

MSM PROFIT BEFORE TAX (PBT) ROSE 125% TO RM81 MILLION FOR FY2021

KUALA LUMPUR, FEBRUARY 22, 2022 – MSM Malaysia Holdings Berhad (MSM) posted a Profit Before Tax (PBT) of RM81 million for the 12 months ended 31 December 2021 (FY2021), against PBT of RM36 million in the corresponding period last year, although operating in a challenging environment with rising production cost, higher NY11 and freight cost. During FY2021, gain from disposal of MSM Perlis Sdn Bhd amounting to RM92 million has contributed to the Group recording a total consolidated PBT of RM170 million.

The Group also recorded higher revenue of RM2.26 billion for 12 months FY2021 compared to RM2.18 billion in the last financial year. The improved revenue for the quarter under review, RM642 million for 4Q 2021 compared to RM630 million for 4Q 2020 is mainly contributed by higher premium but hampered by lower volume due to reduced demand as consumption have not recovered to pre-COVID level.

During the quarter under review, the flash floods on 18 and 19 December affected major parts of Selangor. The Group's temporary refined sugar warehouse located at Kota Kemuning was also affected by the floods and has initiated insurance claim in respect of the affected inventories. Currently, for full assessment of damages is in progress.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, "MSM has made good progress on its turnaround plans in 2021 amidst the rising trend of main production cost elements. On the domestic front, the positive development of the National Recovery Plan has provided strong impetus for greater economic recovery and socio-economic activities leading to more product consumption including sugar."

Operationally, the production cost for the Group increased as compared to the previous year driven by 18% increase in NY11, 69% increase in freight cost and lower utilisation factor (UF) due to temporary shutdown in MSM Johor for boiler rectification works and MSM Prai for sanitisation work due to COVID-19 as required by the Ministry of Health. The increase in NY11 was outweighed by lower foreign exchange of 2%.

"Internally, MSM Johor managed to improve its production yield as well as its UF although the plant is yet to achieve breakeven capacity level. On the export market, barring unforeseen circumstances, FY 2022 poses good opportunities within the Asia Pacific region that has a strong and growing demand. Besides strengthening MSM market position in Vietnam, China, Singapore and South Korea, we have large anchor contracts with the likes



of Coca-Cola recently awarded over the next two years as example. Such contracts allow the expansion and access into new markets such as the Pacific Islands. We hope to also enhance our market into Australia and New Zealand in addition and plan for penetration into the Philippines and Indonesia.” added Syed Feizal.

MSM remains cautiously optimistic towards sustaining its financial performance in 2022 and will continue to drive its Environmental, Social and Governance (ESG) framework through a wide range of ongoing initiatives such a collaboration with Wilmar Sugar Pte. Ltd. in establishing a sustainable sugar supply chain and new initiatives designed to achieve a holistic sustainable growth. MSM will also be embarking on Net Zero carbon emissions and plans are underway. “ESG is not about compliance but simply the right thing to do and I am proud of MSM step-up efforts.” added Syed Feizal.

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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 refiners 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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