

MEDIA STATEMENT
For Immediate Release

**MSM WELCOMES MINISTRY OF FINANCE'S CLARITY ON SST
EXEMPTION MECHANISM FOR RAW SUGAR**

KUALA LUMPUR, JUNE 20, 2025 – MSM Malaysia Holdings Berhad (MSM), the producer of the national refined sugar brand "Gula Prai", welcomes the timely clarification issued today by the Ministry of Finance regarding the Sales and Service Tax (SST) treatment of raw sugar imports. The Ministry's statement confirms that while a 5% SST will apply to raw sugar – a key input for refined sugar production – refiners may apply for tax exemptions under prescribed conditions.

This clarification follows MSM highlighting the potential significant cost pressures arising from the expanded SST regime during its Annual General Meeting ("AGM") on 19 June 2025. The Group emphasized that these input cost increases could impact refined sugar pricing, which could in turn push up prices of refined sugar for industrial buyers. We appreciate the Ministry's prompt attention to this matter and its reaffirmation of a clear pathway for eligible refiners to seek relief. This is particularly crucial given the challenging operating environment, where retail sugar prices have been capped at RM2.85 per kilogramme since 2011 despite substantial rises in global raw sugar costs in recent years.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, "We thank the Ministry for its responsive and pragmatic approach in addressing industry concerns. The confirmation of an exemption application mechanism provides much-needed clarity and flexibility for refiners like MSM. This enables us to proactively manage input costs and mitigates immediate pressure on refined sugar prices, while continuing to fulfil our role in the national sugar supply chain under the existing retail price framework."

The Group remains committed to working closely with the Government and all stakeholders to ensure minimal disruption to the supply chain and stable pricing for essential food industries. While input cost management remains a priority, MSM assures customers and partners of its relentless focus on operational efficiency and fair pricing. We are confident that the exemption mechanism will contribute positively to safeguarding the competitiveness of Malaysia's food manufacturing sector.

-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 refiners 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 2024, MSM produced 1,104,290 MT of refined sugar, of which 258,932 MT are catered for the export market. Currently, MSM corroborates up to 60% of the domestic market share. MSM Malaysia Holdings Berhad (MSM), Malaysia's leading refined sugar producer, has been listed on the Main Market of Bursa Malaysia Securities Berhad since 28 June 2011 with a market capitalisation of RM830 million as at 31 December 2024. 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.

For media enquiries, please contact:

Siti Noorbaya Mohd Yunus
+6016 677 6118
noorbaya.my@msmsugar.com

Syahidah Ismail
+6019 225 9705
syahidah.i@msmsugar.com