



**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 2023**

**QUARTERLY REPORT**  
**On consolidated results for the financial period ended 31 March 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
Amounts in RM thousand unless otherwise stated

Note	Quarter Ended 31 March			Year to Date Ended 31 March		
	2023	2022	% + / (-)	2023	2022	% + / (-)
<b>Revenue</b>	588,393	595,917	(1.3%)	588,393	595,917	(1.3%)
Cost of sales	(599,829)	(600,669)		(599,829)	(600,669)	
<b>Gross loss</b>	<b>(11,436)</b>	<b>(4,752)</b>	<b>&gt;100%</b>	<b>(11,436)</b>	<b>(4,752)</b>	<b>&gt;100%</b>
Other operating income	5,731	1,444		5,731	1,444	
Selling and distribution cost	(7,885)	(7,252)		(7,885)	(7,252)	
Administrative expenses	(18,056)	(16,135)		(18,056)	(16,135)	
Reversal of impairment of financial assets	173	653		173	653	
Commodity gains - net	6,150	7,906		6,150	7,906	
Other operating expenses	(80)	(208)		(80)	(208)	
<b>Loss from operations</b>	<b>(25,403)</b>	<b>(18,344)</b>	<b>38.5%</b>	<b>(25,403)</b>	<b>(18,344)</b>	<b>38.5%</b>
Finance costs	(9,371)	(7,615)		(9,371)	(7,615)	
Finance income	1,591	939		1,591	939	
<b>Loss before taxation</b>	<b>(33,183)</b>	<b>(25,020)</b>	<b>32.6%</b>	<b>(33,183)</b>	<b>(25,020)</b>	<b>32.6%</b>
Taxation	(2,692)	(2,663)		(2,692)	(2,663)	
<b>Loss for the financial period</b>	<b>(35,875)</b>	<b>(27,683)</b>	<b>29.6%</b>	<b>(35,875)</b>	<b>(27,683)</b>	<b>29.6%</b>
<b>Other comprehensive income :</b>						
Currency translation differences	-	39		-	39	
Cash flow hedges	25	391		25	391	
Other comprehensive income for the financial period	25	430		25	430	
<b>Total comprehensive loss for the financial period</b>	<b>(35,850)</b>	<b>(27,253)</b>	<b>31.5%</b>	<b>(35,850)</b>	<b>(27,253)</b>	<b>31.5%</b>
<b>Loss attributable to :</b>						
Owners of the Company	(35,875)	(27,683)		(35,875)	(27,683)	
<b>Loss for the financial period</b>	<b>(35,875)</b>	<b>(27,683)</b>	<b>29.6%</b>	<b>(35,875)</b>	<b>(27,683)</b>	<b>29.6%</b>
<b>Total comprehensive loss attributable to :</b>						
Owners of the Company	(35,850)	(27,253)		(35,850)	(27,253)	
<b>Total comprehensive loss for the financial period</b>	<b>(35,850)</b>	<b>(27,253)</b>	<b>31.5%</b>	<b>(35,850)</b>	<b>(27,253)</b>	<b>31.5%</b>
Loss per share attributable to the Owners of the Company:						
<b>Basic (sen)</b>	<b>19</b>	<b>(5.10)</b>	<b>(3.94)</b>	<b>(5.10)</b>	<b>(3.94)</b>	

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 2022 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 financial period ended 31 March 2023 (continued)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in RM thousand unless otherwise stated

	<b>Unaudited As at 31 March 2023</b>	<b>Audited As at 31 December 2022</b>
<b><u>Non-current assets</u></b>		
Property, plant and equipment	1,202,308	1,205,454
Intangible asset	42,680	43,425
Goodwill	576,240	576,240
Right-of-use assets	97,734	98,656
	<b>1,918,962</b>	<b>1,923,775</b>
<b><u>Current assets</u></b>		
Inventories	324,990	360,523
Trade receivables	265,307	240,874
Other receivables, deposits and prepayments	56,475	41,736
Tax recoverable	14,727	15,271
Amounts due from other related companies	550	968
Deposits with licensed banks	195,180	208,810
Cash and bank balances	10,537	12,154
	<b>867,766</b>	<b>880,336</b>
Assets held for sale	7,682	7,682
<b>Total assets</b>	<b>2,794,410</b>	<b>2,811,793</b>
<b><u>Equity</u></b>		
Share capital	718,255	718,255
Reorganisation deficit	(1,039,632)	(1,039,632)
Merger relief reserve	1,733,939	1,733,939
Cash flow hedge reserve	(216)	(241)
Retained earnings	66,551	102,426
<b>Equity attributable to owners of the Company</b>	<b>1,478,897</b>	<b>1,514,747</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>1,478,897</b>	<b>1,514,747</b>

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

On consolidated results for the financial period ended 31 March 2023 (continued)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

Amounts in RM thousand unless otherwise stated

	<b>Unaudited As at 31 March 2023</b>	<b>Audited As at 31 December 2022</b>
<b><u>Non-current liabilities</u></b>		
Lease liabilities	20,349	20,603
Deferred tax liabilities	35,118	35,940
Borrowings	281,529	299,210
Derivative financial liabilities	138	193
	337,134	355,946
<b><u>Current liabilities</u></b>		
Payables	239,686	334,542
Amounts due to other related companies	8,222	6,937
Amount due to ultimate holding body	66	65
Amount due to immediate holding company	1,038	328
Lease liabilities	1,181	1,228
Borrowings	717,700	580,257
Derivative financial liabilities	10,486	17,743
	978,379	941,100
Total liabilities	1,315,513	1,297,046
<b>Total equity and liabilities</b>	<b>2,794,410</b>	<b>2,811,793</b>
Net assets per share attributable to owners of the Company (RM)	2.10	2.15

**The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2022 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**

	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Total equity
<b>Period Ended 31 March 2023</b>							
At 1 January 2023	718,255	1,733,939	(1,039,632)	-	(241)	102,426	1,514,747
Loss for the financial period	-	-	-	-	-	(35,875)	(35,875)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	25	-	25
	-	-	-	-	25	-	25
<b>Total comprehensive income/(loss)</b>	-	-	-	-	<b>25</b>	<b>(35,875)</b>	<b>(35,850)</b>
<b>At 31 March 2023</b>	<b>718,255</b>	<b>1,733,939</b>	<b>(1,039,632)</b>	-	<b>(216)</b>	<b>66,551</b>	<b>1,478,897</b>

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

Amounts in RM thousand unless otherwise stated

	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Total equity
<b>Period Ended 31 March 2022</b>							
At 1 January 2022	718,255	1,733,939	(1,039,632)	1,442	(3,667)	302,227	1,712,564
Loss for the financial period	-	-	-	-	-	(27,683)	(27,683)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- currency translation differences	-	-	-	39	-	-	39
- cash flow hedges	-	-	-	-	391	-	391
	-	-	-	39	391	-	430
<b>Total comprehensive income/(loss)</b>	-	-	-	<b>39</b>	<b>391</b>	<b>(27,683)</b>	<b>(27,253)</b>
<b>At 31 March 2022</b>	<b>718,255</b>	<b>1,733,939</b>	<b>(1,039,632)</b>	<b>1,481</b>	<b>(3,276)</b>	<b>274,544</b>	<b>1,685,311</b>

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 2022 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**

	<b>Year to Date Ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
		<b>(Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss for the financial period</b>	(35,875)	(27,683)
Adjustment for Non-Cash Flow Items	20,079	20,358
<b>Operating Loss Before Changes in Working Capital</b>	<b>(15,796)</b>	<b>(7,325)</b>
Changes in Working Capital	(96,562)	23,035
<b>Cash (used in)/generated from operations</b>	<b>(112,358)</b>	<b>15,710</b>
Tax paid	(2,376)	(11,729)
<b>Net Cash (used in)/generated from Operating Activities</b>	<b>(114,734)</b>	<b>3,981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,282)	(10,213)
Purchase of intangible assets	(160)	(41)
Proceeds from disposal of property, plant and equipment	-	60
Interest received	1,591	939
<b>Net Cash used in Investing Activities</b>	<b>(9,851)</b>	<b>(9,255)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings, net of issuance costs	471,080	406,100
Repayment of borrowings	(351,290)	(361,700)
Principal payment of lease liability	(300)	(291)
Interest payment of lease liability	(275)	(56)
Interest paid	(9,703)	(8,829)
Interest paid on islamic profit rate swap	(122)	-
<b>Net Cash generated from Financing Activities</b>	<b>109,390</b>	<b>35,224</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents</b>	<b>(15,195)</b>	<b>29,950</b>
Effect of foreign exchange rate changes	(52)	532
Cash and Cash Equivalents at Beginning of the Financial Period	220,964	194,775
<b>Cash and Cash Equivalents at End of the Financial Period</b>	<b>205,717</b>	<b>225,257</b>
<b>Cash and Cash Equivalents comprise:</b>		
Deposits with licensed banks	195,180	144,200
Cash and bank balances	10,537	81,057
<b>Cash and Cash Equivalents at End of the Financial Period</b>	<b>205,717</b>	<b>225,257</b>

**The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the year ended 31 December 2022 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 2022. 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 2022.

**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 2022.

Accounting pronouncements that are effective and have been adopted by the Group

The Group has considered the Agenda Decision on demand deposits with restrictions on use, arising from a contract with third party and has included the cash pledged in order to obtain certain bank facilities as a component of cash and cash equivalents.

(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 2023

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates
- Amendments to MFRS 112 'Deferred Tax relating to assets and liabilities arising from a single transaction'



**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

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

**1 Basis of Preparation (continued)**

(ii) Amendments to existing standards that are not yet effective and have not been early adopted by the Group:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 101 'Classification of liabilities as current or non current' (2020 amendments) and 'Non current liabilities with covenants' (2022 amendments)

The accounting pronouncements that are not yet effective are not expected to have any significant impact on the financial statements of the Group.

**2 Auditors' Report on Preceding Annual Financial Statements**

The financial statements for the year ended 31 December 2022 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 other material or 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 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 has been paid during the quarter ended 31 March 2023.

**MSM MALAYSIA HOLDINGS BERHAD  
QUARTERLY REPORT (CONTINUED)**

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

**8 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 2023.

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.

**9 Valuation of Property, Plant and Equipment**

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

**10 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current period under review.

**11 Changes in Contingent Liabilities or Contingent Assets**

The Group does not have any material contingent liabilities or contingent assets as at 31 March 2023.

**12 Capital Commitments**

**Capital expenditure approved and contracted for:**

- Property, plant and equipment

<b>As at 31 March</b>	
<b>2023</b>	<b>2022</b>
71,829	47,531
<b>71,829</b>	<b>47,531</b>

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

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

**13 Material Related Party Transactions**

(a) Related party transactions are as follows:

	<b>Year to Date Ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
<b>(i) Transactions with Immediate holding company</b>		
Management fees (FGV Holdings Berhad)	810	771
Other services (FGV Holdings Berhad)	-	1
<b>(ii) Transactions with related companies</b>		
Sales of refined sugar (KPF Trading Sdn. Bhd.)	-	(2,471)
Sales of refined sugar (Felda Travel Sdn. Bhd.)	-	(18)
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(3)	-
Security services (FGV Security Services Sdn. Bhd.)	634	477
Information technology services (FGV Prodata Systems Sdn. Bhd.)	-	49
Travel agent services (Felda Travel Sdn. Bhd.)	21	7
Refreshment services (Felda D'Saji Sdn. Bhd.)	2	-
Transportation services (FGV Transport Sdn. Bhd.)	3,385	3,800
Rental of tankers (FGV Johor Bulkiers Sdn. Bhd.)	20	-
Rental of tankers (Langsat Bulkiers Sdn. Bhd.)	257	-
Office rental (FELDA)	188	221
Meeting room rental (FELDA)	1	-
Research services (FGV R&D Sdn. Bhd.)	3	-
	<u>5,318</u>	<u>2,837</u>
<b>(iii) Transactions between subsidiaries and government-related financial institutions</b>		
Interest expense for bankers' acceptance	5,814	3,043
Interest income from fixed deposits and cash balances	(1,591)	(939)

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

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

**13 Material Related Party Transactions (continued)**

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

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
<b>(i) Balances with immediate holding company</b>		
Amount due to:		
FGV Holdings Berhad	1,038	328
<b>(ii) Balances with related companies</b>		
Amount due to:		
FGV Security Services Sdn. Bhd.	703	402
Langsat Bulkers Sdn. Bhd.	357	311
FGV Johor Bulkers Sdn. Bhd.	20	14
Felda Travel Sdn. Bhd.	23	46
Felda D'saji Sdn. Bhd.	6	14
FGV Transport Sdn. Bhd.	7,110	6,150
FGV R&D Sdn. Bhd.	3	-
	<u>8,222</u>	<u>6,937</u>
<b>(iii) Balances with ultimate holding body</b>		
Amount due to:		
FELDA	66	65
<b>(iv) Balances with related companies</b>		
Amount due from:		
KPF Trading Sdn. Bhd.	550	967
FGV Transport Sdn. Bhd.	-	1
	<u>550</u>	<u>968</u>
<b>(v) Balances with government-related financial institutions</b>		
Bankers' acceptance	652,760	517,156
Fixed deposits and cash balances	205,717	220,964

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)**

Amounts in RM thousand unless otherwise stated

**14 Review of Performance**

	Quarter Ended 31 March		
	2023	2022	% + / (-)
Revenue	588,393	595,917	(1.3%)
Gross loss	(11,436)	(4,752)	>100%
Loss before taxation	(33,183)	(25,020)	32.6%
Loss for the period	<u>(35,875)</u>	<u>(27,683)</u>	29.6%

**(a) Quarter on Quarter**

The Group recorded total revenue of RM588.39 million in this quarter, which is RM7.53 million or 1.3% lower compared to the same quarter last year of RM595.92 million. This is due to lower sales volume compared to the same quarter last year despite increase in overall average selling price.

The Group recorded higher loss after tax (LAT) for the three months period ended 31 March 2023 of RM35.88 million compared to the same quarter last year of RM27.68 million. The higher loss is attributable to high input costs mainly natural gas and weakening of Ringgit Malaysia.

**15 Material Changes in the Quarterly Results Compared to the Preceding Quarter (31 December 2022)**

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

	Quarter Ended		
	31 March 2023	31 December 2022	% + / (-)
Revenue	588,393	677,735	(13%)
Gross (loss)/profit	(11,436)	32,264	(>100%)
Loss before taxation	(33,183)	(47,011)	(29%)
Loss for the period	<u>(35,875)</u>	<u>(44,161)</u>	(19%)

The Group recorded a total revenue of RM588.39 million in the current quarter compared to the preceding quarter of RM677.74 million due to lower overall sales volume.

The Group recorded lower LAT of RM35.88 million for the three months period ended 31 March 2023 compared to preceding quarter of RM44.16 million. The lower loss is attributable to the strengthening of Ringgit Malaysia.

**16 Variance of Actual Profit from Forecast Profit**

The Group did not issue any forecast profit.

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

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

**17 Loss from Operations**

Included in the loss are:

	<b>Year to Date Ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
Reversal of impairment of financial assets	(173)	(653)
Amortisation of intangible asset	903	1,097
Amortisation of right-of-use assets	922	629
Depreciation of property plant and equipment	18,381	18,692
Property, plant and equipment written off	9	3
Reversal of impairment of inventories	(4)	(2,041)
Gain on disposal of property, plant and equipment	-	(60)
Realised loss on sugar futures contracts	-	798
Realised gain on Brent crude oil option contracts	(1,688)	(5,594)
Realised loss/(gain) on foreign currency exchange forward contracts	2,795	(46)
Net foreign currency exchange gain	(1,285)	(1,051)
Unrealised gain on sugar futures contracts	-	(963)
Unrealised loss/(gain) on Brent crude oil option contracts	2,571	(1,414)
Unrealised gain on foreign currency exchange forward contracts	(9,828)	(687)

**18 Taxation**

	<b>Year to Date Ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
• Current year provision	(2,920)	(4,053)
• Over provision in prior year	-	-
Deferred tax		
• Current year provision	822	1,390
• Over provision in prior year	-	-
Real Property Gains Tax (RPGT)	(594)	-
<b>Tax expenses</b>	<b>(2,692)</b>	<b>(2,663)</b>
Effective tax rate (%)	8	11
Statutory tax rate (%)	24	24

The effective tax rate for the financial period ended 31 March 2023 is 8%, lower than the Malaysian income tax rate of 24% due to deferred tax assets not recognised in a subsidiary.

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

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

**19 Loss Per Share**

Year to Date Ended 31 March	
2023	2022

Basic loss per share are computed as follows:

Loss for the financial period attributable to owners of the Company (RM'000)	(35,875)	(27,683)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980
<b>Basic loss per share (sen)</b>	<b>(5.10)</b>	<b>(3.94)</b>

**20 Derivative Financial Instruments**

The Group uses forward foreign exchange contracts and commodity contracts to manage its exposure to various financial risks. The outstanding contractual/notional amounts and fair values of these derivatives as at 31 March 2023 are as follows:

	Contractual /Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
<u>Non-current</u>			
Islamic profit rate swap	104,167	-	138
<u>Current</u>			
Foreign currency exchange forward contracts	158,226	-	7,062
Brent crude oil option contracts	3,837	-	3,424
	162,063	-	10,486
	<b>266,230</b>	<b>-</b>	<b>10,624</b>

**MSM MALAYSIA HOLDINGS BERHAD**  
**QUARTERLY REPORT (CONTINUED)**

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

**21 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 2022. The following table presents the assets that are measured at fair value at 31 March 2023.

**31 March 2023**

	Level 1	Level 2	Level 3	Total
<u>Liabilities</u>				
Financial liabilities at fair value through profit and loss				
- Foreign currency exchange forward contracts		7,062	-	7,062
- Brent crude oil option contracts	3,424	-	-	3,424
	<u>3,424</u>	<u>7,062</u>	<u>-</u>	<u>10,486</u>
<u>Liabilities</u>				
Financial liabilities at fair value through other comprehensive income				
- Islamic profit rate swap	-	138	-	138
	<u>-</u>	<u>138</u>	<u>-</u>	<u>138</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 Brent crude oil option contracts and sugar commodity futures contract.

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.

**22 Unquoted Investments and/or Properties**

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

**23 Quoted Investments**

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

**24 Status of Corporate Proposals**

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



**MSM MALAYSIA HOLDINGS BERHAD  
QUARTERLY REPORT (CONTINUED)**

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

**25 Group Borrowings**

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

	<b>As at 31 March</b>	
	<b>2023</b>	<b>2022</b>
<b>Borrowings</b>		
<b><u>Non-current</u></b>		
Secured:		
Islamic term loans	281,529	347,899
<b><u>Current</u></b>		
Secured :		
Islamic term loans	64,940	54,018
Unsecured:		
Bankers' acceptances	652,760	434,635
	<u>717,700</u>	<u>488,653</u>
Average interest rate	4.63%	3.33%

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 required to comply with certain financial covenants i.e. consolidated net debt and financing to equity ratio, consolidated net debt and financing to earnings before interest, tax, depreciation and amortisation ("EBITDA") ratio and consolidated finance payment cover ratio (collectively known as "financial covenants"). The financial covenants are to be complied with annually.

**26 Off Balance Sheet Financial Instruments**

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

**MSM MALAYSIA HOLDINGS BERHAD  
QUARTERLY REPORT (CONTINUED)**

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

**27 Material events after reporting period**

There were no material events after financial reporting period under review.

**28 Prospects**

The Sugar Industry is faced with prolonged high input cost environment owing to the rise in cost of raw sugar, freight, natural gas and volatility of Ringgit Malaysia. Other input costs such as packaging materials, utilities and inland logistics have also increased significantly.

Despite stronger demands seen in the local and export markets, the high input costs continue to impede the improvement of the Group's financial performance. The Group remains focused on improving average selling price and minimizing costs.

The local Sugar Industry requires urgent Government's intervention by way of price increase or subsidy in-lieu in ensuring food security and long-term sustainability of the Sugar Industry amidst these challenges.

**On behalf of the Board**

**Syed Feizal Syed Mohammad  
Group Chief Executive Officer**

**Datuk Syed Hisham Syed Wazir  
Chairman**

**Kuala Lumpur  
26 May 2023**