Kinh Do, FGV & ITL Announce Business Exploration Agreement

Malaysia's Felda Global Ventures (FGV), Vietnam's Kinh Do Corporation (KDC) and Indo Trans Logistics Corporation (ITL) today entered into a Memorandum of Business Exploration (MOBE) to explore the possibility of entering into a business collaboration/partnership to collectively build and operate a new business to manufacture and distribute branded, packaged edible oil in Vietnam.

Group President and Chief Executive Officer of FGV, Dato' Mohd Emir Mavani Abdullah, "This business exploration is in line with FGV's Global Strategic Blueprint (GSB) where we seek significant position in new location that is a major consumption centers such as Vietnam. This will indeed be a stepping-stone for us to penetrate South East Asia Market.

The MOBE was signed between FGV Head of Palm Downstream Cluster, Dato' Zakaria Arshad; CEO of KDC Mr. Tran Le Nguyen; and Mr. Tran Tuan Anh, Managing Director of ITL Corporation.

Through the strategic partnership, the three parties will conduct joint discussions over the next six months in identifying strategies to capture the Vietnamese consumers packaged oils market, leveraging on the strength of all parties.

"By leveraging on the strength of both KDC and ITL, the strategic partnership has a huge potential to attain a leading position in this market. This collaboration will also stretch our reach within the Indochina region and intensify our current presence in South East Asia," Zakaria said.

He added that FGV believes in the opportunity that Vietnam has and have been looking for the right partner to collaborate to help them penetrate the market. KDC and ITL has their own respective strengths in consumer foods business and in integrated logistics services," added Zakaria.

Mr. Tran Le Nguyen – CEO of KDC Group said: "With the combined strengths of the parties KDC, FGV, and ITL, the new joint venture will have all the key elements to become a strong and successful packaged oil player. Being one of the leading Food & Beverage companies in Vietnam, KDC has developed deep understanding of Vietnam consumer taste and has been successful in many areas including distribution, marketing, and brand building.

"After launching cooking oil products under the brand Dai Gia Dinh An Hao at the end of May, this MOBE is KDC's next step to further penetrate into cooking oil industry. With the new joint venture, KDC aims to diversify the product portfolio, bolster supply, increase

product quality, lower costs, and ultimately bring better product at lower price to Vietnam consumers. This joint venture is the strategic cornerstone for KDC to develop our cooking oil category as well as lay foundation for the entire group to expand into food & flavour segment.

“KDC will leverage our extensive experience in building successful consumer brands trusted to ensure the success of this partnership,” said Nguyen.

FGV will capitalise on its access to its high quality processed palm products for this venture. On the other hand, KDC will bring to the partnership its proven expertise in building consumer packaged food brands – especially in the consumer packaged oils space.

“We strongly believe that the partnership with two leaders of the industry supported by our leading logistics position in Vietnam is the right ingredient for success. We will back this partnership with access to our extensive storage, transportation and distribution network across Vietnam,” shared ITL Managing Director Tran Tuan Anh.