



MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The Financial Period Ended 31 March 2024**

QUARTERLY REPORT
On consolidated results for the financial period ended 31 March 2024
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Amounts in RM thousand unless otherwise stated

Note	Quarter Ended 31 March			Year to Date Ended 31 March		
	2024	2023	% + / (-)	2024	2023	% + / (-)
Revenue	906,614	588,393	54.1%	906,614	588,393	54.1%
Cost of sales	(817,375)	(599,829)		(817,375)	(599,829)	
Gross profit/(loss)	89,239	(11,436)	(>100%)	89,239	(11,436)	(>100%)
Other operating income	9,287	5,731		9,287	5,731	
Selling and distribution cost	(5,713)	(7,885)		(5,713)	(7,885)	
Administrative expenses	(20,069)	(18,056)		(20,069)	(18,056)	
Reversal of impairment of financial assets	828	173		828	173	
Commodity gains - net	776	6,150		776	6,150	
Other operating expenses	-	(80)		-	(80)	
Profit/(Loss) from operations	74,348	(25,403)	(>100%)	74,348	(25,403)	(>100%)
Finance costs	(11,387)	(9,371)		(11,387)	(9,371)	
Finance income	2,770	1,591		2,770	1,591	
Profit/(Loss) before taxation	65,731	(33,183)	(>100%)	65,731	(33,183)	(>100%)
Taxation	(24,018)	(2,692)		(24,018)	(2,692)	
Profit/(Loss) for the financial period	41,713	(35,875)	(>100%)	41,713	(35,875)	(>100%)
Other comprehensive income/(loss) : for the financial period						
Cash flow hedges	17	25		17	25	
Other comprehensive income for the financial period	17	25		17	25	
Total comprehensive income/(loss) for the financial period	41,730	(35,850)	(>100%)	41,730	(35,850)	(>100%)
Income/(Loss) attributable to :						
Owners of the Company	41,713	(35,875)		41,713	(35,875)	
Income/(Loss) for the financial period	41,713	(35,875)	(>100%)	41,713	(35,875)	(>100%)
Total comprehensive income/(loss) attributable to :						
Owners of the Company	41,730	(35,850)		41,730	(35,850)	
Total comprehensive income/(loss) for the financial period	41,730	(35,850)	(>100%)	41,730	(35,850)	(>100%)
Profit/(Loss) per share attributable to the Owners of the Company:						
Basic (sen)	19	5.93	(5.10)	19	5.93	(5.10)

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 31 March 2024 (continued)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****Amounts in RM thousand unless otherwise stated**

	Unaudited As at 31 March 2024	Audited As at 31 December 2023
<u>Non-current assets</u>		
Property, plant and equipment	1,179,214	1,189,747
Intangible asset	39,561	40,438
Goodwill	576,240	576,240
Right-of-use assets	94,181	95,065
	1,889,196	1,901,490
<u>Current assets</u>		
Inventories	639,211	311,931
Trade receivables	302,457	332,343
Other receivables, deposits and prepayments	87,612	60,747
Tax recoverable	-	5,591
Derivative financial assets	378	-
Amounts due from other related companies	11	331
Deposits with licensed banks	166,201	254,969
Cash and bank balances	22,285	23,351
	1,218,155	989,263
Total assets	<u>3,107,351</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	(11)	(28)
Retained earnings	94,255	52,542
Equity attributable to owners of the Company	<u>1,506,806</u>	<u>1,465,076</u>

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

On consolidated results for the financial period ended 31 March 2024 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM thousand unless otherwise stated

	Unaudited As at 31 March 2024	Audited As at 31 December 2023
<u>Non-current liabilities</u>		
Lease liabilities	19,633	19,281
Deferred tax liabilities	33,596	32,326
Borrowings	212,283	229,972
Derivative financial liabilities	-	11
	<u>265,512</u>	<u>281,590</u>
<u>Current liabilities</u>		
Payables	411,391	232,890
Amounts due to other related companies	5,618	5,006
Amount due to ultimate holding body	66	76
Amount due to immediate holding company	1,263	1,301
Lease liabilities	604	1,277
Borrowings	905,867	903,194
Provision for taxation	10,224	-
Derivative financial liabilities	-	343
	<u>1,335,033</u>	<u>1,144,087</u>
Total liabilities	<u>1,600,545</u>	<u>1,425,677</u>
Total equity and liabilities	<u>3,107,351</u>	<u>2,890,753</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.14</u>	<u>2.08</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Unaudited Condensed Consolidated Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Amounts in RM thousand unless otherwise stated

	Share capital	Merger relief reserve	Reorganisation deficit	Foreign exchange reserves	Cash flow hedge reserves	Retained earnings	Total equity
Period Ended 31 March 2024							
At 1 January 2024	718,255	1,733,939	(1,039,632)	-	(28)	52,542	1,465,076
Profit for the financial period	-	-	-	-	-	41,713	41,713
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	17	-	17
	-	-	-	-	17	-	17
Total comprehensive income	-	-	-	-	17	41,713	41,730
At 31 March 2024	718,255	1,733,939	(1,039,632)	-	(11)	94,255	1,506,806

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 31 March 2023							
At 1 January 2023	718,255	1,733,939	(1,039,632)	-	(241)	102,426	1,514,747
Loss for the financial year	-	-	-	-	-	(35,875)	(35,875)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	25	-	25
	-	-	-	-	25	-	25
Total comprehensive income/(loss)	-	-	-	-	25	(35,875)	(35,850)
At 31 March 2023	718,255	1,733,939	(1,039,632)	-	(216)	66,551	1,478,897

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	
	31 March	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the financial period	41,713	(35,875)
Adjustment for Non-Cash Flow Items	51,775	20,079
Operating Income/(Loss) Before Changes in Working Capital	93,488	(15,796)
Changes in Working Capital	(143,427)	(96,562)
Cash used in operations	(49,939)	(112,358)
Tax paid	(6,720)	(2,376)
Net Cash used in Operating Activities	(56,659)	(114,734)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,818)	(11,282)
Purchase of intangible assets	-	(160)
Interest received	2,770	1,591
Net Cash used in Investing Activities	(6,048)	(9,851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net of issuance costs	563,500	471,080
Repayment of borrowings	(576,550)	(351,290)
Principal payment of lease liability	(321)	(300)
Interest payment of lease liability	(256)	(275)
Interest paid	(13,324)	(9,703)
Interest paid on islamic profit rate swap	(23)	(122)
Net Cash (used in)/generated from Financing Activities	(26,974)	109,390
Net decrease in Cash and Cash Equivalents	(89,681)	(15,195)
Effect of foreign exchange rate changes	(153)	(52)
Cash and Cash Equivalents at Beginning of the Financial Period	278,320	220,964
Cash and Cash Equivalents at End of the Financial Period	188,486	205,717
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	166,201	195,180
Cash and bank balances	22,285	10,537
Cash and Cash Equivalents at End of the Financial Period	188,486	205,717

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 31 March 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 31 March 2024.

12 Capital Commitments

Capital expenditure approved and contracted for:

- Property, plant and equipment

As at 31 March	
2024	2023
81,016	71,829
81,016	71,829

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	
	31 March	
	2024	2023
(i) Transactions with Immediate holding company		
Management fees (FGV Holdings Berhad)	850	810
(ii) Transactions with related companies		
Sales of refined sugar (Delima Oil Products Sdn. Bhd.)	(3)	-
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(31)	(3)
Security services (FGV Security Services Sdn. Bhd.)	1,026	634
Travel agent services (Felda Travel Sdn. Bhd.)	236	21
Refreshment services (Felda D'Saji Sdn. Bhd.)	6	2
Transportation services (FGV Transport Sdn. Bhd.)	3,596	3,385
Rental of tank (FGV Johor Bulkiers Sdn. Bhd.)	-	20
Rental of tank (Langsat Bulkiers Sdn. Bhd.)	-	257
Office rental (FELDA)	188	188
Meeting room rental (FELDA)	3	1
Research services (FGV R&D Sdn. Bhd.)	68	3
	<u>5,939</u>	<u>5,318</u>
(iii) Transactions between subsidiaries and government-related agencies and financial institutions		
Interest expense for bankers' acceptance	8,152	5,814
Interest income from fixed deposits and cash balances	(2,770)	(1,591)
Joint Industry incentive received/receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup)	(72,000)	-

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 31 March 2024	As at 31 December 2023
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	1,263	1,301
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	785	878
Delima Oil Products Sdn Bhd	-	38
FGV Prodata Systems Sdn. Bhd.	-	7
Felda Travel Sdn. Bhd.	240	183
Felda D'saji Sdn. Bhd.	7	9
FGV Transport Sdn. Bhd.	4,540	3,761
FGV R&D Sdn. Bhd.	46	130
	<u>5,618</u>	<u>5,006</u>
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	66	76
(iv) Balances with related companies		
Amount due from:		
FGV Transport Sdn. Bhd.	-	323
FGV Integrated Farming Holdings Sdn. Bhd.	11	8
	<u>11</u>	<u>331</u>
(v) Balances with government-related financial institutions		
Bankers' acceptance	836,726	833,931
Fixed deposits and cash balances	188,486	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 31 March		
	2024	2023	% + / (-)
Revenue	906,614	588,393	54.1%
Gross profit/(loss)	89,239	(11,436)	(>100%)
Profit/(Loss) before taxation	65,731	(33,183)	(>100%)
Profit/(Loss) for the period	41,713	(35,875)	(>100%)

(a) Quarter on Quarter

The Group recorded total revenue of RM906.61 million in this quarter, which is RM318.22 million or 54.1% higher compared to the same quarter last year of RM588.39 million. This is due to higher overall sales volume, higher average selling price and incentive received for certain packed sugar sold in the domestic market.

The Group recorded profit after tax (PAT) of RM41.71 million compared to loss after tax (LAT) of RM35.88 million in the same quarter last year. The profit is attributable to improved margin from higher average selling price and better capacity utilisation.

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

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

	Quarter Ended		
	31 March 2024	31 December 2023	% + / (-)
Revenue	906,614	949,877	(4.6%)
Gross profit	89,239	99,858	(10.6%)
Profit before taxation	65,731	53,203	23.5%
Profit for the period	41,713	42,871	(2.7%)

The Group recorded a total revenue of RM906.61 million in the current quarter, which is RM43.27 million or 4.6% lower compared to the preceding quarter of RM949.88 million due to lower overall sales volume.

The Group recorded lower PAT of RM41.71 million compared to preceding quarter of RM42.87 million, despite recording higher profit before tax (PBT) due to higher tax expense recorded during the current period.

16 Variance of Actual Profit from Forecast Profit

The Group did not issue any forecast profit.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

17 Profit/(Loss) from Operations

Included in the profit/(loss) are:

	Year to Date Ended	
	31 March	
	2024	2023
Impairment/(Reversal) of impairment of financial assets - net	13	(173)
Amortisation of intangible asset	877	903
Amortisation of right-of-use assets	884	922
Depreciation of property plant and equipment	17,153	18,381
Property, plant and equipment written off	11	9
Inventory written off/(Reversal of impairment of inventories)	292	(4)
Realised gain on Brent crude oil option contracts	-	(1,688)
Realised loss on foreign currency exchange forward contracts	5	2,795
Net foreign currency exchange gain	(8,601)	(1,285)
Unrealised gain on sugar futures contracts	(61)	-
Unrealised loss on Brent crude oil option contracts	-	2,571
Unrealised gain on foreign currency exchange forward contracts	(720)	(9,828)

18 Taxation

	Year to Date Ended	
	31 March	
	2024	2023
Current tax		
• Current year provision	(22,748)	(2,920)
Deferred tax		
• Current year provision	(1,270)	822
Real Property Gains Tax (RPGT)	-	(594)
Tax expenses	(24,018)	(2,692)
Effective tax rate (%)	(37)	8
Statutory tax rate (%)	(24)	(24)

The effective tax rate for the financial period ended 31 March 2024 is at 37%, higher than the Malaysian income tax rate of 24% due to non-deductible expenses, loss recorded and deferred tax assets not recognised in a subsidiary.

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

19 Profit/(Loss) Per Share

Year to Date Ended 31 March	
2024	2023

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

Profit/(Loss) for the financial period attributable to owners of the Company (RM'000)	41,713	(35,875)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980
Basic profit/(loss) per share (sen)	5.93	(5.10)

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 31 March 2024 are as follows:

	Contractual /Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
<u>Non-current</u>			
Islamic profit rate swap	20,833	-	-
<u>Current</u>			
Foreign currency exchange forward contracts	212,604	378	-
Brent crude oil option contracts	5,768	-	-
	218,372	378	-
	239,205	378	-

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

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

21 Fair Value Changes of Financial Instruments

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 31 December 2023. The following table presents the assets that are measured at fair value at 31 March 2024.

31 March 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	-	378	-	378
	<u>-</u>	<u>378</u>	<u>-</u>	<u>378</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.

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 31 March	
	2024	2023
Borrowings		
<u>Non-current</u>		
Secured:		
Islamic term loans	212,283	281,529
<u>Current</u>		
Secured :		
Islamic term loans	69,141	64,940
Unsecured:		
Bankers' acceptances	836,726	652,760
	905,867	717,700
Average interest rate	4.93%	4.63%

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 certain challenges in meeting 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 12 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 freight remains volatile compounded by Red Sea crisis since 1Q 2024. In addition, natural gas cost remains elevated while Raw Sugar imports are affected by weak Ringgit. Nevertheless, Raw Sugar price is trending lower due to better production forecast from Brazil.

The Group continues to reinforce our domestic and export market amidst steady demand and explore other regional market opportunities. The growth in export segment is in line with the initiative to optimize the utilization rate of MSM Johor refinery and improve overall Group production volume.

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

The Joint Sugar Industry is engaging with the Government to finalize a sustainable pricing mechanism for the domestic retail segment 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
23 May 2024**