

ANALYST BRIEFING

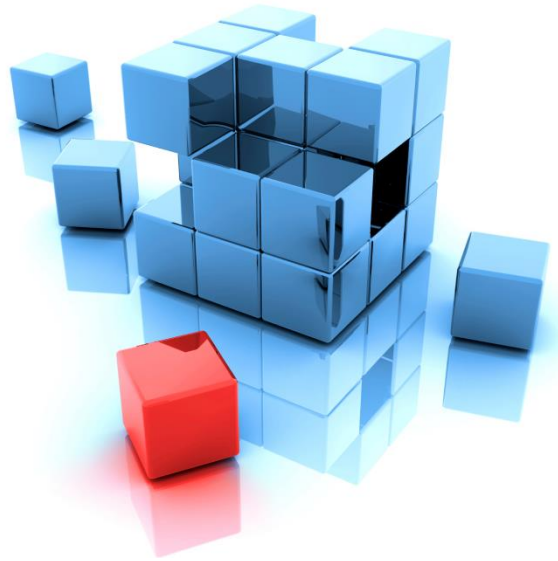
FOR THE THIRD QUARTER 2017

NOVEMBER 2017

The logo consists of a blue triangle with a white border. Inside the triangle, the letters 'M S M' are written in a bold, white, sans-serif font, centered horizontally.

M S M

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The logo for MSM (Malaysia Sugar) is a blue triangle with a white border. Inside the triangle, the letters 'M S M' are written in white, bold, sans-serif font.

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FINANCIAL HIGHLIGHT

FINANCIAL		3Q 2017	3Q 2016	Changes %	9M 2017	9M 2016	Changes %
Revenue	RM 'mill	669	633	6 ▲	2,010	1,820	10 ▲
Profit/(Loss) From Operations PBT/(LBT)	RM 'mill	25	33	(24) ▼	(43)	124	(135) ▼
Net Profit/(Loss) PAT/(LAT)	RM 'mill	10	23	(57) ▼	(46)	106	(143) ▼
Total Assets	RM 'mill	3,334	2,993	11 ▲	3,334	2,993	11 ▲
Total Liabilities	RM 'mill	1,418	947	50 ▲	1,418	947	50 ▲
Cash and Cash Equivalents	RM 'mill	118	478	(75) ▼	118	478	(75) ▼
Net Assets per Share	RM/share	2.73	2.91	(6) ▼	2.73	2.91	(6) ▼
Earning/(Loss) per Share (EPS)	sen	1.48	3.32	(55) ▼	(6.49)	15.13	(143) ▼
Gearing Ratio*	%	37.19	27.32	(36) ▼	37.19	27.32	(36) ▼
OPERATIONAL							
Sales volume	MT	253,706	251,577	(1) ▼	750,078	758,552	(1) ▼

* Gearing ratio equals to net debt divided by total capital of the Group. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total capital is calculated as 'equity attributable to owners of the Group' as shown in the consolidated statement of financial position plus the net debt of the Group.

3Q 2017 PERFORMANCE

(RM mil)	3Q 2017	2Q 2017	Preceding %	3Q 2016	QoQ%
Revenue	669	692	(3.32)	633	5.69
GP margin	11.21%	2.89%	8.32	12.13%	(0.92)
Expenses	(644)	(720)	10.56	(600)	7.33
Profit/(Loss) Before Tax PBT/(LBT)	25	(28)	189.29	33	(24.24)
Net Profit/(Loss) PAT/(LAT)	10	(21)	147.62	23	(56.52)
Net (loss)/profit margin	1.49%	(3.03%)	4.52	3.68%	(2.19)
Earning/(Loss) per Share (EPS)	1.48 sen	(3.05) sen	148.52	3.32 sen	(55.42)
Attributable to Shareholders					
- ROE	0.54%	(1.12%)	1.66	1.14%	(0.60)
- Net Asset per Share (RM/Share)	2.73	2.7	0.74	2.91	(6.19)

PRECEDING

REVENUE The Group recorded a total revenue RM 669 million in the current quarter compared to the preceding quarter of RM 692 million due slightly lower demand of refined sugar from the Industries market.

PROFIT/ (LOSS) AFTER TAX The Group recorded PAT of RM 10 million for the three (3) months period ended 30 September 2017 compared to the preceding quarter loss after tax of RM 21 million due to the lower raw material costs. The average raw sugar cost for the Group had decreased by 11.0% (RM/mt) compared to preceding quarter due to slightly decline in market price of raw sugar.

QoQ

REVENUE The Group recorded a total revenue of RM 669 million compared to the same period last year of RM 633 million on the back of improved selling price.

PROFIT AFTER TAX PAT for the three (3) months period ended 30 September 2017 was RM 10 million compared to previous corresponding period PAT of RM 23 million due to the higher raw material costs and weakening Ringgit. The average raw sugar cost for the Group had increased by 11.0% (RM/mt) compared to the same period last year due to higher market price of raw sugar. The high raw sugar cost however being cushioned by the increase in average selling price by 8% compared to the same period last year.

9M 2017 PERFORMANCE

<i>(RM mil)</i>	9M 2017	9M 2016	YTD YoY%
Revenue	2,010	1,820	10.44
<i>GP margin</i>	4.93%	14.63%	9.7
Expenses	(2,053)	(1,696)	21.05
(Loss)/Profit Before Tax (LBT)/PBT	(43)	124	(134.68)
Net (Loss)/Profit (LAT)/PAT	(46)	106	(143.40)
<i>Net (loss)/profit margin</i>	<i>(2.29)%</i>	<i>5.82%</i>	<i>(8.11)</i>
EPS	(6.49)	15.13	(142.89)
Attributable to Shareholders			
- ROE	(2.39)%	5.20%	(7.59)
- Net Asset per Share (RM/Share)	2.73	2.91	6.19

YTD YoY

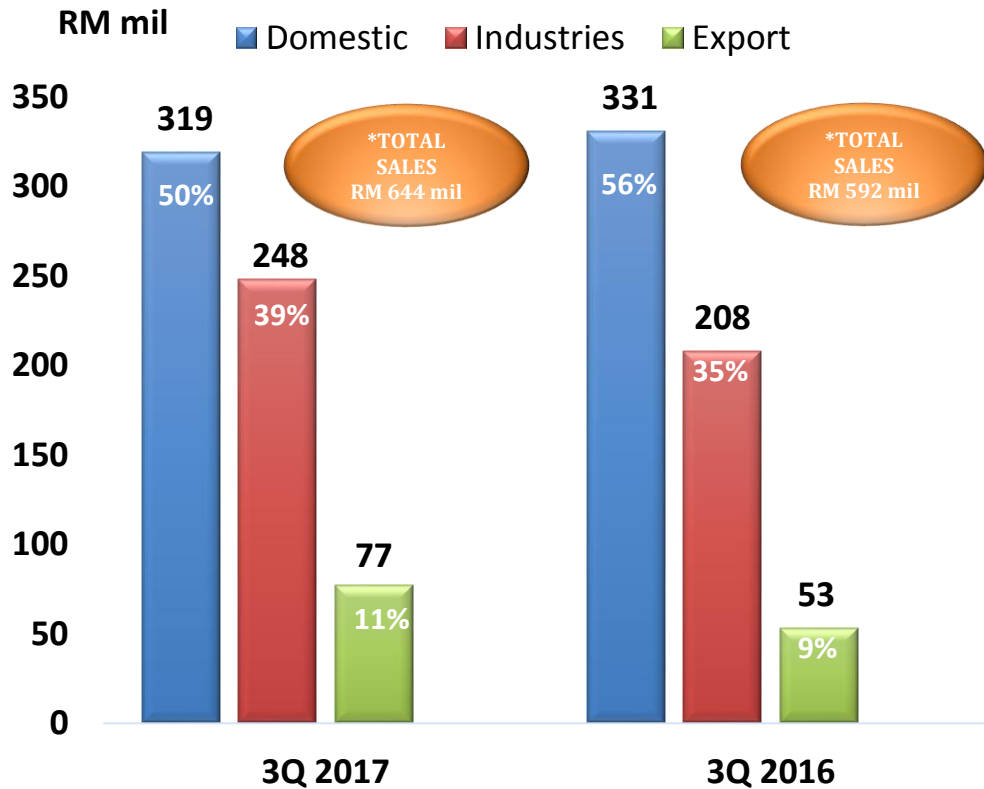
REVENUE

The Group revenue for the nine (9) months ended 30 September 2017 was RM 2,010 million compared to RM 1,820 million revenue in the same period last year due to improved selling price.

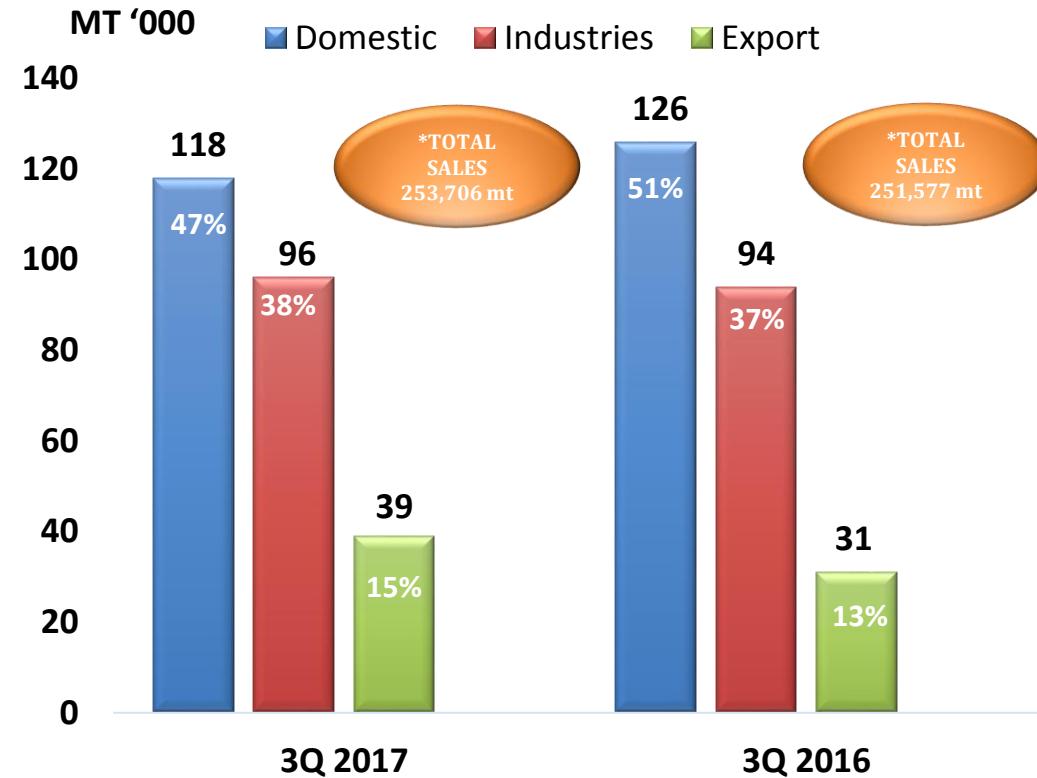
(LOSS)/ PROFIT AFTER TAX (LAT)/PAT

The Group recorded a loss after tax for the nine (9) months period ended 30 September 2017 of RM 46 million as compared to previous corresponding period's PAT of RM 106 million due to higher production costs and higher raw material cost. Higher cost of material in tandem with weakening Ringgit.

SALES REVENUE 3Q 2017 vs 3Q 2016



SALES VOLUME 3Q 2017 vs 3Q 2016



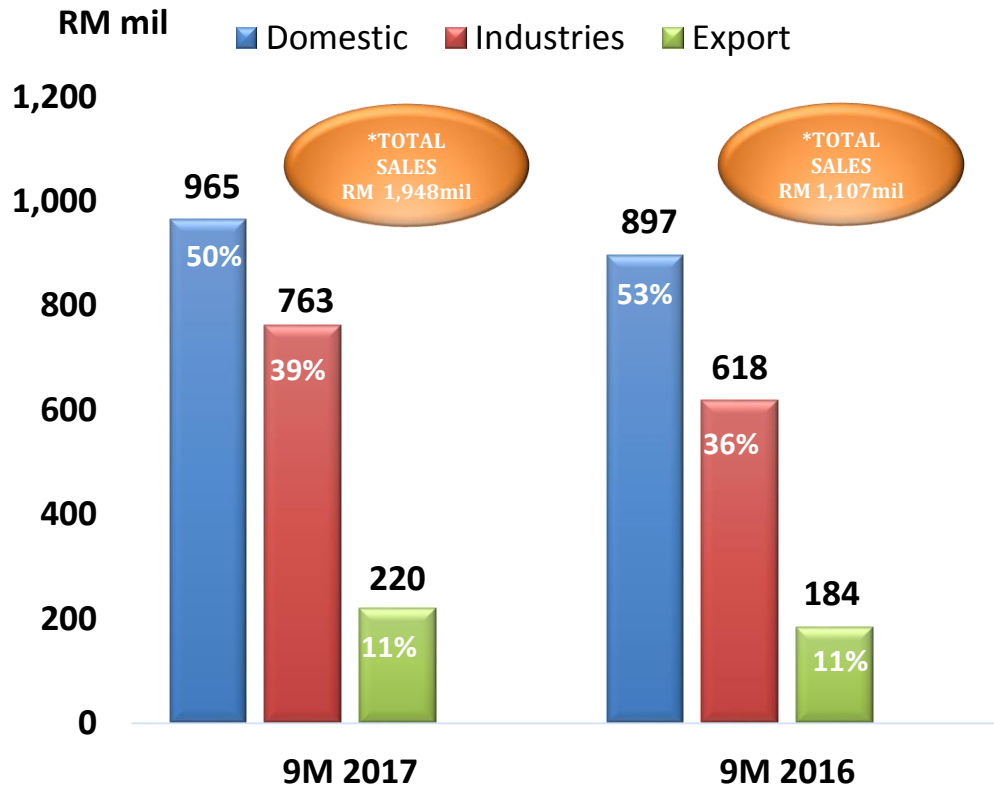
- Total sales revenue of refined sugar was RM 644 mil for 3Q 2017 vs RM 592 mil in 3Q 2016.
- Overall sales revenue increased on the back of improved selling price.

- Domestic sales volume down by 8,000 tons compared to 3Q 2016.

* Note:

1) Sales figure is AFTER consolidation adjustment 2) The sales figure excludes the sales of molasses

SALES REVENUE 9M 2017 vs 9M 2016

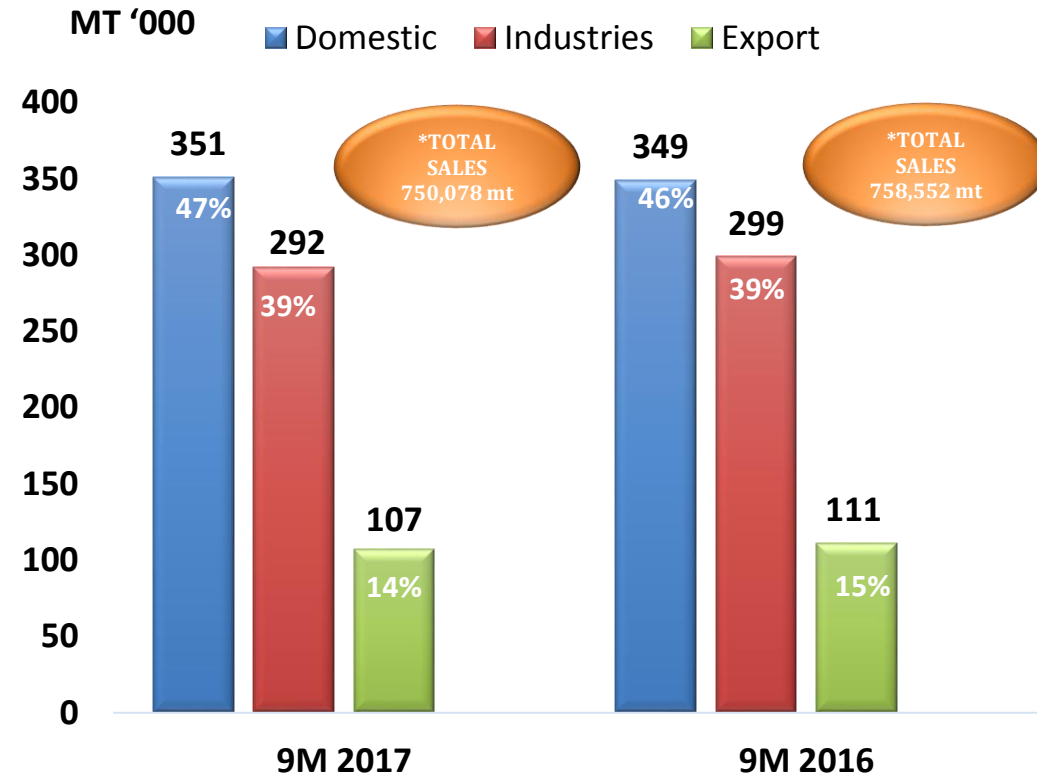


- Total sales revenue of refined sugar was RM 1,948 mil vs RM 1,107 mil in 2016.
- The Group sold more to Domestic consumers RM 965 mil compared to RM 897 mil in 2016.

* Note:

1) Sales figure is AFTER consolidation adjustment 2) The sales figure excludes the sales of molasses

SALES VOLUME 9M 2017 vs 9M 2016



- The Group sold slightly more to Domestic consumers at 47% of total sales compared to 2016 of 46%
- Industries sales volume down by 7,000 tons compared to 2016.

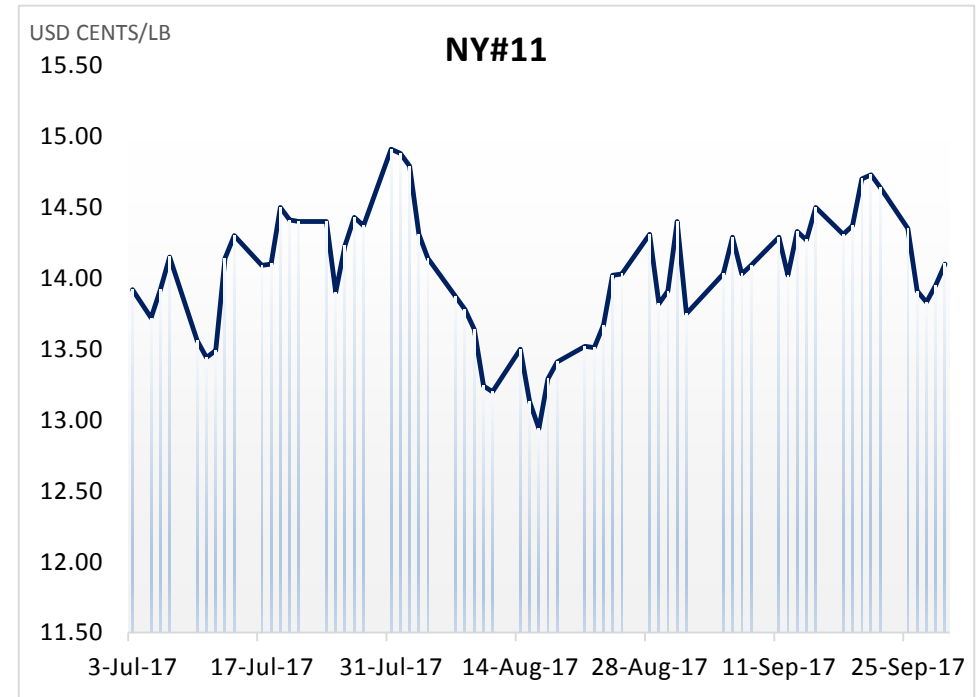
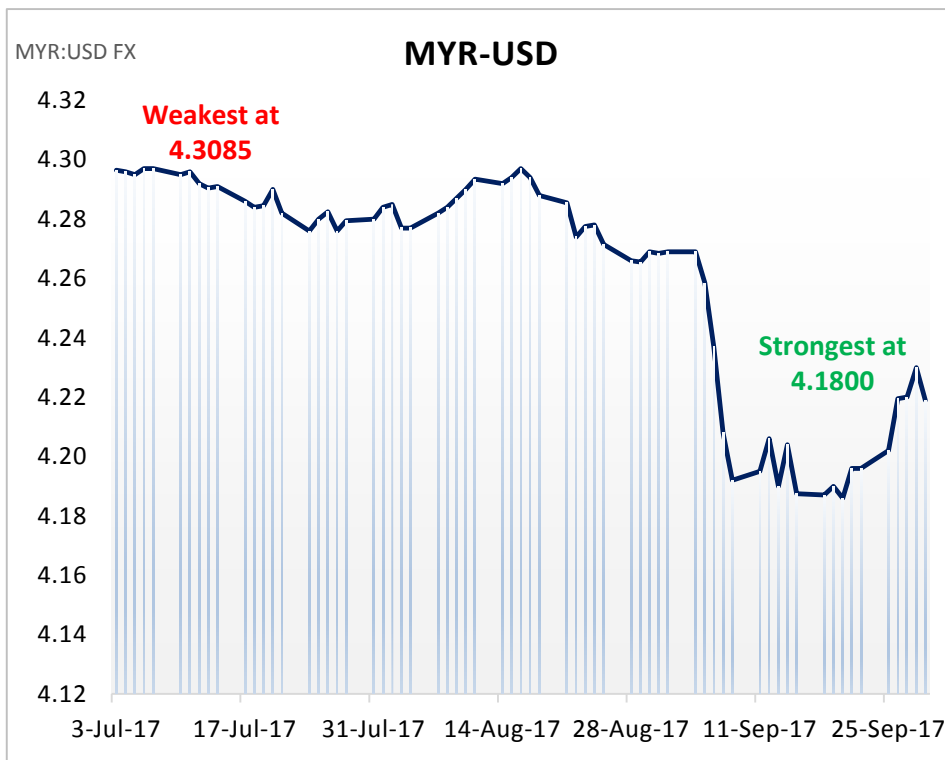


SUGAR MARKET OVERVIEW 2017

MSM

NY11 PRICE MOVEMENT (3Q 2017)

CURRENCY MARKET: MYR TO USD (3Q 2017)



	3Q 2017	3Q 2016	% Change
Open	13.67	20.38	-32.92%
Close	14.10	23.00	-38.69%
High	15.16	24.10	-37.09%
Low	12.92	18.71	-30.94%
Trading Range	224pts	539pts	-58.44%
Average	14.03	20.44	-31.36%

WORLD SUGAR MARKET – HIGHLIGHTS AND OUTLOOK

- October raw contract expired with a total of 1.07million tonne of sugar delivered of Brazil origin.
- EU quotas were lifted this October and we estimate that EU region will be able to export around 2.2million tonne of beet sugar for 2017-18.
- India started its crushing season this November without any delays and hassle, the government estimates that the country will have a production of 25 million tonne for 2017-18.
- Weather in almost all sugar producing countries were perfect. The risk of El Nino didn't' materialized.
- Most of the trade houses and industry experts see much bigger surplus for this year, the surplus range in the market is of 5.2-8.8 million tonne for 2017-18.
- Brazilians mills are seen shifting from “more sugar” for this year to “Ethanol Centric” for 2018-19 season.
- Crude oil has moved higher as market sees that OPEC measure to contain over supply is working and even OPEC and non-members are working on a plan to extend there production cuts.

THANK YOU

