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FELDA-LISTING

REPORT ON FELDA'S IPO TO BE SUBMITTED TO CABINET IN TWO WEEKS

By: M. Saraswathi

PUTRAJAYA, Oct 9 (Bernama) -- A report on how Felde's listing will enhance the future of Felde settlers will be submitted to the Cabinet in two weeks, said agriculture minister Datuk Mohd Effendi Norwawi today.

Four ministers -- the minister of Land and Co-operatives Development, Minister of Rural Development, Minister of Agriculture and Minister of Finance

-- and their secretary-generals are working out the detailed structure of the initial public offering (IPO) so that it would enhance the settlers' income, he said.

Mohd Effendi said his ministry wanted to fully and successfully leverage on the IPO.

Besides replanting oil palms, he said his ministry would encourage the settlers to plant food crops, cash crops and permanent crops.

Prime Minister Datuk Seri Dr Mahathir Mohamad announced in the 2004 Budget on the government's plan to list Felde on the Kuala Lumpur Stock Exchange.

Dr Mahathir, who is also the finance minister, said the listing would enable Felde to tap funds from the capital market and it would no longer have to depend on the government for its financial requirements.

Proceeds from the initial public offering (IPO) will be used by the government, the largest beneficiary of the listing, for development purposes.

Felde's plantation activities currently are carried out through Felde Holdings. The group owns 354,554 hectares of plantation land, and through Felde Holdings, it also mills and refines oil palm fresh fruit bunches (FFB) produced by the estate.

Felde also buys FFB produced by the settlers who, in total, own 447,246 hectares of plantation land.

Settlers and employees of Felde currently own a 51 percent stake in Felde Holdings through Koperasi Permodalan Felde.

Under the listing proposal, settlers of Felde will be specially allocated shares worth an average of RM6,000 each based on the allocation of RM1 billion worth of shares.

Felde employees will be offered shares under an employee share scheme.

Under the proposed IPO exercise, Felde Holdings will acquire all the plantation estates currently owned by the Federal Land Development Authority (Felde) in exchange for new shares in Felde Holdings.

Felde Holdings will also acquire the equity interests in its subsidiary and associated companies directly held by Felde and Koperasi Permodalan Felde (KPF) for new shares in Felde Holdings.

The equity interest in Felde Holdings will be transferred to the Ministry of Finance Inc.

Following this, the substantial shareholders in Felde Holdings comprising Ministry of Finance Inc and KPF will then offer Felde Holdings' shares to both retail and institutional investors.

The Ministry of Finance Inc will also offer some Felde shares to state governments under a programme to be announced later.--BERNAMA

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