

MSM COMPLETES DISPOSAL OF MSM PERLIS SDN BHD, STRATEGIC PLAN REMAINS ON TRACK

KUALA LUMPUR, SEPTEMBER 29, 2021 – MSM Malaysia Holdings Berhad (MSM or the Group) today announced the completion of the proposed disposal of the entire equity interest held in MSM Perlis Sdn Bhd (MSM Perlis) to FGV Integrated Farming Holdings Sdn Bhd (FGVIF) for an initial disposal consideration of RM 175 million, following the greenlight received from shareholders during the Extraordinary General Meeting that was held on 15 September 2021.

“The disposal of the entire equity interest in MSM Perlis is estimated to result in a gain of RM 91.6 million which will be utilised to pare down borrowings, enhance cash position and further strengthen the Group’s balance sheet. It is a timely move as MSM has been consistent in its strategic plan in monetization of non-core assets as part of the turnaround acceleration while staging for better performance in Financial Year 2022,” said MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad.

The disposal has undergone all the necessary process in a transparent manner in accordance to the Share Sales Agreement (SSA). Since the decision to sell was mandated by the Board, the workers and the union group have been notified in advance through series of engagement including a townhall and various meetings. The redeployment of manpower from MSM Perlis to MSM’s other operational premises provided opportunities for the employees to continue working with MSM with wider internal career opportunities.

The completion of the disposal marks a milestone in MSM’s turnaround journey as the Group continues to record strong quarterly profitable financial results since Q4 2020. The strong performance is a result of the Group’s proven strategy through the discontinuation of its non-strategic assets and shifting greater focus operational particularly in MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor).

The cessation of MSM Perlis refining operations on 30 June 2020 has resulted up to 200,000 tonnes of production volume consolidated in MSM Johor and MSM Prai Berhad (MSM Prai) giving better efficiency and lowering production costs. Meanwhile, MSM remains on track to



achieve the Group's capacity utilization factor (UF) up to 65% for this year with MSM Prai and MSM Johor reaching UF of 80% and 50% respectively by end of the year.

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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.

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