

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Nine Months Ended	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	B 6	341,475	419,484	1,067,277	1,321,585
Cost of sales		(301,846)	(371,413)	(973,135)	(1,149,466)
Gross profit		<u>39,629</u>	<u>48,071</u>	<u>94,142</u>	<u>172,119</u>
Other income		4,220	4,493	15,095	11,769
Distribution expenses		(25,024)	(29,846)	(74,630)	(94,074)
Administration expenses		(21,434)	(20,177)	(62,031)	(60,537)
Net impairment losses on financial assets		280	729	(373)	658
Other expenses		(313)	(924)	(1,869)	(6,412)
Finance income		231	129	660	308
Finance costs		(8,070)	(6,546)	(23,341)	(17,335)
Share of results of associates		77	96	121	36
(Loss)/Profit before tax	B 7	<u>(10,404)</u>	<u>(3,975)</u>	<u>(52,226)</u>	<u>6,532</u>
Tax income/(expense)	B 8	4,434	3,846	15,976	(1,484)
(Loss)/Profit for the period		<u>(5,970)</u>	<u>(129)</u>	<u>(36,250)</u>	<u>5,048</u>
Other comprehensive (loss)/income, 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")					
		<u>(21)</u>	<u>2,466</u>	<u>(2,328)</u>	<u>5,858</u>
		<u>(21)</u>	<u>2,466</u>	<u>(2,328)</u>	<u>5,858</u>
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations					
		<u>(50)</u>	<u>1,868</u>	<u>5,898</u>	<u>4,454</u>
		<u>(50)</u>	<u>1,868</u>	<u>5,898</u>	<u>4,454</u>
Other comprehensive (loss)/income for the period, net of tax		<u>(71)</u>	<u>4,334</u>	<u>3,570</u>	<u>10,312</u>
Total comprehensive (loss)/income for the period		<u>(6,041)</u>	<u>4,205</u>	<u>(32,680)</u>	<u>15,360</u>

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Note	Current Quarter		Cumulative Quarter		
	Three Months Ended		Nine Months Ended		
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	
	Unaudited	Unaudited	Unaudited	Unaudited	
	RM'000	RM'000	RM'000	RM'000	
(Loss)/Profit attributable to:					
Owners of the Company	(6,624)	1,665	(36,822)	5,667	
Non-controlling interests	654	(1,794)	572	(619)	
(Loss)/Profit for the period	<u>(5,970)</u>	<u>(129)</u>	<u>(36,250)</u>	<u>5,048</u>	
Total comprehensive (loss)/income attributable to:					
Owners of the Company	(6,762)	3,542	(34,212)	12,719	
Non-controlling interests	721	663	1,532	2,641	
Total comprehensive (loss)/income for the period	<u>(6,041)</u>	<u>4,205</u>	<u>(32,680)</u>	<u>15,360</u>	
(Loss)/Earnings per share attributable to owners of the Company:					
Basic (Sen)	B15(a)	<u>(2.17)</u>	<u>0.55</u>	<u>(12.07)</u>	<u>1.86</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2023

Condensed Consolidated Statement of Financial Position

	Note	30-09-2023 Unaudited RM'000	31-12-2022 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,370,832	1,376,665
Right-of-use assets		42,705	61,002
Capital work-in-progress		114,713	84,699
Investment properties		10,180	10,180
Investment in associates		1,552	1,360
Financial assets at FVOCI		-	21,154
Intangible assets		16,565	16,209
Deferred tax assets		649	817
		<u>1,557,196</u>	<u>1,572,086</u>
Current Assets			
Inventories		368,140	397,618
Trade receivables		229,222	260,385
Other receivables		48,743	28,033
Amount due from associates		1,328	1,351
Tax recoverable		11,440	13,948
Financial assets at fair value through profit or loss ("FVPL")		5,413	5,315
Cash and bank balances, deposits and short term placements		117,168	132,749
		<u>781,454</u>	<u>839,399</u>
TOTAL ASSETS		<u><u>2,338,650</u></u>	<u><u>2,411,485</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		159,471	159,471
Reserves		442,188	446,154
Retained earnings		645,686	688,134
Equity attributable to owners of the Company		<u>1,247,345</u>	<u>1,293,759</u>
Non-controlling Interests		<u>40,678</u>	<u>43,278</u>
Total Equity		<u><u>1,288,023</u></u>	<u><u>1,337,037</u></u>

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Condensed Consolidated Statement of Financial Position

	Note	30-09-2023 Unaudited RM'000	31-12-2022 Audited RM'000
Non-Current Liabilities			
Borrowings	B11	144,634	137,900
Provision for retirement benefit		61,850	61,778
Government grants		17,041	5,718
Deferred tax liabilities		104,832	122,440
		<u>328,357</u>	<u>327,836</u>
Current Liabilities			
Trade payables		37,462	55,783
Other payables		98,838	108,607
Borrowings	B11	583,397	579,466
Tax payable		1,061	1,670
Government grants		1,502	584
Derivative financial liabilities	B12	10	502
		<u>722,270</u>	<u>746,612</u>
Total Liabilities		<u>1,050,627</u>	<u>1,074,448</u>
TOTAL EQUITY AND LIABILITIES		<u>2,338,650</u>	<u>2,411,485</u>
Net assets per share attributable to owners of the Company (RM)		4.09	4.24

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2023

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	Fair Value Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
At 1 January 2023	159,471	26,885	5,230	414,039	688,134	1,293,759	43,278	1,337,037
Loss for the period	-	-	-	-	(36,822)	(36,822)	572	(36,250)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	(2,976)	2,976	-	-	-
Other comprehensive income	-	4,240	(5,230)	-	3,600	2,610	960	3,570
Total comprehensive loss for the period	-	4,240	(5,230)	(2,976)	(30,246)	(34,212)	1,532	(32,680)
Transaction with owners:								
Dividend paid to shareholders	-	-	-	-	(12,202)	(12,202)	-	(12,202)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,132)	(4,132)
At 30 September 2023	159,471	31,125	-	411,063	645,686	1,247,345	40,678	1,288,023

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
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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
Profit for the period	-	-	-	-	-	5,667	5,667	(619)	5,048
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(3,061)	3,061	-	-	-
Other comprehensive income	-	2,951	4,101	-	-	-	7,052	3,260	10,312
Total comprehensive income for the period	-	2,951	4,101	-	(3,061)	8,728	12,719	2,641	15,360
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)	(2,833)	(2,847)
Dividend paid to shareholders	-	-	-	-	-	(15,252)	(15,252)	-	(15,252)
At 30 September 2022	159,471	27,073	5,188	-	415,142	703,564	1,310,438	42,034	1,352,472

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2023

Condensed Consolidated Statement of Cash Flows

	Nine Months Ended	
	30-09-2023	30-09-2022
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(52,226)	6,532
Adjustments For :-		
Non-cash and non-operating items	<u>81,871</u>	<u>80,889</u>
Operating profit before working capital changes	29,645	87,421
Changes in working capital:-		
Net changes in inventories	34,363	(82,837)
Net change in receivables	13,228	35,188
Net change in payable	(29,089)	(15,561)
Bill payable	<u>(2,283)</u>	<u>39,321</u>
Cash generated from operations	45,864	63,532
Retirement benefits paid	(4,696)	(2,905)
Net tax paid	369	(11,394)
Dividend paid to owners of the Company	(12,202)	(15,252)
Dividend paid to non-controlling interests	(4,132)	-
Interest received	660	360
Interest paid	<u>(10,521)</u>	<u>(7,675)</u>
Net cash from operating activities	<u>15,342</u>	<u>26,666</u>
INVESTING ACTIVITIES		
Capital work-in-progress incurred	(43,636)	(53,612)
Purchase of property, plant and equipment	(12,489)	(68,967)
Acquisition of non-controlling interest	-	(2,833)
Proceeds from disposal of property, plant and equipment	499	3,258
Proceeds from disposal of held-for-trading investments	-	2,591
Proceeds from disposal of financial asset at FVOCI	22,579	-
Receipts of government grants	13,215	6,177
Net cash used in investing activities	<u>(19,832)</u>	<u>(113,386)</u>
FINANCING ACTIVITIES		
Interest paid	(13,942)	(9,887)
Drawdown of borrowings	233,110	253,620
Repayment of borrowings	(235,541)	(205,964)
Withdrawal/(Placement) of fixed deposit pledged	<u>7,433</u>	<u>1,709</u>
Net cash (used in)/from financing activities	<u>(8,940)</u>	<u>39,478</u>

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Condensed Consolidated Statement of Cash Flows

	Nine Months Ended	
	30-09-2023	30-09-2022
	Unaudited	Unaudited
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Net changes	(13,430)	(47,242)
Effect of exchange rate changes	2,154	1,885
At beginning of financial period	<u>105,855</u>	<u>112,515</u>
At end of financial period	<u><u>94,579</u></u>	<u><u>67,158</u></u>
Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	57,914	54,411
Fixed deposits with licensed banks	29,082	14,187
Short term investments	<u>30,172</u>	<u>29,228</u>
	117,168	97,826
Less: Fixed deposits pledged	(3,210)	(10,559)
Bank overdraft	<u>(19,379)</u>	<u>(20,109)</u>
	<u><u>94,579</u></u>	<u><u>67,158</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 2022 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 2022. 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 2022.

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 2022 except for the adoption of the new/revised MFRS mentioned below.

2.1 Adoption of Amendments to MFRSs and IC Interpretation

On 1 January 2023, the Group adopted the following Amendments to MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2023:

- MFRS 17 – *Insurance Contracts*
- Amendments to MFRS 17 – *Insurance Contracts*
- Amendments 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*

The adoption of the above amendments to MFRSs are either not relevant or 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 2023 issued by Malaysian Accounting Standard Board (“MASB”) and they have not been early adopted by 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 2024

- Amendments to MFRS 7 – *Financial Instruments Disclosures*
- Amendments to MFRS 16 – *Leases*
- Amendments to MFRS 101 – *Presentation of Financial Statements*
- Amendments to MFRS 107 – *Statement of Cash Flows*

(b) MFRS and Amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 – *The Effects of Changes in Foreign Exchange Rates*

(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 30 September 2023.

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 30 September 2023.

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 30 September 2023.

7. Dividend Paid

A first and final single tier dividend of 4.0 sen per share amounting to RM12,202,033 in respect of financial year ended 31 December 2022 was paid on 26 July 2023.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 30 September 2023****8. Operating Segments**

Segmental information for the period ended 30 September 2023 and 30 September 2022 are as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Period Ended 30 September 2023					
Revenue					
External revenue	984,617	81,909	751	-	1,067,277
Inter-segment revenue	11,237	153,542	6,209	(170,988)	-
Total revenue	<u>995,854</u>	<u>235,451</u>	<u>6,960</u>	<u>(170,988)</u>	<u>1,067,277</u>
Segment Loss	(26,775)	(932)	8,794	(10,753)	(29,666)
Finance Income					660
Finance costs					(23,341)
Share of results of associates					121
Loss before tax					<u>(52,226)</u>
Period Ended 30 September 2022					
Revenue					
External revenue	1,230,811	91,714	60	-	1,322,585
Inter-segment revenue	26,772	236,505	6,645	(269,922)	-
Total revenue	<u>1,257,583</u>	<u>328,219</u>	<u>6,705</u>	<u>(269,922)</u>	<u>1,322,585</u>
Segment Profit	20,427	2,412	(817)	1,501	23,523
Finance Income					308
Finance costs					(17,335)
Share of results of associates					36
Profit before tax					<u>6,532</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

	30.09.2023	31.12.2022
	RM'000	RM'000
Contracted but not provided for	<u>38,422</u>	<u>38,145</u>

13. Related Party Transactions

Related party transactions conducted during the nine months ended 30 September 2023 and 30 September 2022 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Nine Months Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
(a) Transactions with Major Shareholder, Asia File Corporation Bhd and its subsidiaries				
Sales of goods	378	307	1,131	1,113
(b) Transactions with a company in which directors have interest				
Rental of premises	36	36	72	72
(c) Transactions with Associates				
Sales of goods	273	(51)	482	254

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			Nine months ended		
	30.09.2023	30.09.2022	Variance	30.09.2023	30.09.2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Manufacturing	318,123	390,809	(18.6)	984,617	1,230,811	(20.0)
- Trading	23,126	28,656	(19.3)	81,909	90,714	(9.7)
- Others	226	19	1,089.5	751	60	1,151.7
Total revenue	341,475	419,484	(18.6)	1,067,277	1,321,585	(19.2)
Gross profit ("GP")	39,629	48,071	(17.6)	94,142	172,119	(45.3)
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	18,230	22,907	(20.4)	32,788	85,711	(61.7)
(Loss)/Profit before tax ("LBT)/PBT")	(10,404)	(3,975)	161.7	(52,226)	6,532	(899.5)
GP margin (%)	11.61	11.46	1.3	8.82	13.02	(32.3)
EBITDA margin (%)	5.34	5.46	(2.2)	3.07	6.49	(52.6)
(LBT)/PBT margin (%)	(3.05)	(0.95)	221.5	(4.89)	0.49	(1,090.1)

Comparison of Current nine months financial period ("9M 23") with corresponding financial period ("9M 22")

Revenue for the 9M 23 was RM1.067 billion as compared with the same period last year of RM1.322 billion, a decrease of RM0.254 billion or 19.2%. The decrease was attributable to softening market demand coupled with lower Average Selling Prices ("ASP").

The Group recorded a LBT of RM52.2 million as opposed to a PBT of RM6.5 million. The LBT was attributable to the following:-

1. Lower revenue recorded in the period;
2. Gross margin compression from the increased in energy cost especially on paper mills by 23.9% as a result of higher gas per mmBtu in the 1st half of the year and the revision of TNB tariff in Jan 2023;
3. Higher operating cost namely chemical and labour cost, and
4. Higher finance cost by 34.6% or RM6.1 million from RM17.3 million to RM23.3 million in line with higher borrowings and higher interest rate.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 30 September 2023****2. Comparison with Preceding Quarter (Q3 FY23 vs Q2 FY23)**

	Current quarter		
	Three months ended		Variance
	30.09.2023	30.06.2023	
	RM'000	RM'000	%
Revenue			
- Manufacturing	318,123	321,065	(0.9)
- Trading	23,126	24,850	(6.9)
- Others	226	498	(54.6)
Total revenue	<u>341,475</u>	<u>346,413</u>	<u>(1.4)</u>
Gross profit ("GP")	39,629	30,981	27.9
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	18,230	10,967	66.2
Loss before tax (LBT)	<u>(10,404)</u>	<u>(17,141)</u>	<u>(39.3)</u>
GP margin (%)	11.61	8.94	29.8
EBITDA margin (%)	5.34	3.17	68.6
(LBT) margin (%)	<u>(3.05)</u>	<u>(4.95)</u>	<u>(38.4)</u>

The Group revenue for current quarter Q3 23 was RM341.5 million or 1.4% lower compared to the preceding quarter. The lower revenue was mainly due to lower ASP of industrial paper and carton related products.

The Group net loss narrowed from a LBT of RM17.1 million in Q2 23 to RM10.4 million in Q3 23. Lower production cost achieved partly from lower energy cost on paper mills by 14.8% as a result of lower gas cost by 12.5% per mmBtu. The commissioning of the biomass plant in one of our major factories although not at 100% capacity also helps in cushioning the energy cost. The one-off gain on disposal of KL Resources Pte Ltd under FVOCI also reduced the loss incurred during the period.

3. Comparison with corresponding quarter (Q3 FY23 vs Q3 FY22)

Revenue for the third quarter in FY23 of RM341.5 million was 18.6% lower than corresponding quarter in FY22 of RM419.5 million due to lower ASP across all segments we operate in and coupled with softening market demand in carton related products.

The loss before tax increase from RM4.0 million to RM10.4 million mainly due to the following: -

1. Lower revenue recorded in the period due to lower ASP;
2. Higher finance cost by 23.3% from RM6.5 million to RM8.1 million in line with higher borrowings and higher interest rate.

4. Commentary on Prospects

The results of the financial year ending 31 December 2023 is expected to be affected by the following factors:-

1. The demand and supply of the paper products in the region;
2. Our ability to optimise production outputs and economy efficiency; and
3. Global economic demand and growth.

Against the backdrop of the ongoing geopolitical tension in the European and Middle East regions, the trade war between China and United States coupled with its stand on the global interest rate, year 2023 is expected to be a very challenging year. The cascading effect of the uncertainties in the global economy had impacted the Group's financial performance.

Notwithstanding the external circumstances, the Group will continue its efforts to emphasise on cost management, efficiency improvement and automation initiatives across our operations to maintain our competitiveness.

5. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee issued.

6. 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
Period Ended 30 September 2023				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	911,376	-	-	911,376
Trading of school books, uniforms and stationery	-	54,390	-	54,390
Trading of paper related products and agency commission earned	-	27,519	-	27,519
Others	73,241	-	751	73,992
Total revenue	984,617	81,909	751	1,067,277
Primary geographical markets				
Malaysia	961,283	19,854	751	981,888
Singapore	14,335	56,784	-	71,119
Others	8,999	5,271	-	14,270
	984,617	81,909	751	1,067,277

6. 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
Period Ended 30 September 2022				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	1,149,828	-	-	1,149,828
Trading of school books, uniforms and stationery	-	48,710	-	48,710
Trading of paper related products and agency commission earned	-	42,004	-	42,004
Others	80,983	-	60	81,043
Total revenue	<u>1,230,811</u>	<u>90,714</u>	<u>60</u>	<u>1,321,585</u>
Primary geographical markets				
Malaysia	1,205,181	23,182	60	1,228,423
Singapore	14,144	59,332	-	73,476
Others	11,486	8,200	-	19,686
	<u>1,230,811</u>	<u>90,714</u>	<u>60</u>	<u>1,321,585</u>

7. 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 Nine Months Ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
After crediting				
Amortisation of government grants	375	126	973	348
Finance income	231	129	660	308
Gain on disposal of property, plant and equipment	6	1,288	111	2,303
Gain on disposal of financial asset at FVOCI	3,175	-	3,175	-
Fair value gain/ (loss) on financial assets at fair value through profit or loss	49	(5)	18	(76)

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

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

	Current Quarter Three Months Ended		Cumulative Quarter Nine Months Ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
After crediting				
Net gain/ (loss) on foreign exchange				
- realised	587	1,173	108	2,988
- unrealised	(743)	885	2,162	2,248
Gain/ (loss) on derivative financial instruments	(13)	25	492	48
Rental Income	321	338	996	1,011
<hr/>				
After charging				
Depreciation	21,169	20,592	63,306	62,500
Finance cost	8,070	6,546	23,341	17,335
Inventories (write back)/written down	(264)	-	379	-
Inventories written off	206	57	427	331
Net loss/(writeback) of impairment losses on financial assets	280	729	(373)	658
Property, plant and equipment written off	598	-	664	4,941
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8. Tax (Income)/Expense

	Current Quarter Three Months Ended		Cumulative Quarter Nine Months Ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Current tax	448	(2,452)	1,508	(134)
Deferred tax	(4,882)	(1,394)	(17,484)	1,618
Total tax expense	(4,434)	(3,846)	(15,976)	1,484
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9. Sales of Unquoted Investments

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

10. Corporate Proposals

There were no outstanding corporate proposals.

11. Borrowings

	As At 30.09.2023 RM'000	As At 31.12.2022 RM'000
Unsecured		
Short Term Borrowings	583,397	579,466
Long Term Borrowings	144,634	137,900
Total borrowings	<u>728,031</u>	<u>717,366</u>

Borrowings denominated in foreign currencies are as follows:

	As At 30.09.2023 RM'000	As At 31.12.2022 RM'000
Singapore Dollar		
Short Term Borrowings in RM	2,574	2,001
Long Term Borrowings in RM	3,965	1,895
	<u>6,539</u>	<u>3,896</u>

12. 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 30 September 2023 are as follows:

	Contract or Notional Amount RM'000	Fair Value Liability RM'000
Forward currency contracts		
- Less than 1 year	3,624	10

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.

13. Changes in Material Litigation

There were no material litigations pending as at 15 November 2023.

14. Dividend

There was no dividend declared for the financial period ended 30 September 2023.

15. (Loss)/Earnings Per Share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing (loss)/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		Nine Months Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
(Loss)/Profit attributable to owners of the Company (RM'000)	(6,624)	1,665	(36,822)	5,667
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 (loss)/earnings per share (Sen)	<u>(2.17)</u>	<u>0.55</u>	<u>(12.07)</u>	<u>1.86</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 2022.

BY ORDER OF THE BOARD

Goh Ching Yee

Lam Yoke Teng

Secretaries

22 November 2023