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MSM net profit up 33%

Firm's cost optimisation initiatives and strategic hedging pay off

By SHARIDAN M. ALI

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KUALA LUMPUR: MSM Malaysia Holdings Bhd's net profit for the quarter ended Sept 30 jumped by 33.2% to RM63.9mil from a year ago due to the group-wide cost optimisation initiatives as well as gains from strategic hedging mechanisms.

Revenue for the quarter stood at RM546.5mil against RM560mil in the corresponding quarter last year.

"While the industry has its challenges, we are on track to achieve our 2015 target and we remain cautiously optimistic for 2016.

"The aggressive plans to increase our market share will enable us to remain at the forefront in the local market as we advance further by tapping into the regional markets," said president and group chief executive officer Datuk Sheikh Awab Sheikh Abod.

For the nine months, the company with 64% local market share saw its net profit climbed to RM214mil reflecting a 17.6% increase compared with the previous cumulative year.

Revenue for the same period, however, dip slightly to RM1.64bil from RM1.65bil for the period under review.

Basic earnings per share improved to 30.45 sen from 25.90 sen.

On the back of the strong financial performance, MSM has declared an interim dividend of 12 sen per share for the third quarter ended Sept 30, an increase of two sen compared with the previous year.

Sheikh Awab anticipated a challenging environment next year because the sugar market in



Sheikh Awab: The aggressive plans to increase our market share will enable us to remain at the forefront in the local market.

Malaysia was already saturated.

"Our growth trump card is the acquisition of a sugar cane plantation business either in Indonesia or Sri Lanka.

"Our advanced refining facility project in

Tanjung Langsat is scheduled to be operational in two years," he said.

On its short-term strategy, Sheikh Awab was looking forward to start operating its MSM Dubai-based sugar trading outfit.

He anticipated that it would start operations on Jan 2.

"This will increase our competitive advantage in the global market with the ultimate goal to service the Middle East and North Africa region.

"Our Dubai entity will also have a representative office in Jakarta as MSM is eyeing to fill the gap of the neighbouring country's demand for raw sugar of about three million tonnes per year," he said.

The Jakarta office is scheduled to begin operations concurrently with the Dubai set-up.



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DISCOVERED

Brand: Tanjung Langsat
Company: Tanjung Langsat
Industry: Oil & Gas > Petroleum
Category: Company News > General News

Brand: MSM Malaysia Holdings Berhad
Company: MSM Malaysia Holdings Berhad
Industry: Cooking Ingredient > Bakery Supply
Category: Company News > General News

SUMMARIES

KUALA LUMPUR: MSM Malaysia Holdings Bhd's net profit for the quarter ended Sept 30 jumped by 33.2% to RM63.9mil from a year ago due to the group-wide cost optimisation initiatives as well as gains from strategic hedging mechanisms. Revenue for the quarter stood at RM546.5mil against RM560mil in the corresponding quarter last year.