

Highlight (Updated)

MSM to remain listed, not affected by any privatisation intent for FGV, says Syed Feizal

Adam Aziz / theedgemarkets.com

June 17, 2021 16:49 pm +08



KUALA LUMPUR (June 17): MSM Malaysia Holdings Bhd will remain as a listed entity even if the Federal Land Development Authority (FELDA) takes over its 51% parent FGV Holdings Bhd, the company said today.

“FELDA's takeover of FGV would not affect MSM,” said MSM group chief executive officer (CEO) Syed Feizal Syed Mohammad.

“Any privatisation intent of FELDA for FGV will be solely related to FGV. MSM will continue its status quo as a listed entity,” Syed Feizal said at a virtual press conference after the sugar refiner's annual general meeting (AGM) today.

MSM is a 51%-owned unit of FGV. FELDA, meanwhile, also owns 9.43% of MSM.

Shares in MSM rose to a near two-year high of RM1.93 in March, from below 60 sen earlier, following FELDA's privatisation attempt for FGV at RM1.30 per share.

Also supporting the positive sentiment on the stock at that time was MSM's swinging to profit in the fourth quarter ended Dec 31, 2020 (4QFY20) after eight consecutive quarters in the red.

FELDA's takeover offer fell through as FGV shares hovered above the offer price, with FELDA and Koperasi Permodalan FELDA Malaysia Bhd (KPF) controlling 81% of the plantation group — from 34% before the takeover attempt.

FELDA is currently seeking “to formulate a firm plan for FGV's listing status”, it said later.

Its attempt to take over FGV came as it planned to terminate its land lease agreement (LLA) with the latter involving 350,000 hectares of plantation land at RM248 million per annum plus a 15% profit for a 99-year period.

Shares in MSM traded down two sen or 1.55% at RM1.27 at press time today, valuing the group at RM892.78 million.

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Edited by Joyce Goh

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