

MSM Malaysia earnings slightly higher on lower raw sugar price

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KUALA LUMPUR: MSM Malaysia Holdings Bhd earnings rose by 0.5% to RM79.13mil in the second quarter ended June 30, 2015 from RM78.71mil a year ago on lower material costs including sugar.

It said on Wednesday revenue fell 1.2% to RM588.32mil from RM595.43mil. Earnings per share were 11.26 sen compared with 11.30 sen.

MSM said when compared with the first quarter, revenue increased by 15.7% from RM508.49mil. The higher revenue, it explained was due to a 13% rise in demand for refined sugar for the months leading to Hari Raya.

On the outlook, MSM said the group expects to be able to sustain its "satisfactory performance" notwithstanding the volatility of commodity prices.

For the first half, net profit increased 11.20% to RM150.16mil from RM135.04mil in the previous corresponding period. However, revenue rose at a slower pace of just 0.3% to RM1.096bil from RM1.093bil.

The refined sugar producer attributed the higher net profit to lower raw sugar costs and increase in operating income due to a reversal of land impairment of RM2.96mil and a receipt of transport rebate income from East Malaysia of RM1.2mil.

It said the increase in revenue was due to slight hike in tonnage sold, by 3%.