

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

**UNAUDITED CONDENSED INCOME STATEMENTS FOR
THE NINE (9) MONTHS ENDED 30 SEPTEMBER 2012**

	Note	Q3 Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.9.12 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.9.11 RM'000 (unaudited)	Current Year To Date 30.9.12 RM'000 (unaudited)	Preceding Year To Date 30.9.11 RM'000 (unaudited)
Revenue		610,977	623,976	1,688,840	1,690,016
Cost of sales		(522,856)	(534,282)	(1,405,661)	(1,369,708)
Gross profit		88,121	89,694	283,179	320,308
Other operating income		2,443	1,771	5,303	5,122
Selling and distribution cost		(13,897)	(15,329)	(39,022)	(38,988)
Administrative expenses		(11,534)	(9,738)	(33,457)	(26,974)
Other gain / (losses) -net		(5,456)	(1,313)	(1,478)	(2,062)
Profit from operations	19	59,679	65,085	214,527	257,406
Finance income		2,443	2,906	7,534	2,906
Finance costs		(2,483)	(5,201)	(5,938)	(9,587)
Profit before taxation		59,639	62,790	216,123	250,725
Zakat		(969)	-	(969)	-
Taxation		(15,708)	(14,232)	(52,992)	(63,321)
Profit for the period		42,962	48,558	162,162	187,404

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR
THE NINE (9) MONTHS ENDED 30 SEPTEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.12 RM'000	Preceding Year Corresponding Quarter 30.9.11 RM'000	Current Year To Date 30.9.12 RM'000	Preceding Year To Date 30.9.11 RM'000
Profit for the period and total comprehensive income	42,962	48,558	162,162	187,404
Attributable to:				
Shareholders of the Company	42,962	48,139	162,162	186,985
Non-controlling interest	-	419	-	419
Total comprehensive income for the period	42,962	48,558	162,162	187,404
Basic earnings per share attributable to equity holders of the Company (sen) (1)	6.11	6.85	23.07	26.60

The Unaudited Condensed Income Statements and Unaudited Condensed Statements of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

(1) Calculated based on the number of shares post listing amounting to 702,980,000.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30.9.12 RM'000 (unaudited)	As at 31.12.11 RM'000 (audited)
Assets		
Property, plant and equipment	400,527	407,050
Intangible asset	653,401	655,821
Biological asset	7,329	622
Prepaid lease payment	733	786
Total non-current assets	1,061,990	1,064,279
Inventories	232,818	279,954
Biological assets	-	11,198
Trade receivables	196,294	197,480
Other receivables, deposits and prepayments	14,390	25,566
Amount due from other related parties	23,873	-
Amount due from related companies	1,477	-
Tax recoverable	6,301	4,005
Derivative financial assets	693	2,053
Cash and cash equivalents	647,210	527,969
Total current assets	1,123,056	1,048,225
Non-current asset/Disposal groups held for sale	3,143	-
Total assets	2,188,189	2,112,504
Equity		
Share capital	351,490	351,490
Share premium	366,765	366,765
Reorganisation deficit	(1,039,632)	(1,039,632)
Merger relief reserve	1,733,939	1,733,939
Retained earnings	352,956	268,122
Total equity attributable to equity holders of the Company	1,765,518	1,680,684
Liabilities		
Deferred tax liabilities	81,661	92,919
Provision for defined benefit plan	185	468
Total non-current liabilities	81,846	93,387
Current liabilities		
Payables and accruals	33,492	36,343
Amount due to immediate holding company	173	-
Amount due to related parties	8	238
Borrowings	301,000	288,300
Current tax liabilities	4,266	13,552
Derivative financial liabilities	1,886	-
Total current liabilities	340,825	338,433
Total liabilities	422,671	431,820
Total equity and liabilities	2,188,189	2,112,504
Net assets per share attributable to equity holders of the Company (RM) (1)	2.51	2.39

The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Group Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

(1) Calculated based on the number of shares post listing amounting to 702,980,000.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE (9) MONTHS ENDED 30 SEPT 2012

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Non- controlling interests RM'000	Total RM'000
At 1 January 2012	351,490	366,765	1,733,939	(1,039,632)	268,122	1,680,684	-	1,680,684
Total comprehensive income								
Profit for the period ended 30 Sept 2012	-	-	-	-	162,162	162,162		162,162
Final Dividend for FY 2011	-	-	-	-	(77,328)	(77,328)		(77,328)
At 30 Sept 2012	351,490	366,765	1,733,939	(1,039,632)	352,956	1,765,518	-	1,765,518

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE (9) MONTHS ENDED 30 SEPTEMBER 2011

	Share capital RM'000	Share premium RM'000	Other paid-in capital RM'000	Merger reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2011	-	-	1,307,306	-	-	61,525	1,368,831	39,709	1,408,540
Incorporation of MSM Holdings	*	-	-	-	-	-	-	-	-
Parting Dividend	-	-	(317,500)	-	-	-	(317,500)	(17,500)	(335,000)
Excluded Chuping assets	-	-	(29,721)	-	-	-	(29,721)	-	(29,721)
Issuance of shares	270,889	-	(960,085)	1,625,330	(936,134)	-	-	-	-
Accretion of interest in KGFP	18,101	-	-	108,609	(104,082)	-	22,628	(22,628)	-
Issuance of shares-IPO	62,500	371,626	-	-	-	-	434,126	-	434,126
Share issuance expenses	-	(8,235)	-	-	-	-	(8,235)	-	(8,235)
Total comprehensive income for the period ended 30 September 2011	-	-	-	-	-	186,985	186,985	419	187,404
At 30 September 2011	351,490	363,391	-	1,733,939	(1,040,216)	248,510	1,657,114	-	1,657,114

* 200 shares of RM 0.50 each

The Unaudited Condensed Statement of Changes in 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 Condensed Interim Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	Current Year To Date 30.9.12 RM'000 (unaudited)	Preceding Year To Date 30.9.11 RM'000 (unaudited)
Cash Flows From Operating Activities		
Profit for the period	162,162	187,402
Adjustment for Non-Cash Flow Items	61,015	90,266
Operating Profit Before Changes in Working Capital	<u>223,177</u>	<u>277,668</u>
Changes in Working Capital		
Net changes in working capital	53,815	80,092
Retirement benefit paid	-	(561)
Tax paid	(74,920)	(67,055)
Interest paid	5,938	9,462
Net Cash Generated From Operating Activities	<u>208,010</u>	<u>299,606</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(26,986)	(23,564)
Proceeds from disposal of property, plant and equipment	1,250	116
Interest received	7,534	5,120
Net Cash Used In Investing Activities	<u>(18,202)</u>	<u>(18,328)</u>
Cash Flows From Financing Activities		
Issuance of shares - IPO	-	425,891
Drawdown of borrowings	482,700	771,300
Repayment of borrowings	(470,000)	(667,000)
Interest paid	(5,938)	(9,462)
Dividend paid	(77,328)	(335,000)
Net Cash (Used In) Generated From Financing Activities	<u>(70,566)</u>	<u>185,729</u>
Net Increase In Cash And Cash Equivalents	119,241	467,007
Cash And Cash Equivalents At Beginning Of The Period	527,969	87,055
Cash And Cash Equivalents At End Of The Period	<u>647,210</u>	<u>554,062</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	587,147	510,875
Cash and bank balances	60,063	43,187
	<u>647,210</u>	<u>554,062</u>

The Unaudited Condensed Combined Statements of Cash Flows should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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 Condensed Interim Financial Information should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2011. These explanatory notes attached to the Unaudited Condensed Interim 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 2011.

1 Basis Of Preparation

The accounting policies and presentation adopted for this Unaudited Condensed Interim Financial Information are consistent with those of the Group's Audited Financial Statements for the financial year ended 31 December 2011, except for the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2012 as discussed below.

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 7	<i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
Amendments to FRS 9	<i>Mandatory effective date of FRS 9 and Transition disclosures</i>
Amendments to FRS 112	<i>Deferred tax: Recovery of underlying assets</i>
Amendments to FRS 124	<i>Related party disclosure</i>
Amendments to FRS 132	<i>Financial Instruments Presentation: Offsetting financial assets and financial liabilities</i>

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

2 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2011 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 the final sugar cane harvesting season from January to April this year. The Group has discontinued its sugar cane cultivations in April 2012.

4 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity and net income for third quarter ended 30 September 2012.

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 were no changes in debt and equity securities during the period under review.

7 Dividends

The directors has agreed to declare an interim dividend payment of 8 cents per share on 702,980,000 ordinary shares for the quarter ended 30 September 2012 to be paid on 28 December 2012.

8 Segmental Reporting

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee (MC). The MC considers the business primarily a product perspective. The reportable operating segments have been identified as follows:-

(i) Sugar - Sugar Refining, sugarcane milling and sales and marketing of refined sugar

(ii) Investment Holding - Business operation in investment holding

(iii) All other segments - Operating segments that are not material and not aggregated into any of the reportable segments. This include palm oil and rubber which operation starts in 2012.

Quarter ended 30 September 2012	Sugar	Investment Holdings	All Other segments	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Total segment revenue	1,693,919	75,734	-	(80,813)	1,688,840
Less: Inter segment revenue	-	-	-	-	-
Revenue from external customers	<u>1,693,919</u>	<u>75,734</u>	<u>-</u>	<u>(80,813)</u>	<u>1,688,840</u>
Finance income	5,332	9,993	-	(2,488)	12,837
Finance cost	(8,426)	-	-	2,488	(5,938)
Depreciation and amortisation	-	-	-	-	(24,596)
Profit before taxation	219,358	82,107	-	(85,342)	216,123
Taxation	-	-	-	-	(52,992)
Zakat	-	-	-	-	(969)
Profit after taxation for the financial period					<u>162,162</u>

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 during the FGVH acquisition of Sugar Business has been brought forward without any amendments from the Group's Audited Financial Statement for the financial year ended 31 December 2011.

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 30 September 2012

11 Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current period under review.

12 Changes in Contingent Liabilities or Contingent Assets

The Group does not have any material contingent liabilities or contingent assets as at **26 November 2012**

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

	As at 30.9.12 (unaudited) RM'000	As at 30.9.11 (unaudited) RM'000
Property, plant and equipment:		
- Contracted but not provided for	50,310	28,880
- Approved but not contracted for	90,629	61,829
	<u>140,939</u>	<u>90,709</u>

14 Material Related Party Transactions

Significant related party transactions are as follows:

	For period ended 30.9.12 (unaudited) RM'000	For period ended 30.9.11 (unaudited) RM'000
Transactions with immediate holding company, FGVH		
- Management fees	(1,624)	(945)
Transactions with a subsidiary of a significant shareholder		
- Sales of refined sugar	15,237	19,728
	13,613	18,783

Related party transactions with government and government-related entities during the quarters ended 30 September 2012 and 30 September 2011 are as follows:

	For period ended 30.9.12 (unaudited) RM'000	For period ended 30.9.11 (unaudited) RM'000
(i) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy received	178,566	112,323
(ii) Transactions between subsidiaries and government-related financial institutions		
Interest expense from bankers acceptances	2,391	2,962
Interest income from fixed deposits and cash balances	11,353	47,276
	As at	As at
	30.9.12	30.9.11
	(unaudited)	(unaudited)
	RM'000	RM'000
(iii) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy receivable	50,861	19,509
(iv) Balances between subsidiaries and government-related financial institutions		
Bankers acceptances	136,000	156,300
Fixed deposits and cash balances	191,914	107,978

15 Review Of Performance for Third Quarter

For the current quarter ended 30 September 2012, the Group recorded lower revenue by 2.1% from RM623.98 million for Q3 2011 to RM610.98 million for Q3 2012. This is mainly due to decreased sales volume for domestic and export sales despite higher average prices obtained for Q3 2012.

The profit before tax for current quarter ended 30 September 2012 is 5% lower i.e. RM59.6 million as compared to RM62.8 million for the same quarter last year due to This is mainly due to decreased sales volume for domestic and export sales.

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 preceding quarter is as follows:

	2012 Quarter 3 RM'000 (unaudited)	2012 Quarter 2 RM'000 (unaudited)	Variance RM'000	%
Revenue	610,977	546,104	64,873	11.9
Profit before tax	<u>59,639</u>	<u>68,482</u>	<u>(8,843)</u>	<u>(12.9)</u>

The revenue is higher by 11.9% due to increased in domestic and export sales as compared to preceding quarter. Profit before tax for the Quarter 3 is lower by 12.9% as compared to the preceding quarter due to higher raw sugar cost.

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 Group did not issue any profit forecast.

19 Profit from operations

Included in the operating profit are:

	Cumulative Quarter	
	Current Year RM'000 (unaudited)	Preceding Year RM'000 (unaudited)
Amortisation of intangible asset	2,420	2,420
Amortisation of prepaid lease payment	53	53
Depreciation of property plant and equipment	22,123	21,720
Property, plant and equipment write off	172	2
(Gain)/Loss on disposal of property, plant and equipment	(471)	119
Net foreign exchange loss	<u>(1,478)</u>	<u>(2,062)</u>

20 Taxation

	Cumulative Quarter	
	Current Year RM'000 (unaudited)	Preceding Year RM'000 (unaudited)
Current	64,250	70,807
Deferred	<u>(11,258)</u>	<u>(7,486)</u>
	<u>52,992</u>	<u>63,321</u>

Tax expense for the current period ended 30 September 2012 is derived based on the management's estimate of the tax rate for the period. The effective tax rate of the Group is the same with the statutory rate of 25%.

21 Realised and Unrealised Profit/(Loss)

	As at 30.9.2012 RM'000 (unaudited)	As at 30.9.2011 RM'000 (unaudited)
Realised	434,639	351,659
Unrealised	13,980	(14,554)
	<u>448,619</u>	<u>337,105</u>
Consolidation adjustments	<u>(95,663)</u>	<u>(88,595)</u>
Total Group retained earnings as per consolidated accounts	<u>352,956</u>	<u>248,510</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 in Ringgit Malaysia.

22 Derivative Financial Instruments

The Group uses foreign currency exchange forward contracts and sugar commodity future contracts to manage its exposure to various financial risks. The fair value of these derivatives as at 30 September 2012 are as follows:

	Notional amount RM'000	Fair value	
		Assets RM'000 (unaudited)	Liabilities RM'000 (unaudited)
Type of derivatives			
Foreign currency exchange forward contracts	402,031	-	1,886
Sugar commodity futures contracts	24,050	693	
	<u>426,081</u>	<u>693</u>	<u>1,886</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 2011. The maturity periods of the above derivatives are less than one year.

23 Fair Value Changes of Financial Liabilities

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

24 Unquoted Investments And/Or Properties

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

25 Quoted Investments

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

26 Status Of Corporate Proposals

There was no corporate proposals entered into during the financial period under review.

27 Group Borrowings

As at 30 September 2012, the total unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 30.9.2012 RM'000 (unaudited)	As at 30.9.2011 RM'000 (unaudited)
Borrowings		
Current		
Unsecured:		
Bankers' acceptance and revolving credit	<u>301,000</u>	<u>341,300</u>
	<u>301,000</u>	<u>341,300</u>

28 Off Balance Sheet Financial Instruments

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

29 Material Litigation

Since the last Group's Audited Financial Statement for the year ended 31 December 2011, the Group was not party to any material litigation, either as plaintiff or defendant.

On behalf of the Board

Dato' Sabri Ahmad
Director

Tan Sri Mohd Isa Dato' Abdul Samad
Director

Kuala Lumpur
26 November 2012