

Statement from **The Board Executive Committee Chairman**

Our ethos is to provide high quality products and we aim to continue to deliver on our promise of “Pure Enjoyment. Pure Goodness” to consumers.



F&N delivered a relatively satisfactory full-year financial performance as we continue to navigate through the challenging environment presented by the ongoing COVID-19 pandemic. Overall, Group revenue fell 4% to \$1.83 billion while Group Profit Before Interest and Tax, before fair value adjustment and exceptional items, declined 6% to \$267.4 million. The lower earning was attributed largely to lower sales and higher raw material costs. This was despite lower gestation losses from the new brewery in Myanmar and higher contribution from our associated company, Vietnam Dairy Products Joint Stock Company. Group Attributable Profit before fair value adjustment and exceptional items declined by 2% to \$150.4 million.

Corporate and Strategic Developments

Our enduring brands are household names. Some have strong nostalgic appeal and have legacies dating back more than 130 years. Our brands have successfully made their way into the homes and hearts of consumers. Our portfolio of market-leading brands including *100PLUS*, *F&N MAGNOLIA*, *F&N FRUIT TREE* Fresh, *F&N* and *F&N SEASONS* command leading market shares and positions in the beverage and dairies categories in Singapore, Malaysia and Thailand. We offer a comprehensive range of beverages for enjoyment throughout the day.

To sharpen our competitive edge, the Group made moves to enhance our portfolio, build new capabilities and invest in new markets. We continue to make targeted efforts to strengthen our research and development capabilities to introduce new healthier product offerings in line with current lifestyle trends. Our ethos

is to provide high quality products and we aim to continue to deliver on our promise of “Pure Enjoyment. Pure Goodness” to consumers.

Our new ice cream plant in Thailand was completed during the year and is now in full operation. In December 2019, we held a ground-breaking ceremony for our factory facility in Singapore. This new purpose-built integrated facility will expand our capabilities across all aspects, from production and warehousing to research and development, and consolidate most of our beverages and dairies operations in one location. These investments will increase our efficiency and scale and enhance our ability to respond to changing consumer trends with agility and speed.

The Group continues to focus on efficient market execution of route-to-market initiatives to optimally capture opportunities in markets where we operate. Our efforts targeted collaborations with overseas companies and e-commerce platforms to increase distribution coverage to further our reach. As part of our strategy to drive sales through omni-channel, we have in early 2020 launched F&N Life, a direct-to-customer online store in Malaysia. The launch is timely, particularly during this period, as it offers greater convenience, accessibility and value to consumers.

Emerald Brewery Myanmar Limited, our greenfield brewery in Myanmar, has completed its first full year of commercial production. Its performance has exceeded our initial expectations.

Our Publishing & Printing (“P&P”) business was, however, severely affected by the COVID-19 pandemic given

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the temporary closure of retail book outlets and printing plants in China and Malaysia. P&P was able to partly mitigate the financial impact through various cost cutting measures. Prior to the global pandemic, P&P growth progress was on track, which adds to our confidence that its fundamental growth strategy remains intact. P&P will continue to focus on its long-term strategic plans to strengthen its financial performance. This includes aligning its capabilities to accelerate its ability to innovate and revamp existing business models.

As we continue to navigate the COVID-19 pandemic and its impact, we remain focused on our strategy to deliver value and enable us to emerge stronger, including investing in digitization, doubling down on our fast-growing direct-to-consumer business, while continuing to seize growth opportunities present in our core markets in South East Asia.

Mr Koh Poh Tiong
Board Executive Committee Chairman