



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 2024**

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

QUARTERLY REPORT
On consolidated results for the financial period ended 30 June 2024

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		
	2024	2023	% + / (-)	2024	2023	% + / (-)
Revenue	833,077	746,231	11.6%	1,739,691	1,334,624	30.4%
Cost of sales	(830,850)	(753,954)		(1,648,225)	(1,353,783)	
Gross profit/(loss)	2,227	(7,723)	(>100%)	91,466	(19,159)	(>100%)
Other operating income	926	18,367		10,213	24,018	
Selling and distribution cost	(5,320)	(6,036)		(11,033)	(13,921)	
Administrative expenses	(19,160)	(16,814)		(39,229)	(34,870)	
Reversal of impairment/(Impairment) of financial assets	214	(172)		1,042	1	
Commodity (losses)/gains - net	(298)	6,567		478	12,717	
Other operating expenses	(122)	(2)		(122)	(2)	
(Loss)/Profit from operations	(21,533)	(5,813)	>100%	52,815	(31,216)	(>100%)
Finance costs	(11,916)	(10,466)		(23,303)	(19,837)	
Finance income	1,807	2,076		4,577	3,667	
(Loss)/Profit before taxation	(31,642)	(14,203)	>100%	34,089	(47,386)	(>100%)
Zakat	(1,000)	-		(1,000)	-	
Taxation	245	(6,614)		(23,773)	(9,306)	
(Loss)/Profit for the financial period	(32,397)	(20,817)	55.6%	9,316	(56,692)	(>100%)
Other comprehensive (loss)/income : for the financial period						
Cash flow hedges	11	57		28	82	
Other comprehensive income for the financial period	11	57		28	82	
Total comprehensive (loss)/income for the financial period	(32,386)	(20,760)	56.0%	9,344	(56,610)	(>100%)
(Loss)/Income attributable to : Owners of the Company	(32,397)	(20,817)	55.6%	9,316	(56,692)	(>100%)
(Loss)/Income for the financial period	(32,397)	(20,817)	55.6%	9,316	(56,692)	(>100%)
Total comprehensive (loss)/income attributable to : Owners of the Company	(32,386)	(20,760)	56.0%	9,344	(56,610)	(>100%)
Total comprehensive (loss)/income for the financial period	(32,386)	(20,760)	56.0%	9,344	(56,610)	(>100%)
(Loss)/Profit per share attributable to the Owners of the Company:						
Basic (sen)	19	(4.61)	(2.96)	1.33	(8.06)	

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 2023 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 2024 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
<u>Non-current assets</u>		
Property, plant and equipment	1,173,721	1,189,747
Intangible asset	38,667	40,438
Goodwill	576,240	576,240
Right-of-use assets	93,295	95,065
	1,881,923	1,901,490
<u>Current assets</u>		
Inventories	596,290	311,931
Trade receivables	254,300	332,343
Other receivables, deposits and prepayments	86,434	60,747
Tax recoverable	-	5,591
Derivative financial assets	330	-
Amounts due from other related companies	153	331
Deposits with licensed banks	146,551	254,969
Cash and bank balances	20,809	23,351
	1,104,867	989,263
Total assets	<u>2,986,790</u>	<u>2,890,753</u>
<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	-	(28)
Retained earnings	61,858	52,542
Equity attributable to owners of the Company	<u>1,474,420</u>	<u>1,465,076</u>

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

On consolidated results for the financial period ended 30 June 2024 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
<u>Non-current liabilities</u>		
Lease liabilities	19,305	19,281
Deferred tax liabilities	30,641	32,326
Borrowings	194,637	229,972
Derivative financial liabilities	-	11
	<u>244,583</u>	<u>281,590</u>
<u>Current liabilities</u>		
Payables	352,981	232,890
Amounts due to other related companies	5,479	5,006
Amount due to ultimate holding body	65	76
Amount due to immediate holding company	1,195	1,301
Lease liabilities	611	1,277
Borrowings	897,852	903,194
Provision for taxation	9,309	-
Derivative financial liabilities	295	343
	<u>1,267,787</u>	<u>1,144,087</u>
Total liabilities	1,512,370	1,425,677
Total equity and liabilities	<u>2,986,790</u>	<u>2,890,753</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.10</u>	<u>2.08</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2023 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 2024							
At 1 January 2024	718,255	1,733,939	(1,039,632)	-	(28)	52,542	1,465,076
Profit for the financial period	-	-	-	-	-	9,316	9,316
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	28	-	28
	-	-	-	-	28	-	28
Total comprehensive income	-	-	-	-	28	9,316	9,344
At 30 June 2024	718,255	1,733,939	(1,039,632)	-	-	61,858	1,474,420

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 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

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 2023 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	
	2024	2023
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the financial period	9,316	(56,692)
Adjustment for Non-Cash Flow Items	85,076	55,272
Operating Income/(Loss) Before Changes in Working Capital	94,392	(1,420)
Changes in Working Capital	(114,434)	(145,499)
Cash used in operations	(20,042)	(146,919)
Tax paid	(11,037)	(5,761)
Zakat paid	(1,000)	(1,000)
Tax refunded	479	-
Net Cash used in Operating Activities	(31,600)	(153,680)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,657)	(25,624)
Purchase of intangible assets	-	(160)
Net proceeds received from disposal of assets held for sale	-	15,519
Interest received	4,577	3,667
Net Cash used in Investing Activities	(14,080)	(6,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net of issuance costs	1,178,200	946,880
Repayment of borrowings	(1,214,525)	(749,200)
Principal payment of lease liability	(642)	(646)
Interest payment of lease liability	(514)	(549)
Interest paid	(27,729)	(19,990)
Interest paid on islamic profit rate swap	(40)	(194)
Net Cash (used in)/generated from Financing Activities	(65,250)	176,301
Net (decrease)/increase in Cash and Cash Equivalents	(110,930)	16,023
Effect of foreign exchange rate changes	(30)	225
Cash and Cash Equivalents at Beginning of the Financial Period	278,320	220,964
Cash and Cash Equivalents at End of the Financial Period	167,360	237,212
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	146,551	176,946
Cash and bank balances	20,809	60,266
Cash and Cash Equivalents at End of the Financial Period	167,360	237,212

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the year ended 31 December 2023 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 2023. 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 2023.

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, presentation and basis of preparation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent and carried forward with appropriate updates with those of the Group's audited financial statements for the financial year ended 31 December 2023.

(i) Accounting pronouncements that are effective and have been adopted by the Group:

The Group have applied the following accounting pronouncements for the first time for the financial year on 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')
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

The accounting pronouncements listed above did not have significant impact on the amounts recognised in prior periods and did not significantly affect the current or expected to affect future periods.

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

Effective annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 on 'Lack of Exchangeability'

The above accounting pronouncement is currently being assessed by the Group and is 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 2023 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 2024.

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 Contingent Liabilities

The Group does not have any material contingent liabilities or contingent assets as at 30 June 2024.

12 Capital Commitments

Capital expenditure approved and contracted for:

- Property, plant and equipment

As at 30 June	
2024	2023
42,247	68,516
42,247	68,516

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	
	2024	2023
(i) Transactions with Immediate holding company		
Management fees (FGV Holdings Berhad)	1,700	1,619
(ii) Transactions with related companies		
Sales of refined sugar (Delima Oil Products Sdn. Bhd.)	(5)	(1)
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(88)	(46)
Security services (FGV Security Services Sdn. Bhd.)	2,012	1,301
Travel agent services (Felda Travel Sdn. Bhd.)	236	58
Insurance services (KPF Niaga Sdn. Bhd.)	-	17
Refreshment services (Felda D'Saji Sdn. Bhd.)	74	27
Transportation services (FGV Transport Sdn. Bhd.)	6,663	7,792
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)	10	5
Office rental (FELDA)	375	375
Meeting room rental (FELDA)	6	1
Purchase of livestock (FELDA)	12	-
Research services (FGV R&D Sdn. Bhd.)	142	3
	<u>11,137</u>	<u>11,778</u>
(iii) Transactions between subsidiaries and government-related agencies and financial institutions		
Interest expense for bankers' acceptance	17,153	12,577
Interest income from fixed deposits and cash balances	(4,577)	(3,667)
Joint Industry incentive received/receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup)	(144,000)	-

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 2024	As at 31 December 2023
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	1,195	1,301
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	876	878
Delima Oil Products Sdn Bhd	-	38
FGV Prodata Systems Sdn. Bhd.	-	7
Felda Travel Sdn. Bhd.	88	183
Felda D'saji Sdn. Bhd.	68	9
FGV Transport Sdn. Bhd.	4,396	3,761
FGV R&D Sdn. Bhd.	51	130
	<u>5,479</u>	<u>5,006</u>
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	65	76
(iv) Balances with related companies		
Amount due from:		
FGV Transport Sdn. Bhd.	112	323
FGV Integrated Farming Holdings Sdn. Bhd.	38	8
Delima Oil Products Sdn. Bhd.	3	-
	<u>153</u>	<u>331</u>
(v) Balances with government-related financial institutions		
Bankers' acceptance	828,839	833,931
Fixed deposits and cash balances	167,360	278,320

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		
	2024	2023	% + / (-)	2024	2023	% + / (-)
Revenue	833,077	746,231	11.6%	1,739,691	1,334,624	30.4%
Gross profit/(loss)	2,227	(7,723)	(>100%)	91,466	(19,159)	(>100%)
(Loss)/Profit before taxation	(31,642)	(14,203)	>100%	34,089	(47,386)	(>100%)
(Loss)/Profit for the period	(32,397)	(20,817)	55.6%	9,316	(56,692)	(>100%)

(a) Quarter on Quarter

The Group recorded total revenue of RM833.08 million in this quarter, which is RM86.85 million or 11.6% higher compared to the same quarter last year of RM746.23 million. This is due to higher average selling price and incentive received for certain packed sugar sold in the domestic market despite lower sales volume.

The Group recorded higher loss after tax (LAT) of RM32.40 million compared to the same quarter last year of RM20.82 million. The higher loss is attributable to high input costs mainly raw sugar, freight and weakening of Ringgit Malaysia despite better capacity utilisation.

(b) Year on Year

The Group recorded total revenue of RM1,739.69 million for the period ended 30 June 2024, which is RM405.07 million or 30.4% higher compared to last year of RM1,334.62 million. The increase is due to higher overall average selling price and sales volume, as well as incentive received for certain packed sugar sold in domestic market.

The Group recorded profit after tax (PAT) of RM9.32 million compared to LAT of RM56.69 million in previous corresponding period. The profit is attributable to improved margin from higher average selling price and better capacity utilisation.

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 2024)

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

	Quarter Ended		
	30 June 2024	31 March 2024	% + / (-)
Revenue	833,077	906,614	(8.1%)
Gross profit	2,227	89,239	(97.5%)
(Loss)/Profit before taxation	(31,642)	65,731	(>100%)
(Loss)/Profit for the period	<u>(32,397)</u>	<u>41,713</u>	(>100%)

The Group recorded a total revenue of RM833.08 million in the current quarter, which is RM73.53 million or 8.1% lower compared to the preceding quarter of RM906.61 million due to lower average selling price and sales volume.

The Group recorded LAT of RM32.40 million compared to PAT of RM41.71 million in preceding quarter. The loss is attributable to high input costs mainly raw sugar, natural gas, freight and weakening 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 Profit/(Loss) from Operations

Included in the profit/(loss) are:

	Year to Date Ended 30 June	
	2024	2023
(Reversal of impairment)/Impairment of financial assets - net	(200)	25
Amortisation of intangible asset	1,771	1,807
Amortisation of right-of-use assets	1,770	1,830
Depreciation of property plant and equipment	35,219	37,150
Property, plant and equipment written off	119	36
Inventory written off/(Reversal of impairment of inventories)	434	(8)
Net gain on disposal of assets held for sale	-	(8,332)
Realised gain on sugar futures contracts	(159)	-
Realised loss on Brent crude oil option contracts	-	797
Realised loss on foreign currency exchange forward contracts	59	3,869
Net foreign currency exchange gain	(8,722)	(10,959)
Unrealised gain on sugar futures contracts	(66)	-
Unrealised loss on Brent crude oil option contracts	295	612
Unrealised gain on foreign currency exchange forward contracts	(607)	(17,995)

18 Taxation

	Quarter Ended 30 June		Year to Date Ended 30 June	
	2024	2023	2024	2023
Current tax				
• Current year provision	(2,710)	(5,582)	(25,458)	(8,502)
Deferred tax				
• Current year provision	2,955	(1,032)	1,685	(210)
Real Property Gains Tax (RPGT)	-	-	-	(594)
Tax expenses	245	(6,614)	(23,773)	(9,306)
Effective tax rate (%)	(1)	47	(70)	20
Statutory tax rate (%)	(24)	(24)	(24)	(24)

The effective tax rate for the financial period ended 30 June 2024 is at 70%, higher than the Malaysian income tax rate of 24% due to non-deductible expenses, loss recorded and 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)/Profit Per Share

Quarter Ended 30 June		Year to Date Ended 30 June	
2024	2023	2024	2023

Basic (loss)/profit per share are computed as follows:

(Loss)/Profit for the financial period attributable to owners of the Company (RM'000)	(32,397)	(20,817)	9,316	(56,692)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic (loss)/profit per share (sen)	(4.61)	(2.96)	1.33	(8.06)

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 2024 are as follows:

	Contractual / Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
<u>Current</u>			
Foreign currency exchange forward contracts	89,171	264	-
Brent crude oil option contracts	621	-	295
Sugar commodity futures contracts	-	66	-
	89,792	330	295
	89,792	330	295

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 2023. The following table presents the assets that are measured at fair value at 30 June 2024.

30 June 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Financial assets at fair value through profit and loss				
- Foreign currency exchange forward contracts	-	264	-	264
- Sugar commodity futures contracts	66	-	-	66
	<u>66</u>	<u>264</u>	<u>-</u>	<u>330</u>
<u>Liabilities</u>				
Financial liabilities at fair value through profit and loss				
- Brent crude oil option contracts	295	-	-	295
	<u>295</u>	<u>-</u>	<u>-</u>	<u>295</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.

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	
	2024	2023
Borrowings		
<u>Non-current</u>		
Secured:		
Islamic term loans	194,637	264,041
<u>Current</u>		
Secured :		
Islamic term loans	69,013	66,812
Unsecured:		
Bankers' acceptances	828,839	746,775
	<u>897,852</u>	<u>813,587</u>
Average interest rate	4.92%	4.70%

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

The Group continues to review and monitor the relevant financial covenants of its debts with financial institutions. The Group expects that it will not be able to meet the financial covenant (ii) consolidated net debt and financing to earnings before interest, tax, depreciation and amortisation ratio, when it is subject to compliance testing requirement within 6 months after the reporting period. Based on past experience, the Group has managed to obtain a waiver or letter of indulgence from the relevant financial institution, when required.

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 with global freight and natural gas prices remain elevated. Moreover, raw sugar price is volatile mainly due to fluctuating Global production volume.

The Group continues to reinforce our domestic and export markets amidst steady demand and explore other regional market opportunities.

The Group remains cautious on the risks of heightening geopolitical tension which may further affect the prices of our input cost and impede financial performance.

The Joint Sugar Industry continues to engage with the Government to finalize a sustainable pricing mechanism for the domestic retail segment and the control of imported refined sugar in ensuring food security and long-term sustainability of the industry.

On behalf of the Board

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

**Datuk Syed Hisham Syed Wazir
Chairman**

**Kuala Lumpur
22 August 2024**