BACK IN THE BLACK

FGV REGISTERS RM2.7m PROFIT IN Q1

Revenue rises 15.1pc to RM4.32b on higher income from plantation, logistics and sugar divisions

FARAH ADILLA
KUALA LUMPUR
bt@mediaprima.com.my

FELDA Global Ventures Holdings Bhd (FGV) has returned to the black with a net profit of RM2.47 million in the first quarter ended March 31.

This reversed the RM81.08 million net loss posted a year earlier.

FGV said the net profit was due to higher average crude palm oil (CPO) prices and that of related products during the quarter.

Group president and chief executive officer Datuk Zakaria Arshad said he expected the CPO prices to average around RM2,550 to RM2,750 per tonne in the second half of the year.

FGV's revenue rose 15.1 per cent to RM4.32 billion from RM3.76 billion in the same period last year on higher income from the plantation, logistics, sugar and other divisions.

Zakaria said its upstream operations had seen a 16 per cent year-on-year increase in CPO production, resulting in lower production cost by five per cent to RM1,739 per tonne.

"Also noteworthy is that we lowered our administrative expenses by RM39.2 million, a 15 per cent reduction compared with the same period last year," he said in a statement.

Its plantation division saw higher revenue of RM3.27 billion compared with RM2.94 billion a year ago and a lower loss of RM900,000 compared with RM82.2 million previously.

Within the segment, the palm upstream cluster posted a significant turnaround with a RM65.8 million profit for the quarter, compared with a RM96.8 million loss a year ago.

Datuk Zakaria Arshad

FGV said the turnaround of the palm upstream cluster was due to higher average CPO price realised of RM3,061 per tonne, compared with RM2,303 per tonne last year.

Its CPO production rose to 566,000 tonnes during the quarter from 485,000 tonne last year in tandem with higher fresh fruit bunches (FFB) production.

However, oil extraction rate was lower at 19.82 per cent compared with 20.56 per cent in the previous year due to heavy rainfall.

FGV expects average the CPO prices to decline slightly due to the increase in FFB output from both Malaysia and Indonesia in the coming months.

Nonetheless, Zakaria said Malaysia's overall production this year was estimated to be lower than in 2015, in view of acute labour shortages that could moderate the bearish CPO price outlook.

"FGV remains focused on further augmenting its core business and operational efficiency in line with our SP20 target," he added.

GDV OF RM1.88B

LBS to launch 6 projects in Klang Valley, Cameron Highlands

PETALING JAYA: LBS Bina Group Bhd (LBS) will be launching six projects in the Klang Valley and Cameron Highlands this year with a combined gross development value (GDV) of RM1.88 billion.

Managing director Tan Sri Lim Hock San said the projects would comprise commercial units, terraced houses, serviced apartments and 1Malaysia Civil Servants Housing Programme (PPA1M).

"The first launch is Vines 2, a double-storey shopping lot development, in Brinchang, Cameron Highlands, with a GDV of RM59 million.

"This will be followed by BSP 6 serviced apartments in Bandar Saujana Putra with a GDV of RM388 million as well as Langit and Lake in Bandar Putra Perdana; Desiran Bayu in Puchong; Alam Perdana in Puncak Alam and Bukit Jalil PPA1M projects worth RM372 million, RM84 million, RM627 million and RM352 million, respectively," he said.

Lim was speaking after LBS's annual general meeting, here, yesterday.

On the progress of the projects, he said 17 were underway with a total GDV of RM3.2 billion.

"So far, these projects received sales rate of 72 per cent and we are confident of achieving up to 90 per cent within the next two years.

"In terms of sales, RM413 million has been recorded to date," he added.

LBS targets sales of RM1.5 billion this year.

Last year, the company surpassed its target with sales of RM1.23 billion, up 20.3 per cent from 2015. **Zarina Zakariah**

LBS Bina managing director Tan Sri Lim Hock San (centre), executive director Datuk Cynthia Lim (left) and executive director Datuk Alan Chia Lok Yuen at the firm's annual general meeting in Petaling Jaya yesterday. PIC BY ASWADI ALIAS

Q1 RESULTS

MSM profit hit by higher raw material costs, weaker ringgit

KUALA LUMPUR: Malaysia Holdings Bhd (MSM) fell into the red in the first quarter of this year due to escalated raw material prices and weakening ringgit.

Malaysia's leading refined sugar producer registered a net loss of RM34.62 million in the first quarter ended March compared with a net profit of RM59.34 million a year ago.

Its revenue, however, was 17.32 per cent higher at RM648.97 million from RM553.16 million in the corresponding period last year on improved selling price and higher volume of refined sugar sold for the domestic market.

Notwithstanding the volatility of commodity prices, MSM said it expected to perform in line with the industry.

Meanwhile, MSM has appointed Raja Faridah Raja Ahmad as its chief financial officer, replacing Aznur Kama Azmir, effective today. She was previously a group accountant for Felda Global Ventures Holdings Bhd's plantation sector.