



MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 201101007583 (935722-K)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The Financial Year Ended 31 December 2023**

QUARTERLY REPORT
On consolidated results for the financial year ended 31 December 2023

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

Note	Quarter Ended 31 December			Year to Date Ended 31 December		
	2023	2022	% + / (-)	2023	2022	% + / (-)
Revenue	949,877	677,735	40.2%	3,091,223	2,565,985	20.5%
Cost of sales	(850,019)	(645,471)		(3,011,960)	(2,611,704)	
Gross profit/(loss)	99,858	32,264	>100%	79,263	(45,719)	(>100%)
Other operating income/(expenses)	458	(10,085)		23,441	10,044	
Selling and distribution cost	(6,683)	(11,300)		(25,676)	(39,639)	
Administrative expenses	(21,572)	(19,325)		(75,031)	(70,808)	
Reversal of impairment of financial assets	773	426		693	2,819	
Commodity (losses)/gains - net	(762)	(31,564)		10,979	(7,025)	
Other operating expenses	(6,276)	-		(1,854)	(249)	
Profit/(Loss) from operations	65,796	(39,584)	(>100%)	11,815	(150,577)	(>100%)
Finance costs	(14,730)	(9,270)		(47,760)	(31,984)	
Finance income	2,137	1,843		7,932	4,022	
Profit/(Loss) before taxation	53,203	(47,011)	(>100%)	(28,013)	(178,539)	(84.3%)
Zakat	(1,000)	-		(1,000)	(1,000)	
Taxation	(9,332)	2,850		(20,871)	827	
Profit/(Loss) for the financial year	42,871	(44,161)	(>100%)	(49,884)	(178,712)	(72.1%)
Other comprehensive income/(loss) : for the financial year						
Realisation of foreign exchange reserve upon liquidation of a subsidiary	-	-		-	(1,881)	
Currency translation differences	-	-		-	439	
Cash flow hedges	50	268		213	3,426	
Other comprehensive income/(loss) for the financial period	50	268		213	1,984	
Total comprehensive income/(loss) for the financial year	42,921	(43,893)	(>100%)	(49,671)	(176,728)	(71.9%)
Income/(Loss) attributable to :						
Owners of the Company	42,871	(44,161)		(49,884)	(178,712)	
Income/(Loss) for the financial year	42,871	(44,161)	(>100%)	(49,884)	(178,712)	(72.1%)
Total comprehensive income/(loss) attributable to :						
Owners of the Company	42,920	(43,893)		(49,672)	(176,728)	
Total comprehensive income/(loss) for the financial year	42,921	(43,893)	(>100%)	(49,671)	(176,728)	(71.9%)
Profit/(Loss) per share attributable to the Owners of the Company:						
Basic (sen)	19	6.10	(6.28)	(7.10)	(25.42)	

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 year ended 31 December 2023 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in RM thousand unless otherwise stated

	Unaudited As at 31 December 2023	Audited As at 31 December 2022
<u>Non-current assets</u>		
Property, plant and equipment	1,189,747	1,205,454
Intangible asset	40,438	43,425
Goodwill	576,240	576,240
Right-of-use assets	95,065	98,656
	1,901,490	1,923,775
<u>Current assets</u>		
Inventories	311,931	360,523
Trade receivables	351,069	240,874
Other receivables, deposits and prepayments	42,021	41,736
Tax recoverable	5,591	15,271
Amounts due from other related companies	331	968
Deposits with licensed banks	254,969	208,810
Cash and bank balances	23,351	12,154
	989,263	880,336
Assets held for sale	-	7,682
Total assets	2,890,753	2,811,793
<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)	(241)
Retained earnings	52,542	102,426
Equity attributable to owners of the Company	1,465,076	1,514,747
Total equity	1,465,076	1,514,747

MSM MALAYSIA HOLDINGS BERHAD
QUARTERLY REPORT (CONTINUED)

On consolidated results for the financial year ended 31 December 2023 (continued)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM thousand unless otherwise stated

	Unaudited As at 31 December 2023	Audited As at 31 December 2022
<u>Non-current liabilities</u>		
Lease liabilities	19,281	20,603
Deferred tax liabilities	32,326	35,940
Borrowings	229,972	299,210
Derivative financial liabilities	11	193
	281,590	355,946
<u>Current liabilities</u>		
Payables	232,890	334,542
Amounts due to other related companies	5,006	6,937
Amount due to ultimate holding body	76	65
Amount due to immediate holding company	1,301	328
Lease liabilities	1,277	1,228
Borrowings	903,194	580,257
Derivative financial liabilities	343	17,743
	1,144,087	941,100
Total liabilities	1,425,677	1,297,046
Total equity and liabilities	2,890,753	2,811,793
Net assets per share attributable to owners of the Company (RM)	2.08	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
Year Ended 31 December 2023							
At 1 January 2023	718,255	1,733,939	(1,039,632)	-	(241)	102,426	1,514,747
Loss for the financial period	-	-	-	-	-	(49,884)	(49,884)
Other comprehensive income							
<u>Item that will be subsequently reclassified to profit or loss</u>							
- cash flow hedges	-	-	-	-	213	-	213
	-	-	-	-	213	-	213
Total comprehensive income/(loss)	-	-	-	-	213	(49,884)	(49,671)
At 31 December 2023	718,255	1,733,939	(1,039,632)	-	(28)	52,542	1,465,076

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
Year Ended 31 December 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 year	-	-	-	-	-	(178,712)	(178,712)
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	-	-	-	-	3,426	-	3,426
	-	-	-	(1,442)	3,426	-	1,984
Total comprehensive (loss)/income	-	-	-	(1,442)	3,426	(178,712)	(176,728)
<u>Transaction with owners:</u>							
Dividends paid for the financial year ended 31 December 2021 (final)	-	-	-	-	-	(21,089)	(21,089)
Total transactions with owners	-	-	-	-	-	(21,089)	(21,089)
At 31 December 2022	718,255	1,733,939	(1,039,632)	-	(241)	102,426	1,514,747

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	
	31 December	
	2023	2022
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period	(49,884)	(178,712)
Adjustment for Non-Cash Flow Items	87,261	125,698
Operating Income/(Loss) Before Changes in Working Capital	37,377	(53,014)
Changes in Working Capital	(138,871)	106,738
Cash (used in)/generated from operations	(101,494)	53,724
Tax paid	(14,211)	(23,706)
Zakat paid	(1,000)	(1,000)
Net Cash (used in)/generated from Operating Activities	(116,705)	29,018
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(50,661)	(51,021)
Purchase of property, plant and equipment - ROU asset	-	(377)
Purchase of intangible assets	(629)	(1,452)
Proceeds from disposal of property, plant and equipment	-	691
Cash inflow from liquidation of a subsidiary	-	4,013
Net proceeds received from disposal of assets held for sale	15,519	11,300
Interest received	7,932	4,022
Net Cash used in Investing Activities	(27,839)	(32,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net of issuance costs	1,967,980	1,313,430
Repayment of borrowings	(1,717,890)	(1,226,240)
Principal payment of lease liability	(1,273)	(1,440)
Interest payment of lease liability	(1,073)	(914)
Interest paid	(44,925)	(30,174)
Interest paid on islamic profit rate swap	(348)	(3,015)
Dividend paid	-	(21,089)
Net Cash generated from Financing Activities	202,471	30,558
Net increase in Cash and Cash Equivalents	57,927	26,752
Effect of foreign exchange rate changes	(571)	(563)
Cash and Cash Equivalents at Beginning of the Financial Year	220,964	194,775
Cash and Cash Equivalents at End of the Financial Year	278,320	220,964
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	254,969	208,810
Cash and bank balances	23,351	12,154
Cash and Cash Equivalents at End of the Financial Year	278,320	220,964

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

The Joint Sugar Industry receives incentive from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup) for certain packed sugar sold in the domestic market for November and December 2023.

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 December 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 Contingent Liabilities

On 28 October 2021, former employees of MSM Malaysia Holdings Berhad (the "Company") have filed claims against the Company for alleged unlawful dismissal, where they have sought reinstatements to their former position without any loss in service and/or seniority.

At the first trial hearing on 1 November 2022, the former employees had submitted a settlement proposal to the Company. Subsequently, two (2) more settlement proposals were put forth to the Company.

The next trial dates are fixed on 14 March 2024, 1 April 2024 and 4 April 2024. Based on legal opinion, there is an even chance of the Company resisting the claims from its former employees, failing which the Company's possible liability may be limited to approximately RM3.5 million.

12 Capital Commitments

Capital expenditure approved and contracted for:

- Property, plant and equipment

As at	
31 December	
2023	2022
72,584	77,976
72,584	77,976

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)	3,239	3,085
(ii) Transactions with related companies		
Sales of refined sugar (KPF Trading Sdn. Bhd.)	-	(3,633)
Sales of refined sugar (Felda Travel Sdn. Bhd.)	-	(55)
Sales of refined sugar (Delima Oil Products Sdn. Bhd.)	(4)	-
Sales of refined sugar (FGV Integrated Farming Holdings Sdn. Bhd.)	(78)	(17)
Supply of product (FGV Kernel Products Sdn. Bhd.)	-	(27)
Security services (FGV Security Services Sdn. Bhd.)	2,964	2,037
Information technology services (FGV Prodata Systems Sdn. Bhd.)	7	49
Travel agent services (Felda Travel Sdn. Bhd.)	242	85
Insurance services (KPF Niaga Sdn. Bhd.)	44	-
Chargeback Expenses for GULFOOD (Delima Oil Products Sdn Bhd)	38	-
Refreshment services (Felda D'Saii Sdn. Bhd.)	37	78
Transportation services (FGV Transport Sdn. Bhd.)	13,322	16,197
Claim received (FGV Transport Sdn. Bhd.)	-	(1)
Rental of tank (FGV Johor Bulkiers Sdn. Bhd.)	281	88
Rental of tank (Langsat Bulkiers Sdn. Bhd.)	510	311
Purchase of product (FGV Integrated Farming Holdings Sdn. Bhd.)	58	19
Hall rental (FELDA)	13	23
Office rental (FELDA)	750	863
Meeting room rental (FELDA)	10	3
Research services (FGV R&D Sdn. Bhd.)	135	-
Research services (FGV Applied Technologies Sdn. Bhd.)	-	126
	21,568	19,231
(iii) Transactions between subsidiaries and government-related agencies and financial institutions		
Interest expense for bankers' acceptance	31,768	14,446
Interest income from fixed deposits and cash balances	(7,932)	(4,022)
Joint Industry incentive received/receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup)	(48,000)	-

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 December 2023	As at 31 December 2022
(i) Balances with immediate holding company		
Amount due to:		
FGV Holdings Berhad	1,301	328
(ii) Balances with related companies		
Amount due to:		
FGV Security Services Sdn. Bhd.	878	402
Delima Oil Products Sdn Bhd	38	-
FGV Prodata Systems Sdn. Bhd.	7	-
Langsat Bulkiers Sdn. Bhd.	-	311
FGV Johor Bulkiers Sdn. Bhd.	-	14
Felda Travel Sdn. Bhd.	183	46
Felda D'saji Sdn. Bhd.	9	14
FGV Transport Sdn. Bhd.	3,761	6,150
FGV R&D Sdn. Bhd.	130	-
	<u>5,006</u>	<u>6,937</u>
(iii) Balances with ultimate holding body		
Amount due to:		
FELDA	76	65
(iv) Balances with related companies		
Amount due from:		
KPF Trading Sdn. Bhd.	-	967
FGV Transport Sdn. Bhd.	323	1
FGV Integrated Farming Holdings Sdn. Bhd.	8	-
	<u>331</u>	<u>968</u>
(v) Balances with government-related financial institutions		
Bankers' acceptance	833,931	517,156
Fixed deposits and cash balances	278,320	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 31 December			Year to Date Ended 31 December		
	2023	2022	% + / (-)	2023	2022	% + / (-)
Revenue	949,877	677,735	40.2%	3,091,223	2,565,985	20.5%
Gross Profit	99,858	32,264	>100%	79,263	(45,719)	(>100%)
Profit/(Loss) before taxation	53,203	(47,011)	(>100%)	(28,013)	(178,539)	(84.3%)
Profit/(Loss) for the period	<u>42,871</u>	<u>(44,161)</u>	(>100%)	<u>(49,884)</u>	<u>(178,712)</u>	(72.1%)

(a) Quarter on Quarter

The Group recorded total revenue of RM949.88 million in this quarter, which is RM272.14 million or 40.2% higher compared to the same quarter last year of RM677.74 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 RM42.87 million compared to loss after tax (LAT) of RM44.16 million in the same quarter last year. The profit is attributable to improved margin from higher average selling price and better capacity utilisation.

(b) Year on Year

The Group recorded total revenue of RM3,091.22 million for the year ended 31 December 2023, which is RM525.24 million or 20.5% higher compared to last year of RM2,565.99 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 LAT of RM49.88 million as compared to previous corresponding year of RM178.71 million. 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 September 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 December 2023	30 September 2023	% + / (-)
Revenue	949,877	806,722	17.7%
Gross loss	99,858	(1,436)	(>100%)
Profit/(Loss) before taxation	53,203	(33,830)	(>100%)
Profit/(Loss) for the period	42,871	(36,063)	(>100%)

The Group recorded a total revenue of RM949.88 million in the current quarter, which is RM143.16 million or 17.7% higher compared to the preceding quarter of RM806.72 million due to higher overall sales volume and average selling price, as well as incentive received for certain packed sugar sold in the domestic market.

The Group recorded higher PAT of RM42.87 million compared to preceding quarter LAT of RM36.06 million. The profit is attributable to improved margin from higher average selling price and sales volume as well as better capacity utilisation.

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	
	31 December	
	2023	2022
Reversal of impairment of financial assets	(693)	(2,819)
Amortisation of intangible asset	3,603	3,972
Amortisation of right-of-use assets	3,591	3,483
Depreciation of property plant and equipment	75,459	75,345
Property, plant and equipment written off	587	220
Inventory written off	152	272
Gain on disposal of property, plant and equipment	-	(342)
Net gain on disposal of assets held for sale	(8,432)	-
Realised loss on sugar futures contracts	-	1,313
Realised loss/(gain) on Brent crude oil option contracts	2,347	(3,068)
Realised loss/(gain) on foreign currency exchange forward contracts	4,075	(3,127)
Realised gain on liquidation of excess raw sugar contracts	-	(2,087)
Net foreign currency exchange gain	(5,999)	(6,530)
Unrealised gain on sugar futures contracts	-	(963)
Unrealised gain on Brent crude oil option contracts	(853)	(1,280)
Unrealised gain/(loss) on foreign currency exchange forward contracts	(16,548)	16,237

18 Taxation

	Quarter Ended		Year to Date Ended	
	31 December		31 December	
	2023	2022	2023	2022
Current tax				
• Current year provision	(10,989)	(142)	(23,891)	(3,144)
Deferred tax				
• Current year provision	1,657	2,992	3,614	3,971
Real Property Gains Tax (RPGT)	-	-	(594)	-
Tax expenses	(9,332)	2,850	(20,871)	827
Effective tax rate (%)	(18)	(6)	75	(0)
Statutory tax rate (%)	(24)	(24)	(24)	(24)

The effective tax rate for the financial year ended 31 December 2023 is at positive 75%, higher than the Malaysian income tax rate of minus 24% due to losses recorded in the year and deferred tax assets not recognised in a subsidiary.

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QUARTERLY REPORT (CONTINUED)

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

19 Profit/(Loss) Per Share

Quarter Ended 31 December		Year to Date Ended 31 December	
2023	2022	2023	2022

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

Profit/(Loss) for the financial year attributable to owners of the Company (RM'000)	42,871	(44,161)	(49,884)	(178,712)
Weighted average number of ordinary shares in issue (thousands)	702,980	702,980	702,980	702,980
Basic profit/(loss) per share (sen)	6.10	(6.28)	(7.10)	(25.42)

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 December 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	41,667	-	11
<u>Current</u>			
Foreign currency exchange forward contracts	20,946	-	343
	62,613	-	354

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 31 December 2023.

<u>31 December 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit and loss				
- Foreign currency exchange forward contracts	-	343	-	343
<u>Liabilities</u>				
Financial liabilities at fair value				
through other comprehensive income				
- Islamic profit rate swap	-	11	-	11

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. 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 31 December	
	2023	2022
Borrowings		
<u>Non-current</u>		
Secured:		
Islamic term loans	229,972	299,210
<u>Current</u>		
Secured :		
Islamic term loans	69,263	63,101
Unsecured:		
Bankers' acceptances	833,931	517,156
	<u>903,194</u>	<u>580,257</u>
Average interest rate	4.82%	3.66%

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.

On 13 December 2023, CIMB has issued a Supplemental Letter, informing MSM Malaysia Holdings Berhad that the Bank has agreed to waive 2 of the 3 financial covenants i.e. Consolidated Net Debt and Financing to EBITDA Ratio and Consolidated Finance Payment Cover Ratio for the financial year ended 31 December 2023. Therefore the Group was not required to meet these covenants. The Group has complied with the other covenant for the year ended 31 December 2023.

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 continues to reinforce our domestic and export market amidst stronger demand and explore other regional market opportunities due to the rising global sugar deficit.

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.

However, the Group remains cautious on the risks of heightening geopolitical tension which may affect the prices of our key 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
22 February 2024