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Highlight

MSM's 2Q net profit plunges 70% on higher raw material costs, weak ringgit

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KUALA LUMPUR (Aug 23): MSM Malaysia Holdings Bhd saw its second quarter net profit plunge 70% to RM23.68 million or 3.37 sen per share, from RM79.13 million or 11.26 sen a year earlier, due to higher raw material costs and weaker ringgit.

Revenue for the quarter ended June 30, 2016 (2QFY16) rose 8% to RM633.86 million, from RM588.32 million in 2QFY15.

In its filing with the exchange today, the sugar refiner said the uptick in revenue was due to better sales of refined sugar for the local and export markets.

For the first half of its financial year (1HFY16), net profit dropped 45% to RM83.02 million from RM150.16 million in 1HFY15, while revenue climbed 8% to RM1.19 billion from RM1.1 billion.

According to its financial statements, the group's sugar segment reported a pre-tax profit of RM111.22 million for the six months, up 15% compared to RM96.52 million previously.

Meanwhile, the rubber and palm oil business registered a wider pre-tax loss of RM3.57 million, from its loss of RM261,000 a year prior.

The group reported a net foreign exchange (forex) loss of RM3.9 million, compared to the forex loss of RM972,000 for 1HFY15.

"Notwithstanding the volatility of commodity prices, the group is expected to be able to sustain its satisfactory performance," said MSM on its prospects.

MSM was untraded today. The counter was last traded at RM5, translating to a market capitalisation of RM3.52 billion.