



MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT

Condensed Consolidated Financial Statements
For The Financial Period Ended 31 March 2021

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT

On consolidated results for the period ended 31 March 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in RM thousand unless otherwise stated

	Quarter Ended 31 March			Year to Date Ended 31 March		
	2021	2020	% Change	2021	2020	% Change
<i>Continuing operations</i>						
Revenue	514,935	510,844	0.8%	514,935	510,844	0.8%
Cost of sales	(446,578)	(496,528)		(446,578)	(496,528)	
Gross profit	68,357	14,316	>100%	68,357	14,316	>100%
Other operating income	2,939	5,759		2,939	5,759	
Selling and distribution cost	(6,668)	(7,863)		(6,668)	(7,863)	
Administrative expenses	(16,373)	(19,365)		(16,373)	(19,365)	
Other gain/(loss) - net	3,940	(1,522)		3,940	(1,522)	
Other operating expenses	(16)	(5,834)		(16)	(5,834)	
Profit/(Loss) from operations	52,179	(14,509)	>100%	52,179	(14,509)	>100%
Finance costs	(9,826)	(13,813)		(9,826)	(13,813)	
Finance income	721	1,069		721	1,069	
Profit/(Loss) before taxation	43,074	(27,253)	>100%	43,074	(27,253)	>100%
Zakat	-	-		-	-	
Taxation	(12,967)	(7,038)		(12,967)	(7,038)	
Profit/(Loss) from continuing operations	30,107	(34,291)	>100%	30,107	(34,291)	>100%
<i>Discontinued operations</i>						
Profit/(Loss) from discontinued operations, net of tax	1,079	(414)	>100%	1,079	(414)	>100%
Profit/(Loss) for the period	31,186	(34,705)	>100%	31,186	(34,705)	>100%
Other comprehensive income/(loss)						
Currency translation differences	124	(235)		124	(235)	
Cash flow hedges	2,436	(5,864)		2,436	(5,864)	
Other comprehensive income/(loss) for the period	2,560	(6,099)		2,560	(6,099)	
Total comprehensive income/(loss) for the period	33,746	(40,804)	>100%	33,746	(40,804)	>100%

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)
On consolidated results for the period ended 31 March 2021 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

	Quarter Ended 31 March			Year to Date Ended 31 March		
	2021	2020	% Change	2021	2020	% Change
Profit/(Loss) attributable to :						
Shareholders of the Company						
- from continuing operations	30,107	(34,291)		30,107	(34,291)	
- from discontinued operations	1,079	(414)		1,079	(414)	
Profit/(Loss) for the period	31,186	(34,705)	>100%	31,186	(34,705)	>100%
Total comprehensive income/(loss) attributable to :						
Shareholders of the Company						
- from continuing operations	32,667	(40,390)		32,667	(40,390)	
- from discontinued operations	1,079	(414)		1,079	(414)	
Total comprehensive income/(loss) for the period	33,746	(40,804)	>100%	33,746	(40,804)	>100%
Basic profit/(loss) per share attributable to equity holders of the Company (sen) Note 22						
- from continuing operations	4.28	(4.88)		4.28	(4.88)	
- from discontinued operations	0.15	(0.06)		0.15	(0.06)	
	4.43	(4.94)		4.43	(4.94)	

The Unaudited Condensed Consolidated Income Statement and Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 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 31 March 2021 (continued)

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

	Unaudited As at 31 March 2021	Audited As at 31 December 2020
Assets		
Non-current assets		
Property, plant and equipment	1,241,642	1,255,235
Intangible asset	47,675	48,872
Goodwill	576,240	576,240
Right-of-use assets	91,896	92,642
Total non-current assets	1,957,453	1,972,989
Current assets		
Inventories	405,595	274,485
Trade receivables	199,574	216,355
Other receivables, deposits and prepayments	19,342	10,822
Tax recoverable	2,054	8,118
Derivative financial instruments	3,235	-
Amounts due from related companies	498	465
Amount due from immediate holding company	1,453	1,461
Deposits with licensed banks	121,074	127,787
Cash and bank balances	92,643	68,134
Total current assets	845,468	707,627
Non-current assets held for sale	89,575	89,664
Total assets	2,892,496	2,770,280
Equity		
Share capital	718,255	718,255
Reorganisation deficit	(1,039,632)	(1,039,632)
Merger relief reserve	1,733,939	1,733,939
Foreign exchange reserve	1,423	1,299
Cash flow hedge reserve	(6,773)	(9,209)
Retained earnings	208,060	176,874
Total equity attributable to equity holders of the Company	1,615,272	1,581,526
Non-controlling interest		
Total equity	1,615,272	1,581,526
Non-current liabilities		
Lease liabilities	3,762	3,772
Deferred tax liabilities	52,958	47,010
Borrowings	507,347	518,636
Derivative financial liabilities	7,519	10,163
Total non-current liabilities	571,586	579,581
Current liabilities		
Payables and accruals	293,493	157,091
Amounts due to other related companies	1,253	1,643
Amount due to ultimate holding body	148	221
Amount due to immediate holding company	11,921	12,503
Lease liabilities	907	1,170
Loan due to a related company	10,184	47,152
Borrowings	387,459	388,464
Derivative financial liabilities	273	929
Total current liabilities	705,638	609,173
Total liabilities	1,277,224	1,188,754
Total equity and liabilities	2,892,496	2,770,280
Net assets per share attributable to equity holders of the Company (RM)	2.30	2.25

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 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

Year ended	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Equity attributable to equity holders of the Company
31 March 2021							
At 1 January 2021	718,255	1,733,939	(1,039,632)	1,299	(9,209)	176,874	1,581,526
Profit for the period	-	-	-	-	-	31,186	31,186
Other comprehensive income							
Item that will be subsequently reclassified to profit or loss							
- currency translation differences	-	-	-	124	-	-	124
- cash flow hedges	-	-	-	-	2,436	-	2,436
Total comprehensive income	-	-	-	124	2,436	31,186	33,746
At 31 March 2021	<u>718,255</u>	<u>1,733,939</u>	<u>(1,039,632)</u>	<u>1,423</u>	<u>(6,773)</u>	<u>208,060</u>	<u>1,615,272</u>
Year ended	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Equity attributable to equity holders of the Company
31 March 2020							
At 1 January 2020	718,255	1,733,939	(1,039,632)	1,835	(4,968)	248,102	1,657,531
Loss for the period	-	-	-	-	-	(34,705)	(34,705)
Other comprehensive loss							
Item that will be subsequently reclassified to profit or loss							
- currency translation differences	-	-	-	(235)	-	-	(235)
- cash flow hedges	-	-	-	-	(5,864)	-	(5,864)
Total comprehensive loss	-	-	-	(235)	(5,864)	(34,705)	(40,804)
At 31 March 2020	<u>718,255</u>	<u>1,733,939</u>	<u>(1,039,632)</u>	<u>1,600</u>	<u>(10,832)</u>	<u>213,397</u>	<u>1,616,727</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 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 CASH FLOWS
Amounts in RM thousand unless otherwise stated

	Year to Date Ended 31 March	
	2021	2020
Cash Flows from Operating Activities		
Profit/(Loss) for the period from		
Continuing operations	30,107	(34,291)
Discontinued operations	1,079	(414)
Profit/(Loss) for the period	<u>31,186</u>	<u>(34,705)</u>
Adjustment for Non-Cash Flow Items from continuing operations	32,553	46,375
Adjustment for Non-Cash Flow Items from discontinued operations	(1,282)	-
Operating Profit Before Changes in Working Capital	<u>62,457</u>	<u>11,670</u>
Changes in Working Capital		
Net changes in working capital	18,379	114,400
Tax paid	(4,941)	(4,497)
Tax refunded	3,986	-
Operating cash generated from continuing operations	<u>79,881</u>	<u>121,573</u>
Operating cash used in discontinued operations	(332)	(1,328)
Net Cash generated from Operating Activities	<u>79,549</u>	<u>120,245</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(6,471)	(2,839)
Acquisition of intangible assets	-	(117)
Interest received	721	1,069
Investing cash used in continuing operations	<u>(5,750)</u>	<u>(1,887)</u>
Investing cash generated from discontinued operations	1,370	-
Net Cash used in Investing Activities	<u>(4,380)</u>	<u>(1,887)</u>
Cash Flows from Financing Activities		
Repayment of loan due to a related company	(37,000)	(15,000)
Drawdown of borrowings, net of issuance costs	289,800	213,130
Repayment of borrowings	(301,700)	(333,749)
Principal payment of lease liability	(273)	(288)
Interest payment of lease liability	(60)	(45)
Interest paid	(10,203)	(14,339)
Changes in restricted cash	(74)	(6,443)
Net Cash used in from Financing Activities	<u>(59,510)</u>	<u>(156,734)</u>
Net increase/(decrease) in Cash and Cash Equivalents	15,659	(38,376)
Foreign currency translation differences	2,064	239
Cash and Cash Equivalents at Beginning of the Financial Period	179,923	152,961
Cash and Cash Equivalents at End of the Financial Period	<u>197,646</u>	<u>114,824</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	121,074	90,933
Cash and bank balances	92,643	47,909
Less : Restricted cash	(16,071)	(24,018)
	<u>197,646</u>	<u>114,824</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 2020 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 information of MSM Malaysia Holdings Berhad ('MSM' or 'Group') is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Malaysian Financial Reporting Standards ('MFRS') 134 - Interim Financial Reporting and International Accounting Standards ('IAS') 34 - 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 2020. These explanatory notes attached to the Unaudited Condensed Consolidated 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 financial year ended 31 December 2020.

1 Basis of Preparation

The financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year ended 31 December 2020.

(i) Amendments to existing standards and other accounting pronouncements that are not expected to have any significant impact on the financial statements of the Group:

Effective for annual periods beginning on or after 1 January 2021

- Interest Rate Benchmark Reform—Phase 2 - Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16

(ii) Accounting pronouncements that are not yet effective and have not been early adopted by the Group:

Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 116 'Proceeds before Intended Use'
- Annual improvements to MFRS 1 'Subsidiary as First-time Adopter'
- Annual improvements to Illustrative Example Accompanying MFRS 16 Leases: Lease Incentives
- Annual improvements to MFRS 141 "Taxation in Fair Value Measurements"
- Annual improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Amendments to MFRS 137 'Onerous Contracts - Cost of Fulfilling a Contract'
- Reference to the Conceptual Framework - Amendments to MFRS 3

Effective annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 'Classification of liabilities as current and non-current'
- Disclosure of Accounting Policies - Amendments to MFRS 101 and MFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to MFRS 108

2 Auditors' Report on Preceding Annual Financial Statements

The financial statements for the year ended 31 December 2020 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

During 1Q 2021, there have been high number of Covid-19 cases which result in the continuation of movement control orders to majority of states in Malaysia. These contributed to low sugar demand from F&B outlets which resulted in low sugar offtake from Wholesale and Industrial customers.

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 year 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 Group Chief Executive Officer. The Group Chief Executive Officer considers the business from 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, palm oil and mango

Cumulative quarter ended 31 March 2021	Continuing operations			Discontinued operations	
	Sugar	Reconciliation	Subtotal	Rubber, palm oil and mango	Total
Total segment revenue	514,935	-	514,935	-	514,935
Revenue from external customers	514,935	-	514,935	-	514,935
Finance income	618	103	721	-	721
Finance cost	(8,427)	(1,399)	(9,826)	-	(9,826)
Depreciation and amortisation	(21,377)	(672)	(22,049)	-	(22,049)
Profit before taxation	34,544	8,530	43,074	1,079	44,153
Taxation	(12,002)	(965)	(12,967)	-	(12,967)
Profit after taxation for the financial					31,186
Timing of revenue recognition: <u>Goods and services transferred</u>					
- At a point in time	514,828	-	514,828	-	514,828
- Over time	107	-	107	-	107
	514,935	-	514,935	-	514,935

Total assets as at 31 March 2021	Continuing operations			Discontinued operations	
	Sugar	Reconciliation	Subtotal	Rubber, palm oil and mango	Total
Total assets	2,693,206	117,006	2,810,212	82,284	2,892,496
Total liabilities	1,236,739	28,025	1,264,764	12,460	1,277,224
Additions to property, plant and equipment	6,399	147	6,546	-	6,546

Cumulative quarter ended 31 March 2020	Continuing operations			Discontinued operations	
	Sugar	Reconciliation	Subtotal	Rubber, palm oil and mango	Total
Total segment revenue	510,844	-	510,844	-	510,844
Revenue from external customers	510,844	-	510,844	-	510,844
Finance income	857	212	1,069	-	1,069
Finance cost	(13,057)	(756)	(13,813)	-	(13,813)
Depreciation and amortisation	(19,096)	(760)	(19,856)	-	(19,856)
Loss before taxation	(25,996)	(1,257)	(27,253)	(414)	(27,667)
Taxation	(6,460)	(578)	(7,038)	-	(7,038)
Loss after taxation for the financial					(34,705)
Timing of revenue recognition: <u>Goods and services transferred</u>					
- At a point in time	510,808	-	510,808	-	510,808
- Over time	36	-	36	-	36
	510,844	-	510,844	-	510,844

Total assets as at 31 March 2020	Continuing operations			Discontinued operations	
	Sugar	Reconciliation	Subtotal	Rubber, palm oil and mango	Total
Total assets	2,852,817	34,186	2,887,003	90,238	2,977,241
Total liabilities	1,319,577	16,888	1,336,465	24,049	1,360,514
Additions to property, plant and equipment	2,839	-	2,839	-	2,839
Additions to intangible assets	34	83	117	-	117

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

9 Other Comprehensive Income

Cash flow hedges represent fair value changes due to movement in mark-to-market position on effective hedging contracts at 31 March 2021.

Fair value changes in effective hedging contracts are recognised directly in equity and are transferred to the income statement in the same period as the underlying hedged item impacts profit or loss.

10 Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

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 2021.

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

	As at 31 March	
	2021	2020
Property, plant and equipment:		
- Contracted but not provided for	11,541	26,423
- Approved but not contracted for	187,515	59,899
	<u>199,056</u>	<u>86,322</u>

14 Material Related Party Transactions

(a) Related party transactions are as follows:

	Year to Date 31 March	
	2021	2020
(i) Transactions with Immediate holding company		
Management fees (FGV Holdings Berhad)	740	1,531
(ii) Transactions with related companies		
Sales of refined sugar (KPF Trading Sdn. Bhd.)	(957)	-
Sales of refined sugar (Felda Travel Sdn. Bhd.)	(3)	-
Supply of product (FGV Kernel Products)	(16)	-
Security services (FGV Security Services Sdn. Bhd.)	346	293
Information technology services (FGV Prodata System Sdn. Bhd.)	1	-
Travel agent services (Felda Travel Sdn. Bhd.)	-	31
Insurance services (KPF Trading Sdn. Bhd.)	43	-
Finance cost (FGV Capital Sdn. Bhd.)	118	732
Finance income (FGV Capital Sdn. Bhd.)	-	(6)
Rental of land (FGV Integrated Farming Holding Sdn. Bhd.)	(129)	-
House rental (FGV Agri Services Sdn. Bhd.)	-	(15)
Transportation services (FGV Transport Services Sdn Bhd)	831	3,408
Office rental (FELDA)	221	-
	<u>1,195</u>	<u>5,974</u>
(iii) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers' acceptance	2,607	2,874
Interest income from fixed deposits and cash balances	(721)	(1,069)

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

	As at	
	31 March 2021	31 December 2020
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	<u>11,921</u>	<u>12,503</u>

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)

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

	31 March 2021	As at 31 December 2020
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	321	119
FGV Prodata System Sdn. Bhd.	-	1
FGV Biotechnology	40	-
FGV Refineries	47	-
Felda Travel Sdn. Bhd.	-	2
Felda D'saji Sdn Bhd	1	1
FGV Transport Services Sdn Bhd	844	1,520
	1,253	1,643
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	148	221
(iv) Balances with related companies		
Amount due from:		
KPF Trading Sdn. Bhd.	365	464
Felda Travel Sdn. Bhd.	1	1
FGV Kernel Products	3	-
FGV Integrated Farming	129	-
	498	465
(v) Balances with immediate holding company		
Amount due from:		
FGV Holdings Berhad	1,453	1,461
(vi) Loan due to a related company		
Amount due to:		
FGV Capital Sdn. Bhd.	10,184	47,152
(vii) Balances with government-related financial institutions		
Bankers' acceptance and revolving credits	349,776	354,550
Fixed deposits and cash balances	213,717	192,183

15 Discontinued operations and assets classified as held for sale

Pursuant to the Group's portfolio review in the financial year 2019, after analysing the market outlook, competitive intensity and the attractiveness of industry, the Board had strategically decided to exit the rubber, palm oil and mango business. The Group therefore presents and disclose in its financial statements, the financial effects of discontinued operations in accordance to MFRS 5 (Non Current Assets Held For Sale and Discontinued Operations). The results of the discontinued operations are as follows:-

	Quarter Ended 31 March		Year to Date Ended 31 March	
	2021	2020	2021	2020
Results of discontinued operations				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit/(loss)	-	-	-	-
Other operating income	1,418	22	1,418	22
Administrative expenses	(339)	(436)	(339)	(436)
Profit/(Loss) from operations	1,079	(414)	1,079	(414)
Finance costs	-	-	-	-
Finance income	-	-	-	-
Profit/(Loss) before taxation	1,079	(414)	1,079	(414)
Taxation	-	-	-	-
Profit/(Loss) from discontinued operations	1,079	(414)	1,079	(414)

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

16 Review of Performance

	Quarter Ended 31 March		% Change
	2021	2020	
<u>Continuing operations</u>			
Revenue	514,935	510,844	1%
Gross profit	68,357	14,316	>100%
Profit/(Loss) before taxation	43,074	(27,253)	>100%
Profit/(Loss) for the period	<u>30,107</u>	<u>(34,291)</u>	>100%
<u>Discontinued operations</u>			
Revenue	-	-	-
Gross loss	-	-	-
Profit/(Loss) before taxation	1,079	(414)	>100%
Profit/(Loss) for the period	<u>1,079</u>	<u>(414)</u>	>100%

(a) Quarter on Quarter

Continuing operations

The Group recorded a total revenue of RM514.94 million in this quarter, which is RM4.09 million or 1% higher compared to the same period last year of RM510.84 million. This is due to higher average selling price in export sales compared to the same quarter last year.

The profit after tax (PAT) for the three months period ended 31 March 2021 is RM30.11 million, compared to a loss after tax (LAT) of RM34.29 million in the corresponding quarter in the previous year. The higher profit in the current quarter is attributable to improved margin to 13.27% from better capacity utilisation and lower finance cost.

Discontinued operations

The Group recorded higher PAT for the three months period ended 31 March 2021 due to gain on sales of fixed asset during the period.

17 Material Changes in the Quarterly Results Compared to the Preceding Quarter (31 December 2020)

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

	Quarter Ended		% Change
	31 March 2021	31 December 2020	
<u>Continuing operations</u>			
Revenue	514,935	630,331	(18%)
Gross profit	68,357	93,305	(27%)
Profit before taxation	43,074	73,604	(41%)
Profit for the period	<u>30,107</u>	<u>56,652</u>	(47%)
<u>Discontinued operations</u>			
Revenue	-	-	-
Gross profit	-	-	-
Profit/(Loss) before taxation	1,079	(409)	>100%
Profit/(Loss) for the period	<u>1,079</u>	<u>(409)</u>	>100%

Continuing operations

The Group recorded a total revenue RM514.94 million in the current quarter compared to the preceding quarter of RM630.33 million due to decreased in the overall sales volume.

The Group recorded PAT of RM30.11 million for the three months period ended 31 March 2021 compared to profit in preceding quarter of RM56.65 million. A lower profit in this quarter were attributable to lower overall margin and higher finance cost.

Discontinued operations

The Group recorded higher PAT for the three months period ended 31 March 2021 due to gain on sales of fixed asset during the period.

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

18 Current Year Prospects

The Group remains optimistic on its turnaround plan and the ability to achieve sustainable growth with focus on exports. The Group is working towards improving its efficiency and remains positive of its full year target performance. In addition, the Group is focused towards higher yield and capacity utilisation which will result in lower production cost.

On the export front, the seaport segment is poised to grow further in 2021 as global trade recovery gains further momentum, backed by the reopening of economies, businesses and borders. This encouraging development is favourable for our MSM Johor refinery and the Group.

MSM will continue to pursue its turnaround plan and achieve sustainable growth with good returns.

19 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast.

20 Loss from Operations

Included in the operating loss from continuing and discontinued operations are:

	Year to Date Ended 31 March	
	2021	2020
Reversal of impairment on property, plant and equipment	(3)	-
Impairment of receivables	2,943	1,132
Amortisation of intangible asset	1,197	1,462
Amortisation of right-of-use assets	746	695
Depreciation of property plant and equipment	20,106	17,699
Property, plant and equipment written off	36	1,117
Inventory written off	165	648
Gain on disposal of property, plant and equipment	(1,282)	-
Net foreign currency exchange gain	(2,750)	(2,807)
Commodity (gain)/loss	(8,971)	2,874

21 Taxation

	Quarter Ended 31 March		Year to Date Ended 31 March	
	2021	2020	2021	2020
Current	(7,019)	(7,123)	(7,019)	(7,123)
Deferred	(5,948)	85	(5,948)	85
Tax expense	<u>(12,967)</u>	<u>(7,038)</u>	<u>(12,967)</u>	<u>(7,038)</u>

For the year to date ended 31 March 2021, despite the Group recording losses, the taxation charge arose from certain profit making companies after utilizing surrendered tax losses from another company in the Group.

22 Loss Per Share

	Quarter Ended 31 March		Year to Date Ended 31 March	
	2021	2020	2021	2020
Basic profit/(loss) per share are computed as follows:				
Profit/(Loss) for the financial period attributable to owners of the Company (RM'000)				
- from continuing operations	30,107	(34,291)	30,107	(34,291)
- from discontinued operations	1,079	(414)	1,079	(414)
	<u>31,186</u>	<u>(34,705)</u>	<u>31,186</u>	<u>(34,705)</u>

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Amounts in RM thousand unless otherwise stated

22 Loss Per Share (continued)

	Quarter Ended 31 March		Year to Date Ended 31 March	
	2021	2020	2021	2020
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic profit/(loss) per share (sen)				
- from continuing operations	4.28	(4.88)	4.28	(4.88)
- from discontinued operations	0.15	(0.06)	0.15	(0.06)
	4.43	(4.94)	4.43	(4.94)

23 Derivative Financial Instruments

The fair value of these derivatives as at 31 March 2021 are as follows:

Type of derivatives	Contractual/ Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Islamic profit rate swap	270,833	-	7,519
Foreign currency exchange forward contracts	254,483	3,235	-
Sugar commodity futures contracts	6,687	-	273
	532,003	3,235	7,792

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 2020. The following table presents the assets that are measured at fair value at 31 March 2021.

31 March 2021

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss				
- Foreign currency exchange forward	-	3,235	-	3,235
	-	3,235	-	3,235
Liabilities				
Financial liabilities at fair value through other comprehensive income				
- Islamic profit rate swap	-	7,519	-	7,519
- Sugar commodity futures contracts	273	-	-	273
	273	7,519	-	7,792

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 sugar commodity futures contracts.

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 Islamic profit rate swap and foreign currency exchange forward contracts.

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.

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QUARTERLY REPORT (CONTINUED)

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

27 Status of Corporate Proposals

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

28 Group Borrowings

Total borrowings, which are denominated in Ringgit Malaysia, are as follows:

	2021	As at 31 March 2020
Borrowings		
Non-current		
Secured:		
Islamic term loans	507,347	597,486
Current		
Secured :		
Islamic term loans	37,683	30,461
Term loan	-	71,539
Unsecured:		
Bankers' acceptances and revolving credits	349,776	223,620
	<u>387,459</u>	<u>325,620</u>
Average interest rate	<u>3.35%</u>	<u>3.91%</u>

All borrowings are denominated in Ringgit Malaysia.

The Islamic term loans are secured against a leasehold land, debenture and certain bank balances of the Group.

The Group is expected to meet its financial covenants as at 31 December 2021. Accordingly as at 31 March 2021, all loans have been classified based on its contractual due dates.

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 Financial Statements for the year ended 31 December 2020, the Group is not a party to any material obligation or arbitration, either as plaintiff or defendant.

On behalf of the Board

Syed Feizal Syed Mohammad
Group Chief Executive Officer

Datuk Syed Hisham Syed Wazir
Chairman

Kuala Lumpur
25 May 2021