

RM156M DEAL

# F&N BUYS MSM'S PERLIS LAND

Beverage firm to use 4,454ha plot for dairy cattle farming and milk production

KUALA LUMPUR

**M**SM Malaysia Holdings Bhd is selling 4,453.92ha of agriculture land in Chuping, Perlis, to Fraser & Neave Holdings Bhd's (F&N) wholly-owned F&N Agrivalley Sdn Bhd for RM156 million.

The land is currently used for the cultivation of rubber, oil palm and mangoes.

F&N Agrivalley plans to use the land for dairy cattle farming and milk production.

Ladang Chuping is located 28km north-east of Kangar and about 8km south of Padang Besar.

In its statement yesterday, MSM group chief executive officer Datuk Khairil Anuar Aziz said the sale was effected via an open tender process that commenced in January.

He assured the entire process was conducted in a transparent manner, even though the selling price was at a 18 per cent discount on the market value of the land.

Khairil said the board of MSM believed the land sale was in the best interest of the company.

"We were clear from the outset that the disposal should bring benefit not just to MSM but also to Perlis and the communities in the area.

"We will continue to dispose of our non-core assets to unlock value to ensure that management and financial resources are committed to our core business."

He said MSM, which was 51 per cent controlled by FGV Holdings Bhd, would focus on improving efficiency to lower refining cost and diversifying into value-

added sugar products for exports.

In a separate statement, F&N chief executive officer Lim Yew Hoe said the vertical integration model for Ladang Chuping would enable it to be less dependent on imported milk while promoting the local agricultural industry.

This is in line with Malaysia's

ambition to be more self-sufficient.

"The investment reflects the potential we see in filling the gap of local dairy sector, and the huge opportunity to increase fresh milk consumption in Malaysia in our journey towards a healthier society.

"The large contiguous land allows for an integrated model from grass to glass. It will be based on a sustainability agenda, using precision agronomy technology and good practices to reduce the overall carbon footprint of the crop farm, dairy barns and other facilities," he added.

F&N has a workforce of more than 2,600 in Malaysia.

Among its best-sellers are 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.

The company operates in Malaysia, Brunei, Thailand and Indochina. It is a subsidiary of Fraser and Neave Ltd, a company listed on the Singapore Stock Exchange.



Lim Yew Hoe



MSM Malaysia Holdings Bhd group chief executive officer Datuk Khairil Anuar Aziz says the board believes the land sale is in the best interest of the company.