

MSM PRAI RESUMES SUGAR REFINERY OPERATION, REASSURE PROMPT PRODUCTION RECOVERY

PRAI, JUNE 16, 2021 – MSM Prai Berhad (MSM Prai), a wholly-owned subsidiary of MSM Malaysia Holdings Berhad, announced the refinery is now permitted to resume the operation starting on 15 June 2021, earlier than expected, by adhering to the standard operating procedures and guidelines as outlined by the authorities for industrial sector. Initially, MSM Prai was ordered to temporarily suspend its operations on 8 June 2021 until 17 June 2021 by Ministry of Health (MOH) for the disinfection of the affected premises in curbing the spread of COVID-19.

“MSM Prai will recommence its refinery operations in stages. However, barring any unprecedented setback to the operations, MSM Prai is expected to promptly regain its production momentum in view of the refinery’s reliable performance and consistent production capabilities. We will continue monitor the operational progress whilst ensuring stringent preventive measures are being enforced to address the health, safety and well-being of our employees. MSM has also applied for a priority request on the vaccination program to be carried out for all employees under the Group following MSM is considered as one of the essential food producers,” said MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad.

The estimated impact of the temporary suspension based on the initial assessment to the Company’s revenue and earnings is less than 5% for the financial year ending 31 December 2021. The Company is also actively pursuing to claim the losses incurred during the suspension from the insurer. The Group have also placed in mitigation plan to ward off stock shortage and minimize the supply chain disruption through recalibration of its business continuity strategy and by utilizing the allowance of permit to import refined sugar. MSM Prai production capacity remain 1.05 million tonnes per annum and set to ramp up its production to reach the targeted utilization rate for the year.

Previously, all 756 employees at the premise including the contract workers which are over 92 percent Malaysians had undergone testing over a two-day screening period as a proactive measure. The total 8 persons tested positive were immediately placed under quarantine with subsequent contact tracing for further testing.

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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

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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