

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | Current Quarter | | Cumulative Quarter | |
|---------------------------------------------------------------------------------------------------------------------|------|--------------------|-----------------|--------------------|-----------------|
| | | Three Months Ended | | Nine Months Ended | |
| | | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | | Unaudited | Unaudited | Unaudited | Unaudited |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | B 6 | 333,547 | 341,475 | 1,025,500 | 1,067,277 |
| Cost of sales | | (292,600) | (301,846) | (904,773) | (973,135) |
| Gross profit | | <u>40,947</u> | <u>39,629</u> | <u>120,727</u> | <u>94,142</u> |
| Other income | | 135 | 4,220 | 12,206 | 15,095 |
| Distribution expenses | | (24,856) | (25,024) | (76,453) | (74,630) |
| Administration expenses | | (23,961) | (21,434) | (62,669) | (62,031) |
| Net reversal/(provision) of impairment loss on financial assets | | (420) | 280 | 28 | (373) |
| Other expenses | | (7,507) | (313) | (8,183) | (1,869) |
| Finance income | | 231 | 231 | 1,041 | 660 |
| Finance costs | | (8,351) | (8,070) | (24,281) | (23,341) |
| Share of results of associates | | (580) | 77 | (860) | 121 |
| Loss before tax | B 7 | <u>(24,362)</u> | <u>(10,404)</u> | <u>(38,444)</u> | <u>(52,226)</u> |
| Tax income | B 8 | 2,730 | 4,434 | 12,048 | 15,976 |
| Loss for the period | | <u>(21,632)</u> | <u>(5,970)</u> | <u>(26,396)</u> | <u>(36,250)</u> |
| Other comprehensive income/(loss), net of tax | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Revaluation of property, plant and equipment | | - | - | 211 | - |
| Net change in fair value of equity investment designated at fair value through other comprehensive income ("FVOCI") | | - | (21) | - | (2,328) |
| Tax effect thereon | | - | - | (51) | - |
| | | <u>-</u> | <u>(21)</u> | <u>160</u> | <u>(2,328)</u> |
| Item that may be reclassified subsequently to profit or loss | | | | | |
| Foreign currency translation differences for foreign operations | | (11,331) | (50) | (11,128) | 5,898 |
| | | <u>(11,331)</u> | <u>(50)</u> | <u>(11,128)</u> | <u>5,898</u> |
| Other comprehensive income/(loss) for the period, net of tax | | <u>(11,331)</u> | <u>(71)</u> | <u>(10,968)</u> | <u>3,570</u> |
| Total comprehensive loss for the period | | <u>(32,963)</u> | <u>(6,041)</u> | <u>(37,364)</u> | <u>(32,680)</u> |

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For The Nine Months Ended 30 September 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

| Note | Current Quarter | | Cumulative Quarter | | |
|--------------------------------------------------------------|--------------------|----------------|--------------------|-----------------|----------------|
| | Three Months Ended | | Nine Months Ended | | |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 | |
| | Unaudited | Unaudited | Unaudited | Unaudited | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Loss attributable to: | | | | | |
| Owners of the Company | (21,109) | (6,624) | (25,281) | (36,822) | |
| Non-controlling interests | (523) | 654 | (1,115) | 572 | |
| Loss for the period | <u>(21,632)</u> | <u>(5,970)</u> | <u>(26,396)</u> | <u>(36,250)</u> | |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | (30,015) | (6,762) | (33,824) | (34,212) | |
| Non-controlling interests | (2,948) | 721 | (3,540) | 1,532 | |
| Total comprehensive loss for the period | <u>(32,963)</u> | <u>(6,041)</u> | <u>(37,364)</u> | <u>(32,680)</u> | |
| Loss per share attributable to owners of the Company: | | | | | |
| Basic and diluted (Sen) | B15 | <u>(6.92)</u> | <u>(2.17)</u> | <u>(8.29)</u> | <u>(12.07)</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 2023 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 2024

Condensed Consolidated Statement of Financial Position

| | Note | 30-09-2024 Unaudited RM'000 | 31-12-2023 Audited RM'000 |
|----------------------------------------------------------------|------|-----------------------------------|---------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | | 1,344,766 | 1,397,000 |
| Right-of-use assets | | 52,722 | 53,397 |
| Capital work-in-progress | | 95,008 | 80,202 |
| Investment properties | | 7,430 | 8,980 |
| Investment in associates | | 705 | 1,622 |
| Intangible assets | | 16,097 | 16,637 |
| Deferred tax assets | | 1,687 | 714 |
| | | <u>1,518,415</u> | <u>1,558,552</u> |
| Current Assets | | | |
| Inventories | | 387,103 | 336,930 |
| Trade receivables | | 209,731 | 238,026 |
| Other receivables | | 61,919 | 35,145 |
| Amount due from associates | | 1,308 | 1,422 |
| Tax recoverable | | 11,761 | 11,043 |
| Financial assets at fair value through profit or loss ("FVPL") | | 5,817 | 5,495 |
| Derivative financial assets | | - | 4 |
| Cash and bank balances, deposits and short term placements | | 103,167 | 169,569 |
| Asset held for sale | | 17,820 | - |
| | | <u>798,626</u> | <u>797,634</u> |
| TOTAL ASSETS | | <u><u>2,317,041</u></u> | <u><u>2,356,186</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 159,471 | 159,471 |
| Reserves | | 431,523 | 442,757 |
| Retained earnings | | 621,057 | 652,798 |
| Equity attributable to owners of the Company | | <u>1,212,051</u> | <u>1,255,026</u> |
| Non-controlling Interests | | <u>41,591</u> | <u>45,131</u> |
| Total Equity | | <u><u>1,253,642</u></u> | <u><u>1,300,157</u></u> |

Muda Holdings Berhad (197101000036)
Condensed Consolidated Interim Financial Statements
For The Nine Months Ended 30 September 2024

Condensed Consolidated Statement of Financial Position

| | Note | 30-09-2024 Unaudited RM'000 | 31-12-2023 Audited RM'000 |
|------------------------------------------------------------------------|------|-----------------------------------|---------------------------------|
| Non-Current Liabilities | | | |
| Borrowings | B11 | 117,458 | 142,129 |
| Provision for retirement benefit | | 62,908 | 62,428 |
| Government grants | | 14,800 | 16,229 |
| Deferred tax liabilities | | 81,429 | 95,404 |
| | | <u>276,595</u> | <u>316,190</u> |
| Current Liabilities | | | |
| Trade payables | | 43,128 | 56,725 |
| Other payables | | 104,402 | 109,444 |
| Borrowings | B11 | 634,727 | 570,206 |
| Tax payable | | 1,280 | 1,559 |
| Government grants | | 1,905 | 1,905 |
| Derivative financial liabilities | B11 | 1,362 | - |
| | | <u>786,804</u> | <u>739,839</u> |
| Total Liabilities | | <u>1,063,399</u> | <u>1,056,029</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>2,317,041</u> | <u>2,356,186</u> |
| | | | |
| Net assets per share attributable to owners of the Company (RM) | | 3.97 | 4.11 |

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 2023 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 2024

Condensed Consolidated Statement of Changes in Equity

| | ← Attributable to Owners of the Company → | | | | Retained Earnings | Total | Non-controlling Interests | Total Equity |
|-------------------------------------------------------------------------|-------------------------------------------|------------------------------|--------------------|---------------------|-------------------|------------------|---------------------------|------------------|
| | ← Non-Distributable → | | Distributable | | | | | |
| | Share Capital | Exchange Fluctuation Reserve | Fair Value Reserve | Revaluation Reserve | | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2024 | 159,471 | 32,773 | - | 409,984 | 652,798 | 1,255,026 | 45,131 | 1,300,157 |
| Loss for the period | - | - | - | - | (25,281) | (25,281) | (1,115) | (26,396) |
| Realisation of revaluation reserve upon depreciation of revalued assets | - | - | - | (2,691) | 2,691 | - | - | - |
| Other comprehensive income | - | (8,703) | - | 160 | - | (8,543) | (2,425) | (10,968) |
| Total comprehensive loss for the period | - | (8,703) | - | (2,531) | (22,590) | (33,824) | (3,540) | (37,364) |
| Transaction with owners: | | | | | | | | |
| Dividend paid to shareholders | - | - | - | - | (9,151) | (9,151) | - | (9,151) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - |
| At 30 September 2024 | 159,471 | 24,070 | - | 407,453 | 621,057 | 1,212,051 | 41,591 | 1,253,642 |

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 2023 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 2024

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)/Profit 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)/income 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 2023 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 2024

Condensed Consolidated Statement of Cash Flows

| | Nine Months Ended | |
|---------------------------------------------------------|--------------------------|-------------------|
| | 30-09-2024 | 30-09-2023 |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| Loss before tax | (38,444) | (52,226) |
| Adjustments For :- | | |
| Non-cash and non-operating items | <u>87,942</u> | <u>81,871</u> |
| Operating profit before working capital changes | 49,498 | 29,645 |
| Changes in working capital:- | | |
| Net changes in inventories | (53,496) | 34,363 |
| Net change in receivables | (3,346) | 13,228 |
| Net change in payable | (17,130) | (29,089) |
| Bill payable | <u>74,745</u> | <u>(2,283)</u> |
| Cash generated from operations | 50,271 | 45,864 |
| Retirement benefits paid | (4,250) | (4,696) |
| Net tax paid | (3,847) | 369 |
| Dividend paid to owners of the Company | (9,151) | (12,202) |
| Dividend paid to non-controlling interests | - | (4,132) |
| Interest received | 1,041 | 660 |
| Interest paid | <u>(11,808)</u> | <u>(10,521)</u> |
| Net cash from operating activities | <u>22,256</u> | <u>15,342</u> |
| INVESTING ACTIVITIES | | |
| Capital work-in-progress incurred | (21,958) | (43,636) |
| Purchase of property, plant and equipment | (7,726) | (12,489) |
| Proceeds from disposal of property, plant and equipment | 2,281 | 499 |
| Proceeds from disposal of financial asset at FVOCI | - | 22,579 |
| Dividend income | 823 | - |
| Receipts of government grants | - | 13,215 |
| Net cash used in investing activities | <u>(26,580)</u> | <u>(19,832)</u> |
| FINANCING ACTIVITIES | | |
| Interest paid | (13,858) | (13,942) |
| Drawdown of borrowings | 152,950 | 233,110 |
| Repayment of borrowings | (211,569) | (235,541) |
| Withdrawal/(Placement) of fixed deposit pledged | <u>(1,515)</u> | <u>7,433</u> |
| Net cash used in financing activities | <u>(73,992)</u> | <u>(8,940)</u> |

Muda Holdings Berhad (197101000036)
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For The Nine Months Ended 30 September 2024

Condensed Consolidated Statement of Cash Flows

| | Nine Months Ended | |
|----------------------------------------------------------------------------|--------------------------|----------------------|
| | 30-09-2024 | 30-09-2023 |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| CASH AND CASH EQUIVALENTS | | |
| Net changes | (78,316) | (13,430) |
| Effect of exchange rate changes | (2,646) | 2,154 |
| At beginning of financial period | <u>150,757</u> | <u>105,855</u> |
| At end of financial period | <u><u>69,795</u></u> | <u><u>94,579</u></u> |
| Cash and cash equivalents at the end of the period comprise of: | | |
| Cash and bank balances | 61,790 | 57,914 |
| Fixed deposits with licensed banks | 17,422 | 29,082 |
| Short term investments | <u>23,955</u> | <u>30,172</u> |
| | 103,167 | 117,168 |
| Less: Fixed deposits pledged | (2,993) | (3,210) |
| Bank overdraft | <u>(30,379)</u> | <u>(19,379)</u> |
| | <u><u>69,795</u></u> | <u><u>94,579</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 2023 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 2023. 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 2023.

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 2023 except for the adoption of the new/revised MFRS mentioned below.

2.1 Adoption of Amendments to MFRSs and IC Interpretation

On 1 January 2024, the Group adopted the following Amendments to MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2024:

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

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 2024 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 2025

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

(b) MFRS and Amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 7 – *Financial Instruments*
- Amendments to MFRS 9 – *Financial Instruments*
- Annual Improvements to MFRS Accounting Standards – Volume 11
 - Amendments to MFRS 1 – *First-time Adoption of Malaysia Financial Reporting Standards*
 - Amendments to MFRS 7 – *Financial Instruments*
 - Amendments to MFRS 9 – *Financial Instruments*
 - Amendments to MFRS 10 – *Consolidated Financial Statements*
 - Amendments to MFRS 107 – *Statement of Cash Flows*

(c) MFRS and Amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18 – *Presentation and Disclosure in Financial Statements*
- MFRS 19 – *Subsidiaries without Public Accountability*

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

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

3. Comments about Seasonal or Cyclical Factors

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

4. Extraordinary and exceptional items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 30 September 2024.

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 2024.

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 2024.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 30 September 2024****7. Dividend Paid**

A first and final single tier dividend of 3.0 sen per share amounting to RM9,151,525 in respect of financial year end 31 December 2023 was paid on 24 July 2024.

8. Operating Segments

Segmental information for the period ended 30 September 2024 and 30 September 2023 are as follows:-

| | Manufacturing RM'000 | Trading RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|---------------------------------------|---------------------------------|---------------------------|--------------------------|-------------------------------|-------------------------|
| Period Ended 30 September 2024 | | | | | |
| Revenue | | | | | |
| External revenue | 949,620 | 75,057 | 823 | - | 1,025,500 |
| Inter-segment revenue | 11,610 | 191,465 | 6,739 | (209,814) | - |
| Total revenue | <u>961,230</u> | <u>266,522</u> | <u>7,562</u> | <u>(209,814)</u> | <u>1,025,500</u> |
| Segment Profit/(Loss) | (12,848) | (3,101) | 9,257 | (7,652) | (14,344) |
| Finance Income | | | | | 1,041 |
| Finance costs | | | | | (24,281) |
| Share of results of associates | | | | | (860) |
| Loss before tax | | | | | <u>(38,444)</u> |
| 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> |

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

| | 30.09.2024 | 31.12.2023 |
|---------------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Contracted but not provided for | <u>64,578</u> | <u>24,822</u> |

13. Related Party Transactions

Related party transactions conducted during the nine months ended 30 September 2024 and 30 September 2023 are as follows:

| | Current Quarter | | Cumulative Quarter | |
|------------------------------------------------------------------------------------------------|---------------------------|-------------------|---------------------------|-------------------|
| | Three Months Ended | | Nine Months Ended | |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Transactions with Major Shareholder, Asia File Corporation Bhd and its subsidiaries | | | | |
| Sales of goods | 490 | 378 | 1,413 | 1,131 |
| (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 | 266 | 482 |

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 Nine Months Ended 30 September 2024****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 | | |
| | 30.09.2024 | 30.09.2023 | Variance | 30.09.2024 | 30.09.2023 | Variance |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | | | | | | |
| - Manufacturing | 311,621 | 318,123 | (2.0) | 949,620 | 984,617 | (3.6) |
| - Trading | 21,718 | 23,126 | (6.1) | 75,057 | 81,909 | (8.4) |
| - Others | 208 | 226 | (8.0) | 823 | 751 | 9.6 |
| Total revenue | 333,547 | 341,475 | (2.3) | 1,025,500 | 1,067,277 | (3.9) |
| Gross profit ("GP") | 40,947 | 39,629 | 3.3 | 120,727 | 94,142 | 28.2 |
| Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) | 5,208 | 18,229 | (71.4) | 48,046 | 32,788 | 46.5 |
| Loss before tax ("LBT") | (24,362) | (10,404) | 134.2 | (38,444) | (52,226) | (26.4) |
| GP margin (%) | 12.28 | 11.61 | 5.8 | 11.77 | 8.82 | 33.5 |
| EBITDA margin (%) | 1.56 | 5.34 | (70.8) | 4.69 | 3.07 | 52.5 |
| LBT margin (%) | (7.30) | (3.05) | 139.7 | (3.75) | (4.89) | (23.4) |

Comparison of Current nine months financial period ("9M 24") with corresponding financial period ("9M 23")

Revenue for the 9M 24 was RM1.026 billion as compared with the same period last year of RM1.067 billion, a decrease of RM41.8 million or 3.9%. The lower revenue was attributable to lower Average Selling Prices ("ASP") both in industrial grade paper and corrugated carton and boards despite the increase in sales volume for corrugated cartons and boards.

The Group recorded a higher gross profit by 28.2% to RM120.7 million as compared to same period last year of RM94.1 million. The better GP margin was attributed to the higher margin achieved in both miller and corrugator divisions as a result of the lower energy cost incurred especially on paper mills by 20.4% resulting from a of lower gas tariff and the full commissioning of the EFB boiler since Oct'23 onwards.

In line with the better GP, the Group recorded a lower LBT by 26.4% from RM52.2 million to RM38.4 million.

Despite the above, the Group distribution cost increase by 2.4% or RM1.8 million arising from higher freight charges due to the Red Sea conflict. In addition, the weakening of USD led to an unfavourable foreign exchange loss thus resulted in an increase in other expenses.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 30 September 2024****2. Comparison with Preceding Quarter (Q3 FY24 vs Q2 FY24)**

| | Current quarter | | |
|------------------------------------------------------------------------|--------------------|-----------------|--------------|
| | Three months ended | | |
| | 30.09.2024 | 30.06.2024 | Variance |
| | RM'000 | RM'000 | % |
| Revenue | | | |
| - Manufacturing | 311,621 | 310,869 | 0.2 |
| - Trading | 21,718 | 20,447 | 6.2 |
| - Others | 208 | 342 | (39.2) |
| Total revenue | <u>333,547</u> | <u>331,658</u> | <u>0.6</u> |
| Gross profit ("GP") | 40,947 | 34,232 | 19.6 |
| Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) | 5,208 | 17,450 | (70.2) |
| Loss before tax ("LBT") | <u>(24,362)</u> | <u>(10,868)</u> | <u>124.2</u> |
| GP margin (%) | 12.28 | 10.32 | 18.9 |
| EBITDA margin (%) | 1.56 | 5.26 | (70.3) |
| LBT margin (%) | <u>(7.30)</u> | <u>(3.28)</u> | <u>122.9</u> |

The Group revenue for current quarter Q3 FY24 was RM333.5 million or 0.6% higher compared to the preceding quarter.

The Group recorded a higher GP from the decrease in energy cost and raw material. Despite the better GP, the LBT widen to RM24.4 million from RM10.8 million attributed to the weakening of USD led to a notable unfavourable foreign exchange loss, increase in administration expenses and higher share of losses from associates.

3. Comparison with corresponding quarter (Q3 FY24 vs Q3 FY23)

Revenue for the third quarter in FY24 of RM333.5 million was 2.3% lower than corresponding quarter in FY23 of RM341.5 million due to lower sales volume of industrial grade paper despite the increase in selling prices and lower ASP in corrugated cartons and boards.

The gross profit margin has increased from 11.6% to 12.3% as a result of lower production cost achieved from lower energy cost in paper mills segment by 6.9% as a result of lower gas per mmBtu.

However, the Group reported a higher loss before tax of RM 24.4 million for Q3 FY 24 compared to Q3 FY 23 of RM10.4 million mainly due to the following reason:-

- 1) Increase in other expenses due to unfavourable foreign exchange losses
- 2) Absence of the one-off gain from disposal of the remaining balance of shares in KL Resources reported in previous period.

4. Commentary on Prospects

The Group expect the business environment to remain challenging for the financial year ending 31 December 2024. Geopolitical events such as the Russia-Ukraine War and conflicts in the Middle East, currency fluctuations and sluggish economy in Malaysia continue to contribute to volatility. The Group's performance are expected to be affected by the following factors:-

- 1) The demand and supply of the paper products in the region; and
- 2) Global economic demand and growth.

Despite the above challenges, the Group is committed to maintain its focus on cost management, product innovation, 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 2024 | | | | |
| Major products/service lines | | | | |
| Manufacturing and sale of industrial paper and paper related products | 870,739 | - | - | 870,739 |
| Trading of school books, uniforms and stationery | - | 57,596 | - | 57,596 |
| Trading of paper related products and agency commission earned | - | 17,461 | - | 17,461 |
| Others | 78,881 | - | 823 | 79,704 |
| Total revenue | 949,620 | 75,057 | 823 | 1,025,500 |
| Primary geographical markets | | | | |
| Malaysia | 930,234 | 11,358 | 823 | 942,415 |
| Singapore | 11,425 | 58,495 | - | 69,920 |
| Others | 7,961 | 5,204 | - | 13,165 |
| | 949,620 | 75,057 | 823 | 1,025,500 |

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 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 |

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

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

| | Current Quarter Three Months Ended | | Cumulative Quarter Nine Months Ended | |
|----------------------------------------------------------------------------------|---------------------------------------|----------------------|-----------------------------------------|----------------------|
| | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| After crediting | | | | |
| Amortisation of government grants | 477 | 375 | 1,429 | 973 |
| Finance income | 231 | 231 | 1,041 | 660 |
| Gain on disposal of property, plant and equipment | 163 | 6 | 1,476 | 111 |
| 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 | (37) | 49 | 235 | 18 |
| Rental Income | 428 | 321 | 1,138 | 996 |
| Net reversal/(provision) of impairment loss on financial assets | (420) | (280) | 28 | 373 |

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

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

| | Current Quarter Three Months Ended | | Cumulative Quarter Nine Months Ended | |
|-------------------------------------------------|---------------------------------------|----------------------|-----------------------------------------|----------------------|
| | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| After charging | | | | |
| Depreciation | 20,906 | 21,169 | 63,638 | 63,306 |
| Finance cost | 8,891 | 8,070 | 24,821 | 23,341 |
| Inventories written down | (24) | (264) | 420 | 379 |
| Inventories written off | 7 | 206 | 97 | 427 |
| Fair value loss on investment properties | - | - | 30 | - |
| Loss/(gain) on derivative financial instruments | 1,353 | 13 | 1,354 | (492) |
| Net loss/ (gain) on foreign exchange realised | 3,352 | (587) | 2,777 | (108) |
| unrealised | 2,600 | 743 | 1,851 | (2,162) |
| Property, plant and equipment written off | 11 | 598 | 68 | 664 |

8. Tax Expense/(Income)

| | Current Quarter Three Months Ended | | Cumulative Quarter Nine Months Ended | |
|------------------|---------------------------------------|----------------------|-----------------------------------------|----------------------|
| | 30.09.2024 RM'000 | 30.09.2023 RM'000 | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Current tax | 1,600 | 448 | 2,873 | 1,508 |
| Deferred tax | (4,330) | (4,882) | (14,921) | (17,484) |
| Total tax income | (2,730) | (4,434) | (12,048) | (15,976) |

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.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 30 September 2024****11. Borrowings**

| | As At 30.09.2024 RM'000 | As At 31.12.2023 RM'000 |
|-----------------------|----------------------------------------|----------------------------------------|
| Unsecured | | |
| Short Term Borrowings | 634,727 | 570,206 |
| Long Term Borrowings | 117,458 | 142,129 |
| Total borrowings | <u>752,185</u> | <u>712,335</u> |

Borrowings denominated in foreign currencies are as follows:

Singapore Dollar

| | | |
|-----------------------------|--------------|---------------|
| Short Term Borrowings in RM | 2,083 | 4,224 |
| Long Term Borrowings in RM | 4,097 | 6,108 |
| | <u>6,180</u> | <u>10,332</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 2024 are as follows:

| | Contract or Notional Amount RM'000 | Fair Value Liability RM'000 |
|----------------------------|---------------------------------------------------|--------------------------------------------|
| Forward currency contracts | | |
| - Less than 1 year | 22,880 | 1,362 |

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 20 November 2024.

14. Dividend

There was no dividend declared for the financial period ended 30 September 2024.

Muda Holdings Berhad (197101000036)**Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 30 September 2024****15. Loss Per Share**

Basic and diluted loss per share is calculated by dividing loss for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period. The Company did not issue any financial instruments that will give effect to dilutive potential ordinary shares.

| | Current Quarter | | Cumulative Quarter | |
|-----------------------------------------------------|---------------------------|-------------------|---------------------------|-------------------|
| | Three Months Ended | | Nine Months Ended | |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| Loss attributable to owners of the Company (RM'000) | (21,109) | (6,624) | (25,281) | (36,822) |
| 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 and diluted loss per share (Sen) | <u>(6.92)</u> | <u>(2.17)</u> | <u>(8.29)</u> | <u>(12.07)</u> |

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 2023.

BY ORDER OF THE BOARD

Goh Ching Yee

Secretary

27 November 2024