



MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

QUARTERLY REPORT

Condensed Consolidated Financial Statements
For The Financial Period Ended 30 September 2016

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

QUARTERLY REPORT

On consolidated results for the period ended 30 September 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in RM thousand unless otherwise stated

	Quarter Ended 30 September		Year to Date Ended 30 September	
	2016	2015	2016	2015
Revenue	633,122	546,491	1,820,138	1,643,297
Cost of sales	(556,312)	(445,031)	(1,553,822)	(1,273,437)
Gross profit	76,810	101,460	266,316	369,860
Other operating income	(2,583)	1,963	2,956	7,205
Selling and distribution cost	(26,395)	(17,996)	(75,008)	(53,072)
Administrative expenses	(15,677)	(13,353)	(63,541)	(53,363)
Other (loss)/gains-net	2,291	13,279	6,190	16,628
Other operating expenses	(401)	1,452	(5,973)	(7,104)
Profit from operations	34,045	86,805	130,940	280,154
Finance costs	(3,240)	(3,449)	(10,155)	(6,017)
Finance income	1,945	1,166	3,597	6,227
Profit before taxation	32,750	84,522	124,382	280,364
Taxation	(9,445)	(20,649)	(18,054)	(66,329)
Profit for the period	23,305	63,873	106,328	214,035
Other comprehensive income /(loss)				
Currency translation differences	2,869	-	693	-
Total comprehensive income for the period	26,174	63,873	107,021	214,035

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Quarter Ended 30 September		Year to Date Ended 30 September	
	2016	2015	2016	2015
Profit attributable to :				
Shareholders of the Company	23,305	63,873	106,328	214,035
Non-controlling interest	-	-	-	-
Profit for the financial period	23,305	63,873	106,328	214,035
Total comprehensive income attributable to :				
Shareholders of the Company	26,174	63,873	107,021	214,035
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	26,174	63,873	107,021	214,035

Basic earnings per share attributable to equity holders of the Company (sen)

Note 22

3.32

9.09

15.13

30.45

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 year ended 31 December 2015 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

On consolidated results for the period ended 30 September 2016 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 September 2016	Audited As at 31 December 2015
Assets		
Non-current assets		
Property, plant and equipment	825,353	660,615
Intangible asset	72,112	72,234
Goodwill	576,240	576,240
Prepaid lease payment	623	687
Biological asset	46,162	41,392
Receivables	15,837	16,533
Total non-current assets	1,536,327	1,367,701
Current assets		
Inventories	634,754	729,910
Trade receivables	251,774	346,396
Other receivables, deposits and prepayments	44,009	153,898
Tax recoverable	31,268	277
Derivative financial assets	3,102	313
Amount due from related companies	13,200	1
Cash and cash equivalents	478,104	123,902
Total current assets	1,456,211	1,354,697
Non-current assets held for sale	7	7
Total assets	2,992,545	2,722,405
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
Forex reserve	693	-
Retained earnings	632,365	624,454
Total equity attributable to equity holders of the Company	2,045,620	2,037,016
Non-controlling interest	-	-
Total equity	2,045,620	2,037,016
Non-current liabilities		
Deferred tax liabilities	74,784	75,378
Borrowings	119,050	-
Total non-current liabilities	193,834	75,378
Current liabilities		
Payables and accruals	89,536	176,197
Amount due to other related companies	1,260	510
Amount due to ultimate holding company	12,522	11,785
Loan due to a related company	267,555	60,000
Borrowings	382,218	359,537
Current tax liabilities	-	1,982
Total current liabilities	753,091	610,011
Total liabilities	946,925	685,389
Total equity and liabilities	2,992,545	2,722,405
Net assets per share attributable to equity holders of the Company (RM)	2.91	2.90

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Amounts in RM thousand unless otherwise stated

Period ended	Share capital	Share premium	Merger reserve	Reorganisation deficit	Forex reserves	Retained earnings	Equity attributable to equity holders of the Company
30 September 2016							
At 1 January 2016	351,490	366,765	1,733,939	(1,039,632)	-	624,454	2,037,016
Profit for the period	-	-	-	-	-	106,328	106,328
Other comprehensive Income /(loss) - currency translation differences	-	-	-	-	693	-	693
Total comprehensive income	-	-	-	-	693	106,328	107,021
Dividend paid	-	-	-	-	-	(98,417)	(98,417)
At 30 September 2016	<u>351,490</u>	<u>366,765</u>	<u>1,733,939</u>	<u>(1,039,632)</u>	<u>693</u>	<u>632,365</u>	<u>2,045,620</u>
Period ended	Share capital	Share premium	Merger reserve	Reorganisation deficit	Forex reserves	Retained earnings	Equity attributable to equity holders of the Company
30 September 2015							
At 1 January 2015	351,490	366,765	1,733,939	(1,039,632)	-	531,514	1,944,076
Profit for the period	-	-	-	-	-	214,035	214,035
Dividend payable	-	-	-	-	-	(98,417)	(98,417)
At 30 September 2015	<u>351,490</u>	<u>366,765</u>	<u>1,733,939</u>	<u>(1,039,632)</u>	<u>-</u>	<u>647,132</u>	<u>2,059,694</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 2015 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in RM thousand unless otherwise stated

	Year to Date Ended	
	30 September	
	2016	2015
Cash Flows from Operating Activities		
Profit for the period	106,328	214,035
Adjustment for Non-Cash Flow Items	49,643	69,203
Operating Profit Before Changes in Working Capital	<u>155,971</u>	<u>283,238</u>
Changes in Working Capital		
Net changes in working capital	209,150	(288,057)
Tax paid	(51,623)	(38,062)
Net Cash Generated from/(used in) Operating Activities	<u>313,498</u>	<u>(42,881)</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(196,615)	(142,946)
Acquisition of intangible assets	(1,094)	(1,882)
Additions of biological assets	(4,770)	(6,074)
Proceeds from disposal of property, plant and equipment	630	36
Interest received	1,839	1,311
Net Cash Used in Investing Activities	<u>(200,010)</u>	<u>(149,555)</u>
Cash Flows from Financing Activities		
Drawdown of borrowings, net of issuance costs	1,077,634	740,055
Repayment of borrowings	(728,348)	(646,976)
Interest paid	(10,155)	(8,533)
Dividend paid	(98,417)	(98,417)
Net Cash Used in Financing Activities	<u>240,714</u>	<u>(13,871)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>354,202</u>	<u>(206,307)</u>
Cash and Cash Equivalents at Beginning of the Period	<u>123,902</u>	<u>469,999</u>
Cash and Cash Equivalents at End of the Period	<u>478,104</u>	<u>263,692</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	319,285	233,632
Cash and bank balances	158,819	30,060
	<u>478,104</u>	<u>263,692</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 2015 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Amounts in RM thousand unless otherwise stated

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 2015. 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 2015.

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 2015, together with the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2016 as discussed below.

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 101 'Presentation of Financial Statements' – Disclosure Initiative

Amendments to FRS 116 'Property, Plant and Equipment' and FRS 138 'Intangible Assets' – Clarification of acceptable methods of depreciation and amortisation

Amendments to FRS 127 'Separate Financial Statements' – Equity accounting in separate financial statements

Amendments to FRS 10 'Consolidated Financial Statements' and FRS 128 'Investment in Associates and Joint Ventures' – Sale or contribution of assets between an investor and its associates/joint ventures

Amendments to FRS 10 'Consolidated Financial Statements', FRS 12 'Disclosure of Interests in Other Entities' and FRS 128 'Investment in Associates and Joint Ventures' – Investment entities: applying the consolidation exception

Annual Improvements to FRSs 2012 – 2014 (Amendments to FRS 5 'Non-current Assets Held for Sale and Discontinued Operations', FRS 7 'Financial Instruments: Disclosures', FRS 119 'Employee Benefits' and FRS 134 'Interim Financial Reporting')

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 2015 were not subject to any audit qualification.

3 Seasonal or Cyclical Factors

Sales of refined sugar products in Malaysia typically increase slightly during the months leading up to major holidays and festivals in Malaysia, especially Hari Raya and Chinese New Year, due to increased consumer demand for refined sugar.

4 Unusual Items Due to Their Nature, Size or Incidence

There were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

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 under review.

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.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

Amounts in RM thousand unless otherwise stated

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

- (i) Sugar - Sugar refining, sales and marketing of refined sugar and trading of sugar
(ii) Rubber and palm oil

Cumulative quarter ended 30 September 2016	Sugar	Rubber and palm oil	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	1,819,756	382	-	1,820,138
Revenue from external customers	1,819,756	382	-	1,820,138
Finance income	1,820	-	1,777	3,597
Finance cost	(8,983)	(1)	(1,171)	(10,155)
Depreciation and amortisation	(24,243)	(1,796)	(1,698)	(27,738)
Profit before taxation	149,588	(2,951)	(22,254)	124,382
Taxation	(15,624)	-	(2,431)	(18,054)
Profit after taxation for the financial period				106,328

Total assets as at 30 September 2016

	Sugar	Rubber and palm oil	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total assets	2,639,200	140,858	212,487	2,992,545
Total liabilities	1,262,502	86,972	(402,548)	946,925
Additions to biological assets	-	4,770	-	4,770
Additions to property, plant and equipment	194,258	295	2,062	196,615
Additions to intangible assets	-	-	1,094	1,094

Cumulative quarter ended 30 September 2015

	Sugar	Rubber and palm oil	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	1,643,297	-	-	1,643,297
Revenue from external customers	1,643,297	-	-	1,643,297
Finance income	(3,290)	-	9,518	6,227
Finance cost	(6,014)	(3)	-	(6,017)
Depreciation and amortisation	(18,787)	(1,818)	(185)	(20,790)
Profit before taxation	185,593	(1,946)	96,718	280,365
Taxation	(65,614)	-	(715)	(66,329)
Profit after taxation for the financial period				214,036

Total assets as at 30 September 2015

	Sugar	Rubber and palm oil	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total assets	2,047,383	138,075	412,365	2,597,823
Total liabilities	588,432	74,711	(125,014)	538,129
Additions to biological assets	-	6,074	-	6,074
Additions to property, plant and equipment	50,838	-	92,108	142,946
Additions to intangible assets	1,882	-	-	1,882

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
Amounts in RM thousand unless otherwise stated

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 period ended 30 September 2016.

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 2016.

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

	As at 30 September	
	2016	2015
Property, plant and equipment:		
- Contracted but not provided for	421,666	57,597
- Approved but not contracted for	900,322	65,113
	1,321,988	122,710

	As at 30 September	
	2016	2015
Intangible assets:		
- Contracted but not provided for	-	2,161
- Approved but not contracted for	-	1,080
	-	3,241

	As at 30 September	
	2016	2015
Biological assets:		
- Contracted but not provided for	429	894
- Approved but not contracted for	10,862	20,301
	11,291	21,195

14 Material Related Party Transactions

(a) Related party transactions are as follows:

	Year to Date Ended 30 September	
	2016	2015
(i) Transactions with ultimate holding company		
Management fees (Felda Global Ventures Holdings Berhad)	5,930	6,879
(ii) Transactions with related companies		
Sales of refined sugar (Felda Trading Sdn. Bhd.)	(20,759)	(15,662)
Security services (Felda Security Services Sdn. Bhd.)	623	405
Information technology services (Felda Prodata System Sdn. Bhd.)	268	274
Engineering services (Felda Engineering Services Sdn Bhd)	-	9
Travel agent services (Felda Travel Sdn. Bhd.)	199	107
Insurance services (Felda Trading Sdn. Bhd.)	30	-
Plantation material (Felda Trading Sdn. Bhd.)	209	-
Refreshment services (Felda D'Saji Sdn. Bhd.)	73	70
Rental income (Felda Agricultural Services Sdn. Bhd.)	(19)	-
House rental (Felda Global Ventures R&D Sdn. Bhd.)	(7)	(6)
Office rental (FELDA)	1,131	985
Water and electricity charges (Felda Chuping Sdn. Bhd.)	3	-
	(12,319)	(6,939)

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

Amounts in RM thousand unless otherwise stated

14 Material Related Party Transactions (continued)

	Year to Date Ended	
	30 September	
	2016	2015
(III) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers acceptances	2,699	4,366
Interest income from fixed deposits and cash balances	(132)	(5,634)
 (b) Balances relating to related party transactions are as follows:		
	As at	
	30 September	
	2016	2015
	RM'000	RM'000
(i) Balances with ultimate holding company		
Amount due to:		
Felda Global Ventures Holdings Berhad	12,522	9,361
(ii) Balances with related companies		
Amount due to:		
Felda Security Services Sdn. Bhd.	60	504
Felda Prodata System Sdn. Bhd.	97	106
Felda Engineering Services Sdn. Bhd.	-	11
Felda Travel Sdn. Bhd.	28	122
Felda Holdings Bhd	14	14
Felda D'saji Sdn Bhd	1	-
FGV Trading Sdn Bhd	-	27
FELDA	1,060	1,027
	<u>1,260</u>	<u>1,811</u>
(iii) Balances with a related company		
Amount due from:		
Felda Trading Sdn. Bhd.	13,198	7,615
Felda Global Ventures R&D Sdn. Bhd.	2	2
	<u>13,200</u>	<u>7,617</u>
(iv) Loan due to a related company		
Amount due to:		
FGV Capital Sdn. Bhd.	267,555	-
(v) Balances between subsidiaries and government-related financial institutions		
Bankers acceptances	196,000	238,077
Fixed deposits and cash balances	192,917	66,398

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

Amounts in RM thousand unless otherwise stated

15 Review of Performance

(a) Quarter on Quarter

The Group recorded a total revenue of RM 633.12 million quarter on quarter, which was RM 86.63 million or 15.85% higher compared to the same period last year of RM 546.49 million on the back of higher volume of refined sugar sold for the Domestic market segment.

The profit after tax (PAT) for the three (3) months period ended 30 September 2016 was RM 23.31 million compared to previous corresponding period PAT of RM 63.87 million due to the higher raw material costs and weakening Ringgit.

(b) Year on Year

The Group revenue for the nine (9) months ended 30 September 2016 was RM 1,820.14 million compared to RM 1,643.30 million revenue in the same period last year on the back of increased volume and trading revenue.

The profit after tax (PAT) for the nine (9) months period ended 30 September 2016 stood at RM 106.33 million compared to previous corresponding period PAT of RM 214.04 million as a result of higher raw material cost and production cost.

16 Material Changes in the Quarterly Results Compared to the Preceding Quarter (30 June 2016)

The comparison of the Group revenue and profit before taxation for the current quarter and last quarter is as follows:

	Quarter Ended		Variance RM	%
	30 September 2016	30 June 2016		
Revenue	633,122	633,856	(734)	(0.1)
Profit after tax	23,305	23,679	(374)	(1.6)

The Group recorded a total revenue RM 633.12 million in the current quarter compared to the preceding quarter of RM 633.86 million.

Similarly, the profit after tax (PAT) for the three (3) months period ended 30 September 2016 was RM 23.31 million at par with preceding quarter PAT of RM 23.68 million.

17 Current Year Prospects

Notwithstanding the volatility of commodity prices, the Group is expected to be able to perform in line with the industry.

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:

	Year to Date Ended 30 September	
	2016	2015
Reversal of impairment on property, plant and equipment	-	(2,956)
Amortisation of intangible asset	886	819
Amortisation of prepaid lease payment	64	66
Depreciation of property plant and equipment	26,788	19,905
Property, plant and equipment written off	144	(700)
Gain on disposal of property, plant and equipment	(12)	(69)
Net foreign exchange gain	(6,190)	(12,614)
Commodity gain	(103,125)	4,014
Foreign exchange forward contract gain	(6,190)	-

20 Taxation

	Quarter Ended 30 September		Year to Date Ended 30 September	
	2016	2015	2016	2015
Current	(9,860)	(18,640)	(18,649)	(64,448)
Deferred	415	(2,009)	595	(1,881)
	(9,445)	(20,649)	(18,054)	(66,329)

The effective tax rate for the current period ended 30 September 2016 is higher than the Malaysian income tax rate of 24% due to higher taxable income during the third quarter 2016.

While effective tax rate for year to date ended 30 September 2016 is lower than Malaysian income tax rate of 24% mainly due to higher non taxable income from an overseas subsidiary.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

Amounts in RM thousand unless otherwise stated

21 Realised and Unrealised Retained Earnings

	As at 30 September	
	2016	2015
Realised	810,827	772,796
Unrealised	(73,357)	(988)
	<u>737,470</u>	<u>771,807</u>
Consolidation adjustments	(105,105)	(124,675)
Total Group retained earnings as per consolidated accounts	<u>632,365</u>	<u>647,133</u>

The unrealised portion of retained earnings comprises the 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 Earnings Per Share

	2016	Quarter Ended 30 September 2015	2016	Year to Date Ended 30 September 2015
Basic earnings per share are computed as follows:				
Profit for the financial period attributable to owners of the Company (RM'000)	23,305	63,873	106,328	214,035
Weighted average number of ordinary shares in issue (thousands)	<u>702,980</u>	<u>702,980</u>	<u>702,980</u>	<u>702,980</u>
per share (sen)	<u>3.32</u>	<u>9.09</u>	<u>15.13</u>	<u>30.45</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 and derivative risks. The fair value of these derivatives as at 30 September 2016 are as follows:

Type of derivatives	Contractual/ Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Foreign currency exchange forward contracts	<u>178,297</u>	<u>3,102</u>	

24 Fair Value Changes of Financial Instruments

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 2015. The maturity periods of the above derivatives are less than one year. The following table presents the assets and liabilities that are measured at fair value at 30 June 2016.

30 September 2016

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss				
- Derivatives	<u>-</u>	<u>3,102</u>	<u>-</u>	<u>3,102</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise foreign commodity exchanges.

The fair value of financial instruments that are not traded in an active market (for example, foreign currency forward contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise foreign currency forward contracts.

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QUARTERLY REPORT (CONTINUED)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
Amounts in RM thousand unless otherwise stated

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 30 September 2016, the total borrowings, which are denominated in Ringgit Malaysia, are as follows:

	2016	As at 30 September	2015
Borrowings			
Non-current			
Secured:			
Islamic term loans	119,050		=
Current			
Unsecured:			
Bankers' acceptances and revolving credits	382,218		341,047
Average interest rate	<u>3.82%</u>		<u>3.80%</u>

As at 30 September 2016, the Islamic term loans are secured against a leasehold land, debenture and certain bank balances of the Group.

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 2015, the Group is not a party to any material obligation or arbitration, either as plaintiff or defendant.

On behalf of the Board

Encik Mohamad Amri Sahari @ Khuzari
President/ Group Chief Executive Officer

Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Chairman

Kuala Lumpur
21 November 2016