

# Malaysia's MSM scraps pact with Dubai's Al Khaleej to build sugar refinery

Malaysia's largest refined sugar manufacturer MSM Malaysia Holdings Berhad will terminate a pact with Dubai's Al Khaleej International Ltd to build a sugar refinery in the southern state of Johor, the firm said today.

In a filing to the local bourse, MSM said it will not proceed the non-binding memorandum of understanding with Al-Khaleej signed on May 8, 2014 to form a joint venture company to build the sugar complex.

"... due to the fact that this project is of national interest, MSM has decided to undertake the construction of a sugar refinery complete with logistic complex and vessel terminal in Tanjung Langsat, Johor without partnership," MSM said, without giving further details.

MSM was to hold a 51% controlling stake in the joint company, with Al Khaleej holding 49%. Local newspaper The Star earlier reported that the project, targeted for completion in 2016, was to cost between US\$250 to US270 (RM905 million).

Al Khaleej is a limited company within the Al Ghurair conglomerate, of which also includes Al Khaleej Sugar, a Dubai-based sugar refiner. – Reuters, February 18, 2015

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