

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Notice of the Annual General Meeting ("**AGM**") and the Proxy Form are set out in the Annual Report 2014 of the Company thereof. The AGM will be held at Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia on Tuesday, 2 June 2015 at 11:00 a.m. or at any adjournment thereof.

The Proxy Form must be completed and lodged with MSM Malaysia Holdings Berhad's share registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time of holding the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting if you are able to do so.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or due to your reliance upon the whole or any part of the contents of this Circular. You should rely on your own evaluation to assess the merits and risks of the Proposed Mandates (as defined herein) as set out in this Circular.



MSM MALAYSIA HOLDINGS BERHAD

*(Company No. 935722-K)
(Incorporated in Malaysia under the Companies Act, 1965)*

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE:

- I) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR MSM MALAYSIA HOLDINGS BERHAD GROUP OF COMPANIES ("MSM HOLDINGS GROUP"); AND**
- II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE MSM HOLDINGS GROUP**

(to be read together with Ordinary Resolution 9 in the Notice of the 4th AGM of MSM Malaysia Holdings Berhad as set out in the Company's Annual Report 2014)

Last date and time for lodging the Proxy Form	: Sunday, 31 May 2015 at 11:00 a.m.
Date and time of the AGM	: Tuesday, 2 June 2015 at 11:00 a.m. or at any adjournment thereof

This Circular is dated 11 May 2015

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting of MSM Holdings
Annual Report 2014	:	The annual report of MSM Holdings Group for the FYE 31 December 2014
Audit Committee	:	Audit Committee of MSM Holdings
Board	:	Board of Directors of MSM Holdings
Bursa Securities	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Director	:	(a) A director of our Company or our subsidiary, and shall have the meaning given in Section 2(1) of the CMSA; and (b) for the purpose of the Proposed Mandates, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director as referred to in paragraph (a) above or chief executive officer of our Company or our subsidiary or holding company
EGM	:	Extraordinary General Meeting of MSM Holdings
FAHC	:	Felda Asset Holdings Company Sdn Bhd
F D'Saji	:	Felda D'Saji Sdn Bhd
F Engineering	:	Felda Engineering Services Sdn Bhd
F Prodata	:	Felda Prodata Systems Sdn Bhd
F Trading	:	Felda Trading Sdn Bhd
FGV	:	Felda Global Ventures Holdings Berhad
FGV Sugar	:	Felda Global Ventures Sugar Sdn Bhd
FPM	:	FPM Sendirian Berhad
FYE	:	Financial year ended or where the context otherwise requires, financial year ending
KPF	:	Koperasi Permodalan FELDA Malaysia Berhad
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 March 2015, being the latest practicable date prior to the printing of this Circular

GLOSSARY OF ABBREVIATIONS AND ACRONYMS (Cont'd)

Major Shareholder	:	(a) A person who has an interest or interests in one or more of the voting shares in our Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (i) 10% or more of the aggregate of the nominal amounts of all the voting shares in our Company; or (ii) 5% or more of the aggregate of the nominal amounts of all the voting shares in that company where such person is the largest shareholder of our Company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act; and (b) for the purpose of the Proposed Mandates, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of our Company or our subsidiary as referred to in paragraph (a) above
MSM Holdings or Company	:	MSM Malaysia Holdings Berhad
MSM Holdings Group or Group	:	MSM Holdings and its group of companies
Proposed Mandates	:	Collectively, the Proposed Renewal of Shareholders’ Mandate and the Proposed New Shareholders’ Mandate
Proposed New Shareholders’ Mandate	:	Proposed new shareholders’ mandate for additional RRPT for MSM Holdings Group as set out in Section 2.2 of this Circular
Proposed Renewal of Shareholders’ Mandate	:	Proposed renewal of shareholders’ mandate for existing RRPT for MSM Holdings Group as set out in Section 2.2 of this Circular
Related Party or Related Parties	:	A Director or Major Shareholder of our Company and persons connected with such Director or Major Shareholder as defined under the Listing Requirements
RRPT	:	Recurrent related party transactions of a revenue or trading nature
Transacting Parties	:	The relevant companies under the MSM Holdings Group and the respective Related Parties
Validity Period	:	The date from the forthcoming AGM until the next AGM which will be held before 30 June 2016
Currency		
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia

Subsidiaries

GLOSSARY OF ABBREVIATIONS AND ACRONYMS *(Cont'd)*

MSM Johor	:	MSM Sugar Refinery (Johor) Sdn Bhd
MSM Logistics	:	MSM Logistics Sdn Bhd <i>(formerly known as Astakonas Sdn Bhd)</i>
MSM Perlis	:	MSM Perlis Sdn Bhd <i>(formerly known as Kilang Gula Felda Perlis Sendirian Berhad)</i>
MSM Prai	:	MSM Prai Berhad <i>(formerly known as Malayan Sugar Manufacturing Company Berhad)</i>
MSM Trading	:	MSM Trading & Distribution Sdn Bhd

All references to “**our Company**” or “**MSM Holdings**” in this Circular are to MSM Malaysia Holdings Berhad, and references to “**our Group**” are to our Company and our consolidated subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, where the context otherwise requires, our consolidated subsidiaries.

All references to “**you**” in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations.

Any reference to a time of day or date in this Circular shall be a reference to Malaysian time or date, respectively.

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MSM MALAYSIA HOLDINGS BERHAD

(Company No. 935722-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:
Level 45, Menara Felda
Platinum Park
No. 11, Persiaran KLCC
50088 Kuala Lumpur

11 May 2015

Board of Directors

YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad (Chairman/Non-Independent Non-Executive Director)
Dato' Zainal Haji Ismail (Independent Non-Executive Director)
Dato' Hajjah Rosni Haji Zahari (Independent Non-Executive Director)
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid (Independent Non-Executive Director)
Dato' Rosini Abd Samad (Independent Non-Executive Director)
Datuk Lim Thean Shiang (Independent Non-Executive Director)
Datuk Haji Faizoull Ahmad (Non-Independent Non-Executive Director)
Dato' Mohd Emir Mavani Abdullah (Non-Independent Non-Executive Director)
Dato' Sheikh Awab Sheikh Abod (Non-Independent Executive Director)

To: Our Shareholders

Dear Sir/Madam,

- I) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR MSM MALAYSIA HOLDINGS BERHAD GROUP OF COMPANIES ("MSM HOLDINGS GROUP"); AND**
- II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE MSM HOLDINGS GROUP**

(COLLECTIVELY, "PROPOSED MANDATES")

1. INTRODUCTION

At our Company's 3rd AGM held on 11 June 2014, the Company had obtained a shareholders' mandate for our Group to enter into RRPTs which are necessary for our Group's day-to-day operations and which are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public ("**2014 Shareholders' Mandate**").

The 2014 Shareholders' Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless the authority for its renewal is obtained from our shareholders at the forthcoming AGM.

In addition to the renewal of the 2014 Shareholders' Mandate, our Company will also be seeking a shareholders' mandate for our Group to enter into new RRPTs with Related Parties.

On 14 April 2015, our Board announced that we propose to seek our shareholders' approval for the Proposed Mandates at the forthcoming AGM.

The Proposed Mandates, if approved by our shareholders, will be subject to annual renewal. In this respect, any authority conferred by the Proposed Mandates shall only continue to be in force until:

- (a) the conclusion of our Company's next AGM at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is the earlier.

The purpose of this Circular is to provide you with details on the Proposed Mandates, together with the Board's recommendation thereon and also to seek your approval for the resolution in respect of the Proposed Mandates to be tabled at the forthcoming AGM, the notice of which has been set out in the Notice of the 4th AGM in the Company's Annual Report 2014.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED MANDATES TO BE TABLED AT OUR FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED MANDATES

2.1 The Proposed Mandates

Paragraph 10.09 of the Listing Requirements provides that a listed issuer may seek its shareholders' mandate for related party transactions which are recurrent, of revenue or trading nature and which are necessary for the day-to-day operations of a listed issuer or its subsidiaries, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year (based on the type of transactions, names of related parties involved in each type of transaction made and their relationship with the listed issuer), where the aggregate value, in relation to a listed issuer with an issued and paid-up share capital of RM60 million and above, is as follows:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregate transactions is RM1 million or more; or
 - (ii) the percentage ratio of such aggregated transactions is 1% or more; or whichever is the higher;

- (c) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (d) the listed issuer immediately announces to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer, exceeds the estimated value of such recurrent related party transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

In the ordinary course of its business, the MSM Holdings Group has entered into certain RRPTs and it is anticipated that the companies within the MSM Holdings Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.5 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In this regard, the Board proposes to seek a shareholders' mandate from our shareholders to enter into arrangements or transactions with Related Parties, which are necessary for the day-to-day operations of the MSM Holdings Group and are based on normal commercial terms, at arm's length, in the best interests of the MSM Holdings Group, on terms that are not more favourable to our Related Parties than those generally available to the public, and will not be detrimental to our non-interested shareholders.

2.2 Validity period of the Proposed Mandates

The Proposed Mandates, if approved at our forthcoming AGM, shall take effect from the date of the passing of the ordinary resolutions proposed at our AGM to approve the Proposed Mandates and are subject to annual renewal. In this respect, the authority conferred by the Proposed Mandates shall only continue to be in force until:

- (a) the conclusion of our next AGM following our forthcoming AGM at which the Proposed Mandates are approved, at which time it will lapse, unless by a resolution passed at such general meeting the authority is renewed; or
- (b) the expiration of the period within which our next AGM after that date is required to be held pursuant to Section 143(1) of the Act (excluding however such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) the Proposed Mandates are revoked or varied by resolution passed by you in a general meeting,

whichever is the earliest ("**Proposed Mandates Period**").

Thereafter, your approval will be sought for the renewal of the Proposed Mandates at each subsequent AGM or at an EGM that may be held on the same day as the AGM, subject to a satisfactory review by our Audit Committee.

2.3 Principal activities of the MSM Holdings Group

As at the date of the Circular, our principal activity is that of an investment and/or holding company whilst the principal activities of our subsidiaries are as follows:

<u>Company</u>	<u>Effective equity interest (%)</u>	<u>Principal activities</u>
MSM Johor	100	Export and import of sugar, manufacture of sugar products and export and import of sugar products
MSM Perlis	100	Sugar refining, sales and marketing of refined sugar products and planting of rubber and oil palm
MSM Prai	100	Sugar refining, sales and marketing of refined sugar products
MSM Trading	100	Business and other applications, sale by commission agents and activities of holding companies

Subsidiaries of MSM Prai

MSM Logistics	100	Provision of lorry transportation services
MSM Properties	100	Dissolved*

Notes:

^ *MSM Johor has not commenced business.*

* *MSM Properties has been dissolved on 28 February 2015.*

2.4 Classes of Related Party

The Proposed Mandates will apply to the following classes of Related Party:

- (a) Directors;
- (b) Major Shareholders; and
- (c) person(s) connected to Directors and/or Major Shareholders.

2.5 Details of RRPTs

The class and nature of RRPTs which have been entered into and are to be entered into by the MSM Holdings Group are set out in Appendix I of this Circular.

2.6 Basis of estimated value of RRPTs

The estimated transaction values of the RRPTs, for which the Proposed Mandates are being sought, are based on estimated prevailing prices which are or will be formalised in agreements/contracts to be entered into by relevant members of our MSM Holdings Group with the Transacting Parties based on our MSM Holdings Group's usual levels of transaction and on the projected business volume from the date of our forthcoming AGM to our next AGM. The actual value of transactions may, however, vary from the estimated value disclosed in Appendix I of this Circular if there should occur any changes in the

business, economic and/or competitive environment or due to fluctuations of raw sugar prices or changes in government subsidy.

Nevertheless, if the Proposed Mandates are approved, disclosure will be made in accordance with the Listing Requirements in the Company's annual report for the FYE 31 December 2015 of the aggregate value of transactions conducted pursuant to the Proposed Mandates as approved during the financial year.

2.7 Threshold of authority

There is no specific threshold for approval of the RRPTs within the MSM Holdings Group. However, all RRPTs are subject to the review and/or approval of the appropriate level of authority pursuant to the procedures as disclosed in Section 3 of this Circular, to ensure the RRPTs will be carried out on arms' length basis, on transaction price and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

2.8 Benefits to our Group

The supply of sugar from MSM Holdings Group as set out in Appendix I of this Circular is to be provided by the relevant companies under our MSM Holdings Group in their ordinary course of business, and on our MSM Holdings Group's normal commercial terms and on terms which will be no more favourable to the Transacting Parties than those generally available to the public. These transactions are beneficial to our MSM Holdings Group as they represent an additional source of income for our MSM Holdings Group, and our operations are efficiently managed through the utilisation of our Related Parties' expertise and resources.

Our Board is of the view that the close working relationships and co-operation with the Transacting Parties will allow our Group to be more competitive in the provision of sale of sugar and other business related services.

2.9 Amount due and owing to MSM Holdings Group by Related Parties

Save as disclosed below, there is no amount due and owing by the Related Parties to the MSM Group pursuant to the RRPT as set out in Appendix I of this Circular, as at 31 December 2014 (being the end of the financial year of the Company), which exceeded the credit terms. The breakdown of the principal sum for the total outstanding amount due and owing by the Related Parties to the MSM Group are as follows:

Nature of RRPT	Amount of the outstanding RRPT receivables			
	1 year or less	1 to 3 years	3 to 5 years	More than 5 years
	RM'000	RM'000	RM'000	RM'000
Sales of Refined Sugar (by MSM Prai to F Trading)	3,870	-	-	-
TOTAL	3,870	-	-	-

There were no interest and late payment charges imposed on the overdue amounts as the Company had reviewed the outstanding amounts and is of the opinion that the overdue amounts were part of the normal business transactions and are recoverable. However, the management will continue to review and hold discussions with the Related Parties for early settlement of the outstanding due.

The Board is of the opinion that the overdue amount is closely monitored and optimistic that the amount is recoverable from the Related Parties.

3. REVIEW PROCEDURES FOR THE RRPTS

Our Company has established the following procedures and guidelines to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those normally available to the public and are not to the detriment of the minority shareholders:

- (a) all companies within our Group shall only enter into the RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards against at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities as comparison, wherever possible, to determine whether the price and terms offered to/by related third parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

Where quotations or comparative pricing from unrelated parties cannot be obtained, the pricing of any RRPT entered into will be determined based on prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/consideration and are not to the detriment of minority shareholders;

- (b) where both contemporaneous pricing tests in (a) could not be performed;
 - (i) transactions estimated to value less than RM1.0 million, to be approved by the Chief Executive Officer; and
 - (ii) transactions estimated to value more than RM1.0 million, to be reviewed by the Audit Committee and approved by the Board;
- (c) all RRPT, which are not within the shareholders' mandate and have the value of more than RM1 million or 1% of the percentage ratio (as defined under Paragraph 10.02(g) of the Listing Requirements), shall be approved by the CEO for immediate announcement to Bursa Securities;
- (d) if a member of the Audit Committee has an interest in any particular transaction, he or she will have to abstain from any deliberation (but may be requested by the other members of the Audit Committee to explain or furnish such information as considered necessary) and also voting on the matter at the Audit Committee meeting in respect of that transaction;
- (e) proper records shall be maintained to capture all the RRPT entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Summary report of the RRPTs are circulated to the Audit Committee on a quarterly basis for the Audit Committee's notation, review and monitoring;
- (f) the Audit Committee shall review relevant audit reports to ascertain that the guidelines and the procedures established to monitor the RRPT are complied with;
- (g) the Audit Committee shall have overall responsibility for the determination of the review procedures; and
- (h) if during the periodic review, the Audit Committee is of the view that the abovementioned procedures are no longer sufficient to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Party than those normally available to the public, the Audit Committee shall have the discretion to request for additional procedures to be imposed on all the RRPT.

4. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the procedures on the RRPT mentioned in Section 3 of this Circular and is of the view that the stipulated procedures are;

- (a) sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders; and
- (b) adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner and that these procedures and processes are reviewed annually.

5. RATIONALE FOR THE PROPOSED MANDATES

The Proposed Mandates, subject to annual review, will enable members of our Group to carry out RRPTs necessary for their day-to-day operations and will eliminate the need to frequently make announcements to Bursa Securities, convene separate general meetings and/or seek your approval from time to time as and when RRPTs which are comprised within the Proposed Mandates shall arise. In this respect, the Proposed Mandates is intended to save administrative time and expenses which could be better utilised by our Group to pursue its corporate objectives and realise business opportunities in a more timely and effective way.

6. EFFECTS OF THE PROPOSED MANDATES

The Proposed Mandates are not expected to have any effect on our issued and paid-up share capital and our substantial shareholders' shareholdings and is not expected to have any material effect on the earnings, net assets and gearing of our Group.

However, the Proposed Mandates are in relation to transactions which are of a revenue or trading nature and which form an integral part of our Group's day-to-day operations and hence, they contributed to our financial performance.

7. APPROVAL REQUIRED

The Proposed Mandates are subject to your approval at our forthcoming AGM.

8. INTEREST OF OUR DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

8.1 Interest of Directors

YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad is a director of FELDA, FAHC, FGV, F Engineering, F Prodata and F Security. YB Datuk Noor Ehsanuddin Mohd Harun Narrashid is a director of FGV, FELDA and MSM Holdings. Datuk Haji Faizoull Ahmad is director of FGV, FAHC, F Security and F D'Saji whilst Dato' Mohd Emir Mavani Abdullah is a director of FELDA, FAHC, FGV, F Prodata and FPM.

By virtue of their common directorships, YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad, YB Datuk Noor Ehsanuddin Mohd Harun Narrashid, Datuk Haji Faizoull Ahmad and Dato' Mohd Emir Mavani Abdullah are deemed interested in the RRPT between our Group and the companies in which they hold directorships and/or interest and will abstain from deliberation and voting in respect of their interests, direct or indirect, at any Board meeting of our Company in respect of the Proposed Mandates.

YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad, YB Datuk Noor Ehsanuddin Mohd Harun Narrashid, Datuk Haji Faizoull Ahmad and Dato' Mohd Emir Mavani Abdullah (collectively, "**Interested Directors**") will abstain from voting in respect of their interests, direct or indirect and have also undertaken to ensure that the persons connected with them will abstain from voting in respect of their interests, direct or indirect, on the resolution approving the Proposed Mandates to be tabled at the forthcoming AGM.

8.2 Interest of Major Shareholders

FGV Sugar, KPF, FGV, FAHC and FELDA are Major Shareholders of our Company and are deemed interested in the RRPT (collectively, the "**Interested Major Shareholders**"). Accordingly, FGV Sugar, KPF, FGV, FAHC and FELDA will abstain from voting on the resolution pertaining to the Proposed Mandates in respect of their interests, direct or indirect, at our forthcoming AGM. The Interested Major Shareholders have also undertaken to ensure that the persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Mandates at our forthcoming AGM.

As at the LPD, the direct and indirect interests of the Directors and the Major Shareholders of MSM Holdings deemed interested in the Proposed Mandates are as follows:

	Direct		Indirect	
	No. of ordinary shares held in MSM Holdings	%	No. of ordinary shares held in MSM Holdings	%
Interested Directors				
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	20,000	0.00	-	-
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	-	-	-	-
Datuk Hj Faizoull Ahmad	-	-	-	-
Dato' Mohd Emir Mavani Abdullah	-	-	-	-
Interested Major Shareholders				
FGV Sugar	281,369,800	40.03		
KPF	140,595,952	20.00		
FGV	77,150,248	10.97	281,369,800 ¹	40.03
FAHC	-	-	358,520,048 ²	51.00
FELDA	-	-	358,520,048 ³	51.00

Save as disclosed above, no other Major Shareholders, Directors and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposed Mandates.

¹ By virtue of its interest in shares in FGV Sugar pursuant to Section 6A of the Act.

² By virtue of its interest in shares in FGV Sugar and FGV pursuant to Section 6A of the Act.

³ By virtue of its interest in shares in FGV Sugar and FGV pursuant to Section 6A of the Act.

9. DIRECTORS' RECOMMENDATION

Our Board (save for the Interested Directors), having considered all aspects of the Proposed Mandates, is of the opinion that the Proposed Mandates are in the best interest of our Company. Accordingly, our Board (save for the Interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Mandates to be tabled at our forthcoming AGM.

10. AGM

10.1 Our 4th AGM, the Notice and the Proxy Form of which are set out in the Company's Annual Report 2014, will be held at Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia on Tuesday, 2 June 2015 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Mandates.

10.2 If you are unable to attend and to vote at the AGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions printed on it, so as to arrive at our Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for convening of the 4th AGM. You may attend and vote in person at the AGM, if you wish to do so. In the event that you have nominated a proxy to attend and vote on your behalf, please revoke the appointment of your proxy prior to the AGM.

11. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
MSM MALAYSIA HOLDINGS BERHAD

YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Chairman/Non-Independent Non-Executive Director

DETAILS OF RRPTS (Cont'd)

A. Details of the RRPTS to be entered into by the MSM Holdings Group under the Proposed Renewal of Shareholders' Mandate

Item	Transacting Related Parties		Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	2014 Shareholders' Mandate		Estimated value from forthcoming AGM on 2 June 2015 to next AGM ⁽¹⁾
	Recipient	Provider				Estimated value as disclosed in the circular dated 20 May 2014	Actual Value of transaction up to LPD	
						(RM'000)	(RM'000)	(RM'000)
1.	F Trading	MSM Prai	Interested Major Shareholder: • KPF Interested Director: • -	See note (2)	Sales of refined sugar	20,000	16,654	30,000
Total						20,000	16,654	30,000
2.	MSM Holdings	FGV	Interested Major Shareholders: • FAHC • FELDA Interested Directors: • YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad • YB Datuk Noor Ehsanuddin Mohd Harun Narrashid • Datuk Haji Faizoull Ahmad • Dato' Mohd Emir Mavani Abdullah	See notes (3), (4), (5), (6), (7), (8) and (9)	Management fees	7,000	3,429	9,000
Total						7,000	3,429	9,000
3.	F Trading	MSM Perlis	Interested Major Shareholder: • KPF	See note (2)	Sales of refined sugar	6,000	-	6,000

DETAILS OF RRPTS (Cont'd)

Item	Transacting Related Parties		Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	2014 Shareholders' Mandate		Estimated value from forthcoming AGM on 2 June 2015 to next AGM ⁽¹⁾
	Recipient	Provider				Estimated value as disclosed in the circular dated 20 May 2014 (RM'000)	Actual Value of transaction up to LPD (RM'000)	
			Interested Director: • -					
					Total	6,000	-	6,000
4.	MSM Holdings	F Engineering	Interested Major Shareholders: • KPF • FGV • FAHC • FELDA Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad	See notes (2), (3), (4), (5) and (6)	Renovation and logistic services	2,000	49	2,000
					Total	2,000	49	2,000
5.	MSM Holdings	FPM	Interested Major Shareholders: • KPF • FGV • FAHC • FELDA Interested Director: • Dato' Mohd Emir Mavani Abdullah	See notes (2), (3), (4), (5) and (8)	Purchase of fertilisers	1,000	733	1,500
					Total	1,000	733	1,500

DETAILS OF RRPTS (Cont'd)

Item	Transacting Related Parties		Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	2014 Shareholders' Mandate		Estimated value from forthcoming AGM on 2 June 2015 to next AGM ⁽¹⁾
	Recipient	Provider				Estimated value as disclosed in the circular dated 20 May 2014	Actual Value of transaction up to LPD	
						(RM'000)	(RM'000)	(RM'000)
6.	MSM Holdings	F Prodata	Interested Major Shareholders: <ul style="list-style-type: none"> • KPF • FGV • FAHC • FELDA Interested Directors: <ul style="list-style-type: none"> • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Dato' Mohd Emir Mavani Abdullah 	See notes (2), (3), (4), (5), (6) and (8)	Provision of information technology (IT) services	2,000	193	1,000
Total						2,000	193	1,000
7.	MSM Holdings	F D'Saji	Interested Major Shareholders: <ul style="list-style-type: none"> • KPF • FELDA Interested Director: <ul style="list-style-type: none"> • Datuk Haji Faizoull Ahmad 	See notes (2), (4) and (9)	Refreshments	1,000	113	1,000
Total						1,000	113	1,000

DETAILS OF RRPTS (Cont'd)

Notes:

- (1) *The estimated value shown above represents the best estimates by our management. Accordingly, the actual transacted value may vary and are subject to change.*
- (2) *KPF is a Major Shareholder of MSM Holdings with 20.00% direct interest. F Trading is a wholly-owned subsidiary of KPF. KPF is also a major shareholder of F Engineering with 49.00% direct shareholdings, F Prodata with 20.00% direct shareholdings and F D'Saji with 60.00% direct shareholdings.*
- (3) *FGV is a Major Shareholder of MSM Holdings with 10.97% direct interest and 40.03% indirect interest through its direct shareholdings in FGV Sugar, its wholly-owned subsidiary.*
- (4) *FELDA is a Major Shareholder of FGV with 20.00% direct interest and 13.66% indirect interest in FGV through its direct shareholdings in FAHC, a wholly-owned subsidiary of FELDA. FELDA is also a major shareholder of F D'Saji with 40.00% direct shareholdings.*
- (5) *FAHC is a Major Shareholder of FGV with 13.66% direct interest in FGV.*
- (6) *YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad is a Director of FGV, FAHC and FELDA. He is also a Director of F Engineering and F Prodata.*
- (7) *YB Datuk Noor Ehsanuddin Mohd Harun Narrashid is a Director of FGV, FELDA and MSM Holdings.*
- (8) *Dato' Mohd Emir Mavani Abdullah is a Director of FGV, FAHC and FELDA. He is also a Director of F Prodata and FPM.*
- (9) *Datuk Haji Faizoull Ahmad is a Director of FGV. He is also a director in F D'Saji.*

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DETAILS OF RRPTS (Cont'd)

B. Details of the RRPTs to be entered into by the MSM Holdings Group under the Proposed New Shareholders Mandate

Item	Transacting Related Parties		Interested Major Shareholders/ Directors and/or persons connected with them	Nature of Relationship as the LPD	Nature of RRPT	Estimated Value during the Validity Period ⁽¹⁾ (RM '000)
	Recipient	Provider				
1.	MSM Holdings	F Trading	Interested Major Shareholder: <ul style="list-style-type: none"> KPF Interested Director: <ul style="list-style-type: none"> - 	See note (2)	Provisions of insurance	1,000
Total						1,000
2.	MSM Holdings	F Security	Interested Major Shareholders: <ul style="list-style-type: none"> KPF FGV FELDA FAHC Interested Directors: <ul style="list-style-type: none"> YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad Datuk Haji Faizoull Ahmad 	See notes (2), (3), (4), (5), (6) and (9)	Provisions of security services	1,500
Total						1,500
3.	MSM Holdings	FELDA	Interested Major Shareholders: <ul style="list-style-type: none"> FGV FAHC FELDA Interested Directors: <ul style="list-style-type: none"> YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad YB Datuk Noor Ehsanuddin Mohd Harun Narrashid Dato' Mohd Emir Mavani Abdullah 	See notes (3), (4), (5), (6), (7) and (8)	Office rental Address: Level 44, Menara Felda Platinum Park, No.11 Persiaran KLCC, 50088 Kuala Lumpur Size :14,596 sqft Duration: 1 st Sept 2012- 31 Aug 2015 Rental Payment : Monthly	1,500
Total						1,500

DETAILS OF RRPTS (Cont'd)

Notes:

- (1) *The estimated value shown above represents the best estimates by our management. Accordingly, the actual transacted value may vary and are subject to change.*
- (2) *KPF is a Major Shareholder of MSM Holdings with 20.00% direct interest. F Trading is a wholly-owned subsidiary of KPF. KPF is also a Major Shareholder of F Security with 49.00% direct shareholdings.*
- (3) *FGV is a Major Shareholder of MSM Holdings with 10.97% direct interest and 40.03% indirect interest through its direct shareholdings in FGV Sugar, its wholly-owned subsidiary.*
- (4) *FELDA is a Major Shareholder of FGV with 20.00% direct interest and 13.66% indirect interest in FGV through its direct shareholdings in FAHC, a wholly-owned subsidiary of FELDA.*
- (5) *FAHC is a Major Shareholder of FGV with 13.66% direct interest in FGV.*
- (6) *YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad is a Director of FGV, FAHC, FELDA and MSM Holdings. He is also a Director of F Security.*
- (7) *YB Datuk Noor Ehsanuddin Mohd Harun Narrashid is a Director of FGV, FELDA and MSM Holdings.*
- (8) *Dato' Mohd Emir Mavani Abdullah is a Director of FGV, FELDA, FAHC and MSM Holdings.*
- (9) *Datuk Haji Faizoull Ahmad is a Director of FGV and MSM Holdings. He is also a Director of F Security.*

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Circular. They confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no material facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

Neither MSM Holdings nor any of its subsidiaries have entered into any other material contracts which are or may be material (not being contracts entered into in the ordinary course of business of MSM Holdings and/or any of its subsidiaries) within the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

As at the LPD, neither MSM Holdings nor any of its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Board is not aware and do not have any knowledge of any proceedings, pending or threatened against MSM Holdings and/or its subsidiaries, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of MSM Holdings and/or its subsidiaries.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 45, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) Memorandum and Articles of Association of our Company; and
- (ii) our audited financial statements for the past two (2) FYE 31 December 2013 and 31 December 2014.



MSM MALAYSIA HOLDINGS BERHAD

(Company No. 935722-K)

(Incorporated in Malaysia under the Companies Act, 1965)

EXTRACT OF THE NOTICE OF THE 4TH ANNUAL GENERAL MEETING

As Special Business

Ordinary Resolution 9

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED MANDATES")

"THAT, subject always to the Companies Act, 1965 ("**Act**"), the Articles of Association of MSM Malaysia Holdings Berhad ("**Company**"), other applicable laws, guidelines, rules and regulations, and the approval of the relevant governmental/regulatory authorities (if applicable), approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in the Circular to Shareholders dated 11 May 2015, provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature; and
- (ii) necessary for the day-to-day operations; and
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) not detrimental to the minority shareholders of the Company;

("Mandate");

AND THAT the Mandate shall commence immediately upon passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which the ordinary resolution for the Proposed Mandates for RRPT is approved, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever is the earlier;

AND THAT the Directors of the Company and/or its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this resolution and the Mandate.