

BUSINESS

## Malaysian botanical drug developer seeks US\$300 million Nasdaq listing

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Malaysia's state-owned agri-business conglomerate Felda is looking to tap growing demand for botanical drugs and treatments with a planned US\$300 million (RM960 million) listing of a life sciences unit on the Nasdaq exchange by March, company officials said.

Felda Wellness Corp <IPO-FWCP.O>, a unit of the Federal Land Development Authority of Malaysia (Felda), has chosen to list on the US market for technology and biotech companies because of the country's well developed market for health products and US investors' familiarity with such offerings, they

said.

Only one other Malaysian company has announced a Nasdaq listing – MOL Global Pte Ltd <IPO-MOLL.O>, an online payment firm that also owns social networking site Friendster Inc. MOL plans to raise US\$300 million from its US IPO scheduled for this year.

"We believe that the Nasdaq and American investing community are very life sciences-friendly," Felda's deputy director-general Muhammad Sufi Mahbub said.

"We should be able to secure better value on the Nasdaq than in any other stock market."

Felda Wellness has been working with a New York-based investment bank with expertise in raising funds for life sciences companies in the United States. Bankers to advise on the deal will be chosen in September after the listing is approved by the Felda board.

The firm will launch its health products into Malaysian markets by August this year, followed by the US, South Korea and Australia markets in January 2015, and in Indonesia by March 2015.

The company will use herbal plants available in Malaysia, and also exploit the therapeutic potential of palm oil produced by its parent to develop "neutraceuticals" – food and healthcare products that provide medical benefits.

Felda's listed plantation arm, Felda Global Ventures, is the world's third-largest oil palm estate operator.

"The global population will always look for an alternative option which has less side-effects. This is the vacuum we are trying to fill," Muhammad Sufi said. "We should be able to get good market attention from the US market."

It is seeking approval for its products from the US Food and Drug Administration by this year, and aims to reap sales of US\$20-30 million in its non-Malaysian markets in 2015.

The products will be marketed in the form of lotions, gels, sachet drinks, and cosmetics.

The global neutraceuticals market, largely dominated by the US, topped US\$140 billion in 2011 and is slated to grow to more than US\$200 billion by 2017.

"We want to explore the various plants in the Malaysian biodiversity chain and value-add them into super neutraceuticals," said Felda Wellness chief executive officer Mohd Nasir Shafion. – Reuters, July 8, 2014.