

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

**UNAUDITED CONDENSED INCOME STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2013**

	Q4		Cumulative Quarter	
	Current Year Quarter 31.12.13 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.12 RM'000 (unaudited)	Current Year To Date 31.12.13 RM'000 (unaudited)	Preceding Year To Date 31.12.12 RM'000 (audited)
Revenue	537,329	612,478	2,202,480	2,301,319
Cost of sales	(453,073)	(521,472)	(1,758,527)	(1,927,133)
Gross profit	84,256	91,006	443,953	374,186
Other operating income	110	(1,787)	6,925	3,498
Selling and distribution cost	(14,785)	(14,587)	(57,886)	(53,608)
Administrative expenses	(13,303)	(16,474)	(42,738)	(43,529)
Other gain/(losses) -net	(6,305)	2,067	5,846	589
Other operating expenses	2,555	6,084	(7,317)	(299)
Profit from operations	52,528	66,309	348,783	280,837
Finance costs	(857)	(5,110)	(4,895)	(11,049)
Finance income	3,840	7,837	15,017	15,371
Profit before taxation	55,511	69,036	358,905	285,159
Zakat	(17,481)	(15,611)	(17,481)	(16,580)
Taxation	(12,094)	(13,559)	(86,747)	(66,551)
Profit for the period	25,936	39,866	254,677	202,028

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.13 RM'000	Preceding Year Corresponding Quarter 31.12.12 RM'000	Current Year To Date 31.12.13 RM'000	Preceding Year To Date 31.12.12 RM'000
Profit for the period and total comprehensive income	25,936	39,866	254,677	202,028
Attributable to:				
Shareholders of the Company	25,936	39,866	254,677	202,028
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	25,936	39,866	254,677	202,028
Basic earnings per share attributable to equity holders of the Company (sen)	3.69	5.67	36.23	28.74

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 31.12.13 RM'000 (unaudited)	As at 31.12.12 RM'000 (audited)
ASSETS		
Non-Current assets		
Property, plant and equipment	437,298	398,526
Intangible asset	73,128	76,355
Goodwill	576,240	576,240
Prepaid lease payment	10,759	716
Biological Asset	23,364	11,711
Prepayment	7,425	8,198
Total non-current assets	1,128,214	1,071,746
Current assets		
Inventories	570,862	442,268
Trade receivables	168,715	193,153
Other receivables, deposits and prepayments	27,857	29,109
Tax recoverable	5,758	6,773
Derivative financial assets	-	561
Amount due from related companies	2,536	2,885
Cash and cash equivalents	267,153	594,555
Total current assets	1,042,881	1,269,304
Non-current assets held for sale	36	1,941
TOTAL ASSETS	2,171,131	2,342,991
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	443,635	336,584
Total equity attributable to equity holders of the Company	1,856,197	1,749,146
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	79,694	81,773
Total non-current liabilities	79,694	81,773
Current liabilities		
Payables and accruals	194,804	43,456
Amount due to related companies	2,770	1,316
Amount due to holding company	3,764	1,060
Borrowings	29,000	461,000
Current tax liabilities	4,902	5,240
Total current liabilities	235,240	512,072
Total liabilities	314,934	593,845
TOTAL EQUITY AND LIABILITIES	2,171,131	2,342,991
Net assets per share attributable to equity holders of the Company (RM)	2.64	2.49

The Unaudited Condensed Statement 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 THE YEAR ENDED 31 DECEMBER 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
Total comprehensive income	-	-	-	-	254,677	254,677
Dividends Paid	-	-	-	-	(147,626)	(147,626)
At 31 December 2013	351,490	366,765	1,733,939	(1,039,632)	443,635	1,856,197

	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
Total comprehensive income	-	-	-	-	202,028	202,028
Dividends Paid	-	-	-	-	(133,566)	(133,566)
At 31 December 2012	351,490	366,765	1,733,939	(1,039,632)	336,584	1,749,146

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Group's 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 CASH FLOWS

	Current Year To Date 31.12.13 RM'000 (unaudited)	Preceding Year To Date 31.12.12 RM'000 (audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	254,677	202,028
Adjustment for non-cash flow items	126,070	131,887
Operating profit before changes in working capital	<u>380,747</u>	<u>333,915</u>
Net changes in working capital	54,159	(161,922)
Retirement benefit paid	-	(290)
Zakat paid	(17,481)	(16,580)
Tax paid	(88,149)	(88,777)
Net Cash Generated From Operating Activities	<u>329,276</u>	<u>66,346</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition of) property, plant and equipment	(83,543)	(34,813)
(Acquisition of) biological assets	(11,653)	(11,800)
Proceeds from disposal of property, plant and equipment	756	3,397
Proceeds from disposal of assets held for sale	6,511	-
Increase in deposit pledged	-	53
Interest received	15,012	15,371
Net Cash Used In Investing Activities	<u>(72,917)</u>	<u>(27,792)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	476,000	1,035,400
Repayment of borrowings	(908,000)	(862,700)
Interest paid	(4,135)	(11,049)
Dividends paid	(147,626)	(133,566)
Net Cash Used In From Financing Activities	<u>(583,761)</u>	<u>28,085</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(327,402)	66,639
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	594,555	527,916
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>267,153</u>	<u>594,555</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	242,432	560,282
Cash and bank balances	24,721	34,273
	<u>267,153</u>	<u>594,555</u>

The Unaudited Condensed Statement 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 119, FRS 132 and FRS 134	<i>Improvement to FRSs (2012)</i>
Amendments to FRS 136	<i>Recoverable Amount Disclosures For Non-Financial Assets</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 except during festive seasons such as Raya and Chinese New Year celebration.

4 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity and net income for the year ended 31 December 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 resolved to declare a final dividend payment of 14 cents per share on 702,980,000 ordinary shares amounting to RM98.4 million for the year ended 31 December 2013 to be paid on 11 July 2014 subject to approval of shareholders at the forthcoming Annual General Meeting.

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.

For the year ended 31 December 2013	Sugar	All other segments	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	2,249,689	-	(47,209)	2,202,480
Revenue from external customers	2,249,689	-	(47,209)	2,202,480
Finance income	3,288	-	11,729	15,017
Finance cost	(4,895)	-	-	(4,895)
Depreciation and amortisation	29,502	-	12,835	42,337
Profit before taxation	369,314	(5,544)	(4,865)	358,905
Taxation	(89,626)	-	2,879	(86,747)
Zakat	(10,072)	-	(7,409)	(17,481)
Profit after taxation for the financial year				254,677
Total Assets as at 31 December 2013				
	Sugar	All other segments	Unallocated assets	Total
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	250,576	95,040	91,682	437,298
Intangible asset	-	-	73,128	73,128
Goodwill	-	-	576,240	576,240
Prepaid lease payment	10,825	-	(66)	10,759
Biological asset	-	23,364	-	23,364
Prepayment	7,425	-	-	7,425
Current assets				
Inventories	570,264	598	-	570,862
Trade receivables	168,715	-	-	168,715
Other receivables, deposits and prepayment	27,737	112	8	27,857
Tax recoverable	4,181	-	1,577	5,758
Derivative financial assets	-	-	-	-
Amount due from related company	2,536	-	-	2,536
Cash and cash equivalents	39,994	667	226,492	267,153
Non-current assets held for sale	-	36	-	36
Total Assets per the statement of financial position	1,082,252	119,817	969,061	2,171,131

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 year ended 31 December 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 December 2013.

13 Capital Commitments Outstanding not Provided for in the Unaudited Condensed Interim Financial Information

	As at 31.12.13 (unaudited) RM'000	As at 31.12.12 (audited) RM'000
Property, plant and equipment:		
- Contracted but not provided for	49,545	58,182
- Approved but not contracted for	64,771	115,076
	<u>114,316</u>	<u>173,258</u>
	As at 31.12.13 (unaudited) RM'000	As at 31.12.12 (audited) RM'000
Biological Assets:		
- Contracted but not provided for	1,371	-
- Approved but not contracted for	27,895	30,343
	<u>29,266</u>	<u>30,343</u>

14 Material Related Party Transactions

(a) Related party transactions are as follows:

	For year ended 31.12.13 (unaudited) RM'000	For year ended 31.12.12 (audited) RM'000
(i) Transactions with ultimate holding company		
Management fees	(4,887)	(2,885)
(ii) Transactions with a related company		
Sales of refined sugar	11,037	18,719
Security Services (Felda Security Services Sdn Bhd)	(112)	(96)
Information technology services (Felda Prodata System Sdn Bhd)	(289)	(294)
Engineering services (Felda Engineering Services Sdn Bhd)	(1,334)	(917)
Travel agent services (Felda Travel Sdn Bhd)	(53)	(48)
Management fees (Felda Holdings Bhd)	(138)	(251)
Insurance services (Felda Trading Sdn Bhd)	(88)	(217)
Rental (Felda Global Ventures Plantation (M) Sdn Bhd)	(13)	(79)
Provision of plantation material (Felda Global Ventures Plantation (M) Sdn Bhd)	(100)	(84)
Rental (Felda Global Ventures Perlis Sdn Bhd)	-	(119)
Transportation services (Felda Transport Sdn Bhd)	(5)	-
Refreshment services (Felda D'Saji Sdn Bhd)	(15)	-
Provision of plantation material (Felda Agricultural Services Sdn Bhd)	(11)	(12)
Fertilizer (FPM Sdn Bhd)	(253)	-
	<u>3,738</u>	<u>13,718</u>

14 Material Related Party Transactions (continued)

(a) Related party transactions are as follows: (continued)

	For year ended 31.12.13 (unaudited) RM'000	For year ended 31.12.12 (audited) RM'000
(iii) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy	146,203	274,476
(iv) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers acceptances	(2,033)	(3,816)
Interest income from fixed deposits and cash balances	2,896	3,945

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

	As at 31.12.13 (unaudited) RM'000	31.12.12 (audited) RM'000
(i) Balances with ultimate holding company		
Amount due to:		
Management fees	3,764	1,060
(ii) Balances with related companies		
Amount due to:		
Felda Security Services Sdn Bhd	9	8
Felda Prodata System Sdn Bhd	46	60
Felda Engineering Services Sdn Bhd	1,325	917
Felda Travel Sdn Bhd	20	2
Felda Global Ventures Perlis Sdn Bhd	-	5
Felda Holdings Bhd	14	245
Felda Trading Sdn Bhd	2	-
Felda Global Ventures Plantation (M) Sdn Bhd	13	-
Felda D'Saji Sdn Bhd	1	-
FPM Sdn Bhd	146	-
(iii) Balances with significant shareholder of FGVH		
Amount due to:		
FELDA	1,194	79
	6,534	2,376
(iv) Balances with a related company		
Amount due from:		
Felda Trading Sdn Bhd	2,372	2,885
Felda Holdings Bhd	163	-
(v) Balances with significant shareholder of FGVH		
Amount due from:		
FELDA	1	-
	2,536	2,885

14 Material Related Party Transactions (continued)

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

	As at	
	31.12.13	31.12.12
	(unaudited)	(audited)
	RM'000	RM'000
(vi) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy receivable	14,891	29,678
(vii) Balances between subsidiaries and government-related financial institutions		
Bankers acceptances	29,000	133,000
Fixed deposits and cash balances	23,510	176,187

15 Review of Performance for Fourth Quarter

For the current quarter ended 31 December 2013, the Group recorded 12.3% lower revenue from RM 612 million for Q4 2012 to RM 537 million for Q4 2013. This is due to lower domestic as well as export sales.

The profit before tax for the current quarter is RM 56 million as compared to RM 69 million for the same period in 2012 mainly due to lower revenue despite a decrease in 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 4 RM'000 (unaudited)	2013 Quarter 3 RM'000 (Unaudited)	Variance RM'000	%
Revenue	537,329	545,588	(8,259)	(1.5)
Profit before tax	<u>55,511</u>	<u>97,340</u>	<u>(41,829)</u>	<u>(43.0)</u>

The revenue for Quarter 4 is lower by 1.5% as compared to the preceding quarter due to lower domestic sales. Profit before tax is lower as compared to preceding quarter mainly due to lower revenue and higher average 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 (audited)
Amortisation of intangible asset	3,226	3,226
Amortisation of prepaid lease payment	151	70
Depreciation of property plant and equipment	38,960	39,649
Property, plant and equipment written off	76	298
(Gain)/Loss on disposal of property, plant and equipment	(550)	(1,197)
Net foreign exchange loss/(gain)	<u>(12,354)</u>	<u>*</u>

20 Taxation

	Cumulative Quarter Current Year RM'000 (unaudited)	Preceding Year RM'000 (audited)
Current	(88,827)	(77,697)
Deferred	2,080	11,146
	<u>(86,747)</u>	<u>(66,551)</u>

The effective tax rate of 25% for the current year ended 31 December 2013 is consistent with the Malaysian income tax rate.

21 Realised and Unrealised Profit/(Loss)

	As at 31.12.2013 RM'000 (unaudited)	As at 31.12.2012 RM'000 (audited)
Realised	570,897	426,409
Unrealised	309	8,248
	<u>571,206</u>	<u>434,657</u>
Consolidation adjustments	(127,571)	(98,073)
Total Group retained earnings as per consolidated accounts	<u>443,635</u>	<u>336,584</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 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.

23 Unquoted Investments and/or Properties

There were no purchases or disposals of unquoted investments or properties 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

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

26 Group Borrowings

As at 31 December 2013, the total unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.12.2013 RM'000 (unaudited)	As at 31.12.2012 RM'000 (audited)
Borrowings		
Current		
Unsecured:		
Bankers' acceptances and revolving credits	29,000	461,000

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 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
19 February 2014