

MSM PRAI TEMPORARILY HALTS REFINERY OPERATIONS ON COVID-19 CASES

KUALA LUMPUR, JUNE 9, 2021 – MSM Prai Berhad (MSM Prai), a wholly-owned subsidiary of MSM Malaysia Holdings Berhad today announced that it had on 8 June 2021 received a notice from Kementerian Kesihatan Malaysia to temporarily stop its operations commencing around 5:00 pm on 8 June 2021 until 17 June 2021 for the disinfection of premises in curbing the spread of Covid-19 to safeguard the health, well-being and safety of all the MSM Prai’s employees and the local community.

Currently, 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. The temporary closure will allow plant wide sanitisation to be carried out for disinfection.

The management foresees that the temporary suspension of operations shall delay the shipment of several sales orders to its customers. The management is currently in discussions with the respective customers for the extension of time on deliveries and expects no adverse impact to the Group in view of the long-term relationship with the respective customers.

MSM Prai is expected to resume its operations on 18 June 2021 or earlier, subject to the approval of the health authorities. The impact of the temporary stoppage to the Company’s revenue and earnings in the financial year ending 31 December 2021 are currently being assessed.

MSM will calibrate the operational reliability strategy to ensure business continuity and minimise the adverse impact particularly in fulfilling the demand and ensuring sufficient stocks within the closure period. To further mitigate the situation, MSM will be exercising full allowance of its permit to import refined sugar in addition to its current stock levels.

“Our operational premises strictly adhere to strict standard operating procedures (SOP) and preventive measures as enforced by regulatory bodies. There were no cases of infection



reported in 2020. Country is presently at critical levels in reported daily cases. Threats from various sources are prevalent to all employees. The health, safety and well-being of our employees continues to be of utmost priority to us. Therefore, we will continue to monitor the situation and ensure the necessary healthcare assistance is being provided for all the affected employees. Moving forward, we will impose more stringent mitigation measures with testing, tracing and promote the effectiveness of vaccination. MSM has applied for the vaccination programme to the authorities under priority request as essential food producer and look forward to the organisation wide implementation,” said MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad.

The Group remains optimistic that MSM Prai will be able to ramp up its production once the operation recommences soon while sugar imports are in place now as mitigation to support the national demand averting any short supply crisis in the market.

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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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