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

Announcement Info

Company Name	FRASER & NEAVE HOLDINGS BHD
Stock Name	F&N
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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.

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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

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