



MSM registers net loss of RM74.39 mln in 1H2019

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KUALA LUMPUR, Aug 21 -- MSM Malaysia Holdings Bhd registered a net loss of RM74.39 million in the first half of 2019 (1H2019) against a net profit of RM30.14 million in the same period last year.

MSM, in a statement today, said it also posted a 14 per cent decline in revenue to RM959.84 million in 1H2019 compared with RM1.12 billion in the previous year's corresponding period.

"The net loss can be partly attributable to higher finance cost and commercialisation cost of MSM Johor that includes depreciation.

"On the other hand, the lower revenue was largely due to a combination of factors, especially the reduction in the average selling price (ASP) of refined sugar, the lower ringgit, resulting in increased raw material costs, and stiff competition in the market and costs associated with MSM's refinery in Johor," it said.

During 1H2019, MSM said it recorded a decrease in the ASP for domestic and industry sectors of 9.0 per cent and 13 per cent, respectively, due largely to a glut in the supply of sugar.

"This is mainly attributable to the issuance of new Approved Permits in the industrial sector, which resulted in price competition. Meanwhile, the heightened competition in the export market has resulted in reductions, in overall ASP and sales volume of 3.0 per cent and 21 per cent, respectively," it said.

MSM group chief executive officer Datuk Khairil Anuar Aziz said the group expected 2019 to be challenging, due to the glut of refined sugar in the domestic market, and the weakening ringgit.

"The refining cost increased by 15 per cent due to higher fuel costs, as a result of the increase in gas tariffs from January 2019. Financial performance was further strained by lower capacity utilisation rate in MSM Johor, which came on line in April this year," he said.

Moving forward, he said the market has forecast a stronger ringgit, which would be positive for MSM over the next few months.

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