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MSM 2Q net profit slightly higher

by **PREMALATHA JAYARAMAN**

MSM Malaysia Holdings Bhd's net profit rose 0.5% to RM79.13 million in the second-quarter (2Q) ended June 30, 2015, compared to RM78.71 million recorded during the same period last year, boosted by the lower raw sugar costs.

The company told Bursa Malaysia in a filing yesterday, its revenue, however, declined 1.2% to RM588.32 million from RM595.43 million due to 1% reduction in the overall tonnage sold in the local market.

However, it said the earnings a share for the quarter improved slightly to 11.26 sen compared to 11.2 sen a share.

MSM is Malaysia's largest sugar producer and controlled by Felda Global Ventures Holdings Bhd (FGVH).

The refined sugar producer is expected to be able to sustain its satisfactory performance, notwithstanding the volatility of commodity prices.

For the six months period, MSM's net profit rose 11.2% to RM150.16 million from RM135.04 million recorded a

year before.

The company attributed the performance to lower raw sugar costs of 6%, increase in other operating income by RM4.74 million due to reversal of land impairment of RM2.96 million and receipt transport rebate income from East Malaysia of RM1.2 million.

Its revenue increased 0.3% to RM1.097 billion from RM1.094 billion previously due to a slight increase in tonnage sold by 3%.

MSM had previously shared its intention to enter the

upstream market as part of its plans to diversify the company's income stream, apart from expanding the current middle and downstream segments.

It said the plan will mainly be in the form of mergers and acquisitions, and strategic alliances in order to gain more geographical presence.

MSM noted that it will hold a majority stake if it chooses to acquire another firm. Currently, the company is already in advanced negotiations to acquire two upstream firms from Indonesia.