



VISION

Managed agriculture is one of the world's most stable and consistently reliable asset classes. Milk, as a subsector of dairy farming, avoids economic downturns and fluctuations which are driven by political changes.

Despite the high demand for milk, the Southeast Asian dairy farming industry has been hindered for decades by the stigma that heat and humidity are factors which cannot be controlled. Local demand is currently met by importing powdered milk and mixing it with water, selling it as recombined milk.

Vietnam and Thailand have led the charge to change that perception and have successfully transformed their dairy farming industry.

SaiKris intends to break the stigma in Malaysia, driving significant dairy production through robotic milking and adopting European standards for milk quality and farming hygiene. The population is growing, and people will drink milk as they have done for centuries.

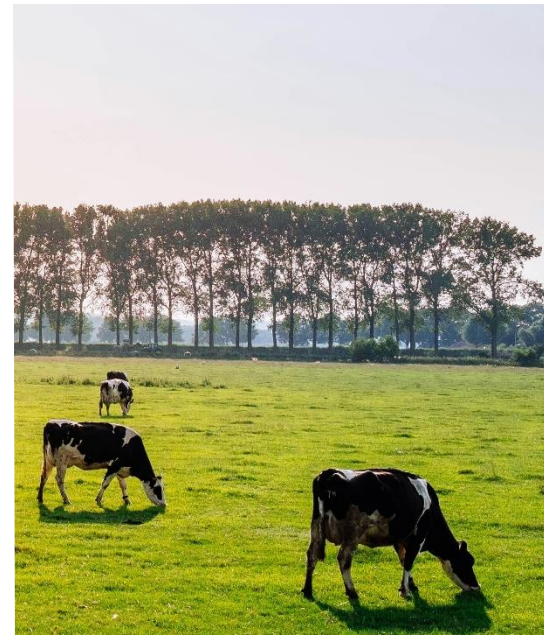
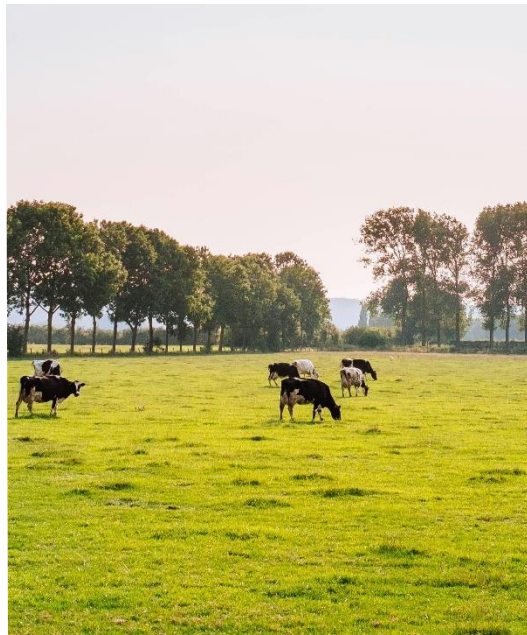
Join SaiKris in creating a legacy business that delivers core benefits for Malaysia and solid returns for your investment portfolio.

SAIKRIS DAIRY

SaiKris TechDairies Sdn Bhd is a Malaysian incorporated Special Purpose Vehicle embarking on a business venture to disrupt the dairy industry in Malaysia and Southeast Asia, changing the manner the industry has been driven for the past 50 years.

Through preparation and research over the past five years, the company has been able to identify a highly viable business model. These initiatives have been funded by the company's promoter, GEA, a public listed company in Germany who has pioneered robotics in the agriculture industry. Robotic milking technology has been used in Europe since the early 1990s and is now used in Canada and the United States of America. Research confirms that robotics is the way forward in Asia.

The company has acquired land on a 30-year lease and secured long-term contracts worth over \$42 million USD (RM 200 million). GEA has been engaged as the technology vendor and partner for expert guidance around farm structure and operations.



CHALLENGE

Malaysia has relied heavily on imports to satisfy domestic demand for dairy products for decades. The self-sufficiency ratio for milk across Malaysia, Thailand and Vietnam was below 5% in the 1970s and has only recently achieved exceeded 50%. Malaysia per capita dairy consumption is the highest compared to other Asian countries and domestic production leaves a gap of more than 40%, which leaves the country heavily reliant on imports from New Zealand, the USA, and Australia.¹

¹ <https://www.bordbia.ie/farmers-growers/prices-markets/agri-market-insights/growing-meat-and-dairy-exports-in-south-east-asia/#:~:text=Per%20capita%20dairy%20consumption%20in,60%25%20of%20dairy%20consumption%20needs.>

Although milk production has increased over the past four decades, Malaysian dairy production is still unable to meet the robust demand of its population, projected to reach 41.5 million by 2040 from 32.0 million in 2019. Increased urbanization and the rise of health-conscious middle-income millennials and Gen Z, contributed to the increase in demand for dairy products in Malaysia.

While the world's average milk consumption is about 100 liters per person per annum, Malaysia's milk consumption per capita is approximately 50 liters per annum. This indicates that there is still ample room for milk and milk products to grow in the domestic market. The rising demand has driven and continues to drive the government to formulate policies and initiatives towards structural changes in the domestic dairy industry.

SOLUTION

SaiKris will deliver much needed dairy supply in the Malaysian market ramping up to 1,000 cows. The company aims to be the biggest fresh milk producer in Malaysia within five years. Milk production will exceed other competitors in the marketplace once more of the company's automated milking systems are operational. With international standards on farming being practiced, the market will be receptive to SaiKris products, and turning from UHT recombined milk to pasteurized fresh milk.

Consultant engineers - covering civil, structural, mechanical, and electrical needs, a town planner, and an architect to ensure a world class farm is built complying with European Union (EU) standards. Technical drawings of the barns were done by GEA in accordance with EU standards. The farm size will be optimized at 1,000 milking cows, enabling an ideal balance with high levels of production while maintaining self-sufficiency.



COMPETITION

Malaysia's market for fresh milk is a billion-ringgit (\$200+ million USD) industry, dominated mainly by imported fresh milk and re-constituted milk brands (95%). Thus, there is a huge demand gap to fill for local pasteurized fresh milk. There is also legislation in place to limit the importation of Fresh Milk to Malaysia, however it is not enforced strictly as there is not enough local production to meet demand.

The fresh milk market in Malaysia is dominated by one local company and several multinational corporations (MNCs). The local company – Holstein Milk Company Sdn Bhd (Farm Fresh brand) sells pasteurized fresh milk and is the only fully integrated local milk company. MNCs such as Asahi, Nestle, Dutch Lady (Friesland Campina), and Fonterra sell both UHT recombined milk and imported UHT fresh milk.

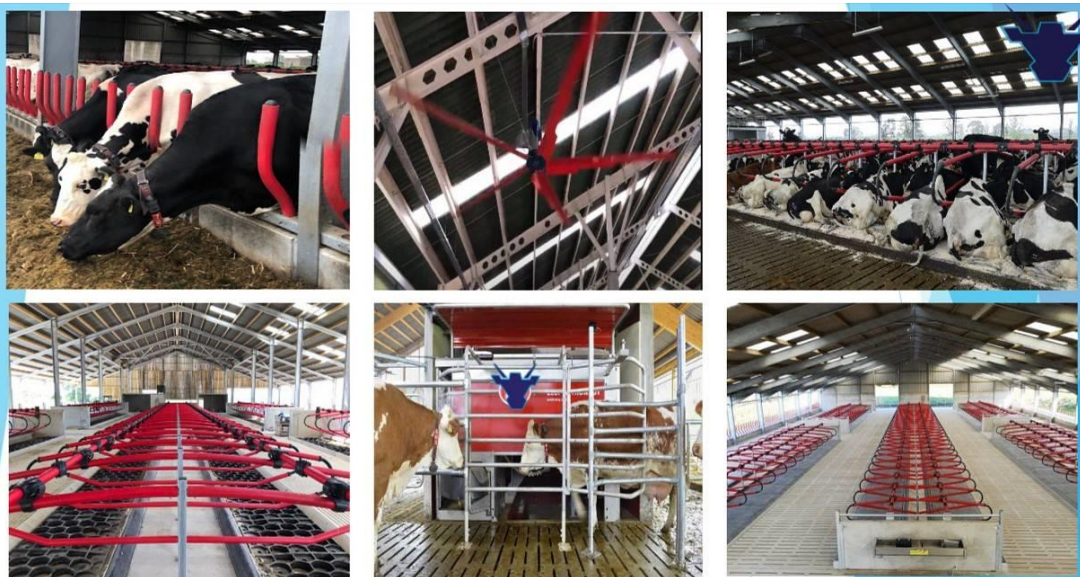
PLAN

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There are six components to the business strategy, each of which has been carefully considered to optimize the company's success.



Hybrid Jersey and Friesian-Holstein cows will be acquired from a reputable farm in Australia. Use of robotics milking will ensure high volume production as well as milking hygiene practices, significantly reducing the risk of contamination which occurs when low-cost laborers are engaged.



The company will design and build barns in accordance with European standards where cow comfort will be of utmost importance. Farm operations will be managed by a highly skilled team with decades of experience and will engage innovative technology to optimize output. Product sales have already established traction in early interest from potential buyers. Waste, specifically manure from the cows, will be converted to biogas to generate electricity for the farm and also connect to the nearby national grid.

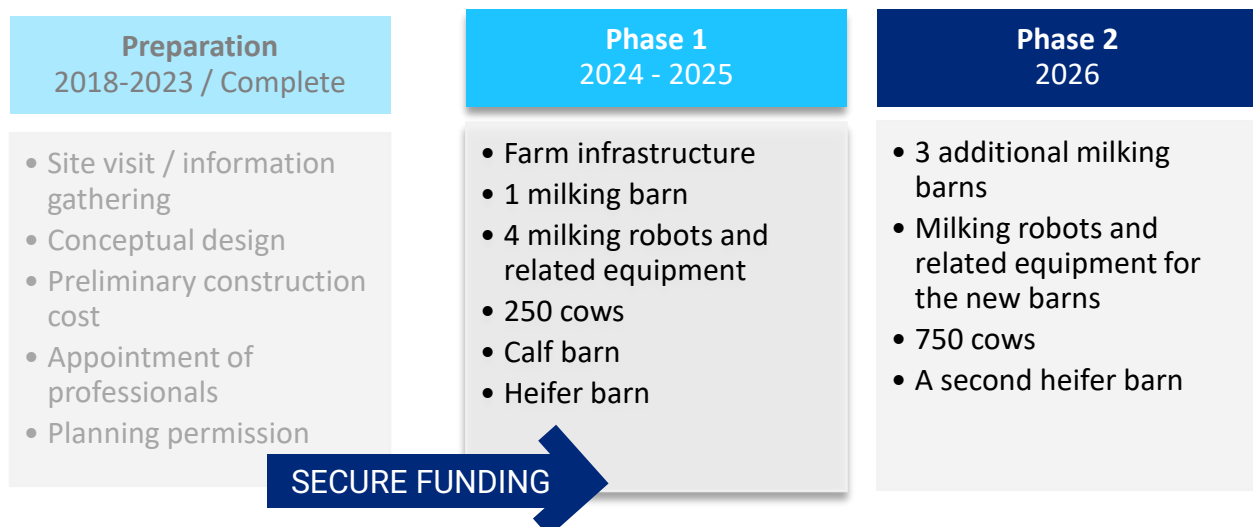
TEAM

The executive leadership team brings a wealth of experience, demonstrating deep expertise and commitment to farming in line with global standards combined with a passion for innovation..



MILESTONES

The preparation phase, spanning the previous five years, has been fully funded by GEA at RM 5 million. Pre-development is now complete and planning permission has been approved, pending payment. Phase 1 has been initiated and will be fully progressed once funding is secured.



FINANCIALS

SaiKris Dairy is seeking funding of RM 737,100,000 (\$156,660,000 USD) to progress with construction and launch of the first farm. Investors will enjoy 20% equity in SaiKris Dairy. A disbursement schedule can be agreed after reviewing staged development milestones. The investor will also have the right of first refusal for all future SaiKris Dairy projects.

This investment of RM 17.1 million (\$3,660,000 USD) will be complemented by investment of RM 720,000,000 (\$153 million USD). Numbers below are reflected in RM.

Operating Statements	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue						
# of Milking Cows		2,000	6,000	10,000	10,000	10,000
Revenue - sale of milk		48,000,000	151,200,000	264,600,000	277,830,000	294,152,513
Milk production in litres (20L per cow/300 days)		12,000,000	36,000,000	60,000,000	60,000,000	60,500,000
Sale price per litre		4.00	4.20	4.41	4.63	4.86
Revenue - sale of heifers		-	19,200,000	57,600,000	96,000,000	96,000,000
Cost of Goods Sold		-24,505,142	-73,515,426	-122,525,710	-128,651,996	-135,084,595
Animal feed		-22,025,270	-66,075,810	-110,126,350	-115,632,668	-121,414,301
Vaccinations, breeding, deworming & detergents		-2,479,872	-7,439,616	-12,399,360	-13,019,328	-13,670,294
Net Income		23,494,858	96,884,574	199,674,290	245,178,004	255,067,918
Operating Expenses						
Administration		2,720,000	8,196,000	13,723,000	13,819,150	13,931,513
Farms		7,341,718	19,670,466	35,531,244	39,957,670	43,786,292
Management		2,500,000	6,500,000	12,000,000	13,333,333	14,166,667
Logistics		600,000	2,040,000	3,720,000	4,224,000	4,248,480
Total Operating Expenses		13,161,718	36,406,466	64,974,244	71,334,154	76,132,952
Pre-Tax Income		10,333,141	60,478,109	134,700,046	173,843,851	178,934,966
Source and Use of Funds						
Source of Funds						
Investment	120,000,000	600,000,000				
Shareholder - seed capital	17,100,000					
Use of Funds						
Farm 1 & 2	-137,100,000					
Farms 3-6		-300,000,000				
Farms 7-10			-300,000,000			
Shareholder distribution (20% Pre-Tax Inc)	0	-2,066,628	-12,095,622	-26,940,009	-34,768,770	-35,786,993
<i>Remainder of Income is reinvested</i>						
	-137,100,000	-302,066,628	-312,095,622	-26,940,009	-34,768,770	-35,786,993
Operating Income/ (Losses)	0	10,333,141	60,478,109	134,700,046	173,843,851	178,934,966
Total Operating Expenses	-137,100,000	-291,733,488	-251,617,513	107,760,037	139,075,080	143,147,973
Net Change	0	308,266,512	-251,617,513	107,760,037	139,075,080	143,147,973
Cash at Beginning of Period	0	0	308,266,512	56,648,999	164,409,036	303,484,116
Net Change	0	308,266,512	-251,617,513	107,760,037	139,075,080	143,147,973
Cash at End of Period	0	308,266,512	56,648,999	164,409,036	303,484,116	446,632,089

CONCLUSIONS

This team at SaiKris TechDairies Sdn Bhd has spent five years gaining hands-on experience through travels to established farms and suppliers across the Asia Pacific area while engaging with the industry players. In addition to driving innovation, the company will initiate a local supply of much needed milk and become an industry leader.

Farms in Europe, America, Australia, and New Zealand have established themselves as multi-generational operations. SaiKris aims to ensure this business is a legacy business. If you are looking for attractive dividends in a business that will stand the test of time, join SaiKris Dairy in delivering a better future.

SAIKRIS

Delivering milk
for Malaysia

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5th Avenue Capital
Private Funding from \$10M to \$2B