



**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 2022**

**QUARTERLY REPORT**  
On consolidated results for the period ended 30 June 2022

**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		
	2022	2021	% + / (-)	2022	2021	% + / (-)
<b><u>Continuing operations</u></b>						
Revenue	624,203	554,100	12.7%	1,220,120	1,069,035	14.1%
Cost of sales	(631,628)	(512,451)		(1,232,297)	(959,028)	
<b>Gross (loss)/profit</b>	<b>(7,425)</b>	<b>41,649</b>	<b>(&gt;100%)</b>	<b>(12,177)</b>	<b>110,007</b>	<b>(&gt;100%)</b>
Other operating income	6,948	280		8,392	3,218	
Selling and distribution cost	(7,520)	(5,404)		(14,772)	(12,072)	
Administrative expenses	(18,827)	(14,977)		(34,962)	(28,407)	
Reversal of impairment of financial assets	918	4,538		1,571	1,595	
Reversal of impairment of non-financial assets	-	5,127		-	5,127	
Other gain/(loss) - net	538	(415)		8,444	3,525	
Other operating expenses	(9)	(307)		(218)	(324)	
<b>(Loss)/Profit from operations</b>	<b>(25,377)</b>	<b>30,491</b>	<b>(&gt;100%)</b>	<b>(43,722)</b>	<b>82,669</b>	<b>(&gt;100%)</b>
Finance costs	(9,408)	(9,648)		(17,022)	(19,474)	
Finance income	111	638		1,050	1,359	
<b>(Loss)/Profit before taxation</b>	<b>(34,674)</b>	<b>21,481</b>	<b>(&gt;100%)</b>	<b>(59,694)</b>	<b>64,554</b>	<b>(&gt;100%)</b>
Zakat	(1,000)	(1,000)		(1,000)	(1,000)	
Taxation	1,607	(7,204)		(1,055)	(20,171)	
<b>(Loss)/Profit from continuing operations</b>	<b>(34,067)</b>	<b>13,277</b>	<b>(&gt;100%)</b>	<b>(61,749)</b>	<b>43,383</b>	<b>(&gt;100%)</b>
<b><u>Discontinued operations</u></b>						
Profit from discontinued operations, net of tax	-	189	(100%)	-	1,269	(100%)
<b>(Loss)/Profit for the period</b>	<b>(34,067)</b>	<b>13,466</b>	<b>(&gt;100%)</b>	<b>(61,749)</b>	<b>44,652</b>	<b>(&gt;100%)</b>
<b>Other comprehensive income for the period</b>						
Currency translation differences	189	6		228	130	
Cash flow hedges	2,091	521		2,482	2,957	
Other comprehensive income for the period	2,280	527		2,710	3,087	
<b>Total comprehensive (loss)/income for the period</b>	<b>(31,787)</b>	<b>13,993</b>	<b>(&gt;100%)</b>	<b>(59,039)</b>	<b>47,739</b>	<b>(&gt;100%)</b>
<b>(Loss)/Profit attributable to :</b>						
Shareholders of the Company						
- from continuing operations	(34,067)	13,277		(61,749)	43,383	
- from discontinued operations	-	189		-	1,269	
<b>(Loss)/Profit for the period</b>	<b>(34,067)</b>	<b>13,466</b>	<b>(&gt;100%)</b>	<b>(61,749)</b>	<b>44,652</b>	<b>(&gt;100%)</b>
<b>Total comprehensive (loss)/income attributable to :</b>						
Shareholders of the Company						
- from continuing operations	(31,787)	13,804		(59,039)	46,470	
- from discontinued operations	-	189		-	1,269	
<b>Total comprehensive (loss)/income for the period</b>	<b>(31,787)</b>	<b>13,993</b>	<b>(&gt;100%)</b>	<b>(59,039)</b>	<b>47,739</b>	<b>(&gt;100%)</b>
<b>Basic (loss)/profit per share attributable to the Owners of the Company (sen)</b>						
- from continuing operations	(4.85)	1.89		(8.78)	6.17	
- from discontinued operations	-	0.03		-	0.18	
	<b>(4.85)</b>	<b>1.92</b>		<b>(8.78)</b>	<b>6.35</b>	

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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 2021 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 period ended 30 June 2022 (continued)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in RM thousand unless otherwise stated

	<b>Unaudited As at 30 June 2022</b>	<b>Audited As at 31 December 2021</b>
<b><u>Non-current assets</u></b>		
Property, plant and equipment	1,220,860	1,220,510
Intangible asset	43,969	45,945
Goodwill	576,240	576,240
Right-of-use assets	81,779	83,036
	<b>1,922,848</b>	<b>1,925,731</b>
<b><u>Current assets</u></b>		
Inventories	238,086	421,059
Trade receivables	222,538	257,496
Other receivables, deposits and prepayments	64,056	49,747
Tax recoverable	9,942	-
Derivative financial assets	812	-
Amounts due from related companies	1,113	3,048
Amount due from immediate holding company	-	1
Deposits with licensed banks	119,681	81,119
Cash and bank balances	45,548	113,656
	<b>701,776</b>	<b>926,126</b>
Assets held for sale	7,682	18,982
<b>Total assets</b>	<b>2,632,306</b>	<b>2,870,839</b>
<b><u>Equity</u></b>		
Share capital	718,255	718,255
Reorganisation deficit	(1,039,632)	(1,039,632)
Merger relief reserve	1,733,939	1,733,939
Foreign exchange reserve	1,670	1,442
Cash flow hedge reserve	(1,185)	(3,667)
Retained earnings	219,389	302,227
<b>Equity attributable to owners of the Company</b>	<b>1,632,436</b>	<b>1,712,564</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>1,632,436</b>	<b>1,712,564</b>

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

On consolidated results for the period ended 30 June 2022 (continued)

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

Amounts in RM thousand unless otherwise stated

	<b>Unaudited As at 30 June 2022</b>	<b>Audited As at 31 December 2021</b>
<b><u>Non-current liabilities</u></b>		
Lease liabilities	3,529	3,549
Deferred tax liabilities	35,761	39,911
Borrowings	334,518	363,885
Derivative financial liabilities	1,282	3,571
	<b>375,090</b>	<b>410,916</b>
<b><u>Current liabilities</u></b>		
Payables and accruals	142,138	301,234
Amounts due to other related companies	5,122	3,936
Amount due to ultimate holding body	74	-
Amount due to immediate holding company	1,475	2,982
Lease liabilities	431	996
Borrowings	473,058	429,171
Provision for taxation	-	5,291
Derivative financial liabilities	2,482	3,749
	<b>624,780</b>	<b>747,359</b>
Total liabilities	<b>999,870</b>	<b>1,158,275</b>
<b>Total equity and liabilities</b>	<b><u>2,632,306</u></b>	<b><u>2,870,839</u></b>
Net assets per share attributable to owners of the Company (RM)	<b><u>2.32</u></b>	<b><u>2.44</u></b>

**The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Amounts in RM thousand unless otherwise stated

	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Total equity
<b>Period Ended 30 June 2022</b>							
At 1 January 2022	718,255	1,733,939	(1,039,632)	1,442	(3,667)	302,227	1,712,564
Loss for the financial period	-	-	-	-	-	(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
<b>Total comprehensive loss</b>	-	-	-	<b>228</b>	<b>2,482</b>	<b>(61,749)</b>	<b>(59,039)</b>
<u>Transaction with owners:</u>							
Dividends paid for the financial year ended 31 December 2021 (final)	-	-	-	-	-	(21,089)	(21,089)
<b>At 30 June 2022</b>	<b>718,255</b>	<b>1,733,939</b>	<b>(1,039,632)</b>	<b>1,670</b>	<b>(1,185)</b>	<b>219,389</b>	<b>1,632,436</b>

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

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

Amounts in RM thousand unless otherwise stated

	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Total equity
<b>Period Ended 30 June 2021</b>							
At 1 January 2021	718,255	1,733,939	(1,039,632)	1,299	(9,209)	176,874	1,581,526
Profit for the financial period	-	-	-	-	-	44,652	44,652
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- currency translation differences	-	-	-	130	-	-	130
- cash flow hedges	-	-	-	-	2,957	-	2,957
	-	-	-	130	2,957	-	3,087
<b>Total comprehensive income</b>	-	-	-	<b>130</b>	<b>2,957</b>	<b>44,652</b>	<b>47,739</b>
<b>At 30 June 2021</b>	<b>718,255</b>	<b>1,733,939</b>	<b>(1,039,632)</b>	<b>1,429</b>	<b>(6,252)</b>	<b>221,526</b>	<b>1,629,265</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the year ended 31 December 2021 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	
	2022	2021
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit for the period from		
Continuing operations	(61,749)	43,383
Discontinued operations	-	1,269
<b>(Loss)/Profit for the period</b>	<b>(61,749)</b>	<b>44,652</b>
Adjustment for Non-Cash Flow Items from continuing operations	59,092	60,384
Adjustment for Non-Cash Flow Items from discontinued operations	-	(1,283)
<b>Operating (Loss)/Profit Before Changes in Working Capital</b>	<b>(2,657)</b>	<b>103,753</b>
Changes in Working Capital from continuing operations	28,089	(447)
Changes in Working Capital from discontinued operations	-	(1,174)
<b>Cash generated from operations</b>	<b>25,432</b>	<b>102,132</b>
Tax paid	(20,438)	(9,719)
Tax refunded	-	3,986
<b>Net Cash generated from Operating Activities</b>	<b>4,994</b>	<b>96,399</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(24,953)	(11,669)
Acquisition of intangible assets	(126)	(40)
Proceeds from disposal of property, plant and equipment	430	204
Proceeds from disposal of assets held for sale	11,300	-
Interest received	1,050	1,359
Investing cash used in continuing operations	(12,299)	(10,146)
Investing cash generated from discontinued operations	-	1,374
<b>Net Cash used in Investing Activities</b>	<b>(12,299)</b>	<b>(8,772)</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of loan due to a related company	-	(47,232)
Drawdown of borrowings, net of issuance costs	598,480	512,100
Repayment of borrowings	(585,650)	(565,950)
Principal payment of lease liability	(584)	(545)
Interest payment of lease liability	(109)	(116)
Interest paid	(15,802)	(19,987)
Changes in restricted cash	(819)	(845)
Dividend paid	(21,089)	-
<b>Net Cash used in Financing Activities</b>	<b>(25,573)</b>	<b>(122,575)</b>
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(32,878)</b>	<b>(34,948)</b>
Foreign currency translation differences	2,513	1,264
Cash and Cash Equivalents at Beginning of the Financial Period	178,082	179,924
<b>Cash and Cash Equivalents at End of the Financial Period</b>	<b>147,717</b>	<b>146,240</b>
<b>Cash and Cash Equivalents comprise:</b>		
Deposits with licensed banks	119,681	111,072
Cash and bank balances	45,548	52,010
Less : Restricted cash	(17,512)	(16,842)
<b>Cash and Cash Equivalents at End of the Financial Period</b>	<b>147,717</b>	<b>146,240</b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the year ended 31 December 2021 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 2021. 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 2021.

**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 2021.

(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 2022

- Amendments to MFRS 116 'Proceeds before Intended Use'
- Annual improvements to MFRS 1 'Subsidiary as First-time Adopter'
- Annual improvements to Illustrative Example Accompanying MFRS 16 Leases: Lease Incentives
- Annual improvements to MFRS 141 'Taxation in Fair Value Measurements'
- Annual Improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Amendments to MFRS 137 'Onerous Contracts - Cost of Fulfilling a Contract'
- Reference to the Conceptual Framework - Amendments to MFRS 3

(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 2023

- Amendments to MFRS 101 'Classification of liabilities as current and non-current'
- Disclosure of Accounting Policies - Amendments to MFRS 101 and MFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to MFRS 108
- Amendments to MFRS 112 'Deferred Tax relating to assets and liabilities arising from a single transaction'

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 2021 were not subject to any audit qualification.

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

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

**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**

On 10 March 2022, the Board of Directors agreed to declare the payment of a final single tier dividend of 3.0 sen per ordinary share amounting to RM21.09 million, which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967. The dividend was paid on 7 April 2022.

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

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

Amounts in RM thousand unless otherwise stated

**8 Segmental Reporting**

Previously, the reportable operating segments were identified as:

- (i) Sugar - Sugar refining, sales and marketing of refined sugar and trading of sugar
- (ii) Rubber, palm oil and mango

Subsequent to the disposal of plantation segment in 3Q 2021, the Group now operates a single product business primarily engaged in sugar refining, sales and marketing of refined sugar and trading of sugar. Segment analysis has not been prepared for the current quarter given segmentation is not part of the regular internal financial information reported to the Chief Operational Decision Maker (CODM).

The table below shows segment analysis of previous year quarter ended 30 June 2021 for the reportable operating segments previously identified by CODM.

	<u>Continuing operations</u>	Reconciliation	Subtotal	<u>Discontinued operations</u>	Total
	Sugar			Rubber, palm oil and mango	
<b>Cumulative quarter ended 30 June 2021</b>					
Total segment revenue	1,069,035	-	1,069,035	-	1,069,035
<b>Revenue from external customers</b>	<b>1,069,035</b>	-	<b>1,069,035</b>	-	<b>1,069,035</b>
Finance income	1,135	224	1,359	-	1,359
Finance cost	(16,685)	(2,789)	(19,474)	-	(19,474)
Depreciation and amortisation	(40,998)	(1,340)	(42,338)	-	(42,338)
<b>Profit before taxation</b>	<b>77,631</b>	<b>(13,077)</b>	<b>64,554</b>	<b>1,269</b>	<b>65,823</b>
Taxation	(17,762)	(2,409)	(20,171)	-	(20,171)
Zakat	(1,000)	-	(1,000)	-	(1,000)
<b>Profit after taxation for the financial period</b>	<b>58,869</b>	<b>(15,486)</b>	<b>43,383</b>	<b>1,269</b>	<b>44,652</b>
Timing of revenue recognition:					
<u>Goods and services transferred</u>					
- At a point in time	1,068,936	-	1,068,936	-	1,068,936
- Over time	99	-	99	-	99
	<b>1,069,035</b>	-	<b>1,069,035</b>	-	<b>1,069,035</b>
	<u>Continuing operations</u>	Reconciliation	Subtotal	<u>Discontinued operations</u>	Total
	Sugar			Rubber, palm oil and mango	
<b>Total assets as at 30 June 2021</b>					
<b>Total assets</b>	2,709,258	55,970	2,765,228	82,090	2,847,318
<b>Total liabilities</b>	1,171,058	35,339	1,206,397	11,656	1,218,053
<b>Additions to property, plant and equipment</b>	11,249	626	11,875	-	11,875
<b>Additions to intangible assets</b>	-	40	40	-	40

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

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

**9 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 2022.

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.

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

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

**11 Changes in the Composition of the Group**

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

**12 Changes in Contingent Liabilities or Contingent Assets**

The Group does not have any material contingent liabilities or contingent assets as at 30 June 2022.

**13 Capital Commitments**

**Capital expenditure approved and contracted for:**

- Property, plant and equipment

As at 30 June 2022	As at 30 June 2021
63,809	24,161
<b>63,809</b>	<b>24,161</b>

**14 Material Related Party Transactions**

(a) Related party transactions are as follows:

**(i) Transactions with Immediate holding company**

Management fees (FGV Holdings Berhad)	1,542	1,480
Other services (FGV Holdings Berhad)	1	1

**(ii) Transactions with related companies**

	Year to Date Ended 30 June 2022	2021
Sales of refined sugar (KPF Trading Sdn. Bhd.)	(2,625)	(1,447)
Sales of refined sugar (Felda Travel Sdn. Bhd.)	(41)	(22)
Supply of product (FGV Kernel Products Sdn. Bhd.)	(14)	(16)
Security services (FGV Security Services Sdn. Bhd.)	1,012	781
Information technology services (FGV Prodata System Sdn. Bhd.)	49	1
Travel agent services (Felda Travel Sdn. Bhd.)	56	-
Insurance services (KPF Niaga Sdn. Bhd.)	-	127
Refreshment services (Felda D'Saji Sdn. Bhd.)	54	2
Finance cost (FGV Capital Sdn. Bhd.)	-	166
Rental of land (FGV Integrated Farming Holding Sdn. Bhd.)	-	(129)
Transportation services (FGV Transport Services Sdn Bhd)	7,396	1,525
Hall rental (FELDA)	5	-
Office rental (FELDA)	443	443
	<b>7,878</b>	<b>2,912</b>

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

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

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

(a) Related party transactions are as follows (continued):

Year to Date Ended 30 June	
2022	2021

**(iii) Transactions between subsidiaries and government-related financial institutions**

Interest expense for bankers' acceptance	5,911	4,988
Interest income from fixed deposits and cash balances	(1,050)	(1,359)

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

As at 30 June 2022	As at 31 December 2021
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**(i) Balances with immediate holding company**

Amount due to:		
FGV Holdings Berhad	1,475	2,982

**(ii) Balances with related companies**

Amount due to:		
FGV Security Services Sdn. Bhd.	535	351
MSM Perlis Sdn. Bhd.	16	41
FGV Prodata System Sdn. Bhd.	-	47
Felda Travel Sdn. Bhd.	40	39
Felda D'saji Sdn. Bhd.	48	8
FGV Transport Services Sdn. Bhd.	4,483	3,450
	5,122	3,936

**(iii) Balances with ultimate holding body**

Amount due to:		
FELDA	74	-

**(iv) Balances with related companies**

Amount due from:		
KPF Trading Sdn. Bhd.	1,081	2,950
Felda Travel Sdn. Bhd.	5	5
MSM Perlis Sdn. Bhd.	27	93
	1,113	3,048

**(v) Balances with immediate holding company**

Amount due from:		
FGV Holdings Berhad	-	1

**(vi) Balances with government-related financial institutions**

Bankers' acceptance	414,824	378,934
Fixed deposits and cash balances	165,229	194,775

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

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

Amounts in RM thousand unless otherwise stated

**15 Discontinued operations and assets classified as held for sale**

	Quarter Ended 30 June			Year to Date Ended 30 June		
	2022	2021	% + / (-)	2022	2021	% + / (-)
<b>Results of discontinued operations</b>						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
<b>Gross profit/(loss)</b>	-	-	-	-	-	-
Other operating income	-	435	(100%)	-	1,853	(100%)
Administrative expenses	-	(246)	(100%)	-	(584)	(100%)
<b>Profit from operations</b>	-	<b>189</b>	<b>(100%)</b>	-	<b>1,269</b>	<b>(100%)</b>
Finance costs	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
<b>Profit before taxation</b>	-	<b>189</b>	<b>(100%)</b>	-	<b>1,269</b>	<b>(100%)</b>
Taxation	-	-	-	-	-	-
<b>Profit from discontinued operations</b>	-	<b>189</b>	<b>(100%)</b>	-	<b>1,269</b>	<b>(100%)</b>

**16 Review of Performance**

	Quarter Ended 30 June			Year to Date Ended 30 June		
	2022	2021	% + / (-)	2022	2021	% + / (-)
<b>Continuing operations</b>						
Revenue	624,203	554,100	12.7%	1,220,120	1,069,035	14.1%
Gross (loss)/profit	(7,425)	41,649	(>100%)	(12,177)	110,007	(>100%)
(Loss)/Profit before taxation	(34,674)	21,481	(>100%)	(59,694)	64,554	(>100%)
(Loss)/Profit for the period	(34,067)	13,277	(>100%)	(61,749)	43,383	(>100%)
<b>Discontinued operations</b>						
Revenue	-	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-	-
Profit before taxation	-	189	(100%)	-	1,269	(100%)
Profit for the period	-	189	(100%)	-	1,269	(100%)

**(a) Quarter on Quarter**

**Continuing operations**

The Group recorded total revenue of RM624.20 million in this quarter, which is RM70.10 million or 12.7% higher compared to the same period last year of RM554.10 million. This is due to increase in overall average selling price for the Group.

The loss after tax (LAT) for the three months period ended 30 June 2022 is RM34.07 million, compared to profit after tax (PAT) of RM13.28 million in the same quarter last year. The loss is attributable to high input costs mainly raw sugar, freight, natural gas and weakening of Ringgit Malaysia.

**(b) Year on Year**

**Continuing operations**

The Group recorded total revenue for the six month ended 30 June 2022 of RM1,220.12 million compared to RM1,069.04 million in the same period last year. The increase is due to higher overall average selling price.

The Group recorded LAT for the six month ended 30 June 2022 of RM61.75 million as compared to previous corresponding period's PAT of RM43.38 million. The loss is attributable to high input costs mainly raw sugar, freight, natural gas and weakening of Ringgit Malaysia.

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**17 Material Changes in the Quarterly Results Compared to the Preceding Quarter (31 March 2022)**

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 2022	31 March 2022	
Revenue	624,203	595,917	5%
Gross loss	(7,425)	(4,752)	(>56%)
Loss before taxation	(34,674)	(25,020)	(>27%)
Loss for the period	<u>(34,067)</u>	<u>(27,683)</u>	(>12%)

The Group recorded a total revenue of RM624.20 million in the current quarter compared to the preceding quarter of RM595.92 million due to higher overall sales volume and average selling price.

The Group recorded LAT of RM34.07 million for the three months period ended 30 June 2022 compared to preceding quarter of RM27.68 million. The higher loss recorded in this quarter were attributable to high input costs mainly raw sugar, freight, natural gas and weakening of Ringgit Malaysia.

**18 Current Year Prospects**

The Group recognizes the current challenging environment amidst high input costs mainly raw sugar, freight, natural gas and weakening of Ringgit Malaysia. Other input costs such as packaging materials, wages and inland logistics have also increased significantly.

The domestic and export markets are seeing stronger demands which provide growth opportunities and recovery of product consumption including sugar across Consumer and Industrial segments.

MSM will ensure consistent supply of sugar is made available to the market.

The Group remains focused in meeting these demands by improving our operations to attain lower refining cost with higher efficiency and simultaneously continues to engage the Government for all necessary economic support.

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**19 Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast.

**20 (Loss)/Profit from Operations**

Included in the (loss)/profit are:

	Year to Date Ended 30 June	
	2022	2021
Reversal of impairment of non-financial assets	-	(5,127)
Reversal of impairment of financial assets	(1,571)	(1,595)
Amortisation of intangible asset	2,102	2,355
Amortisation of right-of-use assets	1,257	1,493
Depreciation of property plant and equipment	37,410	38,490
Property, plant and equipment written off	39	36
(Reversal of impairment of inventories)/Inventory written off	(183)	165
Gain on disposal of property, plant and equipment	(80)	(1,487)
Realised loss/(gain) on sugar futures contracts	767	(1,027)
Realised gain on Brent crude oil option contracts	(4,758)	-
Realised gain on foreign currency exchange forward contracts	(287)	(572)
Net foreign currency exchange gain	(7,573)	(2,425)
Unrealised loss/(gain) on sugar futures contracts	124	(519)
Unrealised gain on Brent crude oil option contracts	(738)	-
Unrealised gain on foreign currency exchange forward contracts	(1,465)	(1,407)

**21 Taxation**

	Quarter Ended 30 June		Year to Date Ended 30 June	
	2022	2021	2022	2021
Current tax	(1,152)	(8,573)	(5,205)	(15,592)
Deferred tax	2,759	1,369	4,150	(4,579)
	<b>1,607</b>	<b>(7,204)</b>	<b>(1,055)</b>	<b>(20,171)</b>

The effective tax rate for the financial period ended 30 June 2022 is 2%, lower than the Malaysian income tax rate of 24% due to utilisation of tax losses from another company in the Group.

**22 (Loss)/Profit Per Share**

	Quarter Ended 30 June		Year to Date Ended 30 June	
	2022	2021	2022	2021
Basic (loss)/profit per share are computed as follows:				
(Loss)/Profit for the financial period attributable to owners of the Company (RM'000)				
- from continuing operations	(34,067)	13,277	(61,749)	43,383
- from discontinued operations	-	189	-	1,269
	<b>(34,067)</b>	<b>13,466</b>	<b>(61,749)</b>	<b>44,652</b>

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**22 (Loss)/Profit Per Share (continued)**

	Quarter Ended 30 June		Year to Date Ended 30 June	
	2022	2021	2022	2021
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic (loss)/profit per share (sen)				
- from continuing operations	(4.85)	1.89	(8.78)	6.17
- from discontinued operations	-	0.03	-	0.18
	<b>(4.85)</b>	<b>1.92</b>	<b>(8.78)</b>	<b>6.35</b>

**23 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 2022 are as follows:

	Contractual /Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
<u>Non-current</u>			
Islamic profit rate swap	166,667	-	1,282
<u>Current</u>			
Foreign currency exchange forward contracts	425,191	812	-
Brent crude oil option contracts	2,149	-	1,395
Sugar commodity futures contracts	-	-	1,087
	427,340	812	2,482
	<b>594,007</b>	<b>812</b>	<b>3,764</b>

**24 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 2021. The following table presents the assets that are measured at fair value at 30 June 2022.

<u>30 June 2022</u>	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Financial assets at fair value through profit and loss				
- Foreign currency exchange forward contracts	-	812	-	812
	-	812	-	812
<u>Liabilities</u>				
Financial liabilities at fair value through profit and loss				
- Brent crude oil option contracts	1,395	-	-	1,395
- Sugar commodity futures contracts	1,087	-	-	1,087
	2,482	-	-	2,482
<u>Liabilities</u>				
Financial liabilities at fair value through other comprehensive income				
- Islamic profit rate swap	-	1,282	-	1,282
	-	1,282	-	1,282

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**24 Fair Value Changes of Financial Instruments (continued)**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise Brent crude oil option contracts and sugar commodity futures contract.

The fair value of financial instruments that are not traded in an active market (for example, foreign currency forward contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise Islamic profit rate swap and foreign currency exchange forward contracts.

**25 Unquoted Investments and/or Properties**

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

**26 Quoted Investments**

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

**27 Status of Corporate Proposals**

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

**28 Group Borrowings**

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

	<b>As at 30 June 2022</b>	<b>As at 30 June 2021</b>
<b>Borrowings</b>		
<b><u>Non-current</u></b>		
Secured:		
Islamic term loans	334,518	495,945
<b><u>Current</u></b>		
Secured :		
Islamic term loans	58,234	41,444
Unsecured:		
Bankers' acceptances	414,824	315,358
	<u>473,058</u>	<u>356,802</u>
Average interest rate	3.33%	3.36%

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. The Group has met all the covenant requirements as at 31 December 2021.

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**29 Off Balance Sheet Financial Instruments**

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

**30 Material Litigation**

Since the last Financial Statements for the year ended 31 December 2021, the Group is not a party to any material obligation or arbitration, either as plaintiff or defendant.

**On behalf of the Board**

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

**Datuk Syed Hisham Syed Wazir**  
**Chairman**

**Kuala Lumpur**  
**22 August 2022**