

**MSM MALAYSIA HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 935722-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR  
THE PERIOD ENDED 31 MARCH 2015**

	Q1		Cumulative Quarter	
	Current Year Quarter 31.03.15 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.14 RM'000 (unaudited)	Current Year To Date 31.03.15 RM'000 (unaudited)	Preceding Year To Date 31.03.14 RM'000 (unaudited)
<b>Revenue</b>	<b>508,486</b>	<b>498,261</b>	<b>508,486</b>	<b>498,261</b>
Cost of sales	(390,070)	(412,795)	(390,070)	(412,795)
<b>Gross profit</b>	<b>118,416</b>	<b>85,466</b>	<b>118,416</b>	<b>85,466</b>
Other operating income	4,904	1,290	4,904	1,290
Selling and distribution cost	(18,005)	(13,551)	(18,005)	(13,551)
Administrative expenses	(14,411)	(11,901)	(14,411)	(11,901)
Other gains -net	4,027	12,354	4,027	12,354
Other operating expenses	(6,423)	(3,685)	(6,423)	(3,685)
<b>Profit from operations</b>	<b>88,508</b>	<b>69,973</b>	<b>88,508</b>	<b>69,973</b>
Finance costs	(838)	(1,029)	(838)	(1,029)
Finance income	2,655	3,119	2,655	3,119
<b>Profit before taxation</b>	<b>90,325</b>	<b>72,063</b>	<b>90,325</b>	<b>72,063</b>
Taxation	(19,299)	(15,731)	(19,299)	(15,731)
<b>Profit for the period</b>	<b>71,026</b>	<b>56,332</b>	<b>71,026</b>	<b>56,332</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR  
THE THREE (3) MONTHS ENDED 31 MARCH 2015**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.15 RM'000	Preceding Year Corresponding Quarter 31.03.14 RM'000	Current Year To Date 31.03.15 RM'000	Preceding Year To Date 31.03.14 RM'000
<b>Profit for the period and total comprehensive income</b>	<b>71,026</b>	<b>56,332</b>	<b>71,026</b>	<b>56,332</b>
<b>Attributable to:</b>				
Shareholders of the Company	71,026	56,332	71,026	56,332
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>71,026</b>	<b>56,332</b>	<b>71,026</b>	<b>56,332</b>
<b>Basic earnings per share attributable to equity holders of the Company (sen)</b>	<b>10.10</b>	<b>8.01</b>	<b>10.10</b>	<b>8.01</b>

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 2014 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

**MSM MALAYSIA HOLDINGS BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 31.03.15 RM'000 (unaudited)	As at 31.12.14 RM'000 (audited)
<b>Assets</b>		
Property, plant and equipment	491,611	473,975
Intangible asset	73,107	73,317
Goodwill	576,240	576,240
Prepaid lease payment	753	775
Biological asset	35,572	33,590
Receivables	7,193	6,651
<b>Total non-current assets</b>	<b>1,184,476</b>	<b>1,164,548</b>
Inventories	581,733	674,270
Trade receivables	160,988	191,018
Other receivables, deposits and prepayments	104,986	11,422
Tax recoverable	2,932	3,015
Derivative financial assets	1,095	38
Amount due from related companies	4,574	3,875
Cash and cash equivalents	319,124	469,999
<b>Total current assets</b>	<b>1,175,432</b>	<b>1,353,637</b>
Non-current assets held for sale	7	18
<b>Total assets</b>	<b>2,359,915</b>	<b>2,518,203</b>
<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	602,959	531,933
<b>Total equity attributable to equity holders of the Company</b>	<b>2,015,521</b>	<b>1,944,495</b>
<b>Liabilities</b>		
Deferred tax liabilities	75,205	76,699
<b>Total non-current liabilities</b>	<b>75,205</b>	<b>76,699</b>
<b>Current liabilities</b>		
Payables and accruals	66,494	231,216
Provisions for other liabilities and charges	1,392	-
Amount due to other related companies	550	2,336
Amount due to ultimate holding company	11,041	8,918
Borrowings	171,328	248,390
Current tax liabilities	18,384	6,149
<b>Total current liabilities</b>	<b>269,189</b>	<b>497,009</b>
<b>Total liabilities</b>	<b>344,394</b>	<b>573,708</b>
<b>Total equity and liabilities</b>	<b>2,359,915</b>	<b>2,518,203</b>
<b>Net assets per share attributable to equity holders of the Company (RM) (1)</b>	<b>2.87</b>	<b>2.77</b>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 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****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE (3) MONTHS ENDED 31 MARCH 2015**

	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 2015	351,490	366,765	1,733,939	(1,039,632)	531,933	1,944,495
Profit for the period ended 31 March 2015	-	-	-	-	71,026	71,026
At 31 March 2015	<u>351,490</u>	<u>366,765</u>	<u>1,733,939</u>	<u>(1,039,632)</u>	<u>602,959</u>	<u>2,015,521</u>

	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 2014	351,490	366,765	1,733,939	(1,039,632)	443,635	1,856,197
Profit for the period ended 31 March 2014	-	-	-	-	56,332	56,332
At 31 March 2014	<u>351,490</u>	<u>366,765</u>	<u>1,733,939</u>	<u>(1,039,632)</u>	<u>499,967</u>	<u>1,912,529</u>

**The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2014 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.**

**MSM MALAYSIA HOLDINGS BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Current Year To Date 31.03.15 RM'000 (unaudited)	Preceding Year To Date 31.03.14 RM'000 (unaudited)
<b>Cash Flows from Operating Activities</b>		
Profit for the period	71,026	56,332
Adjustment for Non-Cash Flow Items	15,054	15,798
Operating Profit Before Changes in Working Capital	<u>86,080</u>	<u>72,130</u>
Changes in Working Capital		
Net changes in working capital	(57,792)	134,653
Tax paid	(76,267)	(26,380)
<b>Net Cash Generated (Used in)/from Operating Activities</b>	<u>(47,979)</u>	<u>180,403</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(18,591)	(17,478)
Acquisition of intangible assets	(597)	-
Increase in biological assets	(1,982)	(1,975)
Proceeds from disposal of property, plant and equipment	-	76
Interest received	466	475
<b>Net Cash Used in Investing Activities</b>	<u>(20,704)</u>	<u>(18,902)</u>
<b>Cash Flows from Financing Activities</b>		
Drawdown of borrowings	42,938	171,500
Repayment of borrowings	(120,000)	(90,000)
Interest paid	(5,130)	(1,029)
<b>Net Cash Generated (Used in)/from Financing Activities</b>	<u>(82,192)</u>	<u>80,471</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<u>(150,875)</u>	<u>241,972</u>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<u>469,999</u>	<u>267,154</u>
<b>Cash and Cash Equivalents at End of the Period</b>	<u>319,124</u>	<u>509,126</u>
<b>Cash and Cash Equivalents comprise:</b>		
Deposits with licensed banks	283,191	407,856
Cash and bank balances	35,933	101,270
	<u>319,124</u>	<u>509,126</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 2014 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 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 Consolidated Financial Information should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2014. 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 2014.

**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 2014, together with the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2015 as discussed below.

**FRSs, Amendments to FRSs and Interpretations**

Amendments to FRS 2, 3, 8, 13, 116, 124 and 138

*Improvements to FRSs 2010-2012*

Amendments to FRS 1, 3, 13 and 140

*Improvements to FRSs 2011-2013*

Amendments to FRS 119

*Defined Benefit Plans: Employee Contributions*

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 2014 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.

**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 2015.

**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) Rubber and palm oil

Cumulative quarter ended 31 March 2015	Sugar	Rubber and palm oil	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	521,487	-	(13,001)	508,486
Revenue from external customers	521,487	-	(13,001)	508,486
Finance income	29	-	2,626	2,655
Finance cost	(1,563)	(1)	726	(838)
Depreciation and amortisation	(9,442)	(601)	(54)	(10,097)
Profit before taxation	90,920	1,131	(1,726)	90,325
Taxation	(22,463)	-	3,164	(19,299)
Profit after taxation for the financial period				71,026

### Total assets as at 31 March 2015

	Sugar	Rubber and palm oil	Unallocated assets	Total
	RM'000	RM'000	RM'000	RM'000
<b>Total assets</b>	1,225,846	134,019	1,000,051	2,359,916
<b>Total liabilities</b>	397,604	69,518	(122,727)	344,395
<b>Additions to biological assets</b>	-	1,982	-	1,982
<b>Additions to property, plant and equipment</b>	16,979	94	1,518	18,591
<b>Additions to intangible assets</b>	597	-	-	597

## 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 2015.

**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 2015.

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

	<b>As at 31.03.15 (unaudited) RM'000</b>	<b>As at 31.03.14 (unaudited) RM'000</b>
<b>Property, plant and equipment:</b>		
- Contracted but not provided for	28,869	30,813
- Approved but not contracted for	10,665	64,451
	<u>39,534</u>	<u>95,264</u>
	<b>As at 31.03.15 (unaudited) RM'000</b>	<b>As at 31.03.14 (unaudited) RM'000</b>
<b>Biological assets:</b>		
- Contracted but not provided for	1,333	3,238
- Approved but not contracted for	24,971	22,744
	<u>26,304</u>	<u>25,982</u>

**14 Material Related Party Transactions**

(a) Related party transactions are as follows:

	<b>For period ended 31.03.15 (unaudited) RM'000</b>	<b>For period ended 31.03.14 (unaudited) RM'000</b>
<b>(i) Transactions with ultimate holding company</b>		
Management fees	(2,091)	(1,613)
<b>(ii) Transactions with a related company</b>		
Sales of refined sugar (Felda Trading Sdn Bhd)	4,626	4,966
Security services (Felda Security Services Sdn Bhd)	(46)	-
Information technology services (Felda Prodata System Sdn Bhd)	(63)	(29)
Travel agent services (Felda Travel Sdn Bhd)	(31)	-
Management fees (Felda Holdings Bhd)	-	(53)
Insurance services (Felda Trading Sdn Bhd)	(131)	(57)
Refreshment services (Felda D'Saji Sdn Bhd)	(25)	-
Rental income (Felda Global Ventures R&D Sdn Bhd)	2	-
Office rental (FELDA)	(716)	-
Fertilizer (FPM Sdn Bhd)	(195)	(212)
	<u>1,330</u>	<u>3,002</u>
<b>(iii) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan</b>		
Sugar subsidy received	-	535

**14 Material Related Party Transactions (continued)****(iv) Transactions between subsidiaries and government-related financial institutions**

Interest expense for bankers acceptances	-	(659)
Interest income from fixed deposits and cash balances	24	422

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

	As at	
	31.03.15 (unaudited) RM'000	31.03.14 (unaudited) RM'000
<b>(i) Balances with ultimate holding company</b>		
Amount due to:		
Management fees	(11,041)	(6,429)
<b>(ii) Balances with related companies</b>		
Amount due to:		
Felda Prodata System Sdn Bhd	(43)	(35)
Felda Travel Sdn Bhd	(93)	(6)
Felda Holdings Bhd	-	(137)
Felda Engineering Services Sdn Bhd	-	(1,074)
FPM Sdn Bhd	(195)	-
<b>(iii) Balances with ultimate holding company</b>		
Amount due to:		
FELDA	(219)	(1,519)
	<u>(11,591)</u>	<u>(9,200)</u>
<b>(iii) Balances with a related company</b>		
Amount due from:		
Felda Trading Sdn Bhd	4,570	4,528
Felda Chuping	4	2
<b>(v) Balances with ultimate holding company</b>		
Amount due from:		
FELDA	-	1
	<u>4,574</u>	<u>4,531</u>

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

	As at	
	31.03.15 (unaudited) RM'000	31.03.14 (unaudited) RM'000
<b>(iv) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan</b>		
Sugar subsidy receivable	-	1,004
<b>(v) Balances between subsidiaries and government-related financial institutions</b>		
Bankers acceptances	-	55,500
Fixed deposits and cash balances	100,550	107,321

**15 Review of Performance for First Quarter**

For the current quarter ended 31 March 2015, the Group recorded a 2.1% higher revenue of RM 509 million for Q1 2015 compared to RM 498 million for Q1 2014. This is due to higher sales recorded for Industries, despite lower sales for Domestic & Export.

The profit before tax for the current quarter is RM 71 million as compared to RM 56 million for the same period in 2014 mainly due to higher revenue recorded for Industries sales and lower raw sugar cost.

**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:

	<b>2015</b> <b>Quarter 1</b> <b>RM'000</b> <b>(unaudited)</b>	<b>2014</b> <b>Quarter 4</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>Variance</b> <b>RM'000</b>	<b>%</b>
Revenue	508,486	628,071	(119,585)	(19.0)
Profit before tax	<u>90,325</u>	<u>104,799</u>	<u>(14,474)</u>	<u>(13.8)</u>

The revenue and profit before tax for Quarter 1 is lower by 19.0% and 13.8% respectively as compared to the preceding quarter due to lower Domestic, Industries and Export 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:

	<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	807	807
Amortisation of prepaid lease payment	73	50
Depreciation of property plant and equipment	9,217	10,733
Property, plant and equipment written off	23	141
Loss on disposal of property, plant and equipment	-	46
Net foreign exchange gain/(loss)	1,955	(816)
Commodity gain	<u>2,072</u>	<u>13,170</u>

**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	(20,194)	(16,060)
Deferred	895	329
	<u>(19,299)</u>	<u>(15,731)</u>

The effective tax rate for the current period ended 31 March 2015 is lower than the Malaysian income tax rate of 25% due to deferred tax effect on the changes in tax rate.

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

	<b>As at</b> <b>31.03.15</b> <b>RM'000</b> <b>(unaudited)</b>	<b>As at</b> <b>31.03.14</b> <b>RM'000</b> <b>(unaudited)</b>
Realised	741,840	628,209
Unrealised	(1,499)	873
	<u>740,341</u>	<u>629,082</u>
Consolidation adjustments	(137,382)	(129,115)
<b>Total Group retained earnings as per consolidated accounts</b>	<u><b>602,959</b></u>	<u><b>499,967</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 Earning Per Share**

	<b>Individual Quarter</b>	
	<b>Current Year Quarter 31.03.15</b>	<b>Preceding Year Corresponding Quarter 31.03.14</b>
Basic earning per share are computed as follows:		
Profit for the financial period attributable to owners of the Company (RM'000)	71,026	56,332
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980
Basic earnings per share (sen)	<u>10.10</u>	<u>8.01</u>

**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 March 2015 are as follows:

<b>Type of derivatives</b>	<b>Notional amount RM'000</b>	<b>Fair value</b>	
		<b>Assets RM'000 (unaudited)</b>	<b>Liabilities RM'000 (unaudited)</b>
Foreign currency exchange forward contracts	154,427	1,041	-
Sugar commodity futures contracts	7,410	54	-
	<u>161,837</u>	<u>1,095</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 2014. 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.

**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**

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

**28 Group Borrowings**

As at 31 March 2015, the total unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	<b>As at 31.03.2015 RM'000 (unaudited)</b>	<b>As at 31.03.2014 RM'000 (unaudited)</b>
<b>Borrowings</b>		
<b>Current</b>		
Unsecured:		
Bankers' acceptances and revolving credits	<u>171,328</u>	<u>110,500</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 2014, 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**  
**25 May 2015**