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## MSM Malaysia's 3Q net loss widens to RM49.7mil on forex loss

Thursday, 21 Nov 2024

6:36 PM MYT



KUALA LUMPUR: [MSM Malaysia Holdings Bhd](#)  's net loss widened to RM49.7mil in the third quarter ended Sept 30, compared with RM36.1mil in the same period last year.

The sugar manufacturer said the loss for the period is attributable to a foreign exchange translation loss of RM18.77mil as a result of the rapid appreciation of the ringgit against the US dollar.

It recorded a total revenue of RM861.44mil during the quarter, which is 6.8% higher compared to the same quarter last year of RM806.72mil

This is due to higher average selling price, incentives received for certain packed sugar sold in the domestic market and higher sales volume.

For the first nine months, MSM's net loss narrowed to RM40.4mil against RM92.7mil a year ago. Revenue climbed to RM2.6bil from RM2.1bil previously.

Group chief executive officer Syed Feizal Syed Mohammad said the short-term strengthening of the ringgit against the US dollar resulted in lower translation of US dollar proceeds into ringgit, primarily from its export contracts.

"Moving forward new measures are put in place to reduce similar impacts. However, a large part of the foreign exchange translation was mark-to-market unrealised losses which is expected to reverse into a positive gain in the fourth quarter," he said.

Currently, the sugar industry continues to receive a RM1 per kg incentive for coarse grain and fine granulated sugar since November 2023, with MSM entitled to 24,000 per tonne per month.

"Compared to the actual production cost, the incentive of RM1/kg is just breakeven to sustain the sugar industry's operation. Capping of sugar price without the present incentive creates a serious anomaly in the economics as explained in Parliament last year of refining losing RM0.88 cents per kg," Syed Feizal added.

He noted that the retail price of sugar in Malaysia is RM2.85 per kg, the lowest in the region compared to other Asian countries. For example, refined sugar in Indonesia retails at RM5.80 per kg, while in the Philippines it is around RM9.00 per kg.

"Moving forward, we are optimistic of an improved results in the fourth quarter and should finish the year with a much stronger year-on-year performance," Syed Feizal said.

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HEADLINE	MSM Malaysia's 3Q net loss widens to RM49.7mil on forex loss
MEDIA	The Star - Online
DATE	21 November 2024, 6:36pm
BY	-
LINK	<a href="#">MSM Malaysia's 3Q net loss widens to RM49.7mil on forex loss   The Star</a>