

## MSM Malaysia slips into the red in Q4

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**PETALING JAYA:** MSM Malaysia Holdings Bhd swung to the red registering a net loss of RM10.39 million for the fourth quarter ended Dec 31, 2018 (Q4FY18) versus a net profit of RM9.32 million in the previous corresponding period, dragged down by lower average selling price and increase in finance cost.

Revenue for the quarter declined 16.4% to RM531.13 million, from RM635.56 million in the same period a year ago due to lower overall sales volume and average selling price.

For the full year of 2018, the group registered a net profit of RM35.62 million, from a net loss of RM36.34 million a year ago on the back of stronger ringgit and lower raw sugar cost.

Revenue, however, decreased 16.1% to RM2.22 billion against RM2.64 billion previously.

In tandem with the year-on-year strength of ringgit against the US dollar, MSM's average raw sugar cost per metric tonne (MT) improved by 30% with the average US dollar buying rate lowered to RM4.0422 compared to RM4.3611 in 2017.

On average, MSM's executive director Datuk Khairil Anuar Aziz said the group spent around US\$406 million (RM1.66 billion) on raw sugar purchase last year.

Khairil said the group currently is exploring the downstream business that will give its more values as the product can go further down the value chain and potentially improve its bottom line.

He said the group is open to engaging with the local as well as international food and beverage companies for possible partnerships especially those who use sugar or sweetener as their main ingredients.

"Moving forward in the 2019/20 season, as Brazil diverts its sugarcane harvest into ethanol production and EU switching from sugar beet into more profitable crops, world sugar prices are forecast to rise with the market swinging into deficit season.

"A clear direction for 2019, MSM is optimistic to solidify its leadership role in the sugar industry, improve its earnings, deliver core financial values and long-term profitable growth," he added.

**AGENCY:** The Sun Daily

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