

MSM'S REVENUE ROSE 15.9 PERCENT

- declares interim dividend of 10 sen per share

KUALA LUMPUR, NOVEMBER 21, 2016 – MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), said its revenue rose 15.9% in the financial quarter ended 30 September 2016, driven by an increase of 4.0% in sales volume whilst operating in a very challenging global market dynamics.

MSM posted a revenue of RM633.12 million for the Third Quarter (Q3) ended FY16 from RM546.49 million recorded in the same quarter last year. On a year-on-year basis, revenue grew by 10.83% to a total of RM1.82 billion. The notable growth was attributed mainly from increased sales volume from the Group's Domestic and Export customers' segments of 23.2% and 7.2% respectively.

In spite of the above, the depreciation of Ringgit Malaysia against the greenback, higher raw sugar costs and weak refined sugar pricing structure have affected the Group's YTD operating margin with PBT for Q3 FY2016 of RM32.75 million and net profit of RM23.31 million.

For the nine-month period, the Group continue to make progress in adapting to the high raw sugar price regime, volatility in USD currency and increasing natural gas price underpinned by strong operating reliability and prudent capital spending.

"The raw sugar cost had increased tremendously to almost 40% since early of the year and no doubt this has significantly affected our margin. It was a very challenging quarter and we had invested a great effort and energy to steer through the global economic uncertainty. Regardless of this, we are confident to register a solid revenue given our lion share of the market," said MSM's President/ Group Chief Executive Officer, Mohamad Amri Sahari.

Committed to its dividend policy, MSM's Board of Director has approved an interim dividend of 10 sen per share for the third quarter ended 30 September 2016. "The Board's decision is a sign of confidence in the state of business and faith in MSM's prospects for the future," said Amri Sahari.

The external environment remains difficult till year-to-date, with some key countries in the agricultural space facing unfavourable economic, political and weather (mainly; Brazil, Thailand, India and China) uncertainty.

Looking towards the remainder of fiscal 2016, MSM's strategy remains focused on capturing available opportunities in the supply and demand dynamics as MSM foresees the spill-over effect to continue in the sugar market environment until the end of first quarter 2017.

Notably, MSM has experienced and successfully steered through a range of market cycles in its 52-year history, thanks to its expertise, local market understanding and longstanding customers' needs.

As MSM continues its path to strengthen its core business, the Group remains committed to its strategic actions for growth that will create long-term shareholder and stakeholder value and the 2016 interim dividend declaration is the evidence of another promise fulfilled.

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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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