

MSM BACK TO BLACK IN 1Q FY2021, NET PROFIT RISES 190%

KUALA LUMPUR, MAY 25, 2021 – MSM Malaysia Holdings Berhad (MSM) recorded a profitable performance with Profit Before Tax (PBT) of RM 43.07 million for the first quarter ended 31 March 2021, compared to Loss Before Tax (LBT) of RM 27.25 million in the same period for FY2020. In addition, MSM also posted a net profit (PAT) of RM 31.19 million for 1Q 2021, an increase of 190% against net loss (LAT) of RM 34.70 million in 1Q 2020. The profit registered was majorly attributable to the strengthened margin, forex gains and lower finance cost.

Positively, MSM managed to sustain a progressive earnings momentum since Q4 2020 after the previous eight consecutive quarterly losses. Overall, total revenue for the quarter under review slightly increased 0.8% to RM 514.93 million versus RM 510.84 million in 1Q 2020 backed by the increased in premium for industry and export segments.

Meanwhile, the Group's gross profit margin climbed up to 13% in 1Q 2021 compared to 3% in 1Q 2020 which correspond to the improvement in yield and utilisation rate (UF) in MSM Johor. Operationally, MSM Johor continued to record a progressive development against the same period last year, with an increase in yield from 89% to 92%, and improved UF from 16% to 22%. Besides that, the Group's refining cost also fell by 13% for 1Q 2021 compared to the corresponding quarter last year owing to the reduction in gas tariff. In addition, the Group will intensify focus towards enhancing efficiency by producing higher yield and achieve better capacity utilisation to further lower our production cost.

Highlighting our sales performance, revenue for export refined sugar grew in tandem with an almost fivefold increase in volume. However, the sales volume for Domestic segment fell by 21% for this quarter as a result of decline in demand particularly in the Wholesaler segment due to the implementation of movement restriction order in the middle of January.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, "It's been a challenging start for the year amidst the third wave of Covid-19 which continue to disrupt the market and business landscape. Nevertheless, MSM remains consistent in fulfilling our



domestic demand and focus on expanding our regional presence as integrated refining centre through the export of refined sugar, value-added and downstream product diversification. Anchoring on our competitive position, we intend to engage into more dynamic business opportunities by leveraging on strategic collaborations with reputable industry players. We anticipate our export front to grow further for the year in view of the recovering global market outlook which could stimulate our business and operational development particularly in MSM Johor.”

Recently, MSM also entered into a binding term sheet on the respective disposal and acquisition of 100 percent stake of MSM’s wholly-owned subsidiary, MSM Perlis Sdn Bhd (MSM Perlis) as part of the Group’s strategies to enhance operational capabilities and streamline profitability through monetising non-core assets.

For 1Q 2021, earnings per share (EPS) strengthened at 4.43 sen against loss per share (LPS) of 4.94 sen in the same quarter under review last year. Moving forward, MSM is committed to continue bolster turnaround efforts towards delivering robust and consistent returns while creating greater shareholders value as well as enhancing domestic market position and capitalising on emerging opportunities in the export segment.

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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 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 2020, MSM produced 1,010,215 tonnes of refined sugar, of which 270,628 tonnes are catered for the export market. Currently, MSM corroborates up to 60% 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 401 million as at 31 December 2020. 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
+603 2181 5018 ext. 158
+6016 677 6118
noorbaya.my@msmsugar.com

Ahmad Izwan Osman
+603 2181 5018 ext. 154
+6017 440 1027
ahmadizwan.o@msmsugar.com