753	81,530
Capital work-in-progress		84,700	53,507
Investment properties		10,180	10,180
Investment in associates		1,500	1,212
Financial assets at FVOCI		21,154	14,230
Intangible assets		16,209	15,823
Deferred tax assets		817	748
		<u>1,572,226</u>	<u>1,484,795</u>
Current Assets			
Inventories		398,136	367,078
Trade receivables		260,385	325,990
Other receivables		28,029	50,985
Amount due from associates		1,351	918
Tax recoverable		14,202	6,938
Financial assets at fair value through profit or loss (FVPL")		5,315	5,344
Cash and bank balances, deposits and short term placements		132,747	144,500
		<u>840,165</u>	<u>901,753</u>
TOTAL ASSETS		<u><u>2,412,391</u></u>	<u><u>2,386,548</u></u>

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Condensed Consolidated Statement of Financial Position

	Note	31-12-2022 Unaudited	31-12-2021 Audited
EQUITY AND LIABILITIES			
Equity			
Share capital		159,471	159,471
Reserves		446,137	432,853
Retained earnings		688,241	724,274
Equity attributable to owners of the Company		<u>1,293,849</u>	<u>1,316,598</u>
Non-controlling Interests		<u>43,427</u>	<u>38,613</u>
Total Equity		<u>1,337,276</u>	<u>1,355,211</u>
Non-Current Liabilities			
Borrowings	B9	137,900	101,362
Provision for retirement benefit		61,778	59,618
Government grants		5,718	-
Deferred tax liabilities		122,597	130,907
		<u>327,993</u>	<u>291,887</u>
Current Liabilities			
Trade payables		56,306	76,541
Other payables		108,603	116,831
Borrowings	B9	579,466	540,175
Tax payable		1,661	5,870
Government grants		584	-
Derivative financial liabilities	B10	502	33
		<u>747,122</u>	<u>739,450</u>
Total Liabilities		<u>1,075,115</u>	<u>1,031,337</u>
TOTAL EQUITY AND LIABILITIES		<u>2,412,391</u>	<u>2,386,548</u>
Net assets per share attributable to owners of the Company (RM)			
		4.24	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.

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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
(Loss)/Profit for the period	-	-	-	-	-	(10,759)	(10,759)	2,835	(7,924)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(4,164)	4,164	-	-	-
Other comprehensive income	-	2,746	4,143	-	-	-	6,889	3,708	10,597
Total comprehensive (loss)/income for the period	-	2,746	4,143	-	(4,164)	(6,595)	(3,870)	6,543	2,673
Transfer of reserve	-	13,391	(466)	(2,887)	521	(14,172)	(3,613)	3,613	-
Transaction with owners:									
Acquisition of non-controlling interest	-	-	-	-	-	(14)	(14)	(2,861)	(2,875)
Dividend paid to shareholders	-	-	-	-	-	(15,252)	(15,252)	-	(15,252)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(2,481)	(2,481)
At 31 December 2022	159,471	26,868	5,230	-	414,039	688,241	1,293,849	43,427	1,337,276

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.

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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	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	-	-	-	-	77,838	77,838	7,075	84,913
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	(2,896)	2,896	-	-	-
Other comprehensive income	-	1,981	1,553	115,443	(2,207)	116,770	585	117,355
Total comprehensive income for the period	-	1,981	1,553	112,547	78,527	194,608	7,660	202,268
Transaction with owners:								
Acquisition of subsidiary	-	-	-	-	-	-	7,297	7,297
Dividend paid to shareholders	-	-	-	-	(15,252)	(15,252)	-	(15,252)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(5,561)	(5,561)
At 31 December 2021	159,471	10,731	4,440	417,682	724,274	1,316,598	38,613	1,355,211

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
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Condensed Consolidated Statement of Cash Flows

	Year Ended	
	31-12-2022	31-12-2021
	Unaudited	Audited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	(14,953)	108,134
Adjustments For :-		
Non-cash and non-operating items	<u>122,565</u>	<u>100,128</u>
Operating profit before working capital changes	107,612	208,262
Changes in working capital:-		
Net changes in inventories	(36,524)	(114,466)
Net change in receivables	89,777	(41,955)
Net change in payable	(29,912)	26,616
Bill payable	<u>9,011</u>	<u>138,555</u>
Cash generated from operations	139,964	217,012
Retirement benefits paid	(4,219)	(2,198)
Net tax paid	(12,883)	(20,114)
Dividend received	-	157
Dividend paid to owners of the Company	(15,252)	(15,252)
Dividend paid to non-controlling interests	(2,481)	(5,561)
Interest received	1,310	886
Interest paid	<u>(25,164)</u>	<u>(19,356)</u>
Net cash from operating activities	<u>81,275</u>	<u>155,574</u>
INVESTING ACTIVITIES		
Net cash outflows from acquisition of subsidiaries	-	(35,003)
Capital work-in-progress incurred	(85,104)	(91,021)
Purchase of property, plant and equipment	(75,743)	(51,935)
Acquisition of non-controlling interest	(2,861)	-
Proceeds from disposal of property, plant and equipment	3,856	4,041
Net cash from investment in short term investments	91	-
Proceeds from disposal of investment in associate	-	12,320
Repayment (to)/received from associates	3	2
Net cash used in investing activities	<u>(159,758)</u>	<u>(161,596)</u>

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Condensed Consolidated Statement of Cash Flows

	Year Ended	
	31-12-2022	31-12-2021
	Unaudited	Audited
	RM'000	RM'000
FINANCING ACTIVITIES		
Government grant received	6,785	-
Drawdown of borrowings	332,605	267,214
Repayment of borrowings	(271,501)	(259,045)
Withdrawal/(Placement) of fixed deposit pledged	1,625	(5,498)
Net cash from financing activities	<u>69,514</u>	<u>2,671</u>
CASH AND CASH EQUIVALENTS		
Net changes	(8,969)	(3,351)
Effect of exchange rate changes	2,307	791
At beginning of financial period	<u>112,515</u>	<u>115,075</u>
At end of financial period	<u><u>105,853</u></u>	<u><u>112,515</u></u>
Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	85,492	91,991
Fixed deposits with licensed banks	14,279	15,081
Short term investments	32,976	37,428
	<u>132,747</u>	<u>144,500</u>
Less: Fixed deposits pledged	(10,643)	(12,268)
Bank overdraft	(16,251)	(19,717)
	<u><u>105,853</u></u>	<u><u>112,515</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) MFRS and Amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 – *Leases*
- Amendments to MFRS 101 – *Presentation of Financial Statements*

(c) 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 December 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 and financial year ended 31 December 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 and financial year ended 31 December 2022.

7. Dividend Paid

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

8. Operating Segments

Segmental information for the year ended 31 December 2022 and 31 December 2021 are as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Year Ended 31 December 2022					
Revenue					
External revenue	1,574,037	194,714	137	-	1,768,888
Inter-segment revenue	31,797	295,783	14,181	(341,761)	-
Total revenue	<u>1,605,834</u>	<u>490,497</u>	<u>14,318</u>	<u>(341,761)</u>	<u>1,768,888</u>
Segment Profit/(Loss)	(5,878)	12,628	21,809	(20,253)	8,306
Interest Income					1,310
Finance costs					(24,731)
Share of results of associates					162
Loss before tax					<u>(14,953)</u>
Year Ended 31 December 2021					
Revenue					
External revenue	1,572,859	167,690	196	-	1,740,745
Inter-segment revenue	25,307	257,933	8,584	(291,824)	-
Total revenue	<u>1,598,166</u>	<u>425,623</u>	<u>8,780</u>	<u>(291,824)</u>	<u>1,740,745</u>
Segment Profit	113,981	15,176	49,348	(56,951)	121,554
Interest Income					886
Finance costs					(19,346)
Share of results of associates					5,040
Profit before tax					<u>108,134</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

	31.12.2022	31.12.2021
	RM'000	RM'000
Contracted but not provided for	<u>38,145</u>	<u>79,223</u>

13. Related Party Transactions

Related party transactions conducted during the quarter and year ended 31 December 2022 and 31 December 2021 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
(a) Transactions with Major Shareholder, Asia File Corporation Bhd and its subsidiaries				
Sales of goods	332	575	1,445	2,244
(b) Transactions with a company in which directors have interest				
Rental of premises	36	36	144	144
(c) Transactions with Associates				
Sales of goods	215	239	469	475
Purchase of goods	-	22	-	11,617
Dividend income	-	-	-	157

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.

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			Year ended		
	31.12.2022	31.12.2021	Variance	31.12.2022	31.12.2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Manufacturing	343,226	463,125	(25.9)	1,574,037	1,572,859	0.1
- Trading	104,000	96,549	7.7	194,714	167,690	16.1
- Others	77	83	(7.2)	137	196	(30.1)
Total revenue	447,303	559,757	(20.1)	1,768,888	1,740,745	1.6
Gross profit ("GP")	50,640	84,088	(39.8)	222,759	315,017	(29.3)
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	6,813	50,225	(86.4)	93,180	207,692	(55.1)
(Loss)/Profit before tax ("LBT)/PBT")	(21,485)	24,288	(188.5)	(14,953)	108,134	(113.8)
GP margin (%)	11.32	15.02	(24.6)	12.59	18.10	(30.4)
EBITDA margin (%)	1.52	8.97	(83.0)	5.27	11.93	(55.8)
(LBT)/PBT margin (%)	(4.80)	4.34	(210.7)	(0.85)	6.21	(113.6)

Comparison of Current financial year ("FY 22") with corresponding financial year ("FY 21")

Revenue for the FY22 was RM1.769 billion as compared with the same period last year of RM1.741 billion, with an increase of RM0.028 billion or 1.6%. The marginal rise in revenue was due to higher revenue achieved from trading business namely from the Singapore business.

The Group recorded a LBT of RM15.0 million as opposed to a PBT of RM108.1 million. The LBT was attributable mainly to the following: -

- 1) Planned upgrade of a major machinery in which constitutes 50% of the Kajang paper mills production ("Planned Upgrade"). The abnormal costs resulted from planned upgrade was RM15.7 million, which includes the write off of machinery of RM4.4 million. The abnormal cost represents common costs such as energy cost, labour cost, depreciation, repair & maintenance, and other shared common costs;
- 2) Decrease in gross profit from RM315.0 million to RM222.7 million attributed to the increased to energy cost, labour cost and other manufacturing cost as a results of inflation pressure;
- 3) Higher distribution cost by 15.1% from RM112.1 million to RM129.0 million due to higher overseas freight charges resulted from supply chain disruption on 1st half of financial year 2022;
- 4) Impairment of inventories for our finish goods amounted to RM7.7 million; and
- 5) Higher finance cost by 27.8% from RM19.3 million to RM24.7 million in line with higher borrowings and the gradual hike of Overnight Policy Rate.

1. Performance Review (cont'd)

Comparison with corresponding quarter (Q4'22 vs Q4'21)

Revenue for the Q4'22 of RM447.3 million was 20.1% lower than corresponding quarter in FY21 of RM559.8 million due to softening of market in the manufacturing segment.

The Group recorded a LBT of RM21.5 million in Q4'22 as compared with profit before tax of RM24.3 million, mainly due to the following

- 1) increased in energy cost by 21.7% coupled with the increase in other operating cost such as labour cost, chemical, etc due to inflation pressure;
- 2) Impairment loss on inventories recorded in the Q4'22 of RM7.7 million as opposed to none in the same corresponding period;
- 3) Higher unrealised loss on foreign exchange of RM3.5 million as opposed to a gain of RM0.2 million in the same corresponding period; and
- 4) higher borrowings and the hike on OPR had resulted in higher finance cost by 42.7% from RM5.2 million to RM7.4 million;

Comparison with Preceding Quarter (Q4 22 vs Q3 22)

	Current quarter		
	Three months ended		
	31.12.2022	30.09.2022	Variance
	RM'000	RM'000	%
Revenue			
- Manufacturing	343,226	390,809	(12.2)
- Trading	104,000	28,656	262.9
- Others	77	19	305.3
Total revenue	447,303	419,484	6.6
Gross profit ("GP")	50,640	48,071	5.3
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	6,813	23,163	(70.6)
(Loss)/Profit before tax ("LBT)/PBT")	(21,485)	(3,975)	440.5
GP margin (%)	11.32	11.46	(1.2)
EBITDA margin (%)	1.52	5.52	(72.4)
(LBT)/PBT margin (%)	(4.80)	(0.95)	406.9

The Group revenue increased by 6.6% to RM 447.3 million in Q4'22 due to the increase in our trading business.

The Group posted a higher LBT of RM21.5 million in Q4'22 as compared to preceding quarter of RM4.0 million. The higher loss was attributable to the following:-

- 1) Lower average selling price on our manufacturing products coupled with the softening of market;
- 2) Higher energy cost resulted to an increase by 12.6% from the liberalisation of gas, continued increase in price for other material use for energy generation;
- 3) Higher unrealised loss on foreign exchange of RM3.5 million as opposed to a gain of RM0.9 million in the preceding quarter; and
- 4) Higher operating cost due to inflation pressure i.e chemical cost, labour cost etc

2. Commentary on Prospects

Ushering into year 2023, Malaysia's economy is expected to moderate from 8.7% achieved in year 2022 as the external environment faces more global headwinds arising from the inflation pressure, rising interest rates and the lingering geopolitical tension. Nevertheless, the management view the change in policy by China on its zero Covid 19 policy positively, as it will boost consumer spending from tourism related activities and expectation from higher export trade thus supporting economic growth.

Amidst all the uncertainties and rising headwinds, the Group will continue its efforts to emphasize on cost management, efficiency improvement and automation initiatives across our operations to maintain our competitiveness.

3. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee issued.

4. 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	Trading	Others	Total
	RM'000	RM'000	RM'000	RM'000
Year Ended 31 December 2022				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	1,468,415	-	-	1,468,415
Trading of school books, uniforms and stationery	-	140,869	-	140,869
Trading of paper related products and agency commission earned	-	53,845	-	53,845
Others	105,622	-	137	105,759
Total revenue	1,574,037	194,714	137	1,768,888
Primary geographical markets				
Malaysia	1,539,702	31,703	137	1,571,542
Singapore	19,223	153,195	-	172,418
Others	15,111	9,817	-	24,928
	1,574,036	194,715	137	1,768,888

4. Revenue (cont'd)**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
Year Ended 31 December 2021				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	1,471,498	-	-	1,471,498
Trading of school books, uniforms and stationery	-	132,366	-	132,366
Trading of paper related products and agency commission earned	-	35,324	-	35,324
Others	101,361	-	196	101,557
Total revenue	<u>1,572,859</u>	<u>167,690</u>	<u>196</u>	<u>1,740,745</u>
Primary geographical markets				
Malaysia	1,536,873	22,433	196	1,559,502
Singapore	17,652	139,006	-	156,658
Others	18,334	6,251	-	24,585
	<u>1,572,859</u>	<u>167,690</u>	<u>196</u>	<u>1,740,745</u>

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

(Loss)/Profit for the period was derived after taking into consideration of the following:-

	Current Quarter Three Months Ended		Cumulative Quarter Year Ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
After crediting				
Interest income	502	240	1,310	886
Gain on disposal of property, plant and equipment	102	775	2,405	1,861
Net gain/ (loss) on foreign exchange - realised	1,131	(358)	4,119	(762)
Rental Income	336	326	1,347	1,329
Net writeback of impairment losses on financial assets	964	847	1,622	1,028

5. Notes to the Statement of Profit or Loss and Other Comprehensive Income (cont'd)

(Loss)/Profit for the period was derived after taking into consideration of the following:-

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
After charging				
Depreciation	20,909	20,756	83,409	80,212
Deficit on revaluation of properties	-	-	-	1,412
Fair value loss on investment properties	-	-	-	490
Loss on derivative financial instruments	517	29	469	45
Interest expenses	7,396	5,181	24,731	19,346
Inventories written down	7,580	237	7,580	718
Inventories written off	79	39	410	108
Fair value loss/(gain) on financial assets at fair value through profit or loss	(20)	36	56	2
Net (gain)/loss on foreign exchange - unrealised	3,529	(160)	1,281	(223)
Property, plant and equipment written off	27	349	4,968	704

6. Tax Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax	1,475	(1,178)	1,341	16,697
Deferred tax	(9,988)	4,830	(8,370)	6,524
Total tax expense	(8,513)	3,652	(7,029)	23,221

7. Sales of Unquoted Investments

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

8. Corporate Proposals

There were no outstanding corporate proposals.

9. Borrowings

	As At 31.12.2022 RM'000	As At 31.12.2021 RM'000
Short Term Borrowings		
Secured	-	2,115
Unsecured	579,466	538,060
	<u>579,466</u>	<u>540,175</u>
Long Term Borrowings		
Secured	-	1,227
Unsecured	137,900	100,135
	<u>137,900</u>	<u>101,362</u>
Total borrowings	<u>717,366</u>	<u>641,537</u>

Borrowings denominated in foreign currencies are as follows:

	As At 31.12.2022 RM'000	As At 31.12.2021 RM'000
Short Term Borrowings in RM		
United States Dollar	-	6,230
Australia Dollar	-	303
Singapore Dollar	2,001	2,518
	<u>2,001</u>	<u>9,051</u>
Long Term Borrowings in RM		
United States Dollar	-	5,928
Singapore Dollar	1,895	3,613
	<u>3,896</u>	<u>18,592</u>

10. 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 December 2022 are as follows:

	Contract or Notional Amount RM'000	Fair Value Liability RM'000
Forward currency contracts		
- Less than 1 year	10,689	502

10. Derivative Financial Instruments (cont'd)

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.

11. Changes in Material Litigation

There were no material litigations pending as at 21 February 2023.

12. Dividend

The Board recommend a first and final single tier dividend of 4.0 sen per share amounting to RM12.2 million for the year ended 31 December 2022.

13. 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		Year Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
(Loss)/Profit attributable to owners of the Company (RM'000)	(16,426)	16,485	(10,759)	77,838
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>(5.38)</u>	<u>5.40</u>	<u>(3.53)</u>	<u>25.52</u>

(b) Diluted

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

14. 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

28 February 2023