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KUALA LUMPUR (May 11): MSM Malaysia Holdings Bhd (fundamental: 2.80; valuation: 1.40) has set its sight on becoming one of the top three in Asean and among the top 10 sugar players in the world by the year 2020, leveraging on the strong fundamentals it has developed over the years, according to its president and group chief executive Datuk Sheikh Awab Sheikh Abod.

In his message to shareholders in the company's 2014 Annual Report released today, Sheikh Awab said key to the company's forward journey was to leverage on its expertise in refining and increase its capacity as well as to diversify its operations so as to establish a presence along the entire value chain of the industry, from the upstream to the deep downstream.

"In the first half of 2015, we will be opening a trading office in Dubai.

"The office will focus on trading both raw as well as refined sugar, and plan to complement this venture with our own chartering company," he said.

Sheikh Awab said while the trading concern will operate out of Dubai, it would be supported by four representative offices in Indonesia, China, India and Thailand.

He said that company was also building a refinery in Johor with a daily production capacity of 3,000 tonnes, which would double its annual production.

"We hope to kick-start construction of this refinery in Q3 this year and complete it by Q3 2017.

"Employing state-of-the-art technology, the refinery is expected to achieve a high rate of operational efficiency which will translate into very competitively priced end products," he said.

Sheikh Awab said this would support MSM's ambition to grow its export market, and would in turn be supported by its trading outfit.

"At the same time, we are exploring the possibility of entering into mergers and acquisitions with other players either in the upstream or downstream segments.

"We will also undertake strategic alliances to add to our geographical diversification," he said.

MSM dipped 0.19% or one sen to RM5.21 with 1,200 shares done in the morning session today.

*(Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.)*

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