THE EDGE MALAYSIA

Frankly Speaking: MSM conducting yet another probe

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MSM Malaysia Holdings Bhd is conducting yet another probe into its top executives. This is the second such exercise in a span of slightly more than three years at the sugar refinery company.

Last week, MSM announced that its chief financial officer (CFO) had been placed on garden leave until Dec 15 or further notice from the board of directors to facilitate an ongoing internal investigation.

MSM CFO Dr Mazatul 'Aini Shahar Abdul Malek Shahar was appointed to the position in December last year, taking over from her predecessor whose contract had expired. An accountant by training, she had stints at Proton Holdings Bhd, Nationwide Express Courier Services Bhd, investment banks and accounting firms before joining MSM.

In the absence of details, it is difficult to ascertain the reason behind the CFO's garden leave. Nevertheless, it is not the first time MSM has taken action against a top executive. In 2020, its then chief executive Datuk Khairul Anuar Aziz was replaced after the board found his clarification on write-offs in inventories amounting to RM36.6 million at MSM's Johor plant unacceptable.

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In an announcement explaining the reason why Khairul was relieved of his duties, MSM stated that the board had taken action due to certain irregularities related to the inventories. But in the case of Mazatul, the company has left shareholders guessing.

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Subsequently, it has recorded a loss of RM56.6 million on a turnover of RM1.3 billion for the first six months of this financial year ended June. For the whole of last year, it made a loss of RM178.7 million on a turnover of RM2.6 billion.

Now with the CFO being placed on garden leave, is MSM headed for another loss this year?

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