

MALAYSIA: MSM Sugar awards construction contract for new mill

Published: 03/07/2016, 4:51:14 PM

Encorp Bhd has been awarded a MYR8.9 million (US\$2.17 million) contract by MSM Sugar Refinery (Johor) Sdn Bhd in relation to the proposed construction of a sugar refinery in Johor Bahru, according to Malaysia's Edge Markets.

In a filing with Bursa Malaysia today, Encorp said its subsidiary Encorp Construction & Infrastructure Sdn Bhd received the Letter of Award on March 4, and the contract period is from that date to Aug 3.

"Encorp Construction will be appointed as the main contractor for the construction works; the scope of works shall include construction and completion of earthworks and temporary site facilities for the project," said Encorp.

The awarded contract is deemed a related party transaction, as both companies have ties to the Federal Land Development Authority (Felda).

Encorp Construction is a wholly-owned unit of Encorp, which in turn is 70.97%-owned of Felda Investment Corporation Sdn Bhd, a wholly-owned unit of Felda.

MSM Johor, which is in the business of the production and refining of sugar products, is a wholly-owned subsidiary of MSM Malaysia Holdings Bhd, which in turn is 51% owned by Felda Global Venture Holdings Bhd, a 33.7% associate of Felda.

Encorp said the contract is expected to increase its earnings per share by 0.36 sen for the financial year ending Dec 31,2016.

At the closing bell today, Encorp shares were down 3.5 sen (4.61%) to 72.5 sen, with a market capitalisation of MYR201.74 million.

- See more at:

http://www.sugaronline.com/home/website_contents/view/1244458#sthash.p0NIoWrk.dpuf