

MSM JOHOR COMMENCEMENT OF MAIDEN BREAK BULK EXPORT TO CHINA

KUALA LUMPUR, APRIL 26, 2019 – MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer and a subsidiary of FGV Holdings Berhad (formerly known as Felda Global Ventures Holdings Berhad), has commenced its first maiden break bulk shipping of refined sugar from MSM Johor which set off to China, exporting an amount of 7,000 tonnes of refined sugar.

MSM Johor fully commissioned in November 2018, provide an avenue for MSM Group to support domestic demand and further ramp up its export sales at a competitive pricing as it is strategically located at Tanjung Langsat Port and is anticipated to reduce cost across the value chain following the strategic port facilities which contribute towards cost-efficiency as well as reducing manpower intensive through the usage of state-of-art machines with better technology and fully automated.

Break bulk shipping reduce the cost of our logistic as it requires cargoes to be transported in unitized form such as crated, bundled, or palletized to which our refined sugars are carried in a 1.5 tonnes jumbo bag that ease the process of loading. Besides that, break bulk shipping also allow goods to directly enter minimally-developed ports as some of them cannot accommodate large container ships.

The break bulk operations through Tanjung Langsat Port's jetty involves cooperation between MSM Johor and FGV Transport Services Sdn Bhd, also a subsidiary of FGV, to synergize our group resources effectively.

MSM is targeting to export more than 300,000 tonnes of refined sugar and other sugar related products potentially to Asia Pacific region in view of our Business Plan 2019-2021 that includes exporting to Asian market as part of our priorities to maintain market leadership towards becoming one of the top 10 sugar players in the world by 2020. However, MSM will continue to be selective on export markets with a focus on high premium markets due to the challenging prices as a result of global sugar glut.

MSM's newly appointed Group Chief Executive Officer, Dato' Khairil Anuar Aziz said, "The break bulk shipping is a part of our new business model which focus on maintaining cost



discipline and operational efficiency in our business activities which include raw sugar procurement, external warehouse as well as cost for freight, refining and finance. The advantage of our strategic standalone refinery in Johor together with the break bulk shipping initiative will provide an opportunity for us to export our refined sugar at a very competitive price.”

“With our Johor refinery in place, we have the capacity to fulfil domestic demand and expand our market share on the export front whilst exploring additional revenue stream.” he added.

Dato’ Khairil, who has been with MSM since November 2017 as the Executive Director is taking over the responsibility from Mohd Shaffie Said who assumed the role of Acting Chief Executive Officer since January 2018. Effective immediately, Mohd Shaffie has now been re-designate as Group Chief Operating Officer.

Dato’ Khairil, notably known for his strong core values has been with FGV Group since 2012. He was born and bred in FELDA Sungai Klah, Sungkai, Perak and is a second generation FELDA settler. He is also currently FGV’s Chief Operating Officer for sugar sector.

Dato’ Khairil brings over 25 years of experience possesses a strong business and leadership record and has a deep understanding of the consumer business landscape in the Asian region via senior appointments in various industry associations. Dato’ Khairil also holds a position as Board Member for several companies including Pelaburan Mara Berhad, Cadbury Confectionery Malaysia Sdn Bhd and Sinergi Perdana Sdn Bhd.

“It comes with a huge responsibility and challenging journey ahead as the sugar industry are forecasted to be more volatile in 2019, in view of the glut sugar situation internationally and locally. However, MSM remain optimistic in its performance as we are reshaping the way we do our business to remain competitive, deliver core financial values and long-term profitable growth.” said Dato’ Khairil.

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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 three operating subsidiaries, MSM Prai Berhad, MSM Perlis Sdn Bhd, and MSM Sugar Refinery (Johor) Sdn Bhd. In addition, MSM also operates a logistics company – MSM Logistics Sdn Bhd and a trading company – MSM Trading International DMCC, based in Dubai, United Arab Emirates.

At present, MSM's annual production capacity is up to 2.25 million tonnes of refined sugar. In 2018, MSM produced 964,739 tonnes of refined sugar, of which 109,613 tonnes are catered for the export market. Currently, MSM corroborates up to 59% 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 1.83 billion as at 31 December 2018. 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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