

## F&N eyes up to RM800mil capex, mostly for dairy farm business

By [Azanis Shahila Aman](#) - November 9, 2022 @ 1:46pm



Chief executive officer Lim Yew Hoe said the capex would mostly be for F&N's dairy farm business in Gemas, Negri Sembilan.

KUALA LUMPUR: Fraser & Neave Holdings Bhd (F&N) plans to raise RM700 million to RM800 million capital expenditure (capex) for its financial year 2023 (FY23).

Chief executive officer Lim Yew Hoe said the capex would mostly be for F&N's dairy farm business in Gemas, Negri Sembilan.

With the completion of Ladang Permai Damai acquisition, Lim said F&N was on track to resume its plans on the upstream fresh milk business for downstream production and distribution of fresh milk.

"This will enable us to own a vertical integration business and operations based on locally grown crops for feed to F&N's dairy farm, which in turn will lower the value chain cost per litre.

"The move will also help us be less dependent on imported milk and will help to promote the local agricultural industry," Lim told reporters at a briefing on F&N's FY22 results today.

Meanwhile, Lim said the company would strengthen its Halal packaged food pillar with the proposed acquisition of Cocoaland Holdings Bhd (Cocoaland).

The acquisition was completed on Nov 4 this year, making Cocoaland a wholly-owned subsidiary of the F&N Group.

"This investment will add a range of established Malaysian confectionery and snack brands to the company's portfolio. It will also serve as a platform for the company to expand into more Halal food segments and to meet the rising demand for packaged food products," he said.

Moving forward, Lim said exports remained a key focus for the company, which also served as a natural hedge to cushion the forex impact.

The company will continue to proactively navigate the volatile environment and take steps to enhance resiliency through the forward purchase of key commodities and hedging strategy.

"At the same time, we remain focused on accelerating innovation and driving operational efficiency, commercial excellence and fiscal discipline across our value chain," he added.

F&N posted a 68.49 per cent jump in net profit to RM98.89 million in the fourth quarter ended September 30, 2022 (Q4) 2022 compared with RM58.69 million in 2021.

Group quarterly revenue grew 26.93 per cent to RM1.14 billion against RM896.26 million driven by the positive momentum for the recovery of economic activities, out-of-home consumption and trade restocking, reflecting business returning to pre-pandemic levels.