

# MSM looking at refinery and mills in Asean

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KUALA LUMPUR: MSM Malaysia Holdings Bhd, which controls about 64% of the domestic sugar market, is now looking to acquire refinery and mills in the Asean region.

Its president and group managing director Datuk Sheikh Awab Sheikh Abod said on Tuesday the company is keen to forge strategic alliances with downstream players such as confectionery or beverages manufacturers.

MSM, whose largest shareholder is Felda Global Ventures (FGV), is now looking to acquire refinery and mills in the Asean region.

These plans would be in the both the middle segment and downstream segments would most probably happen this year as part of its expansion plan, he told reporters after the AGM.

This will complement its modern refinery completion in 2017 that will halve its operation cost then onwards.

MSM, which reported a stellar first quarter performance, has RM500mil to RM600mil cash, with zero gearing.

Sheikh Awab also said MSM does not have any plans to venture into plantations.

"Personally, I am not keen to go into plantation - it's risky and costly."

MSM is also deferring its M&A plan to venture upstream until the raw sugar price stabilises probably next year.

"Although I could be bold and acquire any plantation at discount now but I prefer to pay a premium than to be involved in a loss-making business," he said.

<http://www.thestar.com.my/Business/Business-News/2015/06/02/MSM-not-keen-on-plantation/?style=biz>