

**MSM MALAYSIA HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 935722-K)

**UNAUDITED CONDENSED INCOME STATEMENTS FOR  
THE PERIOD ENDED 31 MARCH 2013**

	Q1 Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.13 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.12 RM'000 (audited)	Current Year To Date 31.03.13 RM'000 (unaudited)	Preceding Year To Date 31.03.12 RM'000 (audited)
<b>Revenue</b>	<b>514,955</b>	<b>531,759</b>	<b>514,955</b>	<b>531,759</b>
Cost of sales	(416,715)	(426,276)	(416,715)	(426,276)
<b>Gross profit</b>	<b>98,240</b>	<b>105,483</b>	<b>98,240</b>	<b>105,483</b>
Other operating income	5,589	1,686	5,589	1,686
Selling and distribution cost	(11,535)	(12,460)	(11,535)	(12,460)
Administrative expenses	(10,543)	(8,395)	(10,543)	(8,395)
Other gain / (losses) -net	1,431	(213)	1,431	(213)
Other operating exp	(3,242)	-	(3,242)	-
<b>Profit from operations</b>	<b>79,940</b>	<b>86,101</b>	<b>79,940</b>	<b>86,101</b>
Finance costs	(939)	(619)	(939)	(619)
Finance income	3,835	2,518	3,835	2,518
<b>Profit before taxation</b>	<b>82,835</b>	<b>88,000</b>	<b>82,835</b>	<b>88,000</b>
Zakat	-	-	-	-
Taxation	(20,877)	(21,614)	(20,877)	(21,614)
<b>Profit for the period</b>	<b>61,958</b>	<b>66,386</b>	<b>61,958</b>	<b>66,386</b>

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR  
THE THREE (3) MONTHS ENDED 31 MARCH 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.13 RM'000	Preceding Year Corresponding Quarter 31.03.12 RM'000	Current Year To Date 31.03.13 RM'000	Preceding Year To Date 31.03.12 RM'000
<b>Profit for the period and total comprehensive income</b>	<b>61,958</b>	<b>66,386</b>	<b>61,958</b>	<b>66,386</b>
<b>Attributable to:</b>				
Shareholders of the Company	61,958	66,386	61,958	66,386
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>61,958</b>	<b>66,386</b>	<b>61,958</b>	<b>66,386</b>
<b>Basic earnings per share attributable to equity holders of the Company (sen) (1)</b>	<b>8.81</b>	<b>9.44</b>	<b>8.81</b>	<b>9.44</b>

The Unaudited Condensed Income Statements and Unaudited Condensed Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 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 31.03.13 RM'000 (unaudited)	As at 31.12.12 RM'000 (audited)
<b>Assets</b>		
Property, plant and equipment	400,979	398,526
Intangible asset	75,548	76,354
Goodwill	576,240	576,240
Prepaid lease payment	699	716
Biological Asset	13,904	11,711
Prepayment	8,198	8,198
<b>Total non-current assets</b>	<u>1,075,567</u>	<u>1,071,745</u>
Inventories	414,826	442,268
Trade receivables	155,954	193,154
Other receivables, deposits and prepayments	39,427	29,109
Tax recoverable	6,529	6,773
Derivative financial assets	-	561
Amount due from related companies	486	2,885
Cash and cash equivalents	606,922	594,555
<b>Total current assets</b>	<u>1,224,145</u>	<u>1,269,305</u>
Non-current assets held for sale	809	1,941
<b>Total assets</b>	<u><u>2,300,522</u></u>	<u><u>2,342,991</u></u>
<b>Equity</b>		
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	398,542	336,585
<b>Total equity attributable to equity holders of the Company</b>	<u>1,811,104</u>	<u>1,749,147</u>
<b>Liabilities</b>		
Deferred tax liabilities	80,388	81,773
<b>Total non-current liabilities</b>	<u>80,388</u>	<u>81,773</u>
<b>Current liabilities:</b>		
Payables and accruals	105,077	43,456
Amount due to related parties	402	2,375
Borrowings	290,900	461,000
Current tax liabilities	11,035	5,240
Derivative financial instruments	1,617	-
<b>Total current liabilities</b>	<u>409,030</u>	<u>512,071</u>
<b>Total liabilities</b>	<u>489,418</u>	<u>593,844</u>
<b>Total equity and liabilities</b>	<u><u>2,300,522</u></u>	<u><u>2,342,991</u></u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<u>2.58</u>	<u>2.49</u>

The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 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 THREE (3) MONTHS ENDED 31 MARCH 2013**

	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 2013	351,490	366,765	1,733,939	(1,039,632)	336,585	1,749,147	-	1,749,147
Profit for the period ended 31 Mar 2013	-	-	-	-	61,958	61,958	-	61,958
At 31 March 2013	351,490	366,765	1,733,939	(1,039,632)	398,542	1,811,104	-	1,811,104

**The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 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 THREE (3) MONTHS ENDED 31 MARCH 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 for the period ended 31 March 2012	-	-	-	-	66,386	66,386	-	66,386
At 31 March 2012	351,490	366,765	1,733,939	(1,039,632)	334,508	1,747,070	-	1,747,070

**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 STATEMENTS OF CASH FLOWS**

	Current Year To Date 31.03.13 RM'000 (unaudited)	Preceding Year To Date 31.03.12 RM'000 (unaudited)
<b>Cash Flows From Operating Activities</b>		
Profit for the period	61,958	66,386
Adjustment for Non-Cash Flow Items	28,217	30,747
Operating Profit Before Changes in Working Capital	<u>90,175</u>	<u>97,133</u>
Changes in Working Capital		
Net changes in working capital	122,836	20,231
Retirement benefit paid	178	(150)
Tax paid	(16,224)	(29,941)
<b>Net Cash Generated From Operating Activities</b>	<u>196,965</u>	<u>87,273</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(12,953)	(9,118)
(Increase)/ Decrease in biological assets	(2,193)	-
Proceeds from disposal of property, plant and equipment	-	23
Interest received	999	-
<b>Net Cash Used In Investing Activities</b>	<u>(14,148)</u>	<u>(9,095)</u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	40,900	64,100
Repayment of borrowings	(211,000)	(160,000)
Interest paid	(351)	-
<b>Net Cash Generated From/(Used In) Financing Activities</b>	<u>(170,451)</u>	<u>(95,900)</u>
<b>Net Increase In Cash And Cash Equivalents</b>	12,367	(17,722)
<b>Cash And Cash Equivalents At Beginning Of The Period</b>	594,555	527,969
<b>Cash And Cash Equivalents At End Of The Period</b>	<u>606,922</u>	<u>510,247</u>
<b>Cash and Cash Equivalents comprise:</b>		
Deposits with licensed banks	500,965	469,942
Cash and bank balances	105,957	40,305
	<u>606,922</u>	<u>510,247</u>

The Unaudited Condensed Combined Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 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 2012. 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 2012.

**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 2012, together with the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2013 as discussed below.

**FRSs, Amendments to FRSs and Interpretations**

Amendments to FRS 7	<i>Financial Instruments: Disclosures – Offsetting financial assets and financial liabilities</i>
Amendments to FRS 10, FRS 11 and FRS 12	<i>Consolidated Financial Statements, Joint arrangement and disclosure of interest in Other entities</i>
Amendments to FRS 13	<i>Fair Value Measurement</i>
Amendments to FRS 101, FRS 116 and FRS 132	<i>Improvement to FRSs (2012)</i>
Amendments to FRS 119	<i>Employee Benefits</i>
Amendments to FRS 127	<i>Separate Financial Statement</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 2012 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 as the Group has discontinued its sugar cane cultivation 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 first quarter ended 31 March 2013.

**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**

No dividend was declared and paid during the quarter under review.

## 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 Chief Executive Officer. The Chief Executive Officer considers the business primarily a product perspective. The reportable operating segments have been identified as follows:-

(i) Sugar - Sugar refining and sales and marketing of refined sugar

(ii) All other segments - Operating segments that are not material and not aggregated into any of the reportable segments. This includes palm oil and rubber which started in 2012.

Quarter ended 31 March 2013	Sugar	All Other segments	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	521,800	-	(6,845)	514,955
Revenue from external customers	521,800	-	(6,845)	514,955
Finance income	794	-	3,040	3,835
Finance cost	(939)	-	-	(939)
Depreciation and amortisation	9,655	-	807	10,462
Profit before taxation	84,329	-	(1,493)	82,835
Taxation	(21,349)	-	472	(20,877)
Profit after taxation for the financial period				61,958

## 9 Valuation of Property, Plant And Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

## 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 2013.

## 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 31 March 2013.

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

	As at 31.03.13 (unaudited) RM'000	As at 31.03.12 (audited) RM'000
<b>Property, plant and equipment:</b>		
- Contracted but not provided for	38,949	21,227
- Approved but not contracted for	84,092	88,361
	<u>123,041</u>	<u>109,588</u>
	As at 31.03.13 (unaudited) RM'000	As at 31.03.12 (unaudited) RM'000
<b>Biological Assets:</b>		
- Contracted but not provided for	342	-
- Approved but not contracted for	38,385	-
	<u>38,727</u>	<u>-</u>

**14 Material Related Party Transactions**

(a) Related party transactions are as follows:

	For period ended 31.03.13 (unaudited) RM'000	For period ended 31.03.12 (audited) RM'000
<b>(i) Transactions with immediate holding company, FGVH</b>		
Management fees	(1,054)	(541)
<b>(ii) Transactions with a subsidiary of a significant shareholder</b>		
Sales of refined sugar	4,066	4,031
	<u>3,012</u>	<u>3,490</u>

**(iii) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan**

Sugar subsidy received	17,560	27,399
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**(iv) Transactions between subsidiaries and government-related financial institutions**

Interest expense for bankers acceptances	213	473
Interest income from fixed deposits and cash balances	784	985

(b) Balances relating to related party transactions are as follows:

	As at	
	31.03.13 (unaudited) RM'000	31.03.12 (audited) RM'000
<b>(i) Balances with immediate holding company</b>		
Amount due to:		
Management fees	(358)	0
<b>(ii) Balances with a subsidiary of a significant shareholder</b>		
Amount due to:		
Felda Security Services Sdn Bhd	(27)	(23)
Felda Prodata System Sdn Bhd	(46)	(12)
Felda Agriculture Services Sdn Bhd	0	0
Felda Engineering Services Sdn Bhd	0	0
Felda Travel Sdn Bhd	0	0
Felda Global Ventures Perlis Sdn Bhd	0	0
Felda Holdings Berhad	0	(1)
Felda Trading Sdn Bhd	0	(2)
<b>(iii) Balances with ultimate holding company</b>		
Amount due to:		
FELDA	0	0
	<u>(431)</u>	<u>(38)</u>
<b>(iv) Balances with a subsidiary of a significant shareholder</b>		
Amount due from:		
Felda Trading Sdn Bhd	3,647	1,955
<b>(v) Balances with ultimate holding company</b>		
Amount due from:		
FELDA	0	0
	<u>3,647</u>	<u>1,955</u>



**(vi) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan**

Sugar subsidy receivable	25,700	49,928
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**(vii) Balances between subsidiaries and government-related financial institutions**

Bankers acceptances	(100,000)	(60,000)
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Fixed deposits and cash balances	26,406	22,981
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**15 Review Of Performance for First Quarter**

For the current quarter ended 31 March 2013, the Group recorded 3.2% lower revenue from RM532 million for Q1 2012 to RM515 million for Q1 2013. It is due to lower domestic sales despite an increase in export sales as compared to the same quarter last year.

The profit before tax for the current quarter is RM83.5 million as compared to RM88 million for the same period in 2012, a reduction of 5.1% is mainly due to lower domestic 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 quarter last year is as follows:

	<b>2013</b> <b>Quarter 1</b> <b>RM'000</b> <b>(unaudited)</b>	<b>2012</b> <b>Quarter 4</b> <b>RM'000</b> <b>(Audited)</b>	<b>Variance</b> <b>RM'000</b>	<b>%</b>
Revenue	<b>514,955</b>	<b>612,497</b>	<b>(97,542)</b>	<b>(15.9)</b>
Profit before tax	<b>82,835</b>	<b>69,038</b>	<b>13,797</b>	<b>20.0</b>

The revenue for the Quarter 1 is lower by 15.9% as compared to the preceding quarter due to decreased in sales. Profit before tax was higher as compared to preceding quarter mainly due to decrease in 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:

	<b>Cumulative Quarter</b>	
	<b>Current</b> <b>Year</b> <b>RM'000</b> <b>(unaudited)</b>	<b>Preceding</b> <b>Year</b> <b>RM'000</b> <b>(unaudited)</b>
Amortisation of intangible asset	<b>807</b>	<b>807</b>
Amortisation of prepaid lease payment	<b>17</b>	<b>17</b>
Depreciation of property plant and equipment	<b>9,638</b>	<b>9,821</b>
Property, plant and equipment written off	<b>34</b>	<b>102</b>
Gain/(Loss) on disposal of property, plant and equipment	<b>-</b>	<b>23</b>
Net foreign exchange loss	<b>2</b>	<b>(2)</b>

**20 Taxation**

	<b>Cumulative Quarter</b>	
	<b>Current</b> <b>Year</b> <b>RM'000</b> <b>(unaudited)</b>	<b>Preceding</b> <b>Year</b> <b>RM'000</b> <b>(unaudited)</b>
Current	<b>(22,264)</b>	<b>24,227</b>
Deferred	<b>1,387</b>	<b>(2,613)</b>
	<b>(20,877)</b>	<b>21,614</b>

The effective tax rate of 25% for the current period ended 31 December 2012 is the same with the Malaysian income tax rate.

**21 Realised and Unrealised Profit/(Loss)**

	As at 31.03.2013 RM'000 (unaudited)	As at 31.12.2011 RM'000 (unaudited)
Realised	498,356	376,614
Unrealised	662	(19,403)
	<u>499,018</u>	<u>357,211</u>
Consolidation adjustments	(100,476)	(22,703)
<b>Total Group retained earnings as per consolidated accounts</b>	<u><b>398,542</b></u>	<u><b>336,585</b></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 31 March 2013 are as follows:

	Notional amount RM'000	Fair value	
		Assets RM'000 (unaudited)	Liabilities RM'000 (unaudited)
<u>Type of derivatives:</u>			
Sugar commodity futures contracts	<u>53,011</u>	<u>1,617</u>	-
	<u>53,011</u>	<u>1,617</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 2012. 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 31 March 2013, the total secured and unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.03.2013 RM'000 (unaudited)	As at 31.03.2012 RM'000 (unaudited)
<b>Borrowings</b>		
<b>Current</b>		
Unsecured:		
Bankers' acceptances and revolving credits	<u>290,900</u>	<u>192,400</u>
	<u>290,900</u>	<u>192,400</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 Audited Financial Statements for the year ended 31 December 2012, the Group was not a party to any material obligation or arbitration, either as plaintiff or defendant.

**On behalf of the Board**

**Dato' Sabri Ahmad**  
Director

**Tan Sri Mohd Isa Dato' Abdul Samad**  
Director

**Kuala Lumpur**  
**13 May 2013**