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

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")

(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.