



MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The Financial Period Ended 30 June 2023**

MSM MALAYSIA HOLDINGS BERHAD
(Incorporated in Malaysia)
Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT
On consolidated results for the financial period ended 30 June 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Amounts in RM thousand unless otherwise stated

Note	Quarter Ended 30 June			Year to Date Ended 30 June		
	2023	2022	% + / (-)	2023	2022	% + / (-)
Revenue	746,231	624,203	19.5%	1,334,624	1,220,120	9.4%
Cost of sales	(753,954)	(631,628)		(1,353,783)	(1,232,297)	
Gross loss	(7,723)	(7,425)	4.0%	(19,159)	(12,177)	57.3%
Other operating income	18,367	6,948		24,018	8,392	
Selling and distribution cost	(6,036)	(7,520)		(13,921)	(14,772)	
Administrative expenses	(16,814)	(18,827)		(34,870)	(34,962)	
(Impairment)/Reversal of impairment of financial assets	(172)	918		1	1,571	
Commodity gains - net	6,567	538		12,717	8,444	
Other operating expenses	(2)	(9)		(2)	(218)	
Loss from operations	(5,813)	(25,377)	(77.1%)	(31,216)	(43,722)	(28.6%)
Finance costs	(10,466)	(9,408)		(19,837)	(17,022)	
Finance income	2,076	111		3,667	1,050	
Loss before taxation	(14,203)	(34,674)	(59.0%)	(47,386)	(59,694)	(20.6%)
Zakat	-	(1,000)		-	(1,000)	
Taxation	(6,614)	1,607		(9,306)	(1,055)	
Loss for the financial period	(20,817)	(34,067)	(38.9%)	(56,692)	(61,749)	(8.2%)
Other comprehensive income :						
Currency translation differences	-	189		-	228	
Cash flow hedges	57	2,091		82	2,482	
Other comprehensive income for the financial period	57	2,280		82	2,710	
Total comprehensive loss for the financial period	(20,760)	(31,787)	(34.7%)	(56,610)	(59,039)	(4.1%)
Loss attributable to :						
Owners of the Company	(20,817)	(34,067)		(56,692)	(61,749)	
Loss for the financial period	(20,817)	(34,067)	(38.9%)	(56,692)	(61,749)	(8.2%)
Total comprehensive loss attributable to :						
Owners of the Company	(20,760)	(31,787)		(56,610)	(59,039)	
Total comprehensive loss for the financial period	(20,760)	(31,787)	(34.7%)	(56,610)	(59,039)	(4.1%)
Loss per share attributable to the Owners of the Company:						
Basic (sen)	19	(2.96)	(4.85)	(8.06)	(8.78)	

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 30 June 2023 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 June 2023	Audited As at 31 December 2022
<u>Non-current assets</u>		
Property, plant and equipment	1,199,505	1,205,454
Intangible asset	41,765	43,425
Goodwill	576,240	576,240
Right-of-use assets	96,825	98,656
	1,914,335	1,923,775
<u>Current assets</u>		
Inventories	473,003	360,523
Trade receivables	292,611	240,874
Other receivables, deposits and prepayments	46,316	41,736
Tax recoverable	12,530	15,271
Derivative financial assets	1,105	-
Amounts due from other related companies	264	968
Deposits with licensed banks	176,946	208,810
Cash and bank balances	60,266	12,154
	1,063,041	880,336
Assets held for sale	-	7,682
Total assets	2,977,376	2,811,793
<u>Equity</u>		
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	(159)	(241)
Retained earnings	45,734	102,426
Equity attributable to owners of the Company	1,458,137	1,514,747
Non-controlling interest	-	-
Total equity	1,458,137	1,514,747

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

On consolidated results for the financial period ended 30 June 2023 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 June 2023	Audited As at 31 December 2022
<u>Non-current liabilities</u>		
Lease liabilities	20,147	20,603
Deferred tax liabilities	36,150	35,940
Borrowings	264,041	299,210
Derivative financial liabilities	124	193
	320,462	355,946
<u>Current liabilities</u>		
Payables	373,610	334,542
Amounts due to other related companies	7,277	6,937
Amount due to ultimate holding body	195	65
Amount due to immediate holding company	1,606	328
Lease liabilities	1,037	1,228
Borrowings	813,587	580,257
Derivative financial liabilities	1,465	17,743
	1,198,777	941,100
Total liabilities	1,519,239	1,297,046
Total equity and liabilities	<u>2,977,376</u>	<u>2,811,793</u>
Net assets per share attributable to owners of the Company (RM)	2.07	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
Period Ended 30 June 2023							
At 1 January 2023	718,255	1,733,939	(1,039,632)	-	(241)	102,426	1,514,747
Loss for the financial period	-	-	-	-	-	(56,692)	(56,692)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	82	-	82
	-	-	-	-	82	-	82
Total comprehensive income/(loss)	-	-	-	-	82	(56,692)	(56,610)
At 30 June 2023	718,255	1,733,939	(1,039,632)	-	(159)	45,734	1,458,137

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
Period Ended 30 June 2022							
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	-	-	-	-	-	(61,749)	(61,749)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- currency translation differences	-	-	-	228	-	-	228
- cash flow hedges	-	-	-	-	2,482	-	2,482
	-	-	-	228	2,482	-	2,710
Total comprehensive income/(loss)	-	-	-	228	2,482	(61,749)	(59,039)
<u>Transaction with owners:</u>							
Dividends paid for the financial year ended 31 December 2021 (final)	-	-	-	-	-	(21,089)	(21,089)
At 30 June 2022	718,255	1,733,939	(1,039,632)	1,670	(1,185)	219,389	1,632,436

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

	Year to Date Ended	
	30 June	
	2023	2022
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period	(56,692)	(61,749)
Adjustment for Non-Cash Flow Items	45,644	59,092
Operating Loss Before Changes in Working Capital	(11,048)	(2,657)
Changes in Working Capital	(135,871)	28,089
Cash (used in)/generated from operations	(146,919)	25,432
Tax paid	(5,761)	(20,438)
Zakat paid	(1,000)	-
Net Cash (used in)/generated from Operating Activities	(153,680)	4,994
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,624)	(24,953)
Purchase of intangible assets	(160)	(126)
Proceeds from disposal of property, plant and equipment	-	430
Net proceeds received from disposal of assets held for sale	15,519	11,300
Interest received	3,667	1,050
Net Cash used in Investing Activities	(6,598)	(12,299)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net of issuance costs	946,880	598,480
Repayment of borrowings	(749,200)	(585,650)
Principal payment of lease liability	(646)	(584)
Interest payment of lease liability	(549)	(109)
Interest paid	(19,990)	(15,802)
Interest paid on islamic profit rate swap	(194)	-
Dividend paid	-	(21,089)
Net Cash generated from/(used in) Financing Activities	176,301	(24,754)
Net increase/(decrease) in Cash and Cash Equivalents	16,023	(32,059)
Effect of foreign exchange rate changes	225	2,513
Cash and Cash Equivalents at Beginning of the Financial Period	220,964	194,775
Cash and Cash Equivalents at End of the Financial Period	237,212	165,229
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	176,946	119,681
Cash and bank balances	60,266	45,548
Cash and Cash Equivalents at End of the Financial Period	237,212	165,229

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 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 Other Comprehensive Income

Cash flow hedges represent fair value changes due to movement in mark-to-market position on effective hedging contracts at 30 June 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 30 June 2023.

12 Capital Commitments

Capital expenditure approved and contracted for:

- Property, plant and equipment

As at 30 June	
2023	2022
68,516	63,809
68,516	63,809

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:

	Year to Date Ended 30 June	
	2023	2022
(i) Transactions with Immediate holding company		
Management fees (FGV Holdings Berhad)	1,619	1,542
Other services (FGV Holdings Berhad)	-	1
(ii) Transactions with related companies		
Sales of refined sugar (KPF Trading Sdn. Bhd.)	-	(2,625)
Sales of refined sugar (Felda Travel Sdn. Bhd.)	-	(41)
Sales of refined sugar (Delima Oil Products Sdn. Bhd.)	(1)	-
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(46)	-
Supply of product (FGV Kernel Products Sdn. Bhd.)	-	(14)
Security services (FGV Security Services Sdn. Bhd.)	1,301	1,012
Information technology services (FGV Prodata Systems Sdn. Bhd.)	-	49
Travel agent services (Felda Travel Sdn. Bhd.)	58	56
Insurance services (KPF Niaga Sdn. Bhd.)	17	-
Refreshment services (Felda D'Saji Sdn. Bhd.)	27	54
Transportation services (FGV Transport Sdn. Bhd.)	7,792	7,396
Rental of tank (FGV Johor Bulkiers Sdn. Bhd.)	214	-
Rental of tank (Langsat Bulkiers Sdn. Bhd.)	407	-
Purchase of product (FGV Integrated Farming Holdings Sdn. Bhd.)	6	-
Hall rental (FELDA)	5	5
Office rental (FELDA)	375	443
Meeting room rental (FELDA)	1	-
Research services (FGV R&D Sdn. Bhd.)	3	-
	<u>11,778</u>	<u>7,878</u>
(iii) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers' acceptance	12,577	5,911
Interest income from fixed deposits and cash balances	(3,667)	(1,050)

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:

	As at 30 June 2023	As at 31 December 2022
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	1,606	328
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	516	402
Langsat Bulkiers Sdn. Bhd.	150	311
FGV Johor Bulkiers Sdn. Bhd.	181	14
Felda Travel Sdn. Bhd.	37	46
Felda D'saji Sdn. Bhd.	29	14
FGV Transport Sdn. Bhd.	6,361	6,150
FGV R&D Sdn. Bhd.	3	-
	<u>7,277</u>	<u>6,937</u>
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	195	65
(iv) Balances with related companies		
Amount due from:		
KPF Trading Sdn. Bhd.	236	967
FGV Transport Sdn. Bhd.	-	1
FGV Integrated Farming Holdings Sdn. Bhd.	27	-
Delima Oil Products Sdn. Bhd.	1	-
	<u>264</u>	<u>968</u>
(v) Balances with government-related financial institutions		
Bankers' acceptance	746,775	517,156
Fixed deposits and cash balances	237,212	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 30 June			Year to Date Ended 30 June		
	2023	2022	% + / (-)	2023	2022	% + / (-)
Revenue	746,231	624,203	19.5%	1,334,624	1,220,120	9.4%
Gross loss	(7,723)	(7,425)	4.0%	(19,159)	(12,177)	57.3%
Loss before taxation	(14,203)	(34,674)	(59.0%)	(47,386)	(59,694)	(20.6%)
Loss for the period	<u>(20,817)</u>	<u>(34,067)</u>	<u>(38.9%)</u>	<u>(56,692)</u>	<u>(61,749)</u>	<u>(8.2%)</u>

(a) Quarter on Quarter

The Group recorded total revenue of RM746.23 million in this quarter, which is RM122.03 million or 19.5% higher compared to the same quarter last year of RM624.20 million. This is due to increase in overall average selling price for the Group.

The Group recorded lower loss after tax (LAT) of RM20.82 million compared to the same quarter last year of RM34.07 million. The lower loss is attributable to gain on disposal of Pulau Indah land of RM8.33 million, gain from translation of USD balances of RM9.67 million, gain from USD forward contracts of RM7.09 million as well as lower freight cost and better capacity utilisation.

(b) Year on Year

The Group recorded total revenue of RM1,334.62 million for the period ended 30 June 2023, which is RM114.50 million or 9.4% higher compared to the same period last year of RM1,220.12 million. The increase is due to higher overall average selling price.

The Group recorded lower LAT of RM56.69 million as compared to previous corresponding period of RM61.75 million. The lower loss is attributable to gain on disposal of Pulau Indah land of RM8.33 million, gain from translation of USD balances of RM10.96 million, gain from USD forward contracts of RM14.13 million as well as lower freight cost.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

15 Material Changes in the Quarterly Results Compared to the Preceding Quarter (31 March 2023)

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

	Quarter Ended		
	30 June 2023	31 March 2023	% + / (-)
Revenue	746,231	588,393	26.8%
Gross loss	(7,723)	(11,436)	(32.5%)
Loss before taxation	(14,203)	(33,183)	(57.2%)
Loss for the period	<u>(20,817)</u>	<u>(35,875)</u>	(42.0%)

The Group recorded a total revenue of RM746.23 million in the current quarter, which is RM157.84 million or 26.8% higher compared to the preceding quarter of RM588.39 million due to higher overall sales volume and average selling price.

The Group recorded lower LAT of RM20.82 million compared to preceding quarter of RM35.88 million. The lower loss is attributable to gain on disposal of Pulau Indah land of RM8.33 million, gain from translation of USD balances of RM8.39 million as well as lower natural gas and better capacity utilisation.

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:

	Year to Date	
	30 June	
	2023	2022
Reversal of impairment of financial assets	(1)	(1,571)
Amortisation of intangible asset	1,807	2,102
Amortisation of right-of-use assets	1,830	1,257
Depreciation of property plant and equipment	37,150	37,410
Property, plant and equipment written off	36	39
Reversal of impairment of inventories	(8)	(183)
Gain on disposal of property, plant and equipment	-	(80)
Net gain on disposal of assets held for sale	(8,332)	-
Realised loss on sugar futures contracts	-	767
Realised loss/(gain) on Brent crude oil option contracts	797	(4,758)
Realised loss/(gain) on foreign currency exchange forward contracts	3,869	(287)
Realised gain on liquidation of excess raw sugar contracts	-	(2,087)
Net foreign currency exchange gain	(10,959)	(7,573)
Unrealised loss on sugar futures contracts	-	124
Unrealised loss/(gain) on Brent crude oil option contracts	612	(738)
Unrealised gain on foreign currency exchange forward contracts	<u>(17,995)</u>	<u>(1,465)</u>

18 Taxation

	Quarter Ended		Year to Date	
	30 June		30 June	
	2023	2022	2023	2022
Current tax				
• Current year provision	(5,582)	(1,152)	(8,502)	(5,205)
Deferred tax				
• Current year provision	(1,032)	2,759	(210)	4,150
Real Property Gains Tax (RPGT)	-	-	(594)	-
Tax expenses	(6,614)	1,607	(9,306)	(1,055)
Effective tax rate (%)	47	(5)	20	2
Statutory tax rate (%)	(24)	(24)	(24)	(24)

The effective tax rate for the financial period ended 30 June 2023 is at positive 20%, higher than the Malaysian income tax rate of minus 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

Quarter Ended 30 June		Year to Date Ended 30 June	
2023	2022	2023	2022

Basic loss per share are computed as follows:

Loss for the financial period attributable to owners of the Company (RM'000)	(20,817)	(34,067)	(56,692)	(61,749)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic loss per share (sen)	(2.96)	(4.85)	(8.06)	(8.78)

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 30 June 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	83,333	-	124
<u>Current</u>			
Foreign currency exchange forward contracts	148,582	1,105	-
Brent crude oil option contracts	1,517	-	1,465
	150,099	1,105	1,465
	233,432	1,105	1,589

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 30 June 2023.

30 June 2023

	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Financial assets at fair value through profit and loss				
- Foreign currency exchange forward contracts	-	1,105	-	1,105
	-	1,105	-	1,105
<u>Liabilities</u>				
Financial liabilities at fair value through profit and loss				
- Brent crude oil option contracts	1,465	-	-	1,465
	1,465	-	-	1,465
<u>Liabilities</u>				
Financial liabilities at fair value through other comprehensive income				
- Islamic profit rate swap	-	124	-	124
	-	124	-	124

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.

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.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

24 Status of Corporate Proposals

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

25 Group Borrowings

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

	As at 30 June	
	2023	2022
Borrowings		
<u>Non-current</u>		
Secured:		
Islamic term loans	264,041	334,518
<u>Current</u>		
Secured :		
Islamic term loans	66,812	58,234
Unsecured:		
Bankers' acceptances	746,775	414,824
	<u>813,587</u>	<u>473,058</u>
Average interest rate	4.70%	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 continues to face prolonged high input cost owing to rising raw sugar cost, high freight and natural gas costs as well as volatility of Ringgit Malaysia.

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.

As a first step, the Government has approved to float the price of premium sugar ("Gula Super") which is differentiated by the quality of the sugar. However, the Joint Sugar Industry still requires urgent Government intervention to increase sugar price or subsidy in-lieu in ensuring food security and long-term sustainability of the Sugar Industry amidst its challenges.

On behalf of the Board

Syed Feizal Syed Mohammad
Group Chief Executive Officer

Datuk Syed Hisham Syed Wazir
Chairman

Kuala Lumpur
24 August 2023