

## ANNUAL GENERAL MEETING::VOLUNTARY

### Issuer & Securities

#### Issuer/ Manager

FRASER AND NEAVE LIMITED.

#### Security

FRASER AND NEAVE, LIMITED - SG1T58930911 - F99

### Announcement Details

#### Announcement Title

Annual General Meeting

#### Date & Time of Broadcast

14-Jan-2021 18:49:34

#### Status

New

#### Announcement Reference

SG210114MEETGBOG

#### Submitted By (Co./ Ind. Name)

Hui Choon Kit

#### Designation

Company Secretary

#### Financial Year End

30/09/2020

### Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached the responses to substantial and relevant questions from shareholders for the 122nd Annual General Meeting of Fraser and Neave, Limited to be held on 21 January 2021.

### Event Dates

#### Meeting Date and Time

21/01/2021 09:30:00

#### Response Deadline Date

18/01/2021 09:30:00

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## Event Venue(s)

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### Place

Venue(s)	Venue details
Meeting Venue	The 122nd Annual General Meeting will be held by way of electronic means.

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### Attachments

[SGX - Responses to Questions for FN AGM 14Jan2021.pdf](#)

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Total size =594K MB

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## **FRASER AND NEAVE, LIMITED**

(Registration No. 189800001R)

Incorporated in Singapore

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### **122<sup>nd</sup> ANNUAL GENERAL MEETING TO BE HELD ON 21 JANUARY 2021 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS**

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Fraser and Neave, Limited (the “**Company**” or “**F&N**”) refers to its announcement dated 28 December 2020 on its 122<sup>nd</sup> AGM to be convened and held by way of electronic means on Thursday, 21 January 2021 at 9.30 a.m. (Singapore time) (the “**Previous Announcement**”), and its Notice of AGM dated 28 December 2020.

Capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meanings ascribed to them in the Initial Announcement.

The Company would like to thank shareholders for submitting their questions in advance of its 122<sup>nd</sup> AGM, and is pleased to set out in the Appendix annexed herein, its responses to the substantial questions received from shareholders that are relevant to the resolutions to be tabled for approval at the 122<sup>nd</sup> AGM of the Company and to its business.

By Order of the Board

Hui Choon Kit  
Company Secretary

14 January 2021



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## FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R  
Incorporated in the Republic of Singapore

### Appendix

## Responses to Substantial and Relevant Questions for F&N's 122<sup>nd</sup> Annual General Meeting

- Q1. Please provide an update regarding F&N's recent investment into Starbucks (Thailand) via Coffee Concepts and also share the percentage revenue that this investment is currently contributing to the financials of FY2020.
- **As our investment in Starbucks Thailand is equity-accounted, we do not account for its revenue in our financials.**
  - **Starbucks Thailand business has been adversely impacted by the COVID-19 pandemic, much like many other businesses globally. The regulations set during the Nationwide State of Emergency declared on 25 March 2020 significantly impacted its on-premise sales. As COVID-19 restrictions began to ease in the second half of 2020, we saw gradual improvement in its business.**
  - **Despite the adverse impact of COVID-19 pandemic, this investment remains earnings accretive and contributed positively to F&N earnings in FY2020.**
- Q2. There was action to raise awareness against unhealthy impact of sugar laden drinks. What is actual impact on company business for past year. If possible, please share on plans going forward to mitigate this for drinks business.
- **Over the last decade, diet-related issues like obesity have become a growing global concern. At F&N, we recognise these concerns and have actively reduced the sugar content of our beverages to deliver great tasting and healthier choices. We believe in the gradual recalibration of consumer's taste acceptance of reduced sweetness is the way forward. F&N's concerted effort to reduce the sugar content in our products has contributed significantly to a steady decline of our sugar footprint – over 56% reduction from 2004-2020 and has been met with very positive consumer response.**
  - **The Group offers consumers healthier beverage options, from reduced or low sugar to no sugar. We have also expanded our range of water to include exciting options like sparkling water, which is in growing demand.**
  - **Today, F&N provides healthier choice options in every market and in the ready-to-drink beverage category. The Group's strong market positions in key categories – isotonic, tea, liquid milk, soya, water and canned milk – in our traditional stronghold markets of Singapore, Malaysia and Thailand demonstrate not only the strength of our brands, but our ability to build on our market positions in the consumer market.**
  - **We are confident that our efforts to drive a healthier product portfolio and engage our communities on healthy living correspond closely to evolving consumer trends and offers us further opportunities for growth. And that the breadth and depth of our portfolio will continue to appeal to the wide spectrum of the consumer market.**
- Q3. Company's plans to acquire land in Malaysia for dairy farm and milk production was scrapped. Did this limit company's ability to scale and is company actively looking for similar land to increase dairy farm and milk production. <https://www.businesstimes.com.sg/companies-markets/perlis-ruler-sells-stake-in-fn-unit-after-land-purchase-deal-scrapped>
- **Last year, we announced that the Group had entered into a conditional agreement to acquire a 4,454-hectare of agricultural land in Perlis, Malaysia for a cash consideration of RM156m. In April**

2020, the seller rescinded the sale. We will continue to seek out and evaluate other opportunities for an integrated crop and dairy farming project whenever they arise.

- The Group remains committed to offering our consumers the highest quality of fresh milk and growing our presence in the liquid milk sector. In addition to looking for opportunities for an integrated crop and dairy farming project, F&N will continue to work closely with our suppliers and farmers to widen our milk sources.

Q4. What is the maximum amount of Chang beer that can be produced by Emerald Brewery? How much will it affect the bottom line?

- Emerald Brewery has a current production capacity of approximately 500,000 hectolitres, but had been planned for a maximum capacity of 1.2 million hectolitres. The brewery produces and distributes CHANG beer in five packaging formats – 330ml and 500ml cans, 320ml and 620ml bottles and 30-litre keg.
- As the Group continues to build its presence in Myanmar, we expect gestation losses in the first few years of operations. Like every growing market, competition in the Myanmar beer market is intense. We will continue to invest in our brands and build a sustainable business in Myanmar for the long-term growth of the Group.

Q5. What is the rationale for keeping the printing and publishing business given its lack of synergy and consistent poor performance?

- Since 2014, Times Publishing Group (“TPG”) has been actively restructuring its business to better position the company for future growth. While the COVID-19 pandemic has derailed its FY2020 performance, we are confident that TPG has the right strategies in place and is on track to achieve sustainable performance.
- Within TPG, the Education Publishing and Printing divisions remain profitable and are key players in their respective industry. Our Education Publishing is the leading profit contributor to TPG with its strong portfolio of education products and services. As a major publisher in Singapore, it has expanded its global network to over 80 countries with its MARSHALL CAVENDISH EDUCATION brand and remains in a strong growth position. Our recently endorsed Cambridge Assessment International Education products will continue to enhance our market positioning in Southeast Asia whilst our strategy to build a strong international presence with our digital and online offerings are also progressing according to plan.
- Printing division is also profitable. Its strong position arose from transformational steps taken over the last few years to consolidate and match its capacity and demand for traditional print (magazines and books). As key print customers begin to reduce their global supply chain reliance on China, we expect our Printing division to benefit from this change. In addition, the acquisition of the 60% stake in Print Lab Pte. Ltd. (“Print Lab”) in 2019 has also enabled our Printing division to diversify its portfolio into the fast-growing integrated marketing and print solutions for the out-of-home print market, serving the fast-moving consumer group, consumer retail, automobile and financial segments. Print Lab is now working closely with our Food & Beverage business. We have also embarked on various projects focusing on sustainable printing solutions and this will help to further reduce our reliance on traditional print customers.
- The retail segment continues to be challenging, and 2020 proved to be an even more difficult year due to the COVID-19 pandemic. Hence, efforts have been put in place to restructure the business, focusing on closing under-performing stores with an aim to achieve sustainable operating performance.
- In such chaotic market environment, TPG has been focused on cash flow and liquidity. Despite its losses, TPG generated positive operating cash flow and remained financially independent from the Group.

- **We will continue to review options for all our businesses from time to time, and will make disclosures as required. We also remain committed to ensuring that the Group continues to deliver value to shareholders.**

Q6. What was the revenue generated and gestation loss incurred for the beer business in FY2020?

- **We are pleased to report that Emerald Brewery recorded lower gestation losses in FY2020, as compared with FY2019, helped by better-than-expected beer sales.**

Q7. Could you share the performance of recent acquisitions such as Starbucks Thailand and Genki Sushi (Thailand) since your acquisitions of these businesses?

- **Starbucks Thailand: Please see responses to Q1.**
- **We have divested all our interest in the Genki Sushi business in Thailand in July 2020.**