



MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The Financial Period Ended 30 September 2024**

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

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

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

Note	Quarter Ended 30 September			Year to Date Ended 30 September		
	2024	2023	% + / (-)	2024	2023	% + / (-)
Revenue	861,444	806,722	6.8%	2,601,135	2,141,346	21.5%
Cost of sales	(852,411)	(808,158)		(2,500,636)	(2,161,941)	
Gross profit/(loss)	9,033	(1,436)	(>100%)	100,499	(20,595)	(>100%)
Other operating income	656	4,184		2,432	28,202	
Selling and distribution cost	(5,794)	(5,072)		(16,827)	(18,993)	
Administrative expenses	(19,762)	(18,589)		(58,991)	(53,459)	
Reversal of impairment/(Impairment) of financial assets	95	(81)		1,137	(80)	
Commodity (losses)/gains - net	(11,702)	(976)		(11,224)	11,741	
Other operating expenses	(18,781)	(795)		(10,466)	(797)	
(Loss)/Profit from operations	(46,255)	(22,765)	>100%	6,560	(53,981)	(>100%)
Finance costs	(10,729)	(13,193)		(34,032)	(33,030)	
Finance income	1,408	2,128		5,985	5,795	
Loss before taxation	(55,576)	(33,830)	64.3%	(21,487)	(81,216)	(73.5%)
Zakat	-	-		(1,000)	-	
Taxation	5,818	(2,233)		(17,955)	(11,539)	
Loss for the financial period	(49,758)	(36,063)	38.0%	(40,442)	(92,755)	(56.4%)
Other comprehensive loss: for the financial period						
Cash flow hedges	-	81		28	163	
Other comprehensive income for the financial period	-	81		28	163	
Total comprehensive loss for the financial period	(49,758)	(35,982)	38.3%	(40,414)	(92,592)	(56.4%)
Loss attributable to :						
Owners of the Company	(49,758)	(36,063)		(40,442)	(92,755)	
Loss for the financial period	(49,758)	(36,063)	38.0%	(40,442)	(92,755)	(56.4%)
Total comprehensive loss attributable to :						
Owners of the Company	(49,758)	(35,982)		(40,414)	(92,592)	
Total comprehensive loss for the financial period	(49,758)	(35,982)	38.3%	(40,414)	(92,592)	(56.4%)
Loss per share attributable to the Owners of the Company:						
Basic (sen)	19	(7.08)	(5.13)	(5.75)	(13.19)	

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 September 2024 (continued)

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

	Unaudited As at 30 September 2024	Audited As at 31 December 2023
<u>Non-current assets</u>		
Property, plant and equipment	1,179,245	1,189,747
Intangible asset	37,769	40,438
Goodwill	576,240	576,240
Right-of-use assets	96,289	95,065
	1,889,543	1,901,490
<u>Current assets</u>		
Inventories	567,692	311,931
Trade receivables	256,303	332,343
Other receivables, deposits and prepayments	82,364	60,747
Tax recoverable	1,455	5,591
Amounts due from other related companies	155	331
Deposits with licensed banks	75,931	254,969
Cash and bank balances	12,835	23,351
	996,735	989,263
Total assets	<u>2,886,278</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	12,100	52,542
Equity attributable to owners of the Company	<u>1,424,662</u>	<u>1,465,076</u>

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 September 2024	Audited As at 31 December 2023
<u>Non-current liabilities</u>		
Lease liabilities	18,813	19,281
Deferred tax liabilities	27,436	32,326
Borrowings	177,060	229,972
Derivative financial liabilities	-	11
	223,309	281,590
<u>Current liabilities</u>		
Payables	424,953	232,890
Amounts due to other related companies	7,124	5,006
Amount due to ultimate holding body	67	76
Amount due to immediate holding company	2,016	1,301
Lease liabilities	4,685	1,277
Borrowings	790,521	903,194
Derivative financial liabilities	8,941	343
	1,238,307	1,144,087
Total liabilities	1,461,616	1,425,677
Total equity and liabilities	2,886,278	2,890,753
Net assets per share attributable to owners of the Company (RM)	2.03	2.08

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 September 2024							
At 1 January 2024	718,255	1,733,939	(1,039,632)	-	(28)	52,542	1,465,076
Loss for the financial period	-	-	-	-	-	(40,442)	(40,442)
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/(loss)	-	-	-	-	28	(40,442)	(40,414)
At 30 September 2024	718,255	1,733,939	(1,039,632)	-	-	12,100	1,424,662

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 September 2023							
At 1 January 2023	718,255	1,733,939	(1,039,632)	-	(241)	102,426	1,514,747
Loss for the financial period	-	-	-	-	-	(92,755)	(92,755)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	163	-	163
	-	-	-	-	163	-	163
Total comprehensive income/(loss)	-	-	-	-	163	(92,755)	(92,592)
At 30 September 2023	718,255	1,733,939	(1,039,632)	-	(78)	9,671	1,422,155

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	
	30 September	
	2024	2023
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period	(40,442)	(92,755)
Adjustment for Non-Cash Flow Items	124,839	90,911
Operating Income/(Loss) Before Changes in Working Capital	84,397	(1,844)
Changes in Working Capital	(27,162)	(173,327)
Cash generated/(used in) from operations	57,235	(175,171)
Tax paid	(19,188)	(8,968)
Zakat paid	(1,000)	-
Tax refunded	479	-
Net Cash generated/(used in) from Operating Activities	37,526	(184,139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27,661)	(39,971)
Purchase of intangible assets	(33)	(340)
Net proceeds received from disposal of assets held for sale	-	15,519
Interest received	5,985	5,795
Net Cash used in Investing Activities	(21,709)	(18,997)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net of issuance costs	1,754,404	1,458,980
Repayment of borrowings	(1,913,631)	(1,203,995)
Principal payment of lease liability	(4,102)	(952)
Interest payment of lease liability	(1,034)	(820)
Interest paid	(40,969)	(32,248)
Interest paid on islamic profit rate swap	(40)	(286)
Net Cash (used in)/generated from Financing Activities	(205,372)	220,679
Net (decrease)/increase in Cash and Cash Equivalents	(189,555)	17,543
Effect of foreign exchange rate changes	1	(300)
Cash and Cash Equivalents at Beginning of the Financial Period	278,320	220,964
Cash and Cash Equivalents at End of the Financial Period	88,766	238,207
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	75,931	195,061
Cash and bank balances	12,835	43,146
Cash and Cash Equivalents at End of the Financial Period	88,766	238,207

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 September 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 September 2024.

12 Capital Commitments

Capital expenditure approved and contracted for:

- Property, plant and equipment

As at	
30 September	
2024	2023
37,908	58,890
37,908	58,890

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 September	
	2024	2023
(i) Transactions with Immediate holding company		
Management fees (FGV Holdings Berhad)	2,551	2,429
(ii) Transactions with related companies		
Sales of refined sugar (Delima Oil Products Sdn. Bhd.)	(11)	(1)
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(224)	(64)
Security services (FGV Security Services Sdn. Bhd.)	3,041	1,983
Information technology services (FGV Prodata Systems Sdn. Bhd.)	22	-
Travel agent services (Felda Travel Sdn. Bhd.)	236	87
Insurance services (KPF Niaga Sdn. Bhd.)	-	44
Refreshment services (Felda D'Saji Sdn. Bhd.)	90	37
Transportation services (FGV Transport Sdn. Bhd.)	11,416	11,008
Rental of tank (FGV Johor Bulkiers Sdn. Bhd.)	60	281
Rental of tank (Langsat Bulkiers Sdn. Bhd.)	-	510
Purchase of product (FGV Integrated Farming Holdings Sdn. Bhd.)	102	58
Hall rental (FELDA)	15	5
Office rental (FELDA)	563	563
Meeting room rental (FELDA)	7	3
Purchase of livestock (FELDA)	12	-
Research services (FGV R&D Sdn. Bhd.)	381	3
	<u>18,261</u>	<u>16,946</u>
(iii) Transactions between subsidiaries and government-related agencies and financial institutions		
Interest expense for bankers' acceptance	25,546	21,607
Interest income from fixed deposits and cash balances	(5,985)	(5,795)
Joint Industry incentive received/receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup)	(216,000)	-

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 September 2024	As at 31 December 2023
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	2,016	1,301
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	1,029	878
Delima Oil Products Sdn Bhd	-	38
FGV Prodata Systems Sdn. Bhd.	22	7
FGV Johor Bulkiers Sdn. Bhd.	60	-
Felda Travel Sdn. Bhd.	<1	183
Felda D'saji Sdn. Bhd.	17	9
FGV Transport Sdn. Bhd.	5,677	3,761
FGV R&D Sdn. Bhd.	239	130
FGV Fertiliser Sdn Bhd	<1	-
FGV Integrated Farming Holdings Sdn. Bhd	80	-
	<u>7,124</u>	<u>5,006</u>
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	67	76
(iv) Balances with related companies		
Amount due from:		
FGV Transport Sdn. Bhd.	112	323
FGV Integrated Farming Holdings Sdn. Bhd.	40	8
Delima Oil Products Sdn. Bhd.	3	-
	<u>155</u>	<u>331</u>
* <1 denotes amount less than RM1,000		
(v) Balances with government-related financial institutions		
Bankers' acceptance	721,633	833,931
Fixed deposits and cash balances	88,766	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 September			Year to Date Ended 30 September		
	2024	2023	% + / (-)	2024	2023	% + / (-)
Revenue	861,444	806,722	6.8%	2,601,135	2,141,346	21.5%
Gross profit/(loss)	9,033	(1,436)	(>100%)	100,499	(20,595)	(>100%)
Loss before taxation	(55,576)	(33,830)	64.3%	(21,487)	(81,216)	(73.5%)
Loss for the period	(49,758)	(36,063)	38.0%	(40,442)	(92,755)	(56.4%)

(a) Quarter on Quarter

The Group recorded total revenue of RM861.44 million in this quarter, which is RM54.72 million or 6.8% higher compared to the same quarter last year of RM806.72 million. This is due to higher average selling price, incentive received for certain packed sugar sold in the domestic market and higher sales volume.

The Group recorded higher loss after tax (LAT) of RM49.76 million compared to the same quarter last year of RM36.06 million. The loss for the period is attributable to foreign exchange translation loss of RM18.77 million as a result of rapid appreciation of Ringgit Malaysia against US Dollar.

(b) Year on Year

The Group recorded total revenue of RM2,601.14 million for the period ended 30 September 2024, which is RM459.79 million or 21.5% higher compared to last year of RM2,141.35 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 lower loss after tax (LAT) of RM40.44 million compared to LAT of RM92.76 million in previous corresponding period. The lower loss 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 (30 June 2024)

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

	Quarter Ended		
	30 September 2024	30 June 2024	% + / (-)
Revenue	861,444	833,077	3.4%
Gross profit	9,033	2,227	305.6%
Loss before taxation	(55,576)	(31,642)	(>100%)
Loss for the period	<u>(49,758)</u>	<u>(32,397)</u>	(>100%)

The Group recorded a total revenue of RM861.44 million in the current quarter, which is RM28.37 million or 3.4% higher compared to the preceding quarter of RM833.08 million due to higher sales volume despite lower average selling price.

The Group recorded higher LAT of RM49.76 million compared to LAT of RM32.40 million in preceding quarter. The loss for the period is attributable to foreign exchange translation loss of RM18.77 million as a result of rapid appreciation of Ringgit Malaysia against US Dollar.

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)/Profit from Operations

Included in the (loss)/profit are:

	Year to Date Ended	
	30 September	
	2024	2023
(Reversal of impairment)/Impairment of financial assets - net	(296)	80
Amortisation of intangible asset	2,702	2,710
Amortisation of right-of-use assets	5,818	2,711
Depreciation of property plant and equipment	52,911	55,836
Property, plant and equipment written off	148	245
Inventory written off	434	17
Gain on disposal of assets held for sale	-	(8,381)
Realised gain on sugar futures contracts	(365)	-
Realised loss on Brent crude oil option contracts	155	797
Realised loss on foreign currency exchange forward contracts	2,836	3,877
Net foreign currency exchange loss/(gain)	10,047	(12,220)
Unrealised loss on sugar futures contracts	2,604	-
Unrealised loss on Brent crude oil option contracts	507	615
Unrealised loss/(gain) on foreign currency exchange forward contracts	5,487	(17,030)

18 Taxation

	Quarter Ended		Year to Date Ended	
	30 September		30 September	
	2024	2023	2024	2023
Current tax				
• Current year provision	2,613	(4,400)	(22,845)	(12,902)
Deferred tax				
• Current year provision	3,205	2,167	4,890	1,957
Real Property Gains Tax (RPGT)	-	-	-	(594)
Tax expenses	5,818	(2,233)	(17,955)	(11,539)
Effective tax rate (%)	(10)	7	84	14
Statutory tax rate (%)	(24)	(24)	(24)	(24)

The effective tax rate for the financial period ended 30 September 2024 is at positive 84%, higher than the Malaysian income tax rate of minus 24% due to 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 Per Share

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

Basic loss per share are computed as follows:

Loss for the financial period attributable to owners of the Company (RM'000)	(49,758)	(36,063)	(40,442)	(92,755)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic loss per share (sen)	(7.08)	(5.13)	(5.75)	(13.19)

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 September 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	235,333	(5,830)	-
Brent crude oil option contracts	802	-	507
Sugar commodity futures contracts	-	(2,604)	-
	236,135	(8,434)	507
	236,135	(8,434)	507

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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 September 2024.

30 September 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	-	(5,830)	-	(5,830)
- Sugar commodity futures contracts	(2,604)	-	-	(2,604)
	<u>(2,604)</u>	<u>(5,830)</u>	<u>-</u>	<u>(8,434)</u>
<u>Liabilities</u>				
Financial liabilities at fair value through profit and loss				
- Brent crude oil option contracts	507	-	-	507
	<u>507</u>	<u>-</u>	<u>-</u>	<u>507</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 September	
	2024	2023
Borrowings		
<u>Non-current</u>		
Secured:		
Islamic term loans	177,060	246,400
<u>Current</u>		
Secured :		
Islamic term loans	68,888	68,631
Unsecured:		
Bankers' acceptances	721,633	820,455
	<u>790,521</u>	<u>889,086</u>
Average interest rate	4.91%	4.72%

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 and post-US election pertaining to forex which may further affect our operating cost.

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
21 November 2024**