



# MSM Malaysia IPO to raise RM2.4b, eyes land buy overseas

*The company is en route for listing on the Main Market of Bursa Malaysia on June 28 and will offer up to 234.6m shares*

MSM Malaysia Holdings Bhd, whose initial public offering (IPO) is expected to raise RM2.4 billion, plans to acquire land in the Asean (Association of South-East Asian Nation) region for sugarcane planting, to ensure availability of sugar.

Felda Global Ventures' group president, Datuk Sabri Ahmad, said this was part of the company's plan to diversify overseas and expand production capacity through strategic acquisitions or investments, particularly in South-East Asia.

"The sugar refining arm is the biggest in Malaysia today in terms of downstream activity. We have a big gap in terms of the upstream. We import 95% of raw sugar.

"Therefore, the plan is to use the fund for growth, of which one of the priorities would be to explore the Asean region to see whether we can expand sugar plantation," he said at a media briefing after the launch of its IPO prospectus in Kuala Lumpur on Wednesday.

Federal Land and Development Authority (Felda) acquired MSM Malaysia, previously known as Malayan Sugar Manufacturing Co, and its re-



**(From left) Felda director-general Datuk Dzulkifli Abdul Wahab, CIMB Group corporate and investment banking deputy chief executive officer (CEO) Datuk Charon Wardini Mokhzani, Deputy Minister in charge of Felda Datuk Ahmad Maslan, Deputy Prime Minister Tan Sri Muhyiddin Yassin, Sabri and MSM Malaysia president/CEO Chua Say Sin at the launch of MSM Malaysia's listing prospectus in Kuala Lumpur**

lated businesses, from PPB Group Bhd for RM1.25 billion two years ago.

MSM, which is en route for listing on the Main Market of Bursa Malaysia on June 28, will offer up to 234.56 million shares to Malaysian and foreign institutional investors, including Bumiputera investors approved by the Ministry of International Trade and Industry as well as Malaysian retail investors.

The retail portion of 28.12 million shares will be priced at RM3.38 and 97% of the institutional price will be de-

termined by way of book-building process.

MSM operates two sugar refineries — Prai (Penang) and Chuping (Perlis); and markets under Gula Prai and Gula Perlis brands. On whether MSM planned to buy sugarcane plantation in Indonesia, he said at this stage it did not have any definite plans to either buy existing plantation or greenfields; however, the plan was being reviewed and studied carefully.

"The acquisitions can be under MSM or the group, we haven't really firmed up on

that," he said.

Meanwhile, Sabri said MSM planned to increase export sales to 150,000 metric tonnes this year from 80,000 metric tonnes last year.

MSM produced approximately 945,000 metric tonnes of refined sugar products in 2010, accounting for 57% of total sugar production in Malaysia. Koperasi Permodalan Felda, which has 220,000 members, would have about 20% stake in MSM post-listing. The membership comprises Felda settlers and staff. — *Bernama*