

ANALYST BRIEFING

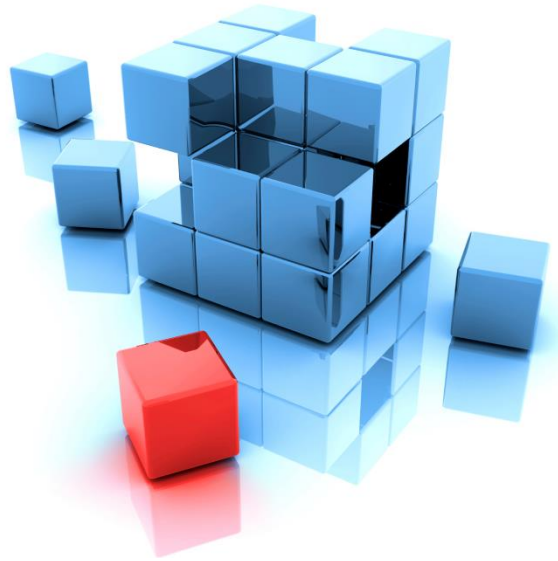
FOR THE SECOND QUARTER 2017

29 AUGUST 2017

The logo consists of a white triangle with a blue border, containing the letters 'M S M' in blue. The letters are spaced out and positioned in the lower half of the triangle.

M S M

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FINANCIAL HIGHLIGHT

FINANCIAL		2Q 2017	2Q 2016	Changes %	1H 2017	1H 2016	Changes %
Revenue	RM 'mill	692	634	9 ▲	1,341	1,187	13 ▲
(Loss)/Profit From Operations (LBT)/PBT	RM 'mill	(28)	31	(190) ▼	(68)	91	(175) ▼
Net (Loss)/Profit (LAT)/PAT	RM 'mill	(21)	24	(188) ▼	(56)	83	(167) ▼
Total Assets	RM 'mill	3,736	2,739	36 ▲	3,736	2,739	36 ▲
Total Liabilities	RM 'mill	1,829	720	154 ▲	1,829	720	154 ▲
Cash and Cash Equivalents	RM 'mill	368	343	7 ▲	368	343	7 ▲
Net Assets per Share	RM/share	2.71	2.87	(6) ▼	2.71	2.87	(6) ▼
Earning/(Loss) per Share (EPS)	sen	(3.05)	3.37	(191) ▼	(7.98)	11.81	(168) ▼
Gearing Ratio*	%	41.91	18.91	122 ▲	41.91	18.91	122 ▲
OPERATIONAL							
Sales volume	MT	257,760	269,924	5 ▼	496,372	506,974	2 ▼

* 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.



2ND QUARTER & YEAR ON YEAR PERFORMANCE FOR 2017

MSM

2Q 2017 PERFORMANCE

(RM mil)	2Q 2017	1Q 2017	Preceding %	2Q 2016	QoQ%
Revenue	692	649	6.63	634	9.15
GP margin	2.89%	0.47%	2.42	13.55%	(10.66)
Expenses	(720)	(689)	4.50	(603)	19.40
(Loss)/Profit From Operations (LBT)/PBT	(28)	(40)	(30.00)	31	(190.32)
Net (Loss)/Profit (LAT)/PAT	(21)	(35)	(40.00)	24	(187.50)
Net (loss)/profit margin	(3.03%)	(5.39%)	(2.36)	3.79%	(6.82)
Earning/(Loss) per Share (EPS)	(3.05)	(4.93)	(38.13)	3.37	(190.50)
Attributable to Shareholders					
- ROE	(1.12%)	(1.77%)	(0.65)	1.17%	(2.29)
- Net Asset per Share (RM/Share)	2.71	2.78	(2.52)	2.87	(5.57)

PRECEDING

REVENUE The Group recorded a total revenue RM 692 million in the current quarter compared to the preceding quarter of RM 649 million due higher demand of refined sugar from the Domestic, Industries and Export market

(LOSS)/ PROFIT AFTER TAX (LAT)/PAT LAT of RM 21 million for the three (3) months period ended 30 June 2017 compared to the preceding quarter loss of RM 35 million in line with the higher sales volume by 8% as a result of festive season. Slightly decline in loss after tax consistent with higher tax adjustment made on deferred tax assets.

QoQ

REVENUE The Group recorded a total revenue of RM 692 million compared to the same period last year of RM 634 million on the back of improved selling price.

(LOSS)/ PROFIT AFTER TAX (LAT)/PAT The Group recorded LAT of RM 21 million as compared to PAT of RM 24 million in the previous corresponding period due to the higher raw material costs purchased by the Group, which peaked at 20.54 cents per pound and weakening Ringgit. The average raw sugar cost for the Group had increased by 54.0% (RM/mt) compared to the same period last year due to higher market price of raw sugar. The subsequent decline in the current market price of sugar of about 13.75 cents per pound had adversely affected the overall margins of the Group.

1H 2017 PERFORMANCE

<i>(RM mil)</i>	1H 2017	1H 2016	YTD YoY%
Revenue	1,341	1,187	12.97
<i>GP margin</i>	1.72%	15.92%	(14.20)
Expenses	(1,409)	(1,096)	28.56
(Loss)/Profit Before Tax	(68)	91	(174.73)
(Loss)/Profit for the Period	(56)	83	(167.47)
<i>Net (loss)/profit margin</i>	(4.18%)	6.99%	(11.17)
EPS	(7.98)	11.81	(167.57)
Attributable to Shareholders			
- ROE	(2.94%)	4.11%	(7.05)
- Net Asset per Share (RM/Share)	2.71	2.87	(5.57)

YTD YoY

REVENUE

The Group revenue for the first half of the year 2017 was RM 1,341 million compared to RM 1,187 million revenue in the same period last year due to improved selling price and higher volume of refined sugar sold for the Domestic market segment.

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

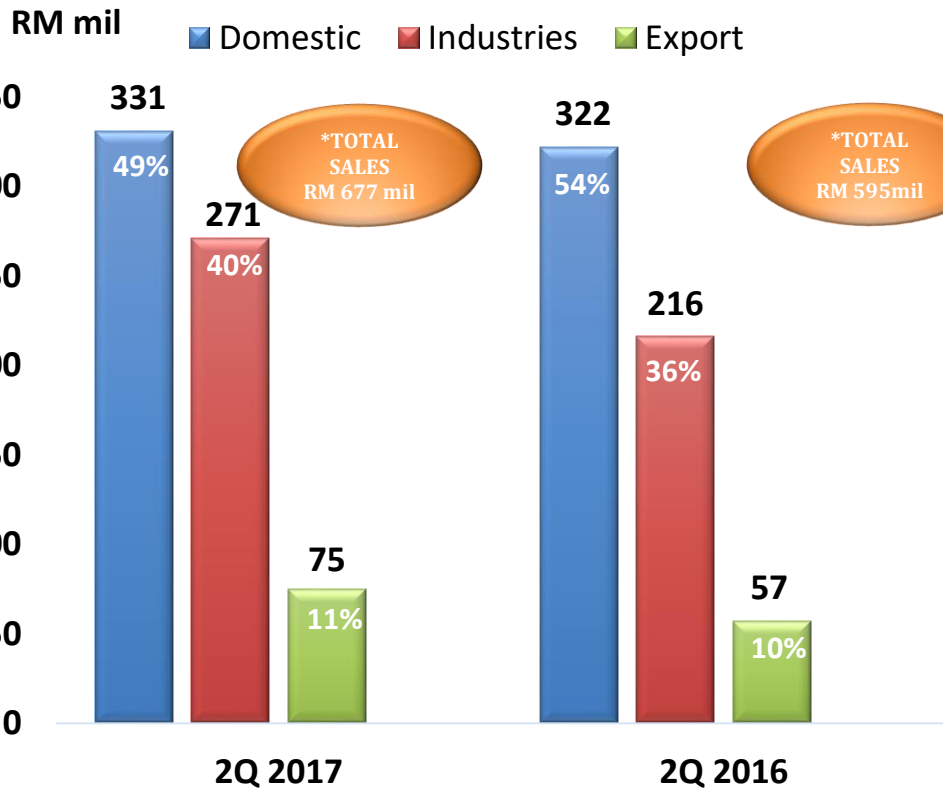
The Group recorded a loss after tax for the 1H 2017 of RM 56 million as compared to previous corresponding period's PAT of RM 83 million due to higher production costs and higher raw material cost. Higher cost of material in tandem with weakening Ringgit.



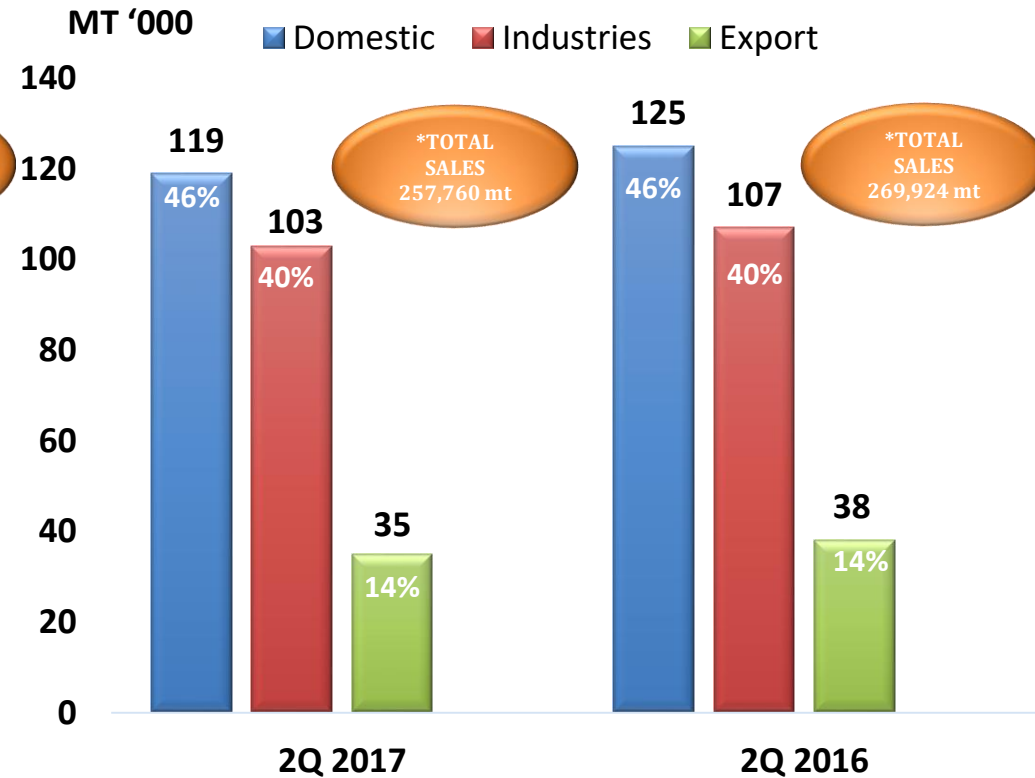
REVIEW OF SALES PERFORMANCE



SALES REVENUE 2Q 2017 vs 2Q 2016



SALES VOLUME 2Q 2017 vs 2Q 2016



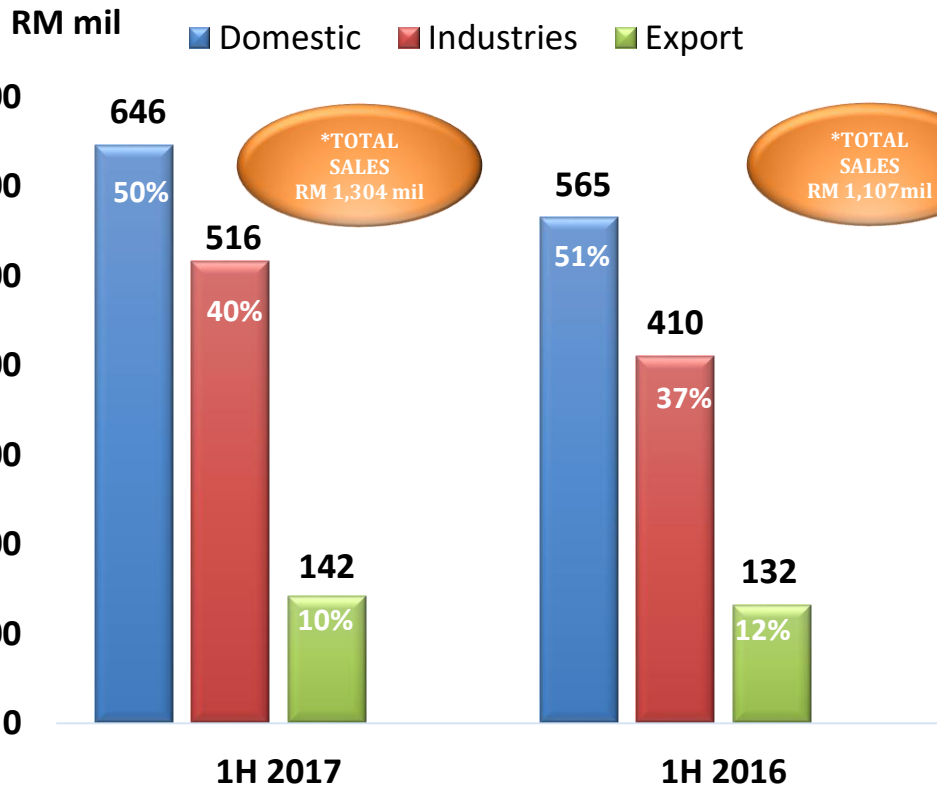
- Total sales revenue of refined sugar was RM 677 mil for 2Q 2017 vs RM 595 mil in 2Q 2016.
- Overall sales revenue increased on the back of improved selling price.

- Industries sales volume down by 4,000 tons compared to 2Q 2016.

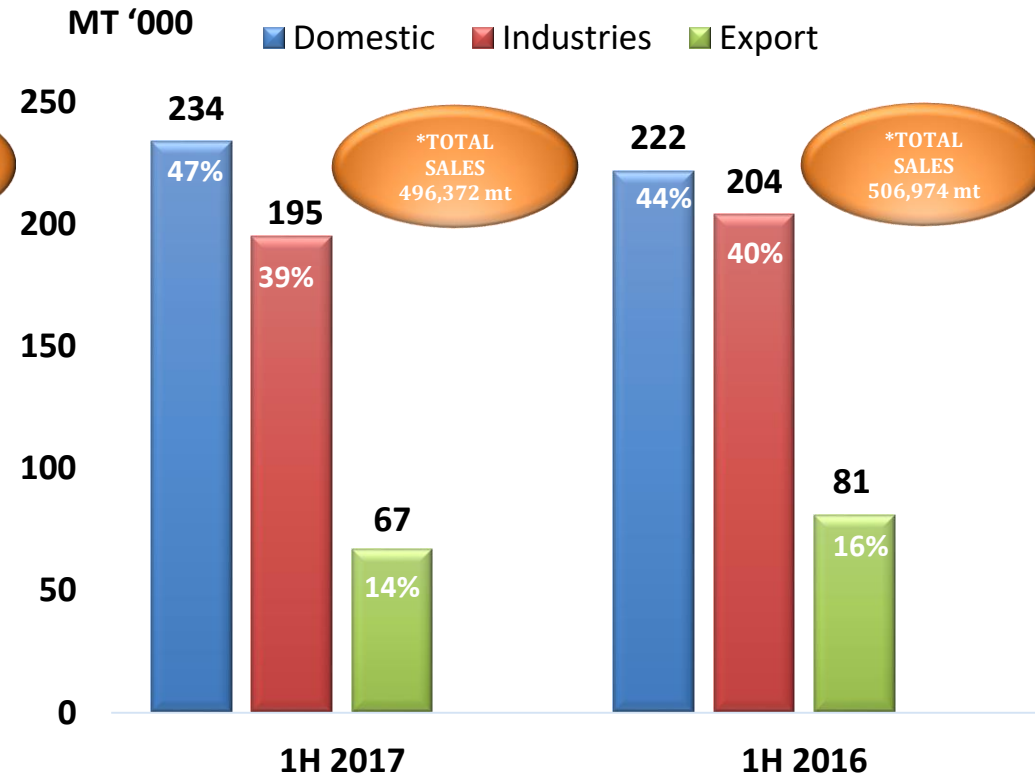
* Note:

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

SALES REVENUE 1H 2017 vs 1H 2016



SALES VOLUME 1H 2017 vs 1H 2016



- Total sales revenue of refined sugar was RM 1,304 mil vs RM 1,107 mil in 2016.
- The Group sold more to Domestic consumers RM646 mil compared to RM 565 mil in 2016.

- The Group sold more to Domestic consumers at 47% of total sales compared to 2016 of 44%
- Industries sales volume down by 9,000 tons compared to 2016.

* Note:

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

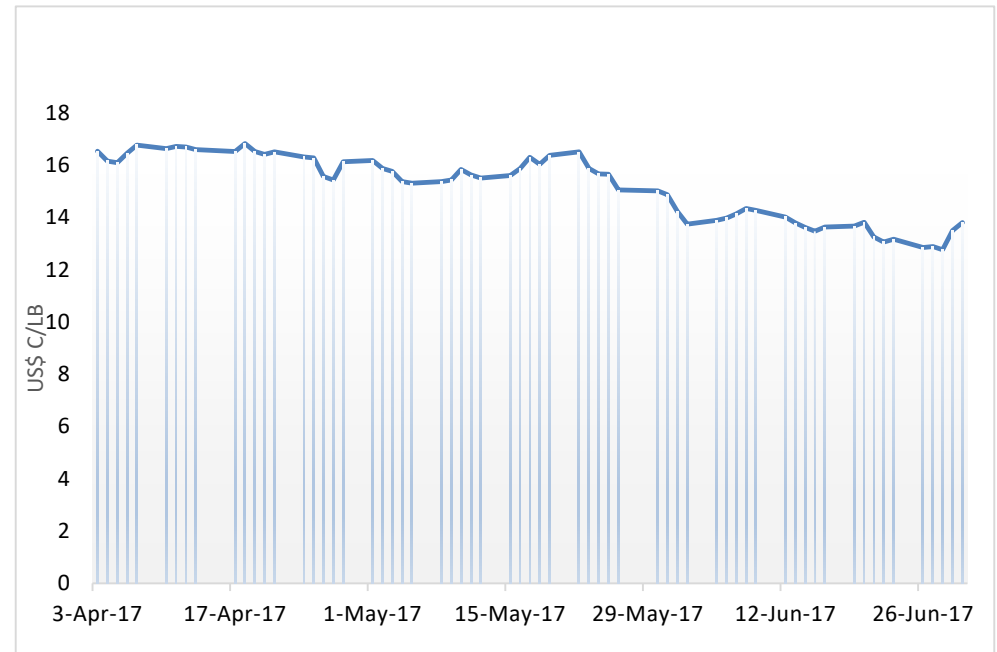
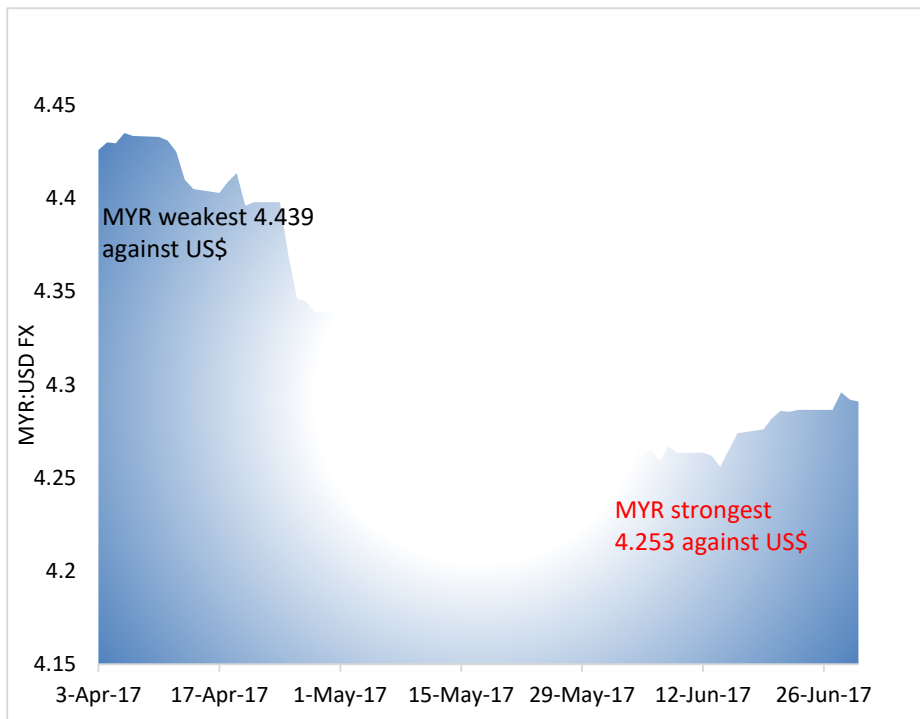


SUGAR MARKET OVERVIEW 2017



NY11 PRICE MOVEMENT (2Q 2017)

CURRENCY MARKET: MYR TO USD (2Q 2017)



	2Q 2017	2Q 2016	% Change
Open	16.93	15.40	9.93%
Close	13.81	20.33	(32.07%)
High	17.18	21.22	(19.03%)
Low	12.74	14.00	(9.00%)
Trading Range	444 pts	722 pts	(38.50%)
Average	15.18	17.10	(11.22%)

WORLD SUGAR MARKET – HIGHLIGHTS AND OUTLOOK

- The hedge funds have shifted to Net short position from Net long considering the bearish fundamentals.
- NY#11 October contract reached fresh lows of 12.74 cents/lb first time since September 2015.
- Strong sugar mix in CS Brazil, good rains in India and Thailand have kept the bearish trend in the market.
- The Indian government has hiked the import duties from 40 to 50 %. It is also likely that the country will allow duty free imports of 200 k MT.
- Crude oil prices are well above US\$ 50/barrel as Saudi Arabia is seen cutting down exports mainly to Asia.
- EU commission forecasts white sugar production in EU region to reach 20.1 million MT for 2017/18.
- Overall the fundamental picture is almost universally viewed as bearish with forecasts of global surplus of around 4.5 million MT for 2017/18.

THANK YOU

