

**REPL::GENERAL ANNOUNCEMENT::PROPOSED ACQUISITION BY F&N AGRIVALLEY SDN BHD OF AGRICULTURAL LAND IN PERLIS**

Issuer & Securities

Issuer/ Manager

FRASER AND NEAVE LIMITED.

Securities

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PROPOSED ACQUISITION BY F&N AGRIVALLEY SDN BHD OF AGRICULTURAL LAND IN PERLIS

Announcement Reference

SG191008OTHRZ4S6

Submitted By (Co./ Ind. Name)

Hui Choon Kit

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Fraser and Neave, Limited (the "Company") refers to its announcement dated 8 October 2019 relating to the proposed acquisition by F&N AgriValley Sdn Bhd of agricultural land in Perlis (the "Previous Announcement", and the proposed acquisition, the "Transaction"). Capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meaning ascribed to them in the Previous Announcement.

Further to the Previous Announcement, the Company attaches, for information, two Bursa Malaysia announcements released today by F&NHB on the Transaction.

Attachments

[FNHB-Announcement%20-Ladang-Chuping-11.10.19.pdf](#)

[FNHB-News-Release-11.10.19.pdf](#)

Total size =474K MB

Related Announcements

Related Announcements

[08/10/2019 18:33:09](#)

[08/10/2019 18:13:22](#)

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS  
FRASER & NEAVE HOLDINGS BHD ("F&NHB" OR "COMPANY") PROPOSED ACQUISITION OF APPROXIMATELY 4,453.92 HECTARES OF LEASEHOLD LAND LOCATED IN MUKIM CHUPING, DAERAH PERLIS, NEGERI PERLIS ("LADANG CHUPING") FOR A CASH CONSIDERATION OF RM156.00 MILLION ("PROPOSED ACQUISITION")**

**FRASER & NEAVE HOLDINGS BHD**

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	FRASER & NEAVE HOLDINGS BHD ("F&NHB" OR "COMPANY") PROPOSED ACQUISITION OF APPROXIMATELY 4,453.92 HECTARES OF LEASEHOLD LAND LOCATED IN MUKIM CHUPING, DAERAH PERLIS, NEGERI PERLIS ("LADANG CHUPING") FOR A CASH CONSIDERATION OF RM156.00 MILLION ("PROPOSED ACQUISITION")

Further to our announcement dated 8 October 2019, the Board is pleased to furnish the additional information as set out in the attachment.

This announcement is dated 11 October 2019.

Please refer attachment below.

**Attachments**

[Acquisition of Ladang Chuping.pdf](#)  
84.2 kB

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**Announcement Info**

Company Name	FRASER & NEAVE HOLDINGS BHD
Stock Name	F&N
Date Announced	11 Oct 2019
Category	General Announcement for PLC
Reference Number	GA1-11102019-00022

**FRASER & NEAVE HOLDINGS BHD ("F&NHB" OR "COMPANY")  
PROPOSED ACQUISITION OF APPROXIMATELY 4,453.92 HECTARES OF LEASEHOLD LAND  
LOCATED IN MUKIM CHUPING, DAERAH PERLIS, NEGERI PERLIS ("LADANG CHUPING") FOR A  
CASH CONSIDERATION OF RM156.00 MILLION ("PROPOSED ACQUISITION")**

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*(Unless stated otherwise, the words and expressions used in this announcement shall have the same meaning as defined in the Company's announcement dated 8 October 2019)*

Further to our announcement dated 8 October 2019, the Board is pleased to furnish the following additional information:

**1. BASIS OF VALUATION**

The Company's Valuer adopted the Comparison Method in formulating their opinion of the market value of Ladang Chuping as stated in their valuation report dated 12 February 2019. The approach taken by the Valuer was the Market Approach of comparing Ladang Chuping with similar agricultural land (albeit being freehold land) that were transacted between October 2013 and April 2018 in the northern states of Malaysia. The Valuer noted that Ladang Chuping, being leasehold land, was inferior in terms of quantum per hectare and land tenure. Therefore, downwards adjustment had been made to the value of Ladang Chuping due to these factors.

**2. PROSPECTS OF LADANG CHUPING**

As at the date hereof, F&N AgriValley is still evaluating various investment options to put on stream the upstream fresh milk business. The indicative financial commitment inclusive of land clearance cost is approximately RM650 million (including Ladang Chuping purchase cost) in phase 1. In this phase of the project, F&N AgriValley will be importing 4,000 milking cows for a potential of 40 million litres of fresh milk. Subsequent phases will take place upon stabilisation of phase 1. In the longer term, Ladang Chuping will be capable of hosting 20,000 milking cows to produce 200 million litres of fresh milk yearly.

F&N AgriValley's plan is to commence upstream milk insourcing within 24 months after vacant possession is delivered at completion, which is conditional upon all conditions precedent in the SPA being fulfilled or obtained.

**3. NET BOOK VALUE OF LADANG CHUPING**

The net book value including bearer plants (rubber trees, oil palm trees and mango trees) of Ladang Chuping is RM157.38 million based on the audited accounts for the financial year ended 31 December 2018 of MSM Holdings.

There are no encumbrances on Ladang Chuping.

**4. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

Datuk Mohd Anwar bin Yahya does not have any direct and/or indirect shareholdings in F&NHB, MSM Holdings and FGV Holdings.

This announcement is dated 11 October 2019.

## OTHERS News Release: F&NHB Continues to Evolve to Meet the Nation's Beverage and Dairy Needs with New Milestone into Dairy & Crop Farming

### FRASER & NEAVE HOLDINGS BHD

Type	Announcement
Subject	OTHERS
Description	News Release: F&NHB Continues to Evolve to Meet the Nation's Beverage and Dairy Needs with New Milestone into Dairy & Crop Farming

We attach herewith a news release dated 11 October 2019, entitled "F&NHB Continues to Evolve to Meet the Nation's Beverage and Dairy Needs with New Milestone into Dairy & Crop Farming".

Please refer attachment below.

#### Attachments

[News Release.pdf](#)  
179.3 kB

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#### Announcement Info

Company Name	FRASER & NEAVE HOLDINGS BHD
Stock Name	F&N
Date Announced	11 Oct 2019
Category	General Announcement for PLC
Reference Number	GA1-11102019-00023



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## **FRASER & NEAVE HOLDINGS BHD**

(Company No. 004205-V)

**OCTOBER 11, 2019**

### **F&NHB CONTINUES TO EVOLVE TO MEET THE NATION'S BEVERAGE AND DAIRY NEEDS WITH NEW MILESTONE INTO DAIRY & CROP FARMING**

**RM650 million multi-pronged investment to support the nation's ambition of  
self-sufficiency, healthier society and local agricultural development.**

Established in Malaya in 1883, Fraser & Neave (F&N) has evolved in meeting the taste and aspirations of generations of Malaysians. The F&N brand has grown into an iconic household name, satisfying the nation's beverages and dairy needs for over 136 years.

A Malaysian incorporated and Syariah compliant company, Fraser & Neave Holdings Bhd ('F&NHB' or 'the Group') was incepted in 1961 and is listed on the Main Market of Bursa Malaysia Securities Berhad.

In an earlier announcement to Bursa Malaysia, F&NHB said it had entered into a conditional agreement to acquire the remaining lease rights of between 42 to 53 years to use the plantation known as Ladang Chuping in Perlis to explore the upstream insourcing of fresh milk to support existing downstream production and distribution of fresh milk products.

Commenting on F&NHB's proposed acquisition, Chief Executive Officer, Mr Lim Yew Hoe described the venture into dairy and crop farming as an important milestone for the Group.

"In line with the nation's ambition to achieve fresh milk self-sufficiency, the proposed acquisition of Ladang Chuping to establish the country's first integrated dairy and crop farm is a significant step forward in the agricultural and dairy industry. By increasing fresh milk self-sufficiency, the country will become less reliant on milk imports to meet the nutritional needs of Malaysians," Lim added.

The proposed project will reduce F&NHB's exposure to foreign exchange fluctuations, currency outflow from the country and the uncertainties in importing fresh milk and feed, while achieving control over the quality of milk from 'grass to glass'. The large contiguous land in Ladang Chuping enables F&NHB to adopt a highly mechanised commercial farming model, utilising the latest and best-in-class farming technology from around the world.

"A vertically integrated farm producing locally grown crops in-situ to feed the cows reduces carbon footprint, in addition to lowering the value chain cost per litre of fresh milk."

“By doing that, F&NHB intends to expand the fresh milk consumption in Malaysia and provide nutrition to promote health and wellness for the nation’s growing population. F&NHB also aims to work with relevant stakeholders to promote fresh milk drinking culture in schools by making fresh milk more easily available and affordable,” he added.

Currently, F&NHB is still evaluating various investment options to develop the upstream fresh milk operations. The indicative financial commitment inclusive of land clearance cost is approximately RM650 million including the cost of purchasing Ladang Chuping, in Phase 1.

“In Phase 1 of the project, we will be importing 4,000 milking cows with a potential output of 40 million litres of fresh milk. Subsequent phases will take place upon stabilisation of Phase 1. In the longer term, Ladang Chuping will be capable of hosting 20,000 milking cows to produce 200 million litres of fresh milk yearly, giving us the capacity to export fresh milk,” he said.

With the mega farm potentially housing 20,000 milking cows, mature cows or post-lactation cows can be passed on to feedlot producers for beef purposes and contribute towards beef sufficiency of the nation.

This fully integrated model, with state-of-the-art facilities will be planned to include sustainable green technology such as solar panel roofing for renewable energy for daily use, biodigester system to convert waste into bio-gas production to generate energy, repurposing solid effluent as natural soil nutrients, and others.

Other than the milk processing plant, the integrated project will also develop a knowledge centre for dairy and crop farming, and seedling research centre.

“We aim to work closely with local dairy farmers and feed growers to improve productivity and quality through sharing of knowledge and skills in good farming and animal husbandry practices,” Lim said.

F&NHB intends to collaborate with academic establishments for research and development and promote local talent pool by providing internships and scholarships for university students specialising in agriculture, animal science, veterinary, nutrition, bio-security management etc. with future employment opportunities.

F&NHB will also develop and promote eco-tourism activities at Ladang Chuping such as a viewing gallery and educational farm tours, thereby benefitting the Perlis community that currently provides homestays.

Ladang Chuping will be another employment hub for the Perlis state as well as a collaborative centre for agricultural development for the community. F&NHB currently employs more than 1,900 people across its Malaysian operations.

## **ABOUT FRASER & NEAVE HOLDINGS BHD**

Fraser & Neave Holdings Bhd (F&NHB) is a Malaysian-incorporated company listed on Bursa Malaysia's Main Board with expertise and a prominent standing in the food and beverage business. F&NHB has a rich history spanning 136 years, positioning the company and brand as one that is trusted by generations.

A Syariah compliant company, F&NHB boasts a portfolio of 20 well-loved brands which are leaders in many segments namely 100PLUS, F&N Fun Flavours, F&N SEASONS, F&N Condensed and Evaporated Milk, F&N Magnolia, OYOSHI, Farmhouse, CARNATION and F&N Fruit Tree.

F&NHB is the Top 5 Best Employer Brands in Graduates' Choice Award 2018. F&NHB is also a constituent of FTSE Russell FTSE4Good Bursa Malaysia (F4GBM) Index for its strong commitment to responsible business practices on environmental, social and governance (ESG) matters.

F&NHB employs 2,600 people across its operations in Malaysia, Brunei, Thailand and Indochina.

For more information, please visit [www.fn.com.my](http://www.fn.com.my)

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