



MSM converting sugar cane plantation to rubber estate

KUALA LUMPUR: MSM Malaysia Holdings Bhd, the leading sugar producer in Malaysia, is in the process of converting its 5,000ha of sugar cane plantation in Perlis to rubber estate.

Executive director Datuk Sabri Ahmad said the land is no longer suitable for sugar cane due to climatic conditions.

"Because it's not very viable, the land is now being converted into rubber estate. The planting will take one to two years' time," he said after the company AGM.

Hence, he said, the Felda group's sugar refining arm is now looking at regional expansion to intensify its involvement in upstream activities.

"We are examining in more detail to see whether we can expand our sugar cane plantation and milling in the Asian region, maybe in Cambodia, Indonesia or Myanmar, once the embargo is removed.

"Other than that, we are looking

at ... Australia and as far away as Brazil ... So this is being studied by our management team," he said.

MSM Malaysia is currently in talks with several parties on the matter, Sabri said, adding that the company is also open to joint ventures for the purpose.

"Upstream investment is very big. So, we have to look at either joint ventures or collaborations.

The group has allocated some RM100 million for mergers and acquisitions, in addition to RM220 million in capital expenditure, he said.

MSM Malaysia, the largest sugar refiner in the country, produced 57% of the country's sugar output in 2011.

It currently owns and operates two sugar refineries, in Chuping, Perlis and Prai in Penang, producing about one million tonnes of refined sugar per annum.

Sabri said the estates in Perlis supply only 1% of the group's raw sugar requirements. — *Bernama*



(From left) MSM Malaysia Holdings Bhd CFO Raja Faridah Raja Ahmad, Sabri, president and CEO Chua Say Sin and independent non-executive director Datuk Hajah Rosni Zahari at the company AGM.