



01 JAN, 2020

## FGV identifies buyer for 51% stake in MSM

Focus Malaysia, Malaysia



Page 1 of 2

## FGV identifies buyer for 51% stake in MSM

**F**GV Holdings Bhd has identified a buyer for a chunk of its 51% strategic stake in sugar refiner MSM Malaysia Holdings Bhd, according to sources close to the deal.

"So far talks are still ongoing among FGV, MSM and the intended partner," a source tells **FocusM** without disclosing who the partner is.

"But it is definitely not Datuk Seri Johari Abdul Ghani," the source adds. Johari, through his vehicle JAG Capital Sdn Bhd, was among the bidders for FGV's MSM stake.

FGV's move to pare down its holdings in MSM comes after the planter unveiled a so-called transformation plan, which includes a review of its legacy investments.

FGV has said despite looking for a suitor, it still intended to be the largest shareholder in MSM. "We like to stay in this food business," FGV group CEO Datuk Haris Fadzilah Hassan told reporters on Aug 1.

With 60% market share in the country, MSM has a refining capacity of 2.2 million tonnes, making the group the eighth largest in the world.

But despite its dominant position, MSM has been bleeding red. It posted a net loss of RM185.1 mil for the third quarter ended Sept 30 compared to a net profit of RM15.9 mil for the same period last year.

MSM, in a Nov 20 bourse filing, attributed the loss to "lower average selling price, higher refining cost, higher finance cost incurred and provision of RM137.35 mil for the impairment of plant and machinery."

FGV, too, is still loss-making. The planter narrowed its net loss to RM262.4 mil for the third quarter ended Sept 30 from RM849.46 mil for the same period last year.

In a Nov 28 bourse filing, FGV blamed the losses on "the recognition of impairment losses amounting to RM778 mil." **FocusM**



01 JAN, 2020

## FGV identifies buyer for 51% stake in MSM

Focus Malaysia, Malaysia



Page 2 of 2

### SUMMARIES

FGV Holdings Bhd has identified a buyer for a chunk of its 51% strategic stake in sugar refiner MSM Malaysia Holdings Bhd, according to sources close to the deal. "So far talks are still ongoing among FGV, MSM and the intended partner? a source tells FocusM without disclosing who the partner is." "But it is definitely not Datuk Seri Johari Abdul Ghani," the source adds.