

MSM REASSURES HALAL COMPLIANCE, CONSUMERS TO BE CAUTIOUS OF IMPORTED SUGAR

KUALA LUMPUR, SEPTEMBER 12, 2019 – MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer, wishes to reassure all its customers and other stakeholders that all its products, including those branded as "Gula Prai", are Halal certified and fully compliant with the highest standards of food safety. The Halal certification is comprehensive, from farm to table, covering all ingredients from primary sources, the entire manufacturing process and the distribution process. MSM observes strict standard operating procedures to maintain its Halal Certification Standards of Malaysia, MS1500:2009, Kosher Certification by the London Beth Din Kashrut Division, Food Safety System Certification (FSSC 22000 – Manufacturing), Hazard Analysis and Critical Control Point (HACCP) Certifications and other similar standards that are relevant in food safety.

"There is much more to Halal compliance than just the sourcing of Halal ingredients. We must also take into consideration, the resources and production processes involved to ensure strict compliance with Islamic dietary laws," MSM's Group Chief Executive Officer, Dato' Khairil Anuar Aziz said. "We must also consistently observe all protocols and procedures in order to maintain compliance with necessary food manufacturing standards and benchmarks."

The process of refining sugar, particularly the decolourisation stage, is commonly associated with the usage of Ion Exchange Resins (IER) and Granulated Activated Carbon (GAC). Activated carbon can be produced from various carbonaceous materials that include coconut shell, coal and bone char, or the mixture of respective substances. "Bone char" which is produced by charring animal bones, are considered to be cheaper compared to other commercial activated carbon. However, it may be derived from animals that are slaughtered in a non-Shariah compliant manner or from non-Halal animals. This issue has become a major concern in the global sugar industry, not only the Halal certification purposes, but also for those who observe vegetarian diets.

"MSM is able to guarantee its refining process is compliant with Islamic laws as the process of removing colour undertaken using the IER and GAC, are free from all potentially non-Halal compliant methods that are commonly used by refiners. Activated carbon used in the decolourisation stage is Halal-certified and originated purely from coal," Khairil Anuar added.



MSM operates three refineries in Malaysia, which are located in Prai, Pulau Pinang; Chuping, Perlis and Tanjung Langsat, Johor, with a total refining capacity of up to 2.25 mil tonnes of refined sugar per annum.

Dumping of sugar in certain producer countries as a result of oversupply, has led to the availability of cheap sugar that was refined outside of Malaysia for the domestic market. This situation has been exploited by middle man who are profiting from current global raw sugar prices. However, these sugars that are now available in Malaysia, offer no certainty of product quality or Halal standards.

“Consumers who are concerned about Halal certification or consuming vegetarian food are advised to be cautious when buying and consuming refined sugars and other sugared products manufactured using these imported sugars,” Khairil Anuar said. “MSM can reassure our customers that our sugar products are 100% Halal guaranteed given our refining and production processes are all managed within Malaysia and certified by Malaysian authorities, including the Department of Islamic Development Malaysia (JAKIM). Although, the imported sugars are brought into our country at a lower price, they may not have legitimate Halal certification and the source of raw material as well as the manufacturing processes may not be certified Halal,” he added.

As a market leader, MSM’s refineries are regularly audited to ensure all processes are in full compliance, to ensure consistent delivery of the highest quality of sugar products. All MSM’s suppliers are also certified to ascertain and verify the quality of the materials they use and produce, as part of the rigorous compliance process. All MSM’s certification standards are clearly displayed on its packaging and on MSM’s website for easy identification and reference.

MSM is a subsidiary of FGV Holdings Berhad (formerly known as Felda Global Ventures Holdings Berhad), and offers a variety of products which are marketed and sold in a variety of packaging options. The products include various grades of refined sugar which include coarse grained sugar, fine granulated sugar, caster, icing and soft brown sugar.

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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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