



MSM Malaysia upbeat on strong second quarter

LIDIANA ROSLI

KUALA LUMPUR: Malaysia's largest sugar producer, MSM Malaysia Holdings Bhd, expects an equally strong second quarter and the whole year after announcing solid first-quarter results.

MSM Malaysia, which is a subsidiary of Felda Global Ventures Holdings Bhd, also said it was on track to achieve its target of producing 1.1 million tonnes by year-end.

"We are bullish about the second quarter as we see demand picking up now that the festival season is just around the corner," president and group chief executive officer Datuk Sheikh Awab Sheikh Abod said at its interim results announcement, here, yesterday.

"We managed to increase our domestic sugar market share to 64 per cent from 57 per cent in the corresponding quarter and this is mostly from MSM Malaysia's focus on cost optimisation, effective operational as well strategic hedging mechanism in place."

He said MSM Malaysia has hedged its sugar production till August this year, to ensure strong productivity.

"We have basically covered our position for this year and about 50 per cent of next year. In fact, I am confident that we will be able to produce 1.1 million tonnes of sugar this year, exceeding last year's 986,116 tonnes from all the strategy we already have in place."

Sheikh Awab said that the company is still in discussions in regards to the potential merger and acquisitions, as part of its expansion plans.

"There is no set timeline for the



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discussions as we are not in a hurry. We want to lock in a profitable deal for us."

He also noted that upon the completion of its Johor refinery in 2017, MSM Malaysia will be on track to achieve its goal of four million tonnes of sugar production by 2020.

The group announced a net profit growth of 26.1 per cent to RM71 million for the quarter to March 31 this year.

The higher profit was derived from three main business segments, namely industries, which contributed 45 per cent to the profit, domestic (40 per cent) and exports (15 per cent).



"We expect our export contribution to grow once our Dubai office is up and running by August this year. This will allow us to strategise and capitalise on the Middle East market," Sheikh Awab said.