

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Year Ended 31 December 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Current Quarter		Cumulative Quarter	
		Three Months Ended		Year Ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Unaudited	Unaudited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue	B 6	438,147	447,460	1,505,424	1,769,494
Cost of sales		(366,815)	(396,663)	(1,339,950)	(1,546,129)
Gross profit		<u>71,332</u>	<u>50,797</u>	<u>165,474</u>	<u>223,365</u>
Other income		2,231	592	17,326	11,912
Distribution expenses		(39,574)	(35,010)	(114,204)	(129,084)
Administration expenses		(21,858)	(22,355)	(83,889)	(82,892)
Net impairment losses on financial assets		(158)	964	(531)	1,622
Other expenses		(1,318)	(9,546)	(3,187)	(15,958)
Finance income		358	326	1,018	634
Finance costs		(8,093)	(7,396)	(31,434)	(24,731)
Share of results of associates		(62)	(10)	59	26
Profit/(Loss) before tax	B 7	<u>2,858</u>	<u>(21,638)</u>	<u>(49,368)</u>	<u>(15,106)</u>
Tax income	B 8	7,944	8,406	23,920	6,922
Profit/(Loss) for the period		<u>10,802</u>	<u>(13,232)</u>	<u>(25,448)</u>	<u>(8,184)</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")					
		<u>(21)</u>	<u>60</u>	<u>(2,349)</u>	<u>5,918</u>
		<u>(21)</u>	<u>60</u>	<u>(2,349)</u>	<u>5,918</u>
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations					
		<u>2,024</u>	<u>246</u>	<u>7,922</u>	<u>4,700</u>
		<u>2,024</u>	<u>246</u>	<u>7,922</u>	<u>4,700</u>
Other comprehensive income/(loss) for the period, net of tax		<u>2,003</u>	<u>306</u>	<u>5,573</u>	<u>10,618</u>
Total comprehensive income/(loss) for the period		<u>12,805</u>	<u>(12,926)</u>	<u>(19,875)</u>	<u>2,434</u>

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Note	Current Quarter		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Owners of the Company	6,031	(16,533)	(30,791)	(10,866)
Non-controlling interests	4,771	3,301	5,343	2,682
Profit/(Loss) for the period	<u>10,802</u>	<u>(13,232)</u>	<u>(25,448)</u>	<u>(8,184)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	7,599	(16,679)	(26,613)	(3,960)
Non-controlling interests	5,206	3,753	6,738	6,394
Total comprehensive income/(loss) for the period	<u>12,805</u>	<u>(12,926)</u>	<u>(19,875)</u>	<u>2,434</u>
Earnings/(Loss) per share attributable to owners of the Company:				
Basic and diluted (Sen)	B15	<u>1.98</u>	<u>(5.42)</u>	<u>(10.09)</u>
			<u>(3.56)</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)
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Condensed Consolidated Statement of Financial Position

	Note	31-12-2023 Unaudited RM'000	31-12-2022 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,396,999	1,376,665
Right-of-use assets		53,397	61,002
Capital work-in-progress		80,203	84,699
Investment properties		8,980	10,180
Investment in associates		1,502	1,360
Financial assets at FVOCI		-	21,154
Intangible assets		16,637	16,209
Deferred tax assets		714	817
		<u>1,558,432</u>	<u>1,572,086</u>
Current Assets			
Inventories		336,721	397,618
Trade receivables		238,026	260,385
Other receivables		35,139	28,033
Amount due from associates		1,422	1,351
Tax recoverable		11,043	13,948
Financial assets at fair value through profit or loss ("FVPL")		5,495	5,315
Derivative financial assets		4	-
Cash and bank balances, deposits and short term placements		169,484	132,749
		<u>797,334</u>	<u>839,399</u>
TOTAL ASSETS		<u><u>2,355,766</u></u>	<u><u>2,411,485</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		159,471	159,471
Reserves		442,690	446,154
Retained earnings		652,783	688,134
Equity attributable to owners of the Company		<u>1,254,944</u>	<u>1,293,759</u>
Non-controlling Interests		<u>45,103</u>	<u>43,278</u>
Total Equity		<u><u>1,300,047</u></u>	<u><u>1,337,037</u></u>

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Condensed Consolidated Statement of Financial Position

	Note	31-12-2023 Unaudited RM'000	31-12-2022 Audited RM'000
Non-Current Liabilities			
Borrowings	B11	142,152	137,900
Provision for retirement benefit		62,428	61,778
Government grants		16,229	5,718
Deferred tax liabilities		95,244	122,440
		<u>316,053</u>	<u>327,836</u>
Current Liabilities			
Trade payables		56,522	55,783
Other payables		109,425	108,607
Borrowings	B11	570,182	579,466
Tax payable		1,632	1,670
Government grants		1,905	584
Derivative financial liabilities	B12	-	502
		<u>739,666</u>	<u>746,612</u>
Total Liabilities		<u>1,055,719</u>	<u>1,074,448</u>
TOTAL EQUITY AND LIABILITIES		<u>2,355,766</u>	<u>2,411,485</u>
Net assets per share attributable to owners of the Company (RM)		4.11	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)
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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	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	-	-	-	-	(30,791)	(30,791)	5,343	(25,448)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	(4,055)	4,055	-	-	-
Other comprehensive income	-	5,821	(5,230)	-	3,587	4,178	1,395	5,573
Total comprehensive loss for the period	-	5,821	(5,230)	(4,055)	(23,149)	(26,613)	6,738	(19,875)
Transaction with owners:								
Dividend paid to shareholders	-	-	-	-	(12,202)	(12,202)	-	(12,202)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,913)	(4,913)
At 31 December 2023	159,471	32,706	-	409,984	652,783	1,254,944	45,103	1,300,047

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 Year Ended 31 December 2023

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	-	-	-	-	-	(10,866)	(10,866)	2,682	(8,184)
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	-	-	(4,164)	4,164	-	-	-
Other comprehensive income	-	2,763	4,143	-	-	-	6,906	3,712	10,618
Total comprehensive (loss)/income for the period	-	2,763	4,143	-	(4,164)	(6,702)	(3,960)	6,394	2,434
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	26,885	5,230	-	414,039	688,134	1,293,759	43,278	1,337,037

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 Year Ended 31 December 2023

Condensed Consolidated Statement of Cash Flows

	Year Ended	
	31-12-2023	31-12-2022
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(49,368)	(15,106)
Adjustments For :-		
Non-cash and non-operating items	<u>112,540</u>	<u>122,769</u>
Operating profit before working capital changes	63,172	107,663
Changes in working capital:-		
Net changes in inventories	65,870	(36,020)
Net change in receivables	17,241	89,773
Net change in payable	(143)	(30,396)
Bill payable	<u>(8,851)</u>	<u>9,012</u>
Cash generated from operations	<u>137,289</u>	<u>140,032</u>
Retirement benefits paid	(5,746)	(4,219)
Net tax paid	(452)	(12,883)
Dividend paid to owners of the Company	(12,202)	(15,252)
Dividend paid to non-controlling interests	(4,913)	(2,481)
Interest received	1,018	634
Interest paid	<u>(14,057)</u>	<u>(10,983)</u>
Net cash from operating activities	<u>100,937</u>	<u>94,848</u>
INVESTING ACTIVITIES		
Capital work-in-progress incurred	(51,902)	(86,093)
Purchase of property, plant and equipment	(19,750)	(75,775)
Acquisition of non-controlling interest	-	(2,861)
Proceeds from disposal of property, plant and equipment	942	3,856
Additional in short term investments	-	(2,503)
Proceeds from disposal of held-for-trading investments	-	2,590
Proceeds of disposal of investment property	950	-
Proceeds from disposal of financial asset at FVOCI	22,775	-
Repayment (to)/received from associates	-	3
Dividend income	885	606
Receipts of government grants	13,214	6,786
Net cash used in investing activities	<u>(32,886)</u>	<u>(153,391)</u>
FINANCING ACTIVITIES		
Interest paid	(18,920)	(14,181)
Drawdown of borrowings	294,810	332,605
Repayment of borrowings	(311,580)	(270,473)
Withdrawal/(Placement) of fixed deposit pledged	<u>9,165</u>	<u>1,625</u>
Net cash (used in)/from financing activities	<u>(26,525)</u>	<u>49,576</u>

Muda Holdings Berhad (197101000036)
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For The Year Ended 31 December 2023

Condensed Consolidated Statement of Cash Flows

	Year Ended	
	31-12-2023	31-12-2022
	Unaudited	Unaudited
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Net changes	41,526	(8,967)
Effect of exchange rate changes	3,291	2,307
At beginning of financial period	<u>105,855</u>	<u>112,515</u>
At end of financial period	<u><u>150,672</u></u>	<u><u>105,855</u></u>
Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	117,378	85,494
Fixed deposits with licensed banks	19,201	14,279
Short term investments	<u>32,905</u>	<u>32,976</u>
	169,484	132,749
Less: Fixed deposits pledged	(1,478)	(10,643)
Bank overdraft	<u>(17,334)</u>	<u>(16,251)</u>
	<u><u>150,672</u></u>	<u><u>105,855</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 31 December 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 and financial ended 31 December 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 and financial ended 31 December 2023.

7. Dividend Paid

No dividend was paid during the quarter ended 31 December 2023.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Year Ended 31 December 2023****8. Operating Segments**

Segmental information for the year ended 31 December 2023 and 31 December 2022 are as follows:-

	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Total RM'000
Year Ended 31 December 2023					
Revenue					
External revenue	1,314,683	189,739	1,002	-	1,505,424
Inter-segment revenue	14,482	212,803	10,341	(237,626)	-
Total revenue	<u>1,329,165</u>	<u>402,542</u>	<u>11,343</u>	<u>(237,626)</u>	<u>1,505,424</u>
Segment Loss	(27,073)	12,627	23,642	(28,207)	(19,011)
Finance Income					1,018
Finance costs					(31,434)
Share of results of associates					59
Loss before tax					<u>(49,368)</u>
Year Ended 31 December 2022					
Revenue					
External revenue	1,574,037	194,714	743	-	1,769,494
Inter-segment revenue	31,797	295,783	14,181	(341,761)	-
Total revenue	<u>1,605,834</u>	<u>490,497</u>	<u>14,924</u>	<u>(341,761)</u>	<u>1,769,494</u>
Segment Profit	(5,878)	12,611	22,485	(20,253)	8,965
Finance Income					634
Finance costs					(24,731)
Share of results of associates					26
Profit before tax					<u>(15,106)</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

	31.12.2023	31.12.2022
	RM'000	RM'000
Contracted but not provided for	<u>23,671</u>	<u>38,145</u>

13. Related Party Transactions

Related party transactions conducted during the quarter and year ended 31 December 2023 and 31 December 2022 are as follows:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
(a) Transactions with Major Shareholder, Asia File Corporation Bhd and its subsidiaries				
Sales of goods	417	332	1,548	1,445
(b) Transactions with a company in which directors have interest				
Rental of premises	36	36	144	144
(c) Transactions with Associates				
Sales of goods	91	215	573	469

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 Year Ended 31 December 2023****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		
	31.12.2023	31.12.2022	Variance	31.12.2023	31.12.2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Manufacturing	330,066	343,225	(3.8)	1,314,683	1,574,037	(16.5)
- Trading	107,830	104,000	3.7	189,739	194,714	(2.6)
- Others	251	235	6.8	1,002	743	34.9
Total revenue	438,147	447,460	(2.1)	1,505,424	1,769,494	(14.9)
Gross profit ("GP")	71,332	50,797	40.4	165,474	223,365	(25.9)
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	31,385	6,198	406.4	64,173	91,909	(30.2)
(Loss)/Profit before tax ("LBT)/PBT")	2,858	(21,638)	(113.2)	(49,368)	(15,106)	226.8
GP margin (%)	16.28	11.35	43.4	10.99	12.62	(12.9)
EBITDA margin (%)	7.16	1.39	417.1	4.26	5.19	(17.9)
(LBT)/PBT margin (%)	0.65	(4.84)	(113.5)	(3.28)	(0.85)	284.1

Comparison of Current financial year ("FY 23") with corresponding financial year ("FY 22")

Revenue for the FY23 was RM1.505 billion as compared with last year of RM1.769 billion, a decrease of RM0.264 billion or 14.9%. The decrease was attributable to softening market demand coupled with lower Average Selling Prices ("ASP").

The Group recorded a LBT of RM49.4 million as opposed to a LBT of RM15.1 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 15.4% 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 27.1% or RM6.7 million from RM24.7 million to RM31.4 million in line with higher borrowings and higher interest rate.

2. Comparison with Preceding Quarter (Q4 FY23 vs Q3 FY23)

	Current quarter		
	Three months ended		
	31.12.2023	30.09.2023	Variance
	RM'000	RM'000	%
Revenue			
- Manufacturing	330,066	318,123	3.8
- Trading	107,830	23,126	366.3
- Others	251	226	11.1
Total revenue	<u>438,147</u>	<u>341,475</u>	<u>28.3</u>
Gross profit ("GP")	71,332	39,629	80.0
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	31,385	18,230	72.2
(Loss)/Profit before tax ("LBT)/PBT")	<u>2,858</u>	<u>(10,404)</u>	<u>(127.5)</u>
GP margin (%)	16.28	11.61	40.3
EBITDA margin (%)	7.16	5.34	34.2
(LBT)/PBT margin (%)	<u>0.65</u>	<u>(3.05)</u>	<u>(121.4)</u>

The Group revenue for current quarter Q4 23 was RM438.1 million or 28.3% higher compared to the preceding quarter. The higher revenue was mainly due to significant increase in trading business due to its seasonal in nature.

The Group recorded a profit of RM2.9 million in Q4'23 from loss of RM10.4 million in preceding quarter in Q4'23 due to increase in trading business as stated above coupled with better margin achieved in the manufacturing business.

3. Comparison with corresponding quarter (Q4 FY23 vs Q4 FY22)

Revenue for the Q4'23 of RM438.1 million was 2.0% lower than corresponding quarter in Q4'22 of RM447.3 million due to lower selling prices for across our manufacturing products despite increase in quantity in the manufacturing business.

The Group recorded a profit of RM2.9 million in Q4'23 as opposed to loss of RM21.6 million was attributable mainly from the following: -

1. Better margin and lower production cost achieved partly from lower energy cost on paper mills by 7.2%;
2. Decrease in other expenses from RM9.5 million to RM1.3 million attributable to impairment of inventories in Q4'22.

4. Commentary on Prospects

The results of the financial year ending 31 December 2024 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 2024 is expected to be a very challenging year. However, barring any unforeseen circumstances, we expect that our financial performance will be better than year 2023.

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
Year Ended 31 December 2023				
Major products/service lines				
Manufacturing and sale of industrial paper and paper related products	1,216,807	-	-	1,216,807
Trading of school books, uniforms and stationery	-	156,424	-	156,424
Trading of paper related products and agency commission earned	-	33,315	-	33,315
Others	97,876	-	1,002	98,878
Total revenue	1,314,683	189,739	1,002	1,505,424
Primary geographical markets				
Malaysia	1,283,930	23,962	1,002	1,308,894
Singapore	18,946	159,375	-	178,321
Others	11,807	6,402	-	18,209
	1,314,683	189,739	1,002	1,505,424

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
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	-	743	106,365
Total revenue	<u>1,574,037</u>	<u>194,714</u>	<u>743</u>	<u>1,769,494</u>
Primary geographical markets				
Malaysia	1,539,702	31,703	743	1,572,148
Singapore	19,223	153,195	-	172,418
Others	15,111	9,817	-	24,928
	<u>1,574,036</u>	<u>194,715</u>	<u>743</u>	<u>1,769,494</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 Year Ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
After crediting				
Amortisation of government grants	410	136	1,383	484
Finance income	358	326	1,018	634
Gain on disposal of property, plant and equipment	288	103	399	2,406
Gain on disposal of financial asset at FVOCI	28	-	3,203	-
Fair value gain/ (loss) on financial assets at fair value through profit or loss	41	20	59	(56)

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		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
After crediting				
Net gain/ (loss) on foreign exchange				
- realised	249	1,131	357	4,119
Gain/ (loss) on derivative financial instruments	13	(517)	505	(469)
Rental Income	337	336	1,333	1,347
After charging				
Depreciation	21,204	20,903	84,510	83,403
Finance cost	8,093	7,396	31,434	24,731
Inventories written down	(251)	7,580	128	7,580
Inventories written off	1,086	79	1,513	410
Fair value loss on investment properties	400	-	400	-
Net loss/ (gain) on foreign exchange				
- unrealised	1,142	3,529	(1,020)	1,281
Net loss/(writeback) of impairment losses on financial assets	158	(964)	531	(1,622)
Property, plant and equipment written off	177	27	841	4,968

8. Tax (Income)/Expense

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current tax	1,755	(1,738)	3,263	(1,604)
Deferred tax	(9,699)	10,144	(27,183)	8,526
Total tax expense	(7,944)	8,406	(23,920)	6,922

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 31.12.2023 RM'000	As At 31.12.2022 RM'000
Unsecured		
Short Term Borrowings	570,182	579,466
Long Term Borrowings	142,152	137,900
Total borrowings	<u>712,334</u>	<u>717,366</u>

Borrowings denominated in foreign currencies are as follows:

	As At 31.12.2023 RM'000	As At 31.12.2022 RM'000
Singapore Dollar		
Short Term Borrowings in RM	4,224	2,001
Long Term Borrowings in RM	6,108	1,895
	<u>10,332</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 31 December 2023 are as follows:

	Contract or Notional Amount RM'000	Fair Value asset RM'000
Forward currency contracts		
- Less than 1 year	1,163	4

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 21 February 2024.

14. Dividend

The Board recommended a first and final single tier dividend of 3.0 sen per share amounting to RM9.1 million for the year ended 31 December 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		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit/(Loss) attributable to owners of the Company (RM'000)	6,031	(16,533)	(30,791)	(10,866)
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>1.98</u>	<u>(5.42)</u>	<u>(10.09)</u>	<u>(3.56)</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
Secretary
28 February 2024