

12 Mar 2018

Malaysia SME, Malaysia

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MSM post RM27.03 million pre-tax profit for Q4

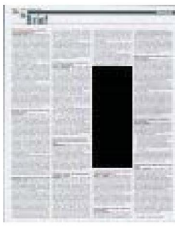
KUALA LUMPUR: MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), recorded a pre-tax profit of RM27.03 million in its fourth quarter earnings, an improvement of 12.0% from the corresponding quarter.

For the financial year under review, a loss before tax (LBT) of RM15.81 million was recorded- mainly due to higher average raw sugar cost by 20.0% whilst a sharp 37.0% spike for Y-o-Y basis increase for raw sugar market price between the period of early 2016 and 2017.

MSM said that as US dollar peaked at 4.5002 in January 2017, (against average market rate of 4.1669 in 2016) and bleak improvements in the local currency devaluations led to a steep increase in raw sugar cost by 9.59% in terms of Ringgit per metric tonne compared to 2016. Due to the timing of MSM's last raw sugar payment which occurred earlier before the start of USD/RM drastic downtrend in mid-November 2017, MSM's rate of buying USD is still higher by 1.05% in comparison to the corresponding quarter.

The disastrous chain of events moulded by these uncontrollable external market factors amplified production cost by a whopping 14.0% compared to 2016. Unfortunately, this does not augur well as over 80% of MSM's operating cost is based on NY#11 market price of raw sugar (traded in USD) coupled with the dependency on 100% import of raw sugar - heavily impacts the current year's financial performance.

Notwithstanding the above, MSM recorded stronger consolidated revenue of RM2.67 billion for the financial year ended 31 December 2017 as compared with RM2.66 billion in the same period last year. The 0.3% revenue increase was mainly due to a 16.5% improvement in the overall average selling price tied with a 12.0% offset reduction in overall tonnage sold in 2017..



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Brand: Federal Land Development Authority
Company: Federal Land Development Authority
Industry: Agricultural & Farming > Agricultural & Farming Associations
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

Industry: Professional Services > Accounting & Taxation
Category: Industry News

Brand: Sharp - Corporate
Company: SHARP Electronics Corp
Industry: Special Issue > Special Issue Corporate & Company
Category: Company News > Financial News

Company: Felda Global Ventures Holdings Berhad (FGV)
Industry: Agricultural & Farming > Agricultural & Farming Corporate & Company
Category: Company News > General News

SUMMARIES

KUALA LUMPUR: MSM Malaysia Holdings Berhad (MSM), the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), recorded a pre-tax profit of RM27.03 million in its fourth quarter earnings, an improvement of 12.0% from the corresponding quarter. For the financial year under review, a loss before tax (LBT) of RM15.81 million was recorded- mainly due to higher average raw sugar cost by 20.0% whilst a sharp 37.