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FRASER AND NEAVE, LIMITED
Company Registration No. 189800001R
Incorporated in the Republic of Singapore

F&N invests over $70 million (RM210 million) in Malaysia to augment capacity

- New aseptic cold-filling PET bottle and UHT lines will power the Group's expansion into new offerings and packaging formats to fulfill market demand
- Investment is aligned with Vision 2020 goals of strengthening F&N's key market positions by leveraging its brand portfolio and distribution and bottling facilities

SINGAPORE, 5 May 2016 – Fraser and Neave, Limited ("**F&N**" or the "**Group**"), through Fraser & Neave Holdings Bhd ("**F&NHB**"), its 55.5-per cent held subsidiary, will inject over $70 million (RM210 million) in capacity expansion to fuel business growth in Malaysia. These capital expenditure projects, which include a state-of-the-art aseptic cold-filling polyethylene terephthalate ("**PET**") bottle line, a warehouse facility, as well as an ultra-high temperature processing ("**UHT**") line, will boost F&NHB's total asset value in Malaysia to RM1.9 billion.

These projects are part of F&NHB's total $102 million (RM300 million) capital expenditure committed over two years in Malaysia–one of the Group's core markets–to sustain the Group's position as one of the most competitive producers in the industry and extend its product offerings and packaging formats. An industry leader currently operating five soft drinks manufacturing plants in the country, the Group's addition of the aseptic cold-filling PET bottle and UHT lines will enable it to meet increasing demand for its ready-to-drink tea, soya and Asian soft drinks products – its healthier range of products that fulfill its philosophy of "Pure Enjoyment. Pure Goodness".

Mr Lee Meng Tat, Chief Executive Officer, Non-Alcoholic Beverages, says, "These investments are aligned with our Vision 2020 goals of strengthening F&N's key market positions by leveraging its brand portfolio and distribution and bottling facilities. It also underscores the importance of Malaysia as one of our core markets, and reflects our confidence not only in the growth potential of our brands and our role and position in the industry, but also in the long-term economic growth in Malaysia. Our brands enjoy market leadership positions and this capacity expansion will allow the Group to fulfill anticipated growth and demand for healthier drinks in the medium- to long-term."

The aseptic cold-filling PET bottle line, to be housed within the new integrated four-storey warehouse, will reduce PET resin packaging material by 40 per cent, thereby reducing the Group's carbon footprint and packaging costs. Including the integrated four-storey warehouse, which will be built on a 2.2-acre site within its existing soft drinks plant in Shah Alam, Selangor, the total investment is expected to be around $61 million (RM180 million). The new UHT line, which costs $10 million (RM30 million), will be housed at the Group's existing soft drinks plant in Kuching, Sarawak. Once complete, both the aseptic cold-filling PET bottle and UHT lines will boost production capacity by 6.5 million cases per year and 3.4 million cases per year, respectively.

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