

MSM EGM: Responses to Live EGM Questions Received**1. MSM Perlis & Dividend**

| Shareholder Name | Question |
|---|---|
| TEH PENG TIN | May I know what is the rationale for this proposal? After the disposal, would the company consider giving any special dividend to shareholders? |
| LAU NGIE VEI | Dividend - during the past profitable years, MSM had mostly declared the first interim dividend in the month of November follow by final dividend in Q2 (after book closure). Can shareholder expect the same momentum for this year? |
| SOO HOO ZHEYANG | will MSM gives Special Dividend after the disposal of MSM Perlis? |
| TEOH KENSEN | What is the utilisation of proceeds from the Proposed disposal |
| CHONG CHING YEE | Dear BOD, any other non sugar related business to be dispose beside Perlis MSM |
| CHONG CHING YEE | What is the expected interests charges saved after the disposal of MSM Perlis ? |
| LOKE JINGYI | Is the disposal consideration priced above market value? |
| KOW LIH SHIH | The fund raising will happen in group of company in shorter period of time for operate need? |
| LIEW CHEE MENG | With this demerger, will there be a win-win scenario for all the parties involved? How? |
| Response | |
| <p>There are four (4) key rationale for the proposed disposal (please refer to page 13 to 14 of the circular):</p> <ul style="list-style-type: none"> (i) It is an opportunity to monetise the non-core plantation business, (ii) Capacity rationalisation, (iii) Lowering cost of distribution with effective market demarcation; and (iv) Achieving economies of scale in production. <p>The Group plans to utilise the proceeds for the following:</p> <ul style="list-style-type: none"> - RM100 million was allocated to mainly pare down borrowing which will improve gearing and contribute savings for finance cost. - RM50 million is allocated for general capital expenditure to enhance reliability and sugar process. - The balance will be utilised for working capital for the procurement of raw sugar. <p>The Group maintains its dividend payout ratio policy of 50%, but any distribution will be based on our earnings generation and subject to the Group's full year results for FY2021. Nevertheless, the intention for FY2021 is to work towards the improvement of the company's financial performance to deliver better value to our shareholders.</p> <p>There are identified assets which could be monetised other than MSM Perlis. We are currently reviewing all our assets and may consider any profitable disposals in the future.</p> <p>The proceeds from the share disposal are earmarked to pare down our borrowings, capex and for general working capital. The reduction in borrowings will certainly improve our profitability and cash flow position, hence will free up our liquidity to cater for the growing working capital in near term for export.</p> | |

As reviewed by the Independent Adviser, the transaction is deemed fair for MSM. Further, the refinery operations in MSM Perlis was already discontinued in July 2020, hence the share disposal is a feasible option to monetise the plantation land under the company. It is also in line with the strategic direction of the Group as well as the production consolidation initiative at our new plant in Johor.

2. Door Gift – E-vouchers

| Shareholder Name | Question |
|---|---|
| TAN CHAI HENG | Please include the shipping cost if redeeming through Shopee platform as it is rather expensive of about Rm12. Or it can be done by FGV own portal which can cover this cost. TQ |
| TEH PENG TIN | With regards to the door gifts for today's Egm, Could the board kindly consider giving us free shipping, just like the recent AGM 's door gifts, we will be very much appreciated. Thank you. |
| LEE SUAN BEE | Thank you for giving us E voucher for today's EGM - I would like to request for free shipping as per AGM on 17/6/2021 |
| HO WING SENG | I would like to ask is the e gift a set like the one given during the last AGM? |
| TAN YOOK MOOI | Hi, are the door gift are free delivery? |
| LEE CHONG SING | Hopefully door gift is free shipping like the previous one,Tqym. |
| KOK SAK LIN | Dear MSM Team 1) As a minority shareholder, I would like to thank the BOD, MSM Management, MSM team & staff for the kind rewards for our efforts in participating in MSM meetings. These small door gifts are very appreciated by us minority shareholders. It also shows that MSM also value its shareholders. Syabas! 2) Also thank you for the RM10 KFC voucher for our 'makan' treat but can MSM reconsider giving \$20 as KFC meals are not cheap! 3) Stay Safe for all MSM personnel and continued success for the future! |
| JOACHM ARULRAJ ANTHONY SAMY | Dear BOD, Since there is doorgift given, I will vote all For but for the next meeting can we have McD voucher instead of KFC and make it RM20. Many shareholders also feel the same way. Thank u for your generosity. |
| TAN KIM KHUAT | A vote of thanks to the board. Pls make sure the e-voucher security is well designed and encrypted to prevent some others misuse or steal the entitlement. |
| RAPHAEL WONG KIM LEONG | Cilli sauce Saji dan Magarin adella boleh tukar ke Susu sejat Air Bandung dan Air Jagung. Terima kasih |
| Response | |
| All shareholders/proxies/corporate representatives who logged in during the EGM on 15 September 2021 will receive an e-voucher worth close to RM40 as a door gift. The items and values are as follows: | |

Minyak masak SAJI 1kg x 2: RM13.98
 Gula Prai Coarse Grain Sugar 1kg: RM2.85
 Gula Prai Soft Brown Sugar 500g: RM2.85
 Sos Cili SAJI 500gm: RM3.70
 Marjerin Adela Tub 240gm: RM4.10
 KFC voucher: RM10.00
 TOTAL: RM37.48

The redemption of door gift is not through Shopee platform. We will email the voucher code together with a link to fill up details for postage. The cost of shipping and handling has been taken care of by MSM.

The security of the e-voucher has been tightened and it will be double confirmed based on the list of shareholders attending the meeting against the voucher code before delivery. Due to the previous situation, we have decided not to proceed with Shopee platform.

Unfortunately, the products have been purchased prior to this EGM and it is not possible for us to change the items. However, thank you and we take note on the suggestion for future event. We will consider the suggestion for future event. Thank you.

3. Sales/Export/Revenue

| Shareholder Name | Question |
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| LAU NGIE VEI | <p>Export Sales Target of 300K tonne. During early August briefing, the company had secured 60-70% of export sales target for FY2021. Per RHB recent analyst report (dated 3 September), it said MSM had secured 88% of export sales target for 2021 as of August.</p> <p>Question: May we know how much was the actual export sales volume as of Aug? Because in 1H 2021, the company had only materialized 102K tonnes of export volume, about 2/3 are to fulfill in 2H shall the export target remained as 300K tonnes. Albeit 2020 2H export volume was 190K tonnes.</p> |
| LAU NGIE VEI | ASP - Is the wholesale price still maintain at the maximum gazetted price of RM2,690/tonne? |
| ANG ZHENG YANG | <p>Hi management, what is your next plan after selling MSM Perlis?</p> <p>2nd ,will MSM be more focus on export?</p> |
| Response | |
| <p>The actual total export orders as at 31 August 2021 stood at 306,945 MT of which we have delivered 144,220 MT. The remaining volume is to be delivered by end of December 2021. The Group is focussing on fulfilling backlog of orders due to slight disruptions in MSM Prai and MSM Johor in 2Q 2021.</p> <p>MSM has increased ASP for contracts signed this year to be closer to the gazetted selling price, and has started fixing the contracts at RM2,690/MT from 2Q 2021 onwards.</p> | |

MSM is a strategic sugar manufacturer locally, hence MSM will first prioritise the domestic sugar volume to ensure sugar supply security and then the export market.

4. MSM Johor

| Shareholder Name | Question |
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| LAU NGIE VEI | <p>UF - As only 6% of UF in Q2 due to plant shutdown on boiler issue. what was the UF of Johor plant for July and August after boiler rectification?</p> <p>Is the management still confident in meeting the target UF of 50% (for Johor plant) for 2H 2021? Will this be target be achieve in Q3 or gradually towards end of year?</p> |
| CHONG CHING YEE | Any improvement of UT of Johor MSM after boilers repair? What is the UT now? TQ |
| CHIN SHIN HAU | Hi, can you share with us the utilization factor of Prai Johor now? |
| HO XI WEN | Besides than the disposal, can you share with shareholders on the latest operational update? What is the progress of rectification/repair of second boiler at Johor plant? |
| LAU NGIE VEI | Boiler insurance claim status - What's the current status with regards to the insurance claim? How probable that going to happen and by when? |
| Response | |
| <p>The Utilisation Factor (UF) for MSM Johor was 20% to 30% in July and August after the completion of Boiler 1 repairs. In September, MSM Johor had been able to maintain production in the 1,000MT per day range which is 33% UF.</p> <p>Boiler 1 has been fixed and resumed operation in June 2021. In addition, Boiler 2 is expected to be back in operation by October 2021.</p> <p>MSM Johor's present utilisation factor (UF) with Boiler 1 has demonstrated ability to reach 33% versus 14% as a result of planned rectification and operational optimisation on steam use. We are optimistic that Boiler 2 will indicate similar performance. Hence, MSM Johor is expected to reach min 50% UF target in the 2H 2021 as planned.</p> <p>The UF for MSM Prai has been maintained around 60% - 75% in 1H 2021.</p> <p>We have provided all the required documents to the insurance broker for the insurance claim. Currently the claim is being reviewed by the insurance provider. The likelihood of the insurance claim being approved is high, however the timing very much depends on the claim review process. Rest assured, we are working closely with the insurance broker and provider to make sure everything in order.</p> | |

5. Potential Collaboration

| Shareholder Name | Question |
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| SOO HOO ZHEYANG | Any update for the MSM Johor new investor? is Wilmar International interested? |
| CHONG CHING YEE | Any update of Johor MSM current plan to robe in Strategic Investor? |
| TAN HAN JIUN | is it the Collaboration between WILMAR int still on going ? |
| Response | |
| <p>The Management wishes to clarify that MSM Johor turnaround and improvement plans include growing its inherent export footprint for long term sustainability of which is already serving Vietnam, China, South Korea, Singapore and other countries in the region.</p> <p>Should there be interest from any potential party into MSM Johor, it shall be evaluated with prerequisite of an offtake guarantee based on specific destination market(s) towards reinforcing business sustainability.</p> <p>Any material progress on exploring strategic partnership will be announced accordingly.</p> | |

6. Other

| Shareholder Name | Question |
|--|---|
| HO WING SENG | I am interested to know why there is always no reply to our queries from the investor relations email id and no one pick up the phone no as stated by the company? So how to contact your side, is there any alternative? |
| Response | |
| <p>We note on the feedback and we will improve our lead time to respond to the emails. Again, please email any queries to investor.relations@msmsugar.com. The queries will be attended to by our Investor Relations team as soon as possible. Thank you.</p> | |

6. Miscellaneous

| Shareholder Name | Question |
|-----------------------------------|--|
| TAN ENG WAUN | Tq for the token |
| TAN TENG CHEE | God bless Thank you for the door gift the joy you have given us |
| CHOW YEN CHJEN | Thanks for the gift |
| LIM KHENG JOO | Words of thanks & appreciation to the BoD for distributing door gift for this virtual mtg. |
| LEE TUCK FEONG | HI Good morning. Tq for good job .d |
| MONO KARI A/P SOKKALINGAM | Thank you very much for the door gifts. |
| REEVANASH A/L PORAVI | Thank you very much. Very kind of our Company to provide door gifts. |
| PORAVI A/L S P SITHAMBARAM PILLAY | Most appreciative of the door gifts provided. Thank you very much. |

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| REEMARACHNA A/P PORAVI | Beautiful gesture by our Company in providing door gifts to shareholders showing support today BB y participating in this RPV. Thank you very much |
| LUM PEK KAM | Dear MSM Team, Thank you to BOD, Management, MSM team and staff for the good door gifts! It is appreciated by all Minority shareholders. Wishing MSM continued success now and the future! Syabas! |
| CATHERINE KOK YIN LING | Thank you for the door gifts. Stay safe and continued success to MSM! |
| LUM PECK WAN | Thank You Sirs for the generous & useful gifts! Will certainly support by redeeming the stated gifts. |
| JUSTIN CHAN KEN YIP | Hi Mr Chairman, Thank you so much for the e-vouchers! |
| Response | |
| <p>We note that you do not have further questions for us, thank you for joining this virtual EGM. Rest assured the new management and Board are working closely to ensure the turnaround of MSM for 2021 occurs as per the 3-year Blueprint and more with strong profits backed by our 50% dividend policy. We thank all shareholders for the continued valued support.</p> | |