



## **MEDIA RELEASE**

# **MSM CELEBRATES HISTORIC GROUND BREAKING CEREMONY FOR THE LARGEST INTEGRATED SUGAR REFINERY IN MALAYSIA**

**PASIR GUDANG, JOHOR, MARCH 28, 2016** – MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV) celebrates the historic ground breaking ceremony of MSM Sugar Refinery (Johor) Sdn. Bhd. (MSM Johor) – the largest integrated sugar refinery in Malaysia, in an effort to support its rapidly growing business.

The ceremony was officiated by Yang Berhormat, Tan Sri Haji Mohamad bin Haji Aziz representing Yang Amat Berhormat Dato' Mohamed Khaled Nordin, Menteri Besar Johor in the presence of Yang Berhormat Tan Sri Hj Mohd Isa bin Dato Hj Abdul Samad, Chairman of MSM Malaysia Holdings Berhad and Dato' Sheikh Awab Sheikh Abod, President and Chief Executive Officer of MSM Malaysia Holdings Berhad.

Others in attendance at the special occasion were the Board Members and Senior Management of MSM, its stakeholders namely shareholders, customers and partners from different parts of the world as well as officials from the Government sector.

Scheduled to be completed in late 2017, it targets a production capacity of one million tonnes of refined sugar per year, from the current 1.25 million tonnes. This will enable MSM to increase its annual production capacity to 2.25 million tonnes as well as leverage on its strong fundamentals over the years.

Adopting state-of-the-art and energy-efficient technology, the new refinery capacity will boost MSM supply volume in enabling the Group to meet 100 percent domestic demand. The excess capacity will be for the export market. It will also reduce the Group's sugar processing costs by approximately 30 to 50 percent.



“Today is a historic day for MSM. We are coming together to spark a new engine for job creation and spur socio-economic growth with the ground breaking of this project. It is to fulfil our vision as the leading refined sugar producer and to become a modern hub for sugar-hungry regional markets,” said Dato’ Sheikh Awab Sheikh Abod.

Located in Tanjung Langsat, Johor Darul Takzim on a 50.63 acre plot, the USD259 million mega facility is expected to open up opportunity for local employment in Pasir Gudang and the surrounding communities in the next five years, stimulate the local economy and become Johor’s next landmark.

“I am truly pleased that the development of Malaysia’s largest sugar refinery is taking place in Johor, which augurs well to spur employment opportunities as well as stimulate vigorous economic activities in the state. This will ultimately translate into increased shareholders value,” said Yang Berhormat, Tan Sri Hj Mohd Isa bin Dato Hj Abdul Samad.

By the year 2020-2025, Malaysia’s sugar consumption is expected to rise up to approximately 1.9 million tonnes and the existing capacity of the Group’s two refineries are not sufficient to meet the demand requirement.

Once completed, the state of the art refinery is able to produce 3,000 tonnes of refined sugar daily with the option to expand of up to 6,000 tonnes daily. This provide an avenue for MSM to support domestic demand and further ramp up its export sales at a competitive pricing to neighbouring countries such as Singapore, Indonesia and other APAC countries.

Dato’ Awab added, “MSM is reshaping the sugar industry in Malaysia. Through our Johor refinery, we expect to achieve a high rate of operational efficiency which will translate into competitively priced end products.”

He added, “Tanjung Langsat is an ideal and strategic location for the Group as it has close proximity to MSM’s customers. It also provide an avenue for MSM to expand its foray into neighbouring countries and strengthen its access to key regional markets. This translate into immense benefit to both MSM and Johor and shall transform the area into a commercial hub for sugar in the regional area.”



Funding for the construction of MSM Johor Refinery was secured with the signing of the General Facility Agreement simultaneously. The Shariah-compliant Facility is provided by the syndicated financiers namely CIMB Islamic Bank Berhad and HSBC Amanah Malaysia Berhad at a ratio of 60:40, respectively.

Sharkara International (FZC), an affiliate of Thailand's Sutech Engineering Co. Ltd has been appointed as the principal contractor for the Design, Engineering Procurement and Construction Agreements (EPCC). Whereas, Encorp Berhad has been appointed as the service provider for construction works. The scope of works includes construction and completion of earthworks and temporary site facilities for the project.

Last month, MSM established its foothold in Dubai, United Arab Emirates as the Company launched its sugar trading arm, MSM Trading International DMCC (MSM Dubai). The outfit is set to tap into the huge demand of raw and refined sugar in the Middle East & North Africa (MENA) market, as the Company rapidly expands its business in the region

It will be supported by a representative office located in Jakarta, Indonesia to better position and support clients on inbound and outbound transactions across the region and act as gateways to other markets across the ASEAN region.

With greater consumer demand for the "Gula Prai" brand, MSM remains optimistic to further strengthen its domestic market share and transform Malaysia into a regional hub for high quality refined sugar.

While MSM continues to play its role of Malaysia's leading sugar provider, it aspires to become a global brand with a distinctive international structure. By recognising and seizing opportunities through its strong position and knowledge of the industry, MSM will be able to look forward as a truly global Malaysian icon on the world stage.

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### **About MSM Malaysia Holdings Berhad (MSM)**

MSM Malaysia Holdings Berhad (MSM), incorporated on 10 March 2011, is Malaysia's leading sugar producer. It was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2011 and is one of the top 60 companies listed on Bursa Malaysia with a market capitalization of RM 3.5 billion (as at 2014).

Principally, MSM operates the sugar business of Felda Global Ventures Holdings Berhad (FGV). MSM produces, markets and sells refined sugar products. The company conducts its business principally through two operating subsidiaries, MSM Prai Berhad (*formerly known as Malayan Sugar Manufacturing Company Bhd.*) and MSM Perlis Sdn. Bhd. (*formerly known as Kilang Gula Felda Perlis Sdn. Bhd.*) which were established in 1959 and 1971 respectively. Additionally, MSM also operates its own logistics company – MSM Logistics Sdn. Bhd. Through its subsidiaries, MSM has an impressive combined annual production capacity of 1.1 million tonnes of refined sugar. In 2014, MSM produced 986,115 tonnes of refined sugar, approximately 64% of the domestic market share.

The company 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". The company also sells molasses, a by-product of the refining process, to distilleries and producers of ethanol, animal feed and yeast, among other products. 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, pharmaceuticals, hotels, restaurants, food outlets and household consumers.

For more information, please visit [www.msmsugar.com](http://www.msmsugar.com)