

## MSM RECORDED MORE THAN 200 PERCENT INCREASE IN NET PROFIT

MSM Johor is expected to achieve its targeted UF rate of 50% by end 2021

**KUALA LUMPUR, NOVEMBER 25, 2021** – MSM Malaysia Holdings Berhad (MSM) posted a Profit After Tax (PAT) of RM142 million for the nine months ended 30 September 2021 (9M 2021), a 211% rise against the Loss After Tax (LAT) of RM127 million in the corresponding period last year. For the three-month period ended 30 September 2021 (3Q 2021), the Group recorded PAT of RM97 million compared to LAT of RM71 million in 3Q 2020. The significant turnaround is contributed by gain from disposal of a subsidiary, MSM Perlis Sdn Bhd of RM91.81 million. Excluding the disposal gains, MSM recorded an operational profit of RM98.5 million in 9M 2021.

The Group recorded higher Profit Before Tax (PBT) from continuing operations for 9M 2021 of RM87 million compared to Loss Before Tax (LBT) of RM38 million in 9M 2020. The improvement was mainly due to improved margins, lower expenses and lower finance cost as a result of lower borrowings. Overall MSM Group PBT inclusive of the disposal of MSM Perlis for year-to-date (YTD) is RM 173.93 million.

The Group has charted revenue worth RM1.61 billion in 9M 2021, a 4% rise against the corresponding period in the previous financial year. For the three-month period ended 30 September 2021, revenue came in 7.7% lower at RM549 million against the same period last year. The increase in revenue for 9M 2021 are attributable to the increase in Average Selling Price (ASP) for Wholesale segment and improved premium for Industry and Export segments. Lower revenue in the current quarter is due to lower sales volume as a result of reduced production and lower sales volume during the prolonged movement control order (MCO) and total lockdown in the country.

“We remain cautiously optimistic on the Group’s turnaround plan and the ability to achieve sustainable growth amidst the rising trend of global raw sugar price. The Group is working towards improving its efficiency and remains positive of its full year target performance,” said MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad.

Syed Feizal further added, “MSM is now focused towards improving our yield and capacity utilisation which will result in lower refining and production cost”.



The operation in MSM Johor is on track with the completion of its second boiler rectification work. MSM Johor's production capacity remains one million metric tonne per annum and continues to record significant improvement. Progressively, MSM Johor is expected to achieve its targeted utilisation factor (UF) rate of 50% by the year-end of 2021 and improve its financial performance in 2022 with forecasted profitability.

MSM will continue to pursue its turnaround plan and achieve sustainable growth with good returns with an enhanced Environmental, Social and Governance (ESG) framework within MSM Group through a wide range of ongoing and new initiatives.

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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](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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