


MSM shares see renewed interest as race for stake in unit heats up

By Anis Hazim / theedgemalaysia.com

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KUALA LUMPUR (Aug 12): MSM Malaysia Holdings Bhd (KL:MSM ) saw renewed investor interest on Monday as its trading volume surged to the highest in nearly seven months, following news that Threadstone Capital Sdn Bhd is looking to invest in one of its subsidiaries.

Shares of MSM climbed as much as 21% or 15 sen to RM2.01, its highest since July 31, before giving up nearly all of its gains. MSM ended the day up barely 0.6% or one sen at RM1.66, giving the company a market capitalisation of RM1.17 billion.

Trading volume totalled 20.62 million shares, the most since January 26, 2024, and more than 11 times the average in the past two months.

The Edge weekly reported on June 10 that Threadstone, a major shareholder of Theta Edge Bhd (KL:THETA ) is looking to inject RM500 million into MSM Johor in return for a 49% stake.

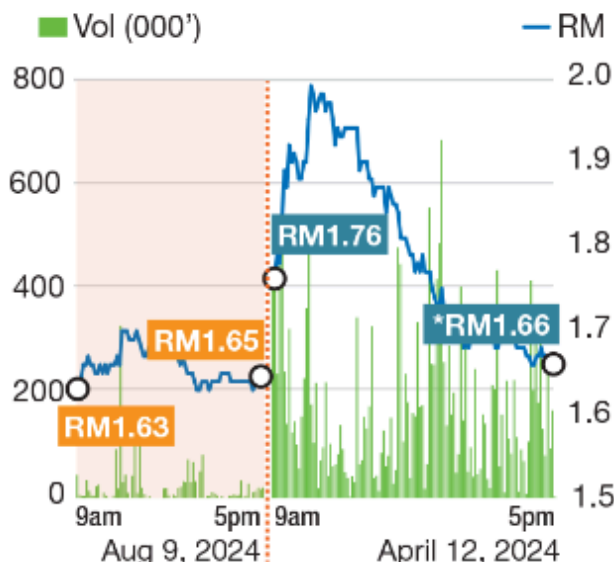
In March, *The Edge* also reported that Singapore-based Wilmar International Ltd was looking at buying a direct stake in the unit that operates MSM's sugar refinery based in Tanjung Langsat, Johor.

The refinery — the country's largest standalone sugar refinery — produces up to two million tonnes of sugar, according to MSM Johor's website.

BIMB Securities said that Wilmar is better suited as MSM's strategic partner, given its strong brand reputation and extensive expertise in sugar refining, with a presence in sugar refinery mills across India, Australia, Morocco, New Zealand and Indonesia.

"Wilmar's involvement would benefit MSM, as MSM could tap on Wilmar's existing large customer base to boost export sales," the research house said in a note on Monday. "We also think that no polemics should arise" from the disposal of a stake in MSM Johor to a foreign company, it said.

MSM Malaysia' share price performance in two days



*As at market close on Aug 12, 2024

Source: Bloomberg

THE EDGE

MSM is one of only two sugar refiners in Malaysia. The other is Central Sugars Refinery Sdn Bhd (CSR), which is controlled by billionaire Tan Sri Syed Mokhtar Albukhary through his private vehicle Perspective Lane (M) Sdn Bhd.

Perspective Lane also owns Padiberas Nasional Bhd (Bernas) — the country's sole rice distributor. In the past, Syed Mokhtar had also been keen to buy a block in MSM.

MSM is currently controlled by agribusiness group FGV Holdings Bhd (KL:FGV ) with a 51% stake, followed by Koperasi Permodalan Felda Malaysia Bhd with a 15.27% stake, and Amanah Saham Bumiputera (ASB), a unit trust fund of Permodalan Nasional Bhd (PNB), with a 6.68% stake.

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