



# MSM in regional talks

## Sugar producer looking for upstream opportunities

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**KUALA LUMPUR:** Sugar producer MSM Malaysia Holdings Bhd is in talks with parties in South-East Asia to pursue possible upstream opportunities, including acquiring sugar cane plantations.

Executive director Datuk Sabri Ahmad said the company, which is part of the agro-based Felda Global Ventures Holdings Bhd, was particularly interested in Indonesia while Myanmar and Cambodia remained viable options.

He said the agro-climatic conditions in Malaysia were more suitable for palm oil and rubber planting. "Land availability (for sugar cane) here is small," he said.

"When we went for our initial public offering (IPO) last year, one of the things we said we were going to do with the proceeds was to go upstream as right now, we are relying almost entirely on the import of raw sugar," he said after a shareholders' meeting here yesterday.

About RM100mil from the RM422.5mil raised via MSM's IPO last year has been set aside for the purpose of going upstream.

"It's a big investment and requires more detailed study," Sabri said, without revealing any timeline for the conclusion of the talks.

In the meantime, the company also planned to "strengthen" its downstream operations, Sabri said.

Of the proceeds, about RM85mil would be spent this year to upgrade production facilities, among others, he said.

MSM currently has an annual production capacity of more than 1.1 million tonnes of refined sugar and plans to increase this further by 2015.

The firm made a net profit of RM263.82mil for the financial year ended Dec 31, 2011, 13% more than the RM237.87mil achieved in the same period a year earlier.

"Hopefully, this year will be as good as last year for us," Sabri said.



Sabri says land availability for sugar cane is small.