

## MSM Malaysia posts second straight quarterly loss

**PETALING JAYA:** MSM Malaysia Holdings Bhd swung into the red for the first quarter ended March 31, 2019, registering a net loss of RM7.06 million against a net profit of RM15.81 million in the previous corresponding period, due to lower average selling price and higher refining cost.

Revenue for the quarter dropped 11.6% to RM485.62 million from RM549.06 million previously.

MSM had reported a net loss of RM10.39

million for the fourth quarter ended Dec 31, 2018.

Apart from lower sugar prices, MSM said its financial performance was affected by a 15% increase in the issuance of approved import permits (APs), a sharp drop in export volumes and depreciation of the ringgit.

During the quarter, MSM produced a total of 217,880 tonnes of refined sugar, 1% lower than 218,976 tonnes in the previous corresponding period. However, during the latest quarter, the production cost of refined sugar increased 12%

as a result of scheduled operational maintenance, higher packing material costs, increase in gas price and lower production volumes.

The group said the planned imposition of excise duties (soda tax) for sweetened beverages of 40 sen/litre beginning July 1, 2019 and the possible issuance of even more APs may affect its bottom line negatively.

“Despite the unfavourable market and the many challenges ahead, we focus on maintaining our market leadership in Malaysia, and

to grow our regional footprint. MSM will continue to increase product diversification, explore opportunities for commercial collaboration, dispose of non-core assets and implement cost savings measures,” said MSM newly appointed CEO Datuk Khairil Anuar Aziz.

It will also continue to pursue strategic initiatives in 2019 to improve profitability and ensure sustainable business amid challenging external factors.