

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

**UNAUDITED CONDENSED INCOME STATEMENTS FOR
THE PERIOD ENDED 30 SEPTEMBER 2013**

	Q3		Cumulative Quarter	
	Current Year Quarter 30.09.13 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.09.12 RM'000 (unaudited)	Current Year To Date 30.09.13 RM'000 (unaudited)	Preceding Year To Date 30.09.12 RM'000 (unaudited)
Revenue	545,588	610,977	1,665,151	1,688,840
Cost of sales	(415,848)	(522,856)	(1,305,454)	(1,405,661)
Gross profit	129,740	88,121	359,697	283,179
Other operating income	428	2,443	6,815	5,303
Selling and distribution cost	(15,868)	(13,897)	(43,101)	(39,022)
Administrative expenses	(9,644)	(9,198)	(29,435)	(28,883)
Other gain / (losses) -net	(6,174)	(5,456)	12,151	(1,478)
Other operating exp	(3,100)	(2,334)	(9,872)	(4,574)
Profit from operations	95,382	59,679	296,255	214,525
Finance costs	(1,803)	(2,483)	(4,038)	(5,938)
Finance income	3,761	2,443	11,177	7,534
Profit before taxation	97,340	59,639	303,394	216,121
Zakat	-	(969)	-	(969)
Taxation	(23,136)	(15,708)	(74,653)	(52,992)
Profit for the period	74,204	42,962	228,741	162,160

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR
NINE (9) MONTHS ENDED 30 SEPTEMBER 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.13 RM'000	Preceding Year Corresponding Quarter 30.09.12 RM'000	Current Year To Date 30.09.13 RM'000	Preceding Year To Date 30.09.12 RM'000
Profit for the period and total comprehensive income	74,204	42,962	228,741	162,160
Attributable to:				
Shareholders of the Company	74,204	42,962	228,741	162,160
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	74,204	42,962	228,741	162,160
Basic earnings per share attributable to equity holders of the Company (sen) (1)	10.56	6.11	32.54	23.07

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.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30.09.13 RM'000 (unaudited)	As at 31.12.12 RM'000 (audited)
Assets		
Property, plant and equipment	422,892	398,526
Intangible asset	73,935	76,355
Goodwill	576,240	576,240
Prepaid lease payment	664	716
Biological Asset	19,512	11,711
Prepayment	-	8,198
Total non-current assets	<u>1,093,243</u>	<u>1,071,746</u>
Inventories	384,681	442,268
Trade receivables	173,378	193,153
Other receivables, deposits and prepayments	43,635	29,109
Tax recoverable	2,339	6,773
Derivative financial assets	2,726	561
Amount due from related companies	275	2,885
Cash and cash equivalents	510,905	594,555
Total current assets	<u>1,117,939</u>	<u>1,269,304</u>
Non-current assets held for sale	<u>383</u>	<u>1,941</u>
Total assets	<u><u>2,211,565</u></u>	<u><u>2,342,991</u></u>
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	487,997	336,584
Total equity attributable to equity holders of the Company	<u>1,900,559</u>	<u>1,749,146</u>
Liabilities		
Deferred tax liabilities	<u>78,383</u>	<u>81,773</u>
Total non-current liabilities	<u>78,383</u>	<u>81,773</u>
Current liabilities		
Payables and accruals	62,090	43,456
Amount due to related companies	-	1,316
Amount due to FGVH	1,903	1,060
Amount due to FELDA	90	-
Borrowings	144,000	461,000
Current tax liabilities	24,540	5,240
Total current liabilities	<u>232,623</u>	<u>512,072</u>
Total liabilities	<u>311,006</u>	<u>593,845</u>
Total equity and liabilities	<u><u>2,211,565</u></u>	<u><u>2,342,991</u></u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.70</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.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR NINE (9) MONTHS ENDED 30 SEPTEMBER 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
At 1 January 2013	351,490	366,765	1,733,939	(1,039,632)	336,584	1,749,146
Profit for the period ended 30 September 2013	-	-	-	-	228,741	228,741
Dividend Paid During The Year	-	-	-	-	(77,328)	(77,328)
At 30 September 2013	351,490	366,765	1,733,939	(1,039,632)	487,997	1,900,559

	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
At 1 January 2012	351,490	366,765	1,733,939	(1,039,632)	268,122	1,680,684
Final Dividend	-	-	-	-	(77,328)	(77,328)
Total comprehensive income for the period ended 30 September 2012	-	-	-	-	162,162	162,162
At 30 September 2012	351,490	366,765	1,733,939	(1,039,632)	352,956	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 2012 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	Current Year To Date 30.09.13 RM'000 (unaudited)	Preceding Year To Date 30.09.12 RM'000 (unaudited)
Cash Flows From Operating Activities		
Profit for the period	228,741	119,200
Adjustment for Non-Cash Flow Items	88,002	54,136
Operating Profit Before Changes in Working Capital	<u>316,743</u>	<u>173,336</u>
Changes in Working Capital		
Net changes in working capital	109,638	(126,579)
Retirement benefit paid	-	(143)
Tax paid	(54,309)	(50,703)
Net Cash Generated From / (Used In) Operating Activities	<u>372,072</u>	<u>(4,089)</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(52,751)	(20,451)
(Increase) in biological assets	(7,800)	-
Proceeds from disposal of property, plant and equipment	643	316
Interest received	2,742	7,109
Net Cash Used In Investing Activities	<u>(57,166)</u>	<u>(13,026)</u>
Cash Flows From Financing Activities		
Drawdown of borrowings	334,000	322,700
Repayment of borrowings	(651,000)	(290,000)
Interest paid	(4,228)	(3,455)
Dividend paid	(77,328)	-
Net Cash (Used In) / Generated From Financing Activities	<u>(398,556)</u>	<u>29,245</u>
Net (Decrease) / Increase In Cash And Cash Equivalents	<u>(83,650)</u>	<u>12,130</u>
Cash And Cash Equivalents At Beginning Of The Period	<u>594,555</u>	<u>527,969</u>
Cash And Cash Equivalents At End Of The Period	<u>510,905</u>	<u>540,099</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	463,585	495,920
Cash and bank balances	47,320	44,179
	<u>510,905</u>	<u>540,099</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

FRS 10	<i>Consolidated Financial Statements</i>
FRS 12	<i>Disclosure of Interests in Other Entities</i>
FRS 13	<i>Fair Value Measurement</i>
FRS 127	<i>Separate Financial Statements</i>
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 101, FRS 116, FRS 132 and FRS 134	<i>Improvement to FRSs (2012)</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 third quarter ended 30 September 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

The directors has agreed to declare an interim dividend payment of 10 cents per share on 702,980,000 ordinary shares for the quarter ended 30 September 2013 to be paid on 27 December 2013.

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.

Cumulative quarter ended 30 September 2013	Sugar	All other segments	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	1,704,103	-	(38,952)	1,665,151
Revenue from external customers	1,704,103	-	(38,952)	1,665,151
Finance income	2,327	-	8,850	11,177
Finance cost	(4,038)	-	-	(4,038)
Depreciation and amortisation	21,816	-	2,431	24,247
Profit before taxation	310,689	(3,453)	(3,842)	303,394
Taxation	(76,070)	-	1,417	(74,653)
Profit after taxation for the financial period				228,741

Total assets as at 30 September

	Sugar	All other segments	Unallocated assets	Total
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	232,053	95,860	94,979	422,892
Intangible asset	-	-	73,935	73,935
Goodwill	-	-	576,240	576,240
Prepaid lease payment	730	-	(66)	664
Biological asset	-	19,512	-	19,512
Prepayment	8,198	-	-	8,198
Current assets				
Inventories	383,927	754	-	384,681
Trade receivables	173,378	-	-	173,378
Other receivables, deposits and prepayment	35,316	113	8	35,437
Tax recoverable	1,422	-	917	2,339
Derivative financial assets	2,726	-	-	2,726
Amount due from FELDA	275	-	-	275
Cash and cash equivalents	106,078	479	404,348	510,905
Non-current assets held for sale	351	32	-	383
Total assets per the statement of financial position	944,454	116,750	1,150,361	2,211,565

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 30 September 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 30 September 2013.

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

	As at 30.09.13 (unaudited) RM'000	As at 30.09.12 (unaudited) RM'000
Property, plant and equipment:		
- Contracted but not provided for	48,901	28,880
- Approved but not contracted for	52,990	61,829
	<u>101,891</u>	<u>90,709</u>
	As at 30.09.13 (unaudited) RM'000	As at 30.09.12 (unaudited) RM'000
Biological Assets:		
- Contracted but not provided for	1,365	135
- Approved but not contracted for	31,754	34,576
	<u>33,119</u>	<u>34,711</u>

14 Material Related Party Transactions

(a) Related party transactions are as follows:

	For period ended 30.09.13 (unaudited) RM'000	For period ended 30.09.12 (unaudited) RM'000
(i) Transactions with ultimate holding company		
Management fees	(3,122)	(1,624)
(ii) Transactions with a related company		
Sales of refined sugar	8,414	15,237
	<u>5,292</u>	<u>13,613</u>
(iii) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy received	74,827	178,566
(iv) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers acceptances	1,285	2,391
Interest income from fixed deposits and cash balances	2,329	11,353

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

	As at	
	30.09.13 (unaudited) RM'000	30.09.12 (unaudited) RM'000
(i) Balances with ultimate holding company		
Amount due to:		
Management fees	2,022	51
(ii) Balances with related companies		
Amount due to:		
Felda Security Services Sdn Bhd	9	8
Felda Prodata System Sdn Bhd	76	50
Felda Holdings Bhd	64	0
	<u>2,171</u>	<u>109</u>
(iii) Balances with a related company		
Amount due from:		
Felda Trading Sdn Bhd	1,724	1,477
	<u>1,724</u>	<u>1,477</u>

14 Material Related Party Transactions (continued)

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

	As at	
	30.09.13	30.09.12
	(unaudited)	(unaudited)
	RM'000	RM'000
(iv) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy receivable	58,885	50,861
(v) Balances between subsidiaries and government-related financial institutions		
Bankers acceptances	71,000	136,000
Fixed deposits and cash balances	72,450	191,914

15 Review Of Performance for Third Quarter

For the current quarter ended 30 September 2013, the Group recorded 10.7% lower revenue from RM611 million for Q3 2012 to RM546 million for Q3 2013. This 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 RM97 million as compared to RM60 million for the same period in 2012 mainly due to lower cost of 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 quarter and last quarter is as follows:

	2013 Quarter 3 RM'000 (unaudited)	2013 Quarter 2 RM'000 (Unaudited)	Variance RM'000	%
Revenue	545,588	604,608	(59,020)	(9.8)
Profit before tax	97,340	123,218	(25,878)	(21.0)

The revenue for Quarter 3 is lower by 9.8% as compared to the preceding quarter due to decrease in domestic and export sales. Profit before tax was lower as compared to preceding quarter mainly due to higher cost of sales.

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	52	53
Depreciation of property plant and equipment	21,781	22,123
Property, plant and equipment written off	85	172
(Gain)/Loss on disposal of property, plant and equipment	(557)	(471)
Net foreign exchange gain	(12,813)	(1,478)

20 Taxation

	Cumulative Quarter Current Year RM'000 (unaudited)	Preceding Year RM'000 (unaudited)
Current	78,044	64,250
Deferred	(3,391)	(11,258)
	74,653	52,992

The effective tax rate of 25% for the current period ended 30 September 2013 is the same with the Malaysian income tax rate.

21 Realised and Unrealised Profit/(Loss)

	As at 30.09.2013 RM'000 (unaudited)	As at 30.9.2012 RM'000 (unaudited)
Realised	592,402	434,639
Unrealised	877	13,980
	<hr/> 593,279	<hr/> 448,619
Consolidation adjustments	(105,282)	(95,663)
Total Group retained earnings as per consolidated accounts	<hr/> 487,997 <hr/>	<hr/> 352,956 <hr/>

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 2013 are as follows:

Type of derivatives	Notional amount RM'000	Fair value	
		Assets RM'000 (unaudited)	Liabilities RM'000 (unaudited)
Foreign currency exchange forward contracts	30,629	2,444	-
Sugar commodity futures contracts	6,617	250	-
	<hr/> 37,246 <hr/>	<hr/> 2,694 <hr/>	<hr/> - <hr/>

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 30 September 2013, the total unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 30.09.2013 RM'000 (unaudited)	As at 30.09.2012 RM'000 (unaudited)
Borrowings		
Current		
Unsecured:		
Bankers' acceptances and revolving credits	<hr/> 144,000 <hr/>	<hr/> 301,000 <hr/>

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 is not a party to any material obligation or arbitration, either as plaintiff or defendant.

On behalf of the Board

Mohd Emir Mavani Abdullah
Director

Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Director

Kuala Lumpur
14 November 2013