

# MSM sells Perlis land to Fraser & Neave for RM156m

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MSM, a 51 per cent-owned subsidiary of FGV Holdings Bhd, sealed the sale and purchase agreement with Fraser & Neave's unit F&N AgriValley Sdn Bhd to sell the nine parcels of leasehold land known as Ladang Chuping. — Picture by Yusof Mat Isa

KUALA LUMPUR, Oct 8 — Refined sugar manufacturer MSM Malaysia Holdings Bhd is disposing of 4,453.92 hectares of agricultural land in Chuping, Perlis, to Fraser & Neave Holdings Bhd for RM156 million.

The proposed disposal, effected via an open tender process which began in January 2019, was part of MSM's asset rationalisation exercise to unlock and realise the value of its non-core assets, it said in a filing with Bursa Malaysia today.

While there was an expected loss of RM1.76 million from the sale, the board of MSM believed that the disposal was in the best interest of the group as the land generated negligible revenues but required unsustainable financial commitments due to the high operating costs of maintaining the plantation activities, the company said in a media statement.

MSM, a 51 per cent-owned subsidiary of FGV Holdings Bhd, today sealed the sale and purchase agreement with Fraser & Neave's unit F&N AgriValley Sdn Bhd to sell the nine parcels of leasehold land known as Ladang Chuping.

F&N AgriValley intends to utilise the land, currently used for cultivating rubber, oil palm and mangoes, for dairy cattle farming and related activities.

MSM, which reported an unaudited net loss of RM74.39 million in the first half-year ended June 30, 2019, said the group would utilise the proceeds from the disposal for repayment of bank borrowings and working capital purposes.

"We are focused on creating and delivering value in our core areas of expertise. To achieve this, we will continue to dispose our non-core assets to unlock value and to ensure that management and financial resources are committed to our core business," said MSM group chief executive officer Datuk Khairil Anuar Aziz.

Moving forward, he said MSM would focus on improving efficiency to lower refining cost, diversifying into value-added sugar products for exports, improving its financial position and accelerating strategic growth through possible commercial collaborations with reputable industry players to pave the way for global market presence.

In its filing with the stock exchange, Fraser & Neave Holdings said it acquired the land to explore the upstream fresh milk business.

The acquisition would allow the company to be less dependent on imported milk and promote the local agricultural industry, it added. — Bernama

**AGENCY:** Malay Mail

**LINK:** <https://www.malaymail.com/news/money/2019/10/08/msm-sells-perlis-land-to-fraser-neave-for-rm156m/1798360>