

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2014**

	Q4		Cumulative Quarter	
	Individual Quarter	Q4	Current	Preceding
	Current	Preceding Year	Current	Preceding
	Year	Corresponding	Year	Year
	Quarter	Quarter	To Date	To Date
	31.12.14	31.12.13	31.12.14	31.12.13
	RM'000	RM'000	RM'000	RM'000
	(audited)	(audited)	(audited)	(audited)
Revenue	628,071	537,329	2,281,493	2,202,480
Cost of sales	(483,566)	(453,073)	(1,814,139)	(1,765,592)
Gross profit	144,505	84,256	467,354	436,888
Other operating income	10,436	110	12,165	11,270
Selling and distribution cost	(32,547)	(14,785)	(81,398)	(57,886)
Administrative expenses	(21,024)	(13,303)	(53,122)	(42,738)
Other losses -net	(3,144)	(6,305)	(4,345)	1,501
Other operating expenses	5,598	2,555	(5,527)	(252)
Profit from operations	103,824	52,528	335,127	348,783
Finance costs	(2,679)	(857)	(3,719)	(4,895)
Finance income	3,654	3,840	12,891	15,017
Profit before taxation	104,799	55,511	344,299	358,905
Zakat	(4,500)	(17,481)	(4,500)	(17,481)
Taxation	(25,335)	(12,094)	(82,786)	(86,747)
Profit for the period	74,964	25,936	257,013	254,677

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding
	Year	Corresponding	Year	Year
	Quarter	Quarter	To Date	To Date
	31.12.14	31.12.13	31.12.14	31.12.13
	RM'000	RM'000	RM'000	RM'000
Profit for the period and total comprehensive income	74,964	25,936	257,013	254,677
Attributable to:				
Shareholders of the Company	74,964	25,936	257,013	254,677
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	74,964	25,936	257,013	254,677
Basic earnings per share attributable to equity holders of the Company (sen)	Note 22	10.66	3.69	36.56
			36.23	

The Unaudited Condensed Consolidated Income Statements and Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2013 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31.12.14 RM'000 (audited)	As at 31.12.13 RM'000 (audited)
ASSETS		
Non-Current assets		
Property, plant and equipment	473,976	445,158
Intangible asset	73,316	75,462
Goodwill	576,240	576,240
Prepaid lease payment	775	565
Biological assets	33,590	23,364
Receivables	6,651	7,425
Total non-current assets	1,164,548	1,128,214
Current assets		
Inventories	674,270	570,862
Trade receivables	191,018	168,715
Other receivables, deposits and prepayments	11,422	27,856
Tax recoverable	3,014	5,758
Derivative financial assets	38	-
Amount due from other related companies	3,876	2,536
Cash and cash equivalents	469,999	267,154
Total current assets	1,353,637	1,042,881
Non-current assets held for sale	18	36
TOTAL ASSETS	2,518,203	2,171,131
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	531,933	443,635
Total equity attributable to equity holders of the Company	1,944,495	1,856,197
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	76,699	79,694
Total non-current liabilities	76,699	79,694
Current liabilities		
Payables and accruals	231,216	194,804
Amount due to other related companies	2,336	2,770
Amount due to ultimate holding company	8,918	3,764
Borrowings	248,390	29,000
Current tax liabilities	6,149	4,902
Total current liabilities	497,009	235,240
Total liabilities	573,708	314,934
TOTAL EQUITY AND LIABILITIES	2,518,203	2,171,131
Net assets per share attributable to equity holders of the Company (RM) (1)	2.77	2.64

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

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

MSM MALAYSIA HOLDINGS BERHAD
AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital RM'000	Share premium RM'000	Merger Relief reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000
At 1 January 2014	351,490	366,765	1,733,939	(1,039,632)	443,635	1,856,197
Total comprehensive income	-	-	-	-	257,013	257,013
Dividends paid	-	-	-	-	(168,715)	(168,715)
At 31 December 2014	351,490	366,765	1,733,939	(1,039,632)	531,933	1,944,495

	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)
As at 31 December 2013	351,490	366,765	1,733,939	(1,039,632)	443,634	1,856,196

The Audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the Audited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year	Preceding Year
	To Date	To Date
	31.12.14	31.12.13
	RM'000	RM'000
	(audited)	(audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	257,013	254,677
Adjustment for non-cash flow items	125,011	126,952
Operating profit before changes in working capital	<u>382,024</u>	<u>381,629</u>
Net changes in working capital	(55,760)	53,597
Tax paid	(81,790)	(88,149)
Zakat paid	(4,500)	(17,481)
Net Cash Generated from Operating Activities	<u>239,974</u>	<u>329,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(70,889)	(81,065)
Acquisition of intangible assets	(1,083)	(2,333)
Addition of biological assets	(10,227)	(11,654)
Acquisition of prepaid lease payments	(201)	-
Proceeds from disposal of property, plant and equipment	180	756
Proceeds from disposal of assets held for sale	75	6,511
Interest received	2,286	15,012
Net Cash Used in Investing Activities	<u>(79,859)</u>	<u>(72,773)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	1,081,690	476,000
Repayment of borrowings	(862,300)	(908,000)
Interest paid	(7,945)	(4,598)
Dividends paid	(168,715)	(147,626)
Net Cash Generated from/(Used in) Financing Activities	<u>42,730</u>	<u>(584,224)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	202,845	(327,401)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	267,154	594,555
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>469,999</u>	<u>267,154</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	424,043	242,433
Cash and bank balances	45,956	24,721
	<u>469,999</u>	<u>267,154</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The 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 Consolidated Financial Information should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2013. These explanatory notes attached to the Unaudited Condensed Consolidated 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 2013.

1 Basis of Preparation

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Financial Information are consistent with those of the Group's Audited Financial Statements for the financial year ended 31 December 2013, together with the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2014 as discussed below.

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to FRS 10, FRS 12 and FRS 127	<i>Investment Entities</i>
IC Interpretation 21	<i>Levies</i>
Amendments to FRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</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 2013 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 celebrations.

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

Final dividend for the year 31 December 2013 and interim dividend for the year ended 31 December 2014 were as follows:

	Dividend per share	Amount of dividend
	Sen	RM'000
Final tax exempt dividend for the year ended 31 December 2013 paid on 11 July 2014	14	98,417
Interim tax exempt dividend for the year ended 31 December 2014 paid on 19 September 2014	10	70,298

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 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) Rubber and palm oil - palm oil and rubber plantation

Reconciliation represents income and expenses related to the corporate, which is the investment holding entity. Included in reconciliation are elimination of intercompany loans and interest charged.

The Chief Executive Officer of the Group, which is the chief operating decision maker, reviews the internal management reports on a basis that is consistent with the presentation as per the statement of comprehensive income.

The segment information provided to the Chief Executive Officer for the reportable segments for the financial period as follows:

Cumulative quarter ended 31 December 2014

	Sugar	Rubber and palm oil	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	2,281,493	-	-	2,281,493
Revenue from external customers	2,281,493	-	-	2,281,493
Finance income	(1,820)	-	14,711	12,891
Finance cost	(3,716)	(3)	-	(3,719)
Depreciation and amortisation	43,874	3,121	149	47,144
Profit before taxation	177,033	(6,387)	173,653	344,299
Taxation	(81,780)	-	(1,006)	(82,786)
Zakat	(4,350)	-	(150)	(4,500)
Profit after taxation for the financial year				257,013

Total assets as at 31 December 2014

	Sugar	Rubber and palm oil	Unallocated assets	Total
	RM'000	RM'000	RM'000	RM'000
Total assets	1,447,789	117,075	953,339	2,518,203
Total liabilities	678,322	63,386	(168,000)	573,708
Additions to biological assets	-	10,227	-	10,227
Additions to property, plant and equipment	71,547	300	1,452	73,299
Additions to intangible assets	1,080	-	-	1,080

9 Valuation of Property, Plant and Equipment

There were no valuations of 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 period ended 31 December 2014.

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 2014.

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

	As at 31.12.14 (audited) RM'000	As at 31.12.13 (audited) RM'000
Property, plant and equipment:		
- Contracted but not provided for	33,575	49,542
- Approved but not contracted for	224,898	64,771
	<u>258,473</u>	<u>114,313</u>

Intangible assets:

- Contracted but not provided for

	As at 31.12.14 (audited) RM'000	As at 31.12.13 (audited) RM'000
	-	1,367

Biological assets:

- Contracted but not provided for

- Approved but not contracted for

	As at 31.12.14 (audited) RM'000	As at 31.12.13 (audited) RM'000
	98	1,371
	16,104	27,895
	<u>16,202</u>	<u>29,266</u>

14 Material Related Party Transactions

(a) Related party transactions are as follows:

	For the year ended 31.12.14 (audited) RM'000	For the year ended 31.12.13 (audited) RM'000
(i) Transactions with ultimate holding company		
Management fees	(4,294)	(4,887)
(ii) Transactions with related companies		
Sales of refined sugar (Felda Trading Sdn Bhd)	19,275	11,037
Security services (Felda Security Services Sdn Bhd)	94	112
Information technology services (Felda Prodata System Sdn Bhd)	255	289
Engineering services (Felda Engineering Services Sdn Bhd)	378	1,334
Travel agent services (Felda Travel Sdn Bhd)	202	53
Management fees (Felda Holdings Bhd)	171	138
Insurance services (Felda Trading Sdn Bhd)	498	88
Rental (Felda Global Ventures Plantation (M) Sdn Bhd)	-	13
Plantation Material (Felda Trading Sdn Bhd)	380	48
Provision of plantation material (Felda Global Venture Plantation Malaysia Sdn Bhd)	11	100
Provision of plantation material (Felda Agricultural Services Sdn Bhd)	19	11
Refreshment services (Felda D'Saji Sdn Bhd)	106	15
Rental income (Felda Agricultural Services Sdn Bhd)	7	-
Transportation services (Felda Transport Sdn Bhd)	-	5
Rental income (FeldaGlobal Ventures R&D Sdn Bhd)	1	-
Office rental (FELDA)	651	1,194
Fertilizer (FPM Sdn Bhd)	870	253
	<u>18,624</u>	<u>9,803</u>

14 Material Related Party Transactions (continued)

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

	For the year ended 31.12.14 (audited) RM'000	For the year ended 31.12.13 (audited) RM'000
(iii) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy	-	146,203
(iv) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers acceptances	1,881	(2,033)
Interest income from fixed deposits and cash balances	1,364	2,896

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

	As at 31.12.14 (audited) RM'000	As at 31.12.13 (audited) RM'000
(i) Balances with ultimate holding company		
Amount due to:		
Management fees	8,918	3,764
(ii) Balances with related companies		
Amount due to:		
Felda Security Services Sdn Bhd	91	9
Felda Prodata System Sdn Bhd	68	46
Felda Engineering Services Sdn Bhd	-	1,326
Felda Travel Sdn Bhd	63	20
Felda Holdings Bhd	14	14
Felda Trading Sdn Bhd	-	1
Felda Global Ventures Plantation (M) Sdn Bhd	5	13
Felda D'Saji Sdn Bhd	5	1
FPM Sdn Bhd	246	146
(iii) Balances with significant shareholder of FGVH		
Amount due to:		
FELDA	1,845	1,194
	2,337	2,770
(iv) Balances with related companies		
Amount due from:		
Felda Trading Sdn Bhd	3,870	2,373
Felda Holdings Bhd	-	162
Felda Agricultural Services Sdn Bhd	3	-
(v) Balances with significant shareholder of FGVH		
Amount due from:		
FELDA	2	1
	3,875	2,536

14 Material Related Party Transactions (continued)

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

	As at 31.12.14 (audited) RM'000	As at 31.12.14 (audited) RM'000
(vi) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy receivable	-	14,891
(vii) Balances between subsidiaries and government-related financial institutions		
Bankers acceptances and term loans	15,000	29,000
Fixed deposits and cash balances	332,334	23,510

15 Review of Performance for Fourth Quarter

For the current quarter ended 31 December 2014, the Group recorded higher revenue by 16.89% from RM 537 million for Q4 2013 to RM628 million for Q4 2014 due to higher sales.

The profit before tax for the current quarter is RM105 million as compared to RM56 million for the same period in 2013 mainly due to higher industry sales, combined with lower raw sugar cost in Q4 2014.

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:

	2014 Quarter 4 RM'000 (audited)	2014 Quarter 3 RM'000 (audited)	Variance RM'000	%
Revenue	628,071	559,735	68,336	12.2
Profit before tax	104,799	64,497	40,302	62.5

The revenue and profit before tax for Q4 2014 is higher by 12.2% and 62.5% respectively as compared to Q3 2014, mainly due to higher industry sales, combined with lower raw sugar cost in Q4 2014.

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 31.12.14 RM'000 (audited)	Preceding Year 31.12.13 RM'000 (audited)
Amortisation of intangible asset	3,228	3,226
Amortisation of prepaid lease payment	73	151
Depreciation of property plant and equipment	43,843	38,885
Property, plant and equipment written off	36	89
(Gain)/Loss on disposal of property, plant and equipment	(6)	(550)
Net foreign exchange loss/(gain)	(2,551)	12,354
Commodity gain/(loss)	(1,793)	(6,508)

Except as listed above, other disclosure requirements under Bursa Malaysia Main Market Listing Requirements are not applicable during the period under review ended 31 December 2014.

20 Taxation

	Individual Quarter		Cumulative Quarter	
	Q4 Current Year Quarter RM'000 31.12.14 (unaudited)	Q4 Preceding Year Corresponding Quarter RM'000 31.12.13 (unaudited)	Current Year RM'000 31.12.14 (audited)	Preceding Year RM'000 31.12.13 (audited)
Current	29,681	10,782	85,781	88,826
Deferred	(4,346)	1,312	(2,995)	(2,079)
	25,335	12,094	82,786	86,747

The effective tax rate for the current period ended 31 December 2014 is lower than the Malaysian income tax rate of 25% due to the deferred tax effect on the changes in tax rate from 25% to 24%.

21 Realised and Unrealised Profit/(Loss)

	As at 31.12.14 RM'000 (audited)	As at 31.12.13 RM'000 (audited)
Realised	648,061	570,897
Unrealised	3,239	309
	651,300	571,206
Consolidation adjustments	(119,367)	(127,571)
Total Group retained earnings as per consolidated accounts	531,933	443,635

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 Earning Per Share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.14	Preceding Year Corresponding Quarter 31.12.13	Current Year To Date 31.12.14	Preceding Year To Date 31.12.13
Basic earning per share are computed as follows:				
Profit for the financial period attributable to owners of the Company (RM'000)	74,964	25,936	257,013	254,677
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic earnings	10.66	3.69	36.56	36.23

23 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 December 2014 are as follows:

Type of derivatives	Notional amount RM'000	Fair value	
		Assets RM'000 (audited)	Liabilities RM'000 (audited)
Foreign currency exchange forward contracts	-	-	-
Sugar commodity futures contracts	2,217	38	-
	<u>2,217</u>	<u>38</u>	<u>-</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 2013. The maturity periods of the above derivatives are less than one year.

24 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.

The Group uses the following hierarchy for determining and disclosing fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly (ie. from prices) or indirectly (ie. derived from prices).

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

25 Unquoted Investments and/or Properties

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

26 Quoted Investments

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

27 Status of Corporate Proposals

As at 8 May 2014, MSMH executed a non-binding Memorandum of Understanding (MOU) with Al-Khaleej International Ltd with the objective of collaborating with each other to establish a joint venture (JV) company.

Other than above, there was no corporate proposals entered into during the financial period under review.

28 Group Borrowings

As at 31 December 2014, the total unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.12.14 RM'000 (audited)	As at 31.12.13 RM'000 (audited)
Borrowings		
Current		
Unsecured:		
Bankers' acceptances and revolving credits	<u>248,390</u>	<u>29,000</u>

29 Off Balance Sheet Financial Instruments

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

30 Material Litigation

Since the last Audited Financial Statements for the year ended 31 December 2013, the Group is not a party to any material obligation or arbitration, either as plaintiff or defendant.

On behalf of the Board

Dato' Sheikh Awab Sheikh Abod
Director

Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Director

Kuala Lumpur
11 February 2015