

## **MSM JOHOR RESUMES SUGAR REFINERY OPERATION, TARGET TO RAMP UP 50% OF CAPACITY UTILISATION**

**PASIR GUDANG, JUNE 1, 2021** – MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor), a wholly-owned subsidiary of MSM Malaysia Holdings Berhad (MSM) reported today that it has completed its boiler rectification work. All the necessary approvals from relevant authorities and regulatory bodies have been obtained as the work and procedure have been certified to be in full compliance with the standard industry requirements and policies particularly in the aspects of safety and quality. MSM Johor is expected to resume sugar production and packing on 4 June 2021.

The planned improvement programme was accelerated in advance as part of the Group's strategic improvement to enhance efficiency and increase the utilisation rate (UF) for MSM Johor. The temporary closure was to allow planned rectification works and targeting higher operational reliability and stocks availability.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, "The improvement programme will not only add to significant production utilisation factor (UF) but also is proactive maintenance to avoid any unplanned disruptions. There was no financial impact to the Group's profitability as a result of this exercise. Meanwhile, during this period, we have managed to fulfil our domestic sales commitment by utilising the sufficient remaining available stocks in MSM Johor and MSM Prai Berhad (MSM Prai). Although we had slight disruption in the export segment during this period but there is no impact to existing contract values. Deliveries were amicably rescheduled ahead with our regular customers."

MSM Johor production capacity remains 1 million tonnes per annum and continued to record significant improvement, with an increase in yield from 89% to 92% and improved UF from 16% to 22% for 1Q 2021 against 1Q 2020. Progressively, MSM Johor is expected to reach its targeted minimum UF rate of 50% by the 3Q 2021 with the accelerated planned rectification works.

"We shall continue to leverage on the prospect of MSM Johor as part of our key strategies to not only optimise the expanded capacity but enhance into an integrated refining centre with greater value-added products. Our ventures into new market segmentation with upgraded capacity for value-added Liquid Sugar and Fine Syrup are projected to contribute up to 14%



of UF in MSM Johor which would also pave the way for MSM to expand its global presence as worldwide integrated sugar refiner to various potential markets across the region. Diversified product development through MSM Johor, will enhance operational capabilities whilst improving its production and yield,” he added.

MSM remains optimistic to maintain its turnaround momentum and profitability growth for the year with minimal risks despite the unprecedented challenges and market adversities.

**-ENDS-**



### **About MSM Malaysia Holdings Berhad (MSM)**

MSM Malaysia Holdings Berhad (MSM) is Malaysia's leading refined sugar producer and one of the biggest sugar refiner in Asia. MSM is involved in producing, marketing and selling refined sugar products under the "Gula Prai" brand. The company conducts its business principally through two operating subsidiaries, MSM Prai Berhad and MSM Sugar Refinery (Johor) Sdn Bhd. In addition, MSM also operates a logistics company – MSM Logistics Sdn Bhd.

At present, MSM's annual production capacity is up to 2.05 million tonnes of refined sugar. In 2020, MSM produced 1,010,215 tonnes of refined sugar, of which 270,628 tonnes are catered for the export market. Currently, MSM corroborates up to 60% of the domestic market share. MSM has been listed on the Main Market of Bursa Malaysia since 2011 and has a market capitalisation of RM 401 million as at 31 December 2020. MSM combines economic success with environmental protection and social responsibility for a sustainable future.

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.

For more information, please visit [www.msmsugar.com](http://www.msmsugar.com)

### **Forward Looking Statements**

Certain statements in this media release regarding MSM's operations may constitute forward-looking statements. These statements can be identified by key words such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "outlook" and other words of similar meaning in connection with a discussion of future operating or financial performance. These statements relate to the plans, objectives, goals, strategies, future operations and performance of MSM. Actual results and outcomes may differ materially from those projected in any forward looking statements due to various events, risks, uncertainties and other factors. We neither intend to nor assume any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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