

## MSM selling plantation land to F&N for RM156mil

**KUALA LUMPUR:** MSM Malaysia Holdings Bhd is selling 4,453ha of plantation land, known as Ladang Chuping in Perlis, to Fraser & Neave Holdings Bhd for RM156mil cash.

The sugar producer said the proposed disposal was part of its asset rationalisation exercise, as the company reorganise its core business to focus on sugar refining.

“With negligible revenue gener-

ating activities, it is less damaging to proceed with the disposal than to retain the land at high operating costs,” it said in a filing with Bursa Malaysia yesterday.

Wholly owned subsidiary MSM Perlis Sdn Bhd entered into a sale and purchase agreement with F&N Agrivalley Sdn Bhd for the disposal of nine parcels of land in Chuping.

“The expected loss from the pro-

posed disposal is RM1.76mil, computed based on net book value of RM157.76mil as at June 30, before deducting any expenses related to the proposed disposal,” it said.

The land was valued at RM190mil based on the valuation ascribed by Raine & Horne International Zaki + Partners Sdn Bhd on Aug 20.

While the deal was priced at 18% discount to the land current of the

market value, the company said the proposed disposal is in the best interest of the company and its subsidiaries after taking into account that the land was to be disposed since 2017 without success.

F&N said the intention of F&N Agrivalley in acquiring the land was to explore the upstream fresh milk business for downstream production and distribution.