

MEDIA RELEASE
For Immediate Release**MSM RECORDED A LOWER LOSS AFTER TAX OF RM36 MIL
FOR 3QFY2023**

Remains cautiously optimistic on look ahead in turnaround

KUALA LUMPUR, NOVEMBER 23, 2023 – MSM Malaysia Holdings Berhad (MSM), the producer of the leading national refined sugar brand "Gula Prai", recorded a lower loss after tax (LAT) of RM36 million for the third quarter (3Q) of the financial year ending December 2023 (FY2023), compared to the same quarter last year (3QFY2022) of RM73 million. The improvement is attributable to improved margin from Industry and Export segments, lower freight cost and better capacity utilisation.

Revenue for 3QFY2023 rose to RM807 million, 21 percent higher versus RM668 million for the corresponding quarter last year. For 9M2023 revenue increased to RM2.14 billion, a 13 percent rise from RM1.89 billion in the same period last year. The increase in revenue for 9M2023 are attributable to the 13 percent higher increase in Average Selling Price (ASP) for all segments despite lower sales volume. The net operational loss is mainly due to the higher production cost in the period owing to 24 percent higher NY11 raw sugar amongst other rising costs.

"The sugar industry has seen stronger demands in the local and export markets. However, amidst prolonged challenging environment with high input costs due to increase in raw sugar cost, high freight and natural gas cost as well as weakening of Ringgit Malaysia, the local sugar industry remained resilient. The prevailing high input costs are being further mitigated but continue to impede the improvement of the Group's financial performance. Wholesale segment contributes 40 percent of total sales affected by negative margin as its price is controlled by the Government," said MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad.

"The ceiling price set by the government has remained unchanged and without subsidy over the last 10 years. Malaysia sugar-controlled price is the cheapest in the region and the world representing an anomaly in economics. Hence, many other countries across the region have even increased sugar prices such as Indonesia and Thailand and we seek the government support on a price normalization to help overcome the high input costs mentioned. We believe that government will provide due consideration and support for sustainability of the local sugar industry," Syed Feizal added.



“Despite these challenges, we are pleased with the sales recorded for MSM’s new product, Gula Prai Super that was launched in May this year which contributes additional revenue to the company. MSM will ensure uninterrupted supply of sugar in the market and is important to have it recognized under the country’s food security agenda especially integrating with upstream activities in developing local sugar cane plantation or through reverse investments in nearby region. On financial performance, we are taking all measures to ensure return to profitability as recorded in 2021 in order to provide returns to our shareholders, fulfil our corporate responsibility to our stakeholders, and contribute positively to the economy,” Syed Feizal further added.

Since 1964, MSM has firmly established itself as a leading national sugar refinery and amongst top 10 refiners in the world, providing high-quality refined sugar products to ensure Malaysia's food security. MSM's growth has Sustainability through a step-up ESG framework fully embedded in business and operations. MSM has achieved circular economy in its waste to green initiatives and are actively reducing its carbon footprint as the 10th corporate in Malaysia subscribing to SBTi and Net Zero ambitions under UN Global Compact.

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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 2021, MSM produced 895,222 tonnes of refined sugar, of which 246,101 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 RM900 million as at 31 December 2021. 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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