



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 2023**

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

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

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		
	2023	2022	% + / (-)	2023	2022	% + / (-)
Revenue	806,722	668,130	20.7%	2,141,346	1,888,250	13.4%
Cost of sales	(808,158)	(733,936)		(2,161,941)	(1,966,233)	
Gross loss	(1,436)	(65,806)	(97.8%)	(20,595)	(77,983)	(73.6%)
Other operating income	4,184	11,706		28,202	20,035	
Selling and distribution cost	(5,072)	(13,567)		(18,993)	(28,339)	
Administrative expenses	(18,589)	(16,521)		(53,459)	(51,483)	
(Impairment)/Reversal of impairment of financial assets	(81)	822		(80)	2,393	
Commodity (losses)/gains - net	(976)	16,095		11,741	24,539	
Other operating expenses	(795)	-		(797)	(155)	
Loss from operations	(22,765)	(67,271)	(66.2%)	(53,981)	(110,993)	(51.4%)
Finance costs	(13,193)	(5,692)		(33,030)	(22,714)	
Finance income	2,128	1,129		5,795	2,179	
Loss before taxation	(33,830)	(71,834)	(52.9%)	(81,216)	(131,528)	(38.3%)
Zakat	-	-		-	(1,000)	
Taxation	(2,233)	(968)		(11,539)	(2,023)	
Loss for the financial period	(36,063)	(72,802)	(50.5%)	(92,755)	(134,551)	(31.1%)

**Other comprehensive income/(loss) :
for the period**

Realisation of foreign exchange reserve upon liquidation of a subsidiary	-	(1,881)		-	(1,881)	
Currency translation differences	-	211		-	439	
Cash flow hedges	81	676		163	3,158	
Other comprehensive income/(loss) for the financial period	81	(994)		163	1,716	
Total comprehensive loss for the financial period	(35,982)	(73,796)	(51.2%)	(92,592)	(132,835)	(30.3%)

Loss attributable to :

Owners of the Company	(36,063)	(72,802)		(92,755)	(134,551)	
Loss for the financial period	(36,063)	(72,802)	(50.5%)	(92,755)	(134,551)	(31.1%)

**Total comprehensive loss
attributable to :**

Owners of the Company	(35,982)	(73,796)		(92,592)	(132,835)	
Total comprehensive loss for the financial period	(35,982)	(73,796)	(51.2%)	(92,592)	(132,835)	(30.3%)

Loss per share attributable to the

Owners of the Company:					
Basic (sen)	19	(5.13)	(10.36)	(13.19)	(19.14)

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 September 2023 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 September 2023	Audited As at 31 December 2022
<u>Non-current assets</u>		
Property, plant and equipment	1,192,584	1,205,454
Intangible asset	41,042	43,425
Goodwill	576,240	576,240
Right-of-use assets	95,945	98,656
Derivative financial assets	-	-
	1,905,811	1,923,775
<u>Current assets</u>		
Inventories	402,851	360,523
Trade receivables	302,947	240,874
Other receivables, deposits and prepayments	45,397	41,736
Tax recoverable	11,337	15,271
Derivative financial assets	140	-
Amounts due from other related companies	410	968
Deposits with licensed banks	195,061	208,810
Cash and bank balances	43,146	12,154
	1,001,289	880,336
Assets held for sale	-	7,682
Total assets	<u>2,907,100</u>	<u>2,811,793</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	(78)	(241)
Retained earnings	9,671	102,426
Equity attributable to owners of the Company	1,422,155	1,514,747
Non-controlling interest	-	-
Total equity	<u>1,422,155</u>	<u>1,514,747</u>

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 September 2023	Audited As at 31 December 2022
<u>Non-current liabilities</u>		
Lease liabilities	19,997	20,603
Deferred tax liabilities	33,983	35,940
Borrowings	246,400	299,210
Derivative financial liabilities	56	193
	300,436	355,946
<u>Current liabilities</u>		
Payables	286,981	334,542
Amounts due to other related companies	4,943	6,937
Amount due to ultimate holding body	128	65
Amount due to immediate holding company	1,021	328
Lease liabilities	882	1,228
Borrowings	889,086	580,257
Derivative financial liabilities	1,468	17,743
	1,184,509	941,100
Total liabilities	1,484,945	1,297,046
Total equity and liabilities	<u>2,907,100</u>	<u>2,811,793</u>
Net assets per share attributable to owners of the Company (RM)	2.02	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 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

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 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	-	-	-	-	-	(134,551)	(134,551)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- currency translation differences	-	-	-	439	-	-	439
- realisation of foreign exchange reserve upon liquidation of a subsidiary	-	-	-	(1,881)	-	-	(1,881)
- cash flow hedges	-	-	-	-	3,158	-	3,158
	-	-	-	(1,442)	3,158	-	1,716
Total comprehensive (loss)/income	-	-	-	(1,442)	3,158	(134,551)	(132,835)
Transaction with owners:							
Dividends paid for the financial year ended 31 December 2021 (final)	-	-	-	-	-	(21,089)	(21,089)
Total transactions with owners	-	-	-	-	-	(21,089)	(21,089)
At 30 September 2022	718,255	1,733,939	(1,039,632)	-	(509)	146,587	1,558,640

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 September	
	2023	2022
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period	(92,755)	(134,551)
Adjustment for Non-Cash Flow Items	73,467	69,124
Operating Loss Before Changes in Working Capital	(19,288)	(65,427)
Changes in Working Capital	(155,883)	139,496
Cash (used in)/generated from operations	(175,171)	74,069
Tax paid	(8,968)	(23,558)
Net Cash (used in)/generated from Operating Activities	(184,139)	50,511
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(39,971)	(47,849)
Purchase of property, plant and equipment - ROU asset	-	(376)
Purchase of intangible assets	(340)	(1,108)
Proceeds from disposal of property, plant and equipment	-	430
Cash inflow from liquidation of a subsidiary	-	4,012
Net proceeds received from disposal of assets held for sale	15,519	11,300
Interest received	5,795	2,179
Net Cash used in Investing Activities	(18,997)	(31,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net of issuance costs	1,458,980	1,014,680
Repayment of borrowings	(1,203,995)	(872,700)
Principal payment of lease liability	(952)	(1,109)
Interest payment of lease liability	(820)	(651)
Interest paid	(32,248)	(24,191)
Interest paid on islamic profit rate swap	(286)	-
Dividend paid	-	(21,089)
Net Cash generated from Financing Activities	220,679	94,940
Net increase in Cash and Cash Equivalents	17,543	114,039
Effect of foreign exchange rate changes	(300)	539
Cash and Cash Equivalents at Beginning of the Financial Period	220,964	194,775
Cash and Cash Equivalents at End of the Financial Period	238,207	309,353
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	195,061	293,664
Cash and bank balances	43,146	15,689
Cash and Cash Equivalents at End of the Financial Period	238,207	309,353

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 September 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 September 2023.

12 Capital Commitments

Capital expenditure approved and contracted for:

- Property, plant and equipment

As at 30 September	
2023	2022
58,890	54,954
58,890	54,954

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	
	2023	2022
(i) Transactions with Immediate holding company		
Management fees (FGV Holdings Berhad)	2,429	2,314
Other services (FGV Holdings Berhad)	-	2
(ii) Transactions with related companies		
Sales of refined sugar (KPF Trading Sdn. Bhd.)	-	(3,129)
Sales of refined sugar (Felda Travel Sdn. Bhd.)	-	(53)
Sales of refined sugar (Delima Oil Products Sdn. Bhd.)	(1)	-
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(64)	-
Supply of product (FGV Kernel Products Sdn. Bhd.)	-	(14)
Security services (FGV Security Services Sdn. Bhd.)	1,983	1,501
Information technology services (FGV Prodata Systems Sdn. Bhd.)	-	49
Travel agent services (Felda Travel Sdn. Bhd.)	87	74
Insurance services (KPF Niaga Sdn. Bhd.)	44	-
Refreshment services (Felda D'Saii Sdn. Bhd.)	37	68
Transportation services (FGV Transport Sdn. Bhd.)	11,008	12,085
Rental of tank (FGV Johor Bulkiers Sdn. Bhd.)	281	48
Rental of tank (Langsat Bulkiers Sdn. Bhd.)	510	-
Purchase of product (FGV Integrated Farming Holdings Sdn. Bhd.)	58	-
Hall rental (FELDA)	5	23
Office rental (FELDA)	563	664
Meeting room rental (FELDA)	3	-
Research services (FGV R&D Sdn. Bhd.)	3	-
Research services (FGV Applied Technologies Sdn. Bhd.)	-	126
	<u>16,946</u>	<u>13,758</u>
(iii) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers' acceptance	21,607	9,743
Interest income from fixed deposits and cash balances	(5,795)	(2,179)

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 2023	As at 31 December 2022
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	1,021	328
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	718	402
Langsat Bulkiers Sdn. Bhd.	103	311
FGV Johor Bulkiers Sdn. Bhd.	67	14
Felda Travel Sdn. Bhd.	29	46
Felda D'saji Sdn. Bhd.	7	14
FGV Transport Sdn. Bhd.	4,019	6,150
	<u>4,943</u>	<u>6,937</u>
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	128	65
(iv) Balances with related companies		
Amount due from:		
KPF Trading Sdn. Bhd.	-	967
FGV Transport Sdn. Bhd.	404	1
FGV Integrated Farming Holdings Sdn. Bhd.	6	-
	<u>410</u>	<u>968</u>
(v) Balances with government-related financial institutions		
Bankers' acceptance	820,455	517,156
Fixed deposits and cash balances	238,207	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 September			Year to Date Ended 30 September		
	2023	2022	% + / (-)	2023	2022	% + / (-)
Revenue	806,722	668,130	20.7%	2,141,346	1,888,250	13.4%
Gross loss	(1,436)	(65,806)	(97.8%)	(20,595)	(77,983)	(73.6%)
Loss before taxation	(33,830)	(71,834)	(52.9%)	(81,216)	(131,528)	(38.3%)
Loss for the period	<u>(36,063)</u>	<u>(72,802)</u>	(50.5%)	<u>(92,755)</u>	<u>(134,551)</u>	(31.1%)

(a) Quarter on Quarter

The Group recorded total revenue of RM806.72 million in this quarter, which is RM138.59 million or 20.7% higher compared to the same quarter last year of RM668.13 million. This is due to higher overall sales volume and average selling price for the Group.

The Group recorded lower loss after tax (LAT) of RM36.06 million compared to the same quarter last year of RM72.80 million. The lower loss is attributable to improved margin from higher average selling price, lower freight cost and better capacity utilisation.

(b) Year on Year

The Group recorded total revenue of RM2,141.35 million for the period ended 30 September 2023, which is RM253.10 million or 13.4% higher compared to the same period last year of RM1,888.25 million. The increase is due to higher overall average selling price.

The Group recorded lower LAT of RM92.76 million as compared to previous corresponding period of RM134.55 million. The lower loss is attributable to improved margin from higher average selling price, lower freight cost 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 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 September 2023	30 June 2023	% + / (-)
Revenue	806,722	746,231	8.1%
Gross loss	(1,436)	(7,723)	(81.4%)
Loss before taxation	(33,830)	(14,203)	>100%
Loss for the period	<u>(36,063)</u>	<u>(20,817)</u>	73.2%

The Group recorded a total revenue of RM806.72 million in the current quarter, which is RM60.49 million or 8.1% higher compared to the preceding quarter of RM746.23 million due to higher overall sales volume and average selling price.

The Group recorded higher LAT of RM36.06 million compared to preceding quarter of RM20.82 million. The higher loss is attributable to high input costs mainly raw sugar, freight cost 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 Loss from Operations

Included in the loss are:

	Year to Date Ended	
	30 September	
	2023	2022
Impairment/(Reversal of impairment) of financial assets	80	(2,393)
Amortisation of intangible asset	2,710	3,040
Amortisation of right-of-use assets	2,711	2,562
Depreciation of property plant and equipment	55,836	56,173
Property, plant and equipment written off	245	53
Inventory written off/(Reversal of impairment of inventories)	17	(165)
Gain on disposal of property, plant and equipment	-	(80)
Net gain on disposal of assets held for sale	(8,381)	-
Realised loss on sugar futures contracts	-	1,333
Realised loss/(gain) on Brent crude oil option contracts	797	(3,068)
Realised loss/(gain) on foreign currency exchange forward contracts	3,877	(1,804)
Realised gain on liquidation of excess raw sugar contracts	-	(2,087)
Net foreign currency exchange gain	(12,220)	(17,220)
Unrealised gain on sugar futures contracts	-	(858)
Unrealised loss/(gain) on Brent crude oil option contracts	615	(2,133)
Unrealised gain on foreign currency exchange forward contracts	<u>(17,030)</u>	<u>(15,922)</u>

18 Taxation

	Quarter Ended		Year to Date Ended	
	30 September		30 September	
	2023	2022	2023	2022
Current tax				
• Current year provision	(4,400)	2,203	(12,902)	(3,002)
Deferred tax				
• Current year provision	2,167	(3,171)	1,957	979
Real Property Gains Tax (RPGT)	-	-	(594)	-
Tax expenses	(2,233)	(968)	(11,539)	(2,023)
Effective tax rate (%)	7	1	14	2
Statutory tax rate (%)	(24)	(24)	(24)	(24)

The effective tax rate for the financial period ended 30 September 2023 is at positive 14%, higher than the Malaysian income tax rate of minus 24% due to losses recorded in the period 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	
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)	(36,063)	(72,802)	(92,755)	(134,551)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic loss per share (sen)	(5.13)	(10.36)	(13.19)	(19.14)

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 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	62,500	-	56
<u>Current</u>			
Foreign currency exchange forward contracts	102,451	140	-
Brent crude oil option contracts	1,526	-	1,468
	103,977	140	1,468
	166,477	140	1,524

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 September 2023.

30 September 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Financial assets at fair value through profit and loss				
- Foreign currency exchange forward contracts	-	140	-	140
	<u>-</u>	<u>140</u>	<u>-</u>	<u>140</u>
Liabilities				
Financial liabilities at fair value through profit and loss				
- Brent crude oil option contracts	1,468	-	-	1,468
	<u>1,468</u>	<u>-</u>	<u>-</u>	<u>1,468</u>
Liabilities				
Financial liabilities at fair value through other comprehensive income				
- Islamic profit rate swap	-	56	-	56
	<u>-</u>	<u>56</u>	<u>-</u>	<u>56</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.

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 September	
	2023	2022
Borrowings		
<u>Non-current</u>		
Secured:		
Islamic term loans	246,400	316,276
<u>Current</u>		
Secured :		
Islamic term loans	68,631	61,588
Unsecured:		
Bankers' acceptances	820,455	556,046
	889,086	617,634
Average interest rate	4.72%	3.49%

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 weakening Ringgit. The Group recognizes the risks of the heightening geopolitical tension onto the prices of our key input costs as mentioned.

Despite stronger demands seen in the local and export markets, the prevailing high input costs continue to impede the improvement of the Group's financial performance.

The Joint Sugar Industry requires urgent Government intervention to increase sugar price or subsidy in-lieu for the retail segment 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
23 November 2023