

MSM MALAYSIA HOLDINGS BERHAD(Incorporated in Malaysia)
(Company No : 935722-K)**UNAUDITED CONDENSED COMBINED INCOME STATEMENTS FOR
THE THREE (3) MONTHS ENDED 31 MARCH 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.11 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.3.10 RM'000 (unaudited)	Current Year To Date 31.3.11 RM'000 (unaudited)	Preceding Year To Date 31.3.10 RM'000 (unaudited)
Revenue	503,172	497,753	503,172	497,753
Cost of sales	(365,773)	(399,785)	(365,773)	(399,785)
Gross profit	137,399	97,968	137,399	97,968
Other operating income	1,193	672	1,193	672
Selling and distribution cost	(11,659)	(10,649)	(11,659)	(10,649)
Administrative expenses	(9,035)	(10,284)	(9,035)	(10,284)
Other gain / (losses) -net	(26,546)	(58,302)	(26,546)	(58,302)
Profit from operations	91,352	19,405	91,352	19,405
Finance costs	(1,337)	(1,087)	(1,337)	(1,087)
Profit before taxation	90,015	18,318	90,015	18,318
Taxation	(27,814)	(6,279)	(27,814)	(6,279)
Profit for the period	62,201	12,039	62,201	12,039

**UNAUDITED CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR
THE THREE (3) MONTHS ENDED 31 MARCH 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.11 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.3.10 RM'000 (unaudited)	Current Year To Date 31.3.11 RM'000 (unaudited)	Preceding Year To Date 31.3.10 RM'000 (unaudited)
Profit for the period and total comprehensive income	62,201	12,039	62,201	12,039
Attributable to:				
Shareholders of the Company	62,014	12,039	62,014	12,039
Non-controlling interest	187	-	187	-
Total comprehensive income for the period	62,201	12,039	62,201	12,039
Earnings per share attributable to equity holders of the Company				
Basic (sen) (Note 1)	8.82	1.71	8.82	1.71

(Note 1) Calculated based on the no. of shares post listing amounting to 702,980,000.

The Unaudited Condensed Combined Income Statements and Unaudited Condensed Combined Statements of Comprehensive Income should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION

	As at 31.3.11 RM'000 (unaudited)	As at 31.12.10 RM'000 (audited)
Assets		
Property, plant and equipment	459,317	462,145
Intangible asset	82,000	82,806
Goodwill	576,241	576,241
Prepaid lease payment	838	855
Total non-current assets	<u>1,118,396</u>	<u>1,122,047</u>
Inventories	253,890	330,844
Biological assets	8,060	11,360
Trade receivables	152,783	177,016
Other Receivables, deposits and prepayments	48,850	39,029
Tax recoverable	2,116	690
Derivative financial assets	-	20,509
Cash and cash equivalents	211,575	87,055
Total current assets	<u>677,274</u>	<u>666,503</u>
Total assets	<u><u>1,795,670</u></u>	<u><u>1,788,550</u></u>
Equity		
Total equity attributable to equity holders of the Company	1,113,345	1,368,831
Non-controlling interest	22,396	39,709
Total equity	<u>1,135,741</u>	<u>1,408,540</u>
Liabilities		
Deferred tax liabilities	104,628	110,594
Provision for defined benefit plan	586	1,032
Total non-current liabilities	<u>105,214</u>	<u>111,626</u>
Current liabilities		
Payables and accruals	43,640	35,434
Amounts due to related parties	2,770	2,197
Borrowings	147,500	217,000
Derivatives financial liabilities	6,232	-
Current tax liabilities	19,573	13,753
Dividend payable	335,000	-
Total current liabilities	<u>554,715</u>	<u>268,384</u>
Total liabilities	<u>659,929</u>	<u>380,010</u>
Total equity and liabilities	<u><u>1,795,670</u></u>	<u><u>1,788,550</u></u>
Net assets per share attributable to equity holders of the Company (RM) (Note 1)	<u>1.58</u>	<u>1.95</u>

(Note 1) Calculated based on the no. of shares post listing amounting to 702,980,000

The Unaudited Condensed Combined Statements of Financial Position should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED RECONCILIATION OF MOVEMENT IN COMBINED EQUITY FOR THE
THREE (3) MONTHS ENDED 31 MARCH 2011

	Current Year To Date 31.3.11 RM'000 (unaudited)	Preceding Year To Date 31.3.10 RM'000 (unaudited)
Total equity at 1 January	1,408,540	-
Acquisition of Sugar Business	-	1,307,306
Total comprehensive income for the financial period	62,014	12,039
Dividends declared	<u>(317,500)</u>	<u>-</u>
	1,153,054	1,319,345
Non-controlling interest	<u>(17,313)</u>	<u>39,709</u>
Total equity at 31 March	<u>1,135,741</u>	<u>1,359,054</u>

The Unaudited Reconciliation of Movement in Combined Equity should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS

	Current Year To Date 31.3.11 RM'000 (unaudited)	Preceding Year To Date 31.3.10 RM'000 (unaudited)
Cash Flows From Operating Activities		
Profit for the period	62,201	12,039
Adjustment for Non-Cash Flow Items	45,770	60,107
Operating Profit Before Changes in Working Capital	<u>107,971</u>	<u>72,146</u>
Changes in Working Capital		
Net changes in working capital	123,005	37,944
Retirement benefit paid	(459)	(1,472)
Tax paid	(29,385)	(23,850)
Net Cash Generated From Operating Activities	<u>201,132</u>	<u>84,768</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(7,492)	(2,202)
Proceed from disposal of property, plant and equipment	102	-
Interest received	1,018	547
Net Cash Used In Investing Activities	<u>(6,372)</u>	<u>(1,655)</u>
Cash Flows From Financing Activities		
Drawdown of borrowings	57,500	19,500
Repayment of borrowings	(127,000)	(93,000)
Interest paid	(740)	(796)
Net Cash Used In Financing Activities	<u>(70,240)</u>	<u>(74,296)</u>
Net Increase In Cash And Cash Equivalents	124,520	8,817
Cash And Cash Equivalents At Beginning Of The Period	87,004	151,141
Cash And Cash Equivalents At End Of The Period	<u>211,524</u>	<u>159,958</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	187,091	127,407
Cash and Bank balances	24,484	32,602
	<u>211,575</u>	<u>160,009</u>
Less :		
Deposits pledged	(51)	(51)
	<u>211,524</u>	<u>159,958</u>

The Unaudited Condensed Combined Statements of Cash Flows should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

MSM MALAYSIA HOLDINGS BERHAD**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION**

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements have been prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and FRS 134: Interim Financial Reporting.

The Unaudited Interim Combined Financial Information should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010. These explanatory notes attached to the Unaudited Interim Combined Financial Information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

1 Basis Of Preparation

The accounting policies and presentation adopted for this Unaudited Interim Combined Financial Information are consistent with those of the Audited Combined Financial Information for the year ended 31 December 2010, except for the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2011 as discussed below.

The Unaudited Interim Combined Financial Information for the period ended 31 March 2010 and 31 March 2011 have been carved-out of the Unaudited Interim Consolidated Financial Information of Felda Global Ventures Holdings Sdn Bhd ("FGVH") for the period ended 31 March 2010 and 31 March 2011.

In January 2010, FGVH completed the acquisitions of the Sugar Business of PPB Group Berhad ("PPB") for a total purchase consideration of RM1,292.5 million in cash and resulted in goodwill on acquisition of RM576.2 million. The Sugar Business comprises the following entities (collectively known as the "Entities" or the "Group"):

- (i) Malayan Sugar Manufacturing Company Berhad ("MSM")
- (ii) Astakonas Sdn Bhd
- (iii) MSM Properties Sdn Bhd
- (iv) Kilang Gula Felda Perlis Sendirian Berhad ("KGFP")
- (v) Felda Global Ventures Perlis Sdn Bhd / Chuping Cane Division - a cane plantation division of PPB ("FGVP")

MSM Holdings acquired the Group on 20 May 2011. The audited condensed combined interim financial information presented the results of the Group for the period ended 31 March 2011 together with the comparatives.

In the financial periods presented, the Entities had not operated as an independent stand-alone entity. The Condensed Combined Interim Financial Information, therefore, does not reflect what the financial position, results of operations and cash flows of the Entities would have been had the Entities operated as a separate, stand-alone entity during the financial periods presented or future results of the Entities.

On 1 January 2011, the following new accounting standards had been adopted by the Entities:

FRSs, Amendments to FRSs and Interpretations

FRS 3	<i>Business Combinations (revised)</i>
FRS 127	<i>Consolidated and Separate Financial Statements (revised)</i>
Amendments to FRS 3	<i>Business Combinations</i>
Amendments to FRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
Amendments to FRS 7	<i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
Amendments to FRS 101	<i>Presentation of Financial Statements</i>
Amendments to FRS 132	<i>Financial Instruments Presentation: The Classification of Right Issues</i>
Amendments to FRS 134	<i>Interim Financial Reporting</i>
Amendments to FRS 138	<i>Intangible Assets</i>
Amendments to IC Interpretation 9	<i>Reassessment of Embedded Derivatives</i>
IC Interpretation 18	<i>Transfers of Assets from Customers</i>

The initial application of the above standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group.

2 Auditors' Report on Preceding Annual Financial Statements

The individual audited financial statements of the Entities for the year ended 31 December 2010 were not subject to any audit qualification.

3 Seasonal Or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except during sugar cane harvesting season.

4 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity and net income for first quarter ended 31 March 2011.

5 Changes In Estimated Amounts Reported In Prior Period Which Have Effect On The Current Period

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter.

6 Changes In Debt And Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during first quarter ended 31 March 2011.

7 Dividends Paid

There were no dividends paid during the first quarter ended 31 March 2011.

8 Segmental Reporting

The Group operates in one operating segment namely the Sugar Business. The sugar business includes sugar cane cultivation, cane milling, sugar refining and sales and marketing of sugar products and goods transportation services. There has been no change to the basis of segmentation as compared to Combined Financial Information for the financial year ended 31 December 2010.

9 Valuation of Property, Plant And Equipment

There was no valuation of the property, plant and equipment in the current quarter under review. The valuation of property, plant and equipment has been brought forward without any amendments from the financial statements for the financial year ended 31 December 2010.

10 Material Events Subsequent To The End of the Financial Period

There were no material events which occurred subsequent to the end of the quarter ended 31 March 2011 saved for the new issuance of MSM Holdings' shares in conjunction with the acquisitions of MSM and KGFP as set out below and the corporate proposals disclosed under Note 25 to the Unaudited Interim Combined Financial Information.

As at 20 May 2011, the Company issued new shares following the acquisitions below which had taken place:

i)	Acquisition of MSM by the Company	281,369,600	shares issued to FGVS
		70,342,400	shares issued to KPF
		<u>351,712,000</u>	
ii)	Acquisition of KGFP by the Company	190,064,952	shares issued to FGVH
		36,202,848	shares issued to FHB
		<u>226,267,800</u>	
	Total new shares of the Company issued	<u>577,979,800</u>	

11 Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current quarter.

12 Changes in Contingent Liabilities or Contingent Assets

The Group does not have any material contingent liabilities or contingent assets as at 20 May 2011.

13 Capital Commitments Outstanding Not Provided For In The Unaudited Interim Combined Financial Information

	As at 31.3.2011 (unaudited) RM'000	As at 31.3.2010 (unaudited) RM'000
Property, plant and equipment:		
- Contracted but not provided for	14,240	5,958
- Approved but not contracted for	82,522	24,229
	<u>96,762</u>	<u>30,187</u>

14 Material Related Party Transactions

Significant related party transactions are as follows:

	As at 31.3.2011 (unaudited) RM'000	As at 31.3.2010 (unaudited) RM'000
Transactions with holding company, FGVH		
- Management fees	315	312
Transactions with an associate of FGVH		
- Management fees	244	244
	<u>559</u>	<u>556</u>

15 Review Of Performance for First Quarter**First quarter**

For the current quarter ended 31 March 2011, the Group recorded 1.1% higher revenue from RM497.8 million to RM503.2 million for the same quarter last year. It was mainly due to increased sales volume for domestic sales and higher sales prices of refined sugar products both in Malaysia and in the export market.

The increase in profit before tax for current quarter ended 31 March 2011 was more than 100%; RM90.0 million as compared to RM18.3 million for the same quarter last year due to higher gross profit margin by 7% and decrease in fair value losses in derivatives by RM31.8 million. The lower profits in the first quarter last year was mainly due to realisation of fair value adjustments in relation to certain Sugar Business assets acquired in January 2010 of RM35.3 million.

16 Material Changes In The Quarterly Results Compared To The Preceding Quarter

The comparison of the Group revenue and profit before taxation for the current and quarter last year is as follows:

	2011	2010	Variance	
	Quarter 1	Quarter 4		
	RM'000	RM'000	RM'000	%
	(unaudited)	(unaudited)		
Revenue	503,172	542,923	(39,751)	(7.3)
Profit before tax	90,015	112,439	(22,424)	(19.9)

Revenue was lower by 7% due to decrease in export sales as compared to the preceding quarter. Meanwhile, profit before tax was lower as compared to preceding quarter mainly due to increase in fair value losses in derivatives by RM46.6 million during the current quarter.

17 Current Year Prospects

Notwithstanding the volatility of commodity prices, the Group is expected to be able to sustain its satisfactory performance.

18 Variance Of Actual Profit From Forecast Profit

The Entities did not issue any profit forecast for the current quarter.

19 Taxation

	First Quarter	
	Current	Preceding
	Year	Year
	RM'000	RM'000
	(unaudited)	(unaudited)
Current	33,780	5,385
Deferred	(5,966)	894
	<u>27,814</u>	<u>6,279</u>

Tax expense for the current quarter ended 31 March 2011 is derived based on the management's best estimate of the tax rate for the quarter. The effective tax rate of the Group of 31% for the quarter is higher than the statutory rate of 25% as a result of the movement in fair value gains and losses in derivatives.

20 Realised and Unrealised Profit/Loss

	As at Current Year RM'000 (unaudited)	As at Preceding Year RM'000 (unaudited)
Realised	253,363	506,246
Unrealised	(54,435)	(38,673)
	<u>198,928</u>	<u>467,573</u>
Consolidation adjustments	(392,889)	(406,048)
Total Group retained earnings as per consolidated accounts	<u>(193,961)</u>	<u>61,525</u>

The unrealised portion of retained earnings comprise deferred tax expense, cumulative net gains arising from fair value through profit and loss and translation gains and losses on monetary items denominated other than Ringgit Malaysia.

21 Derivative Financial Instruments

The Group uses forward foreign currency exchange contracts and sugar future contracts to manage its exposure to various financial risks. The fair value of these derivatives as at 31 March 2011 are as follows:

	Notional amount RM'000	Fair value	
		Assets RM'000 (unaudited)	Liabilities RM'000 (unaudited)
<u>Type of derivatives</u>			
Forward foreign currency exchange contracts	405	11	-
Sugar futures contracts	215,604	-	(6,243)
	<u>216,009</u>	<u>11</u>	<u>(6,243)</u>

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 31 December 2010. The maturity periods of the above derivatives are less than one year.

22 Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are fair value loss position as at statements of financial position date, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

23 Unquoted Investments And/Or Properties

There were no purchases or disposals of unquoted investments for the current quarter.

24 Quoted Investments

There were no purchases or disposals of quoted investments for the current quarter.

25 Status Of Corporate Proposals

The Pre-Listing Restructuring described below was approved by FGVH on 2 March 2011 and the Company on 25 March 2011. As of 20 May 2011, the following corporate proposals have taken place:

- i) Special Dividend Payment by MSM & KGFP** – MSM and KGFP declared a special dividend of RM300.0 million and RM35.0 million respectively to their shareholders.
- ii) Transfer of FGVP's businesses to KGFP** – KGFP acquired the entire business of FGVP and assets including Chuping Land (*but excluding 1,363 ha of land and intercompany loan and interest*) for a total purchase consideration of RM99 million satisfied by the issuance of KGFP shares to FGVP.
- iii) Acquisition of MSM by MSM Holdings** – the Company acquired 100% equity interest in MSM from Felda Global Ventures Sugar Sdn Bhd and Koperasi Permodalan Felda Malaysia ("KPF") for a total purchase consideration of RM175.9 million, satisfied via issuance of the Company shares.
- iv) Acquisition of KGFP by MSM Holdings** – the Company acquired 100% equity interest in KGFP from FGVH and Felda Holdings Berhad ("FHB") for a total purchase consideration of RM113.1 million, satisfied via issuance of the Company shares.

The following corporate proposals have not taken place :

- v) Public Issue** – the Company issues new shares to the public (including employees, bumiputera and identified investors)
- vi) Offer for Sale ("OFS")** – FGVH to undertake an OFS of new Company shares to identified investors.
- vii) Listing** – MSM Holdings will be admitted to the official list of Bursa Securities for the listing of and quotation for the entire enlarged issued and paid up of share capital of RM351,490,000 comprising 702,980,000 shares of RM0.50 each of Main Market of Bursa Securities.

Approvals have been obtained from Securities Commission on 12 May 2011 and MITI on 22 April 2011 for the IPO. Items (i) to (iv) have been completed as of 20 May 2011.

26 Group Borrowings

As at 31 March 2011, the total Group borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.3.2011 RM'000 (unaudited)	As at 31.3.2010 RM'000 (unaudited)
Loans and borrowings		
Current		
Secured :		
Secured bankers' acceptance	10,000	-
Unsecured:		
Unsecured bankers' acceptance	137,500	63,000
	<u>147,500</u>	<u>63,000</u>

27 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

28 Material Litigation

Since the last audited Combined Financial Information for the year ended 31 December 2010, the Entities are not parties to any material obligation or arbitration, either as plaintiff or defendant.

29 Dividends

On 2 March 2011, the Board of Directors of MSM declared a third interim single tier dividend of 825% per share to FGVS, its shareholder then amounting to RM300,000,000 for the financial year ended 31 December 2010. The dividend was paid on 27 May 2011.

On 3 March 2011, the Board of Directors of KGFP declared a special dividend of 331.09 sen per share to its shareholders then, FGVH and FHB on 12,000,000 ordinary shares amounting to RM35,000,000 in respect of the financial year ended 31 December 2010 as follows:

	RM'000
Tax exempt dividend of 121.39 sen per share	14,568
Gross dividend of 157.68 sen per share less income tax at 25%	14,191
Single-tier dividend of 52.01 sen per share	6,241
	<u>35,000</u>

The above dividend was paid on 25 May 2011.

by Order of the Board

Norzaimah Maarof
Company Secretary

Kuala Lumpur
23 June 2011