

MSM REGISTERS HEALTHY REVENUE IN Q1

KUALA LUMPUR, MAY 19, 2016 – MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), registered a healthy revenue in Q1 FY2016 despite the challenges facing the global sugar market.

On a quarter-to-quarter basis, MSM's revenue grew by 8.8% to RM553.16 million from RM508.49 million and sales volumes were up by 5.1%. This was mainly attributable to higher sales recorded for the Domestic & Export segment, by 11% and 21% respectively.

On the back of the revenue growth, the Group registered a strong gross profit margin of RM103.58 million in Q1 FY2016, improved to 18.81% from 17.96% compared to the preceding quarter.

Q1 FY2016 registered a profit before tax (PBT) of RM60.55 million, denoting a 33.0% drop compared to Q1 FY2015 whilst profit after tax (PAT) registered RM59.34 million, a dip of 16.4% as a result of higher raw sugar costs and the effect of the weakening Ringgit.

"Despite the macroeconomic uncertainty and high volatility that we are experiencing across most commodity markets globally, we have put in a satisfactory performance as a testament of executing our strategic initiatives. We remain focused on delivering profitable growth," said MSM's Deputy Chief Executive Officer, Mohamad Amri Sahari.

Mohamad Amri continued, "We remain confident that we are building a stable foundation for sales and volume growth, drive long-term shareholder value creation and provide a firm commitment to our customers throughout the world."

Notably, MSM continues to pursue profitable growth and steadily sustain cash flow generation while investing in selective opportunities that can enhance shareholder value over time. Successful completion and execution of these strategic initiatives will position MSM for further growth and safeguard future revenue gains.

At its Annual General Meeting held recently, MSM announced that shareholders of the Group received a final dividend of 14 cents per share which amounts to RM98.42 million for FY2015.

On a full year basis, the Group's total dividend amounts to 26 cents per share. This translates to a total payout of RM182.78 million and a net payout ratio of 66.39%, higher than FY2014 of 65.65%.

Currently, MSM corroborates the majority of the domestic market share.

At this very exciting crossroad, MSM expects to overcome the current difficult environment and remain composed in exhibiting its growth potential for the next quarter.

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About MSM Malaysia Holdings Berhad (MSM)

MSM Malaysia Holdings Berhad (MSM), incorporated on 10 March 2011, is Malaysia's leading refined sugar producer. It was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2011 and is one of the top 50 prominent companies on Bursa Malaysia with a market capitalization of RM3.5 billion (as at 2015).

Principally, MSM operates the sugar business of Felda Global Ventures Holdings Berhad (FGV). It produces, markets and sells refined sugar products. The company conducts its business principally through two operating subsidiaries, MSM Prai Berhad and MSM Perlis Sdn. Bhd. which were established in 1959 and 1971 respectively. In addition, MSM also operates a logistics company - MSM Logistics Sdn. Bhd. and a trading company - MSM Trading International DMCC, based in Dubai, UAE.

At present, MSM's production capacity is up to 1.25 million tonnes of refined sugar per annum. In 2015, MSM produced its highest output at 1,033,519 tonnes of refined sugar, of which 17% are catered for the export market. Currently, MSM is supplying up to 65% of the domestic market share.

MSM offers a variety of products ranging from white refined sugar of various grain sizes to soft brown sugar. These are marketed and sold in a variety of packaging options under its flagship brand - Gula Prai. MSM also sells molasses, a by-product of the refining process, to distilleries and producers of ethanol, animal feed and yeast, among other products. Aside from household consumers, MSM sells to a wide range of customers in Malaysia and in other countries directly and indirectly through traders, wholesalers and distributors. Its customers include major companies in the beverage and confectionery industries, hotels, restaurants and food outlets.

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