

ANALYST BRIEFING

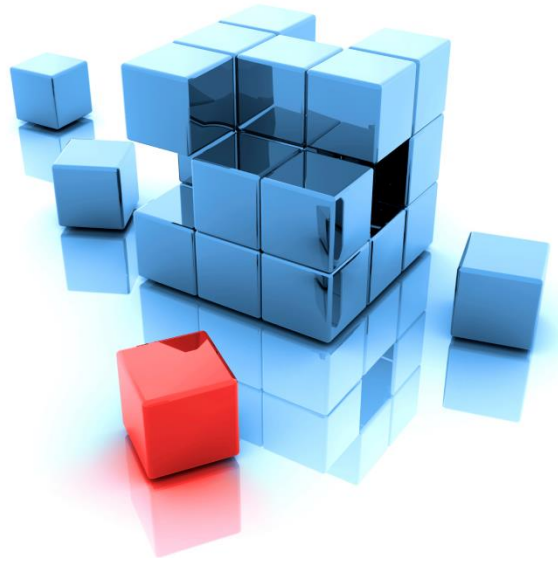
FOR THE FOURTH QUARTER ENDED 2016

22 FEBRUARY 2017

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

M S M

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The logo for MSM (Malaysia Sugar) is located in the bottom right corner. It features a large blue triangle pointing upwards, with a white border. Inside the triangle, the letters 'M S M' are written in a bold, blue, sans-serif font, stacked vertically.

M S M



GROUP FINANCIAL HIGHLIGHTS

FOR THE FOURTH QUARTER 2016 RESULTS

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FINANCIAL HIGHLIGHT

FINANCIAL		Q4 2016	Q4 2015	Changes %	FY2016	FY2015	Changes %
Revenue	RM 'mill	838	664	26.20 ▲	2,658	2,307	15.21 ▲
PBT	RM 'mill	24	92	(73.91) ▼	148	372	(60.22) ▼
PAT	RM 'mill	14	61	(77.05) ▼	121	275	(56.00) ▼
Total Assets	RM 'mill				3,217	2,722	18.19 ▲
Total Liabilities	RM 'mill				1,230	685	79.56 ▲
Cash and Cash Equivalents	RM 'mill				376	124	203.22 ▲
Net Assets per Share	RM/share				2.83	2.90	(2.41) ▼
Earning per Share (EPS)	sen				17.17	39.16	(56.15) ▼
Gearing Ratio*	%				25.82	17.07	8.75 ▲
OPERATIONAL							
Sales volume	MT	269,714	301,324	(10.49) ▼	1,028,266	1,034,088	(0.56) ▼

* 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.



4TH QUARTER & YEAR ON YEAR PERFORMANCE FOR 2016

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4TH QUARTER 2016 PERFORMANCE

(RM mil)	Q4 2016	Q3 2016	QoQ%	Q4 2015	YoY%
Revenue	838	633	32.39	664	26.20
GP margin	7.64%	12.13%	(4.49)	17.92%	(10.28)
Expenses	(814)	(600)	35.67	(572)	42.31
Profit Before Tax	24	33	(27.27)	92	(73.91)
Profit for the Period	14	23	(39.13)	61	(77.05)
Net profit margin	1.67%	3.68%	(2.01)	9.19%	(7.52)
EPS	2.05 sen	3.32 sen	(38.25)	8.71 sen	(76.46)
Attributable to Shareholders					
- ROE	0.72%	1.14%	(0.42)	2.97%	(2.25)
- Net Asset per Share (RM/Share)	2.83	2.91	(2.75)	2.90	(2.41)

REVENUE

QoQ

The Group recorded a total revenue RM 838 million in the current quarter compared to the preceding quarter of RM 633 million.

YoY (Quarter)

Higher revenue compared to the same period last year on the back of improved selling price and higher volume of refined sugar sold for the Domestic market segment.

PROFIT BEFORE TAX (PBT) AND PROFIT AFTER TAX (PAT)

QoQ

PBT was RM 24 million vs preceding quarter of RM 33 million. PAT was RM 14 million vs preceding quarter PAT of RM 23 million.

YoY (Quarter)

PBT was RM24 million compared to previous corresponding period of RM 92 million. PAT was RM 14 million compared to previous corresponding period PAT of RM 61 million due to the higher raw material costs and weakening Ringgit.

FY 2016 PERFORMANCE

<i>(RM mil)</i>	FY 2016	FY 2015	YTD %
Revenue	2,658	2,307	15.21
<i>GP margin</i>	12.45%	21.20%	(8.75)
Expenses	(2,510)	(1,935)	29.72
Profit Before Tax	148	372	(60.22)
Profit for the Period	121	275	(56.00)
<i>Net profit margin</i>	4.55%	11.92%	(7.37)
EPS	17.17 sen	39.16 sen	(56.15)
Attributable to Shareholders			
- ROE	6.08%	13.37%	(7.29)
- Net Asset per Share (RM/Share)	2.83	2.90	(2.41)

YoY

Revenue

The Group revenue was increased compared to revenue in the same period last year on the back improved selling price, higher volume of refined sugar sold and and higher trading revenue.

PBT and PAT

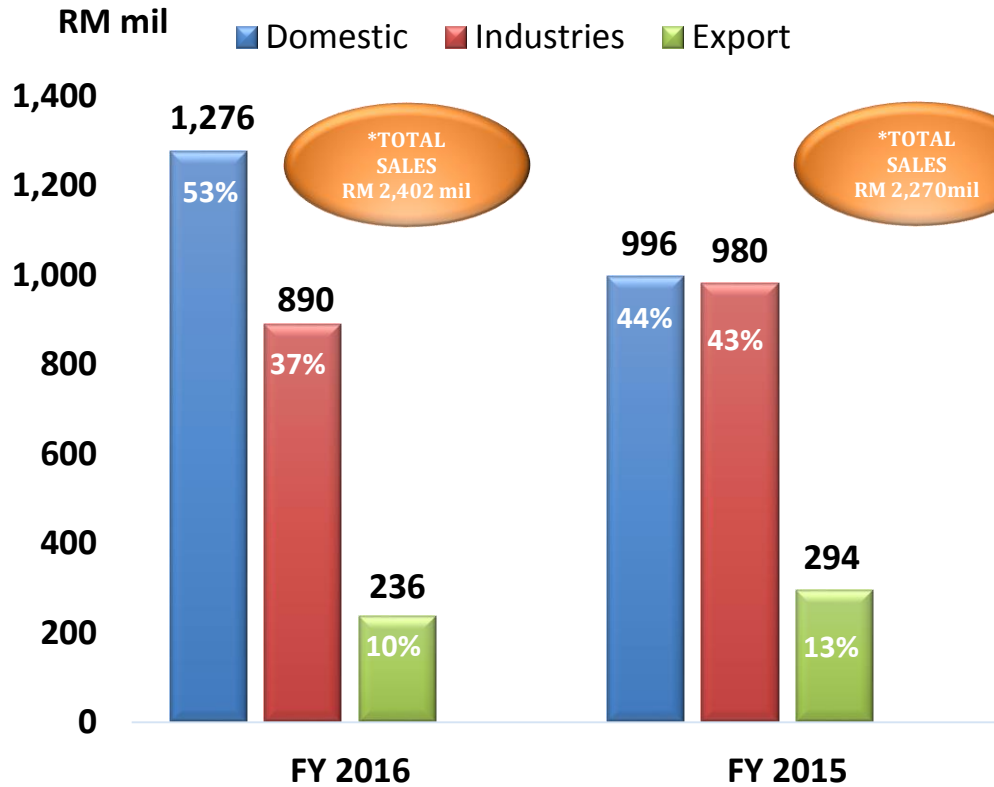
Decreased 56.00 % as compared to previous corresponding period's PAT as a results of higher raw material cost and production cost, eventhough there is a spike in raw sugar price not able to be passed on the buyers.



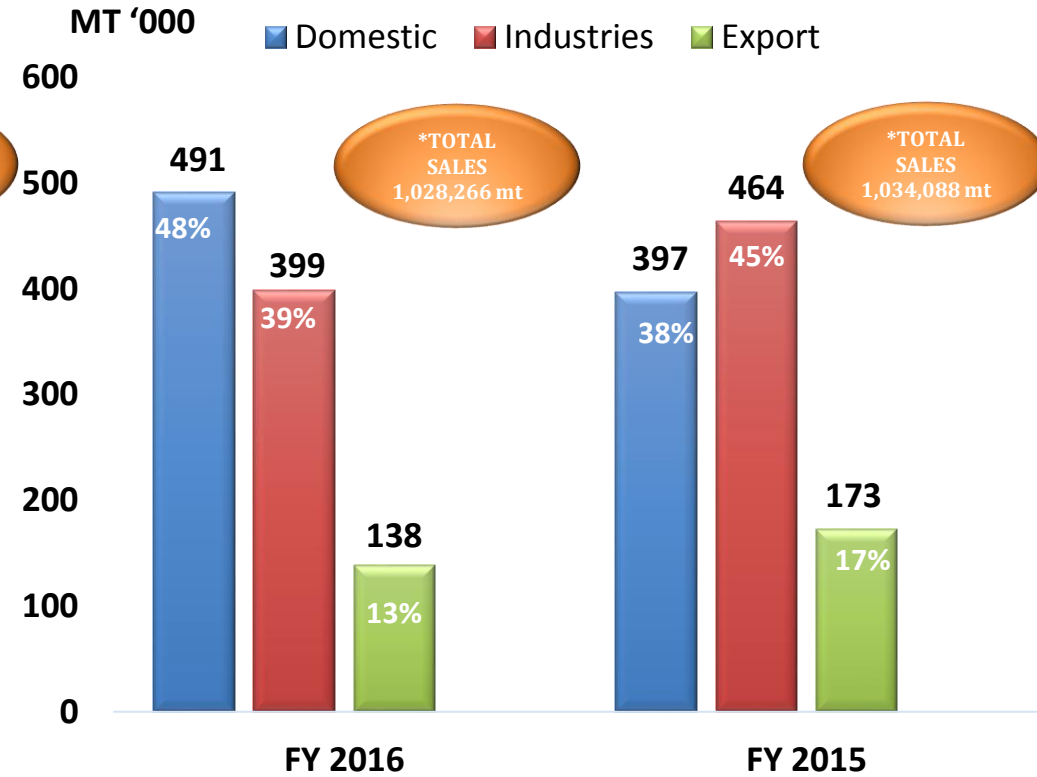
REVIEW OF SALES PERFORMANCE

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SALES REVENUE FY 2016 vs FY 2015



SALES VOLUME FY 2016 vs FY 2015



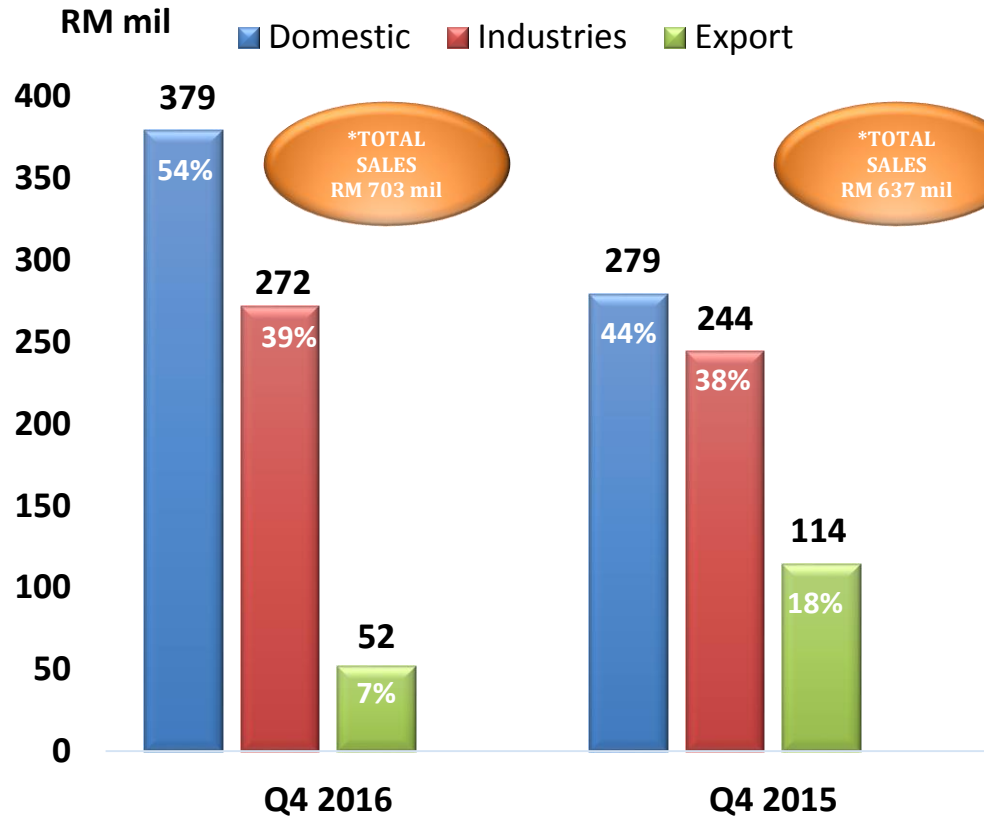
- Total sales revenue of refined sugar was RM 2,402 mil vs RM 2,270 mil in 2015.
- The Group sold more to Domestic consumers at 53% of total sales compared to 44% in 2015.

- The Group sold more to Domestic consumers at 48% of total sales compared to 2015 of 38%
- Industries sales volume down by 65,000 tons compared to 2015 due to reclassification and price adjustment.

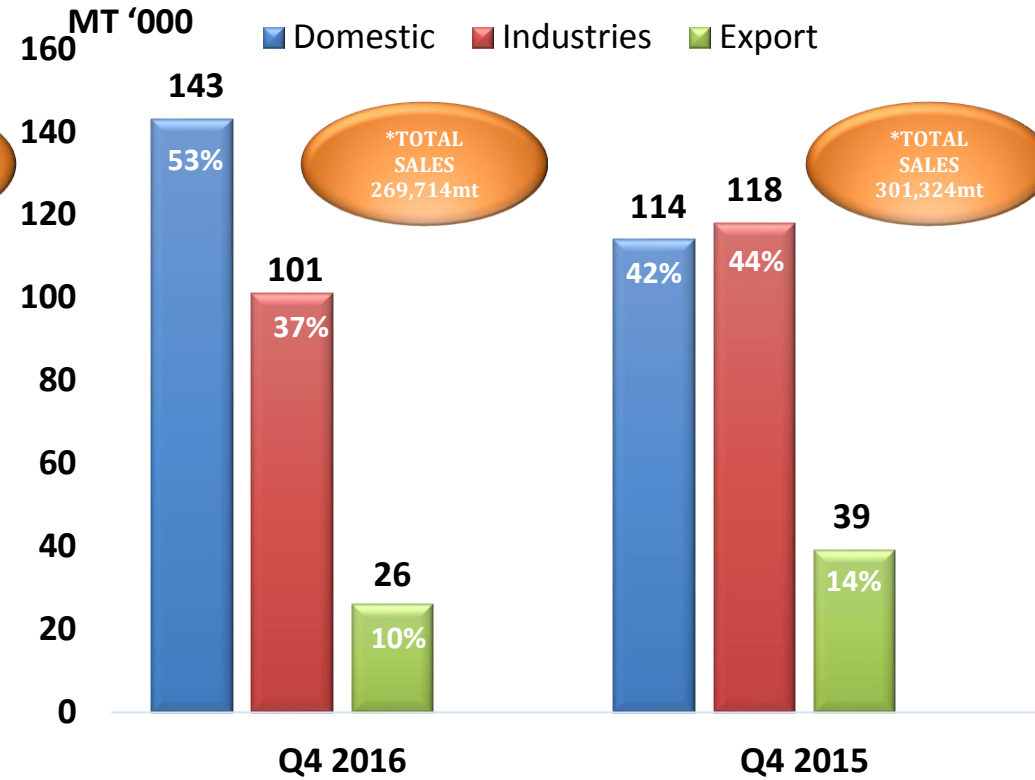
* Note:

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

SALES REVENUE Q4 2016 vs Q4 2015



SALES VOLUME Q4 2016 vs Q4 2015



- Total sales revenue of refined sugar was RM 703 mil in Q4 2016 vs RM 637 mil in Q4 2015.
- The Group sold more to Domestic consumers at 54% of total sales compared to 44% in 2015.

- The Group sold more to Domestic consumers at 53% of total sales in Q4 2016 compared to Q4 2015 of 42%

* Note:

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

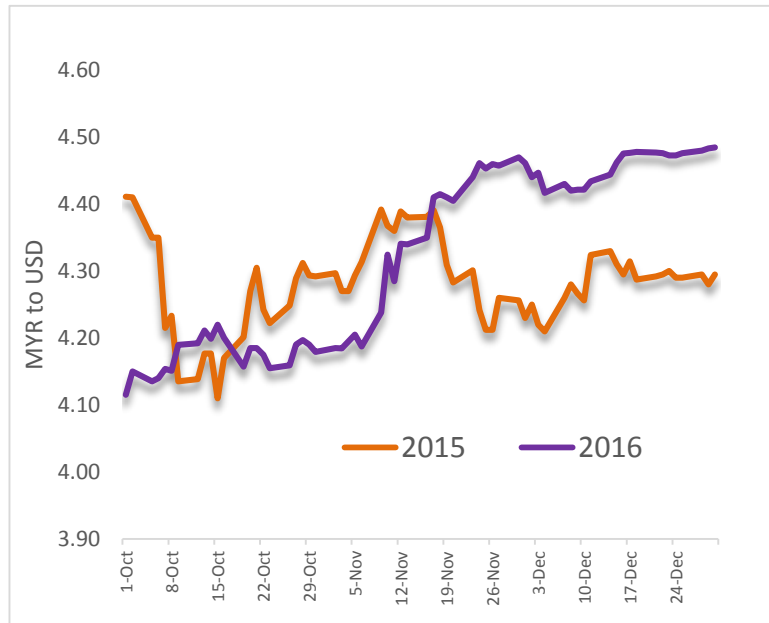


SUGAR MARKET OVERVIEW 2016

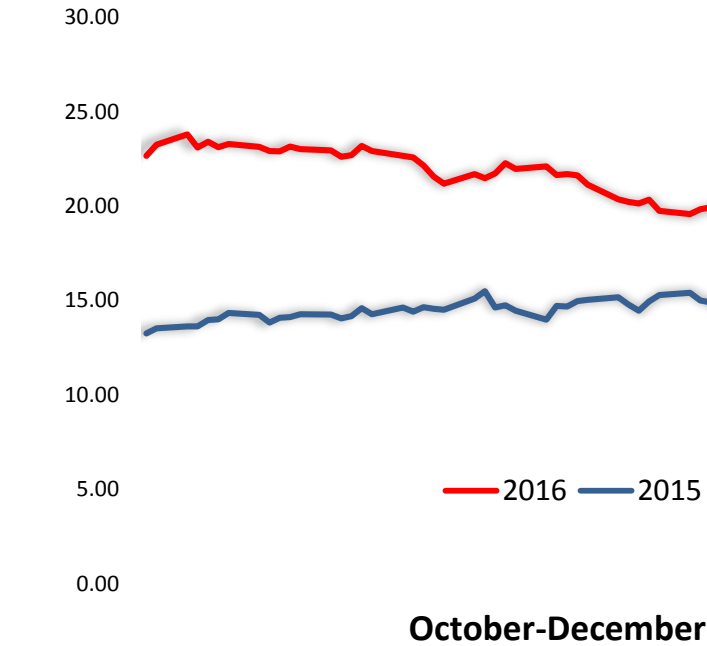


NY11 PRICE MOVEMENT (Q4 YoY BASIS)

CURRENCY MARKET: MYR TO USD (Q4 YoY BASIS)



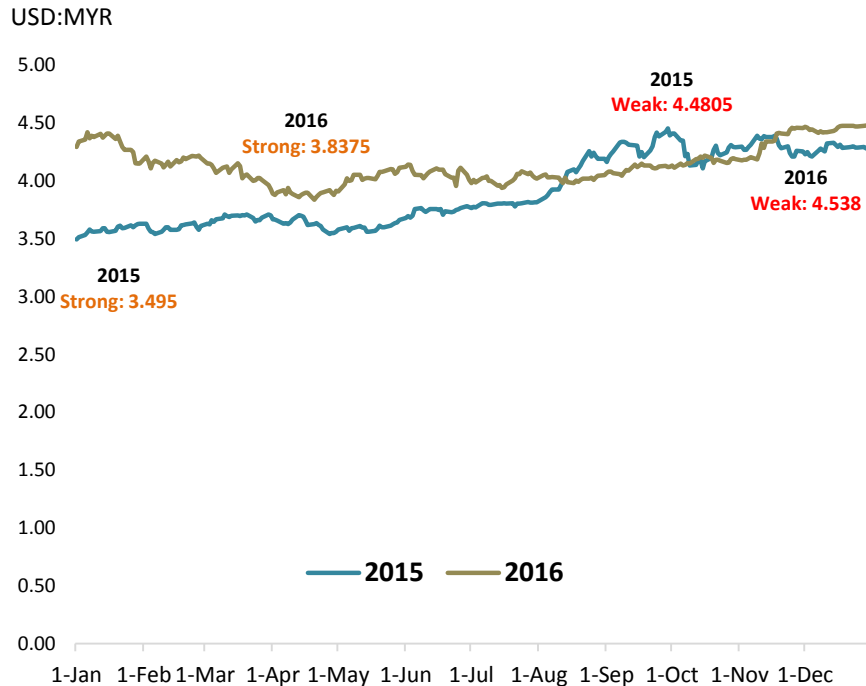
Raw Sugar USD/Lb



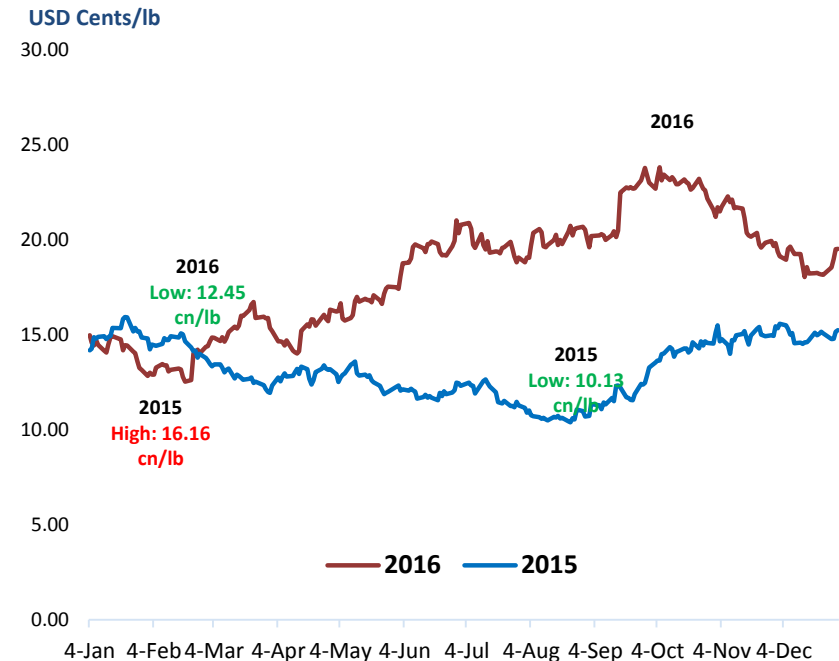
October-December

	Q4 2016	Q4 2015	% Change
Open	22.80	12.87	77.15 ▲
Close	19.51	15.24	28.01 ▲
High	23.90	15.85	50.78 ▲
Low	17.84	12.87	38.61 ▲
Trading Range	606 pts	298 pts	103.55 ▲
Average	20.88	14.67	42.33 ▲

CURRENCY MARKET: MYR TO USD



NY11 PRICE MOVEMENT (2016 & 2015)



WORLD SUGAR MARKET – HIGHLIGHTS AND OUTLOOK

- Thailand season will end by next month and expecting a crushing of 91MMT and sugar production reaching almost the same level 9.2MMT.
- Indian sugar production is down by 9.79% from last year as per Jan17.
- Market is discussing of a possible return of El Nino maybe in the second half of 2017.
- Oil prices rallied due to OPEC cut policy.
- Surplus in production for 2017-18 as crop is expected to recover in India, Thailand also expecting a bumper crop in Brazil.
- Q2 2017 will be really tight for the market as possibility rises for India to import.

THANK YOU

