

Chairman's Statement



In a year that has been challenging from an operational perspective, F&N delivered a resilient performance. Our markets remain fundamentally attractive and the actions we have taken in previous years will enable us to deliver on our strategic goals.

The F&N Group marked the first half of the financial year with a very strong performance, with promising signs of recovery from the COVID-19 pandemic which appeared to be under control. However, by the start of the second half of 2021, the spread of the ultra-infectious Delta variant had caused disruptions to global supply chains, slowing economic activities across Southeast Asia. Our key markets were also impacted. As we revived business continuity measures to respond to this crisis, our priorities were to continue to keep our people safe, to ensure that we delivered for our customers, and to preserve the long-term financial health of our businesses. Keeping our people safe meant adopting hybrid work arrangements, observing social distancing protocols and enhancing testing protocols. Our operational and corporate teams responded with agility and speed, proving to be resilient through this crisis, and continuing to deliver for customers and for the consumers we serve. We expect many of these efforts to continue into the new financial year.

In a year that has been challenging from an operational perspective, F&N delivered a resilient performance. Our diversified portfolio, both in geography and product categories, our strong focus on product and process innovation, as well as our disciplined cost and capital approach have kept us in good stead and preserved our leadership positions in the key markets we operate in. Our markets remain fundamentally attractive and the actions we have taken in previous years will enable us to deliver on our strategic goals.

As consumers' demand for health and wellness products grows and with the increasing environmental awareness, we believe that over the longer term, the markets in which we operate will also see increasing calls for environmentally sustainable business practices and products. We have already embarked on our journey of sustainability transformation. Alongside our commitment to minimizing our carbon emissions, prioritising water conservation and shifting to renewable energy to minimise our environmental footprint, we are also working with our partners in the FMCG industry to scale up ideas and solutions to create a healthier planet for all.

DIVIDENDS

The Group remains committed to our dividend policy of returning approximately 50% of attributable profit before exceptional items to shareholders. This year, the Board recommends a final dividend of 3.5 cents per share for shareholders' approval at the forthcoming Annual General Meeting. If approved, the final dividend will be paid on 14 February 2022. Including the interim dividend paid in June 2021, the total dividend for the financial year will be 5.0 cents per share, which is the same as last year. This represents a distribution of 50% of the Group attributable profit before exceptional items.

ACKNOWLEDGMENTS

We would like to bid farewell to Mr Timothy Chia, an independent, non-executive director who will be stepping down from the Board on 31 December 2021. He has been a

valued member of the Board and has contributed hugely to the Group. On behalf of the Board, I thank him for his tremendous support during his tenure.

We extend a warm welcome to our new independent and non-executive director, Mr Ng Tat Pun, who will be appointed to our Board on 1 January 2022. Mr Ng, who brings diverse perspective, experience and expertise to the Board, will also be a member of the Audit Committee.

IN APPRECIATION

Many parties have helped F&N to weather this difficult year, and we are grateful for all their support and trust. On behalf of the Board of Directors, I would like to thank everyone in F&N for their resilience, determination and extraordinary hard work. With perseverance, dedication and team spirit, we were able to remain resolute in managing our businesses effectively amidst the pandemic.

Above all, my sincere gratitude to my fellow members of the Board, for their astute counsel and insights which have proven invaluable and helped navigate this global storm.

Finally, my heartfelt appreciation to our valued stakeholders, particularly our customers and partners, and shareholders for their unwavering support and confidence in F&N.

Thank you.

Charoen Sirivadhanabhakdi
Chairman