

# SUSTAINABLE



# RESILIENCE

Annual Report

2021



FRASER AND NEAVE, LIMITED

## About Us

Established in 1883, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, F&N provides key resources and sets strategic directions and objectives for its subsidiaries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia Pacific, Europe and the USA, and employs over 6,900 people worldwide.

## Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region.

## Mission

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact the socio-economic and environmental factors.

## Values

Collaboration • Creating Values • Caring for Stakeholders

## Our Reporting Suite

Our annual reporting suite comprises two reports – the Annual Report 2021 and Sustainability Report 2021. Each includes content tailored to its specific audience and cross-references to the other reports where relevant.



F&N's Annual Report 2021 is the primary report to our stakeholders, detailing our strategies and business activities, as well as initiatives toward sustainable value creation.



The Sustainability Report 2021 carries an assurance statement by LRQA on selected indicators. Prepared in accordance with the GRI Standards (Core), it details F&N's efforts and commitment toward creating a sustainable business, and positioning F&N for long-term success.

F&N Sustainability Report 2021 can be downloaded at [www.fraserandneave.com/investor-relations/corporate-sustainability](http://www.fraserandneave.com/investor-relations/corporate-sustainability)



## #GOPAPERLESS

- 1 In line with the Group's efforts towards greater environmental conservation, we have elected for electronic transmission of our Annual Report and Sustainability Report. The electronic version of our Annual Report 2021 is available on Fraser and Neave, Limited's website ([www.fraserandneave.com/investor-relations/annual-reports](http://www.fraserandneave.com/investor-relations/annual-reports)). Shareholders and other interested parties who wish to receive a printed copy may order it through the website ([www.fraserandneave.com/contact-us/request-annual-report](http://www.fraserandneave.com/contact-us/request-annual-report)), e-mail ([ir@fraserandneave.com](mailto:ir@fraserandneave.com)) or telephone ((65) 6318 9393). Our Sustainability Report 2021 is only available in electronic version, and can be downloaded at [www.fraserandneave.com/investor-relations/corporate-sustainability](http://www.fraserandneave.com/investor-relations/corporate-sustainability).
- 2 These reports cover the period from 01 October 2020 to 30 September 2021, unless otherwise stated.
- 3 Unless specifically stated otherwise, all figures in these reports are quoted in Singapore Dollars.
- 4 Due to rounding, numbers and percentages in these documents may not always add up precisely to the totals or absolute figures stated.



Every year, we face challenges, we seize opportunities, we make progress, and we position ourselves for continued growth. This year, in the face of one of our greatest challenges in recent history, F&N continued to rise to the challenge and remained resilient. Our will to succeed, matched by our passion and determination, helped build a sustainable business for long-term success.

# RESILIENCE



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## 2021 in Numbers

WHAT'S BEHIND  
OUR NUMBERS IS  
WHAT WILL TAKE  
US FORWARD**\$1,879m  
REVENUE**up 2.5% despite  
challenges of COVID-19**\$262m  
PROFIT BEFORE  
INTEREST &  
TAXATION**down 2.1% amidst cost  
headwinds in spite of strong  
cost control measures**\$2.08  
NET ASSET  
VALUE PER  
SHARE**up from  
\$2.05 in FY2020**10.0 CENTS  
EARNINGS  
PER SHARE**down from  
10.4 cents in FY2020**5.0 CENTS  
DIVIDEND  
PER SHARE**same as FY2020;  
Dividend policy unchanged





## 100PLUS NO. 1

Isotonic Drink in  
Singapore and Malaysia



## F&N SEASONS & OYOSHI NO. 1

Tea Brand (Asian Drinks)  
in Malaysia



## F&N NUTRISOY NO. 1

Soya Brand in Singapore



## F&N ICE MOUNTAIN NO. 1

Water Brand in Singapore



## SWEETENED CONDENSED MILK & EVAPORATED MILK NO. 1

in Malaysia & Thailand

## This is F&N

Fraser and Neave, Limited ("F&N" or the "Group") originated more than a century ago from the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia ("SEA") in 1883.

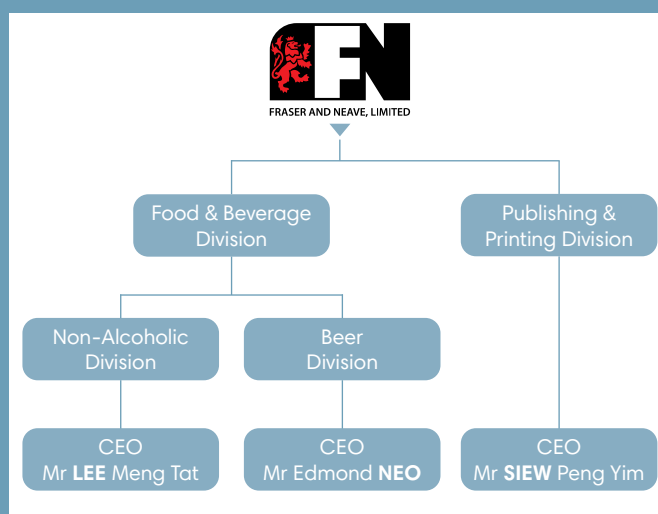
The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries Limited ("APB"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2007, it acquired Nestle's liquid canned

milk business in Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited) to become one of the leading property companies in Singapore with multi-national businesses in residential, hospitality, retail, commercial and industrial properties.

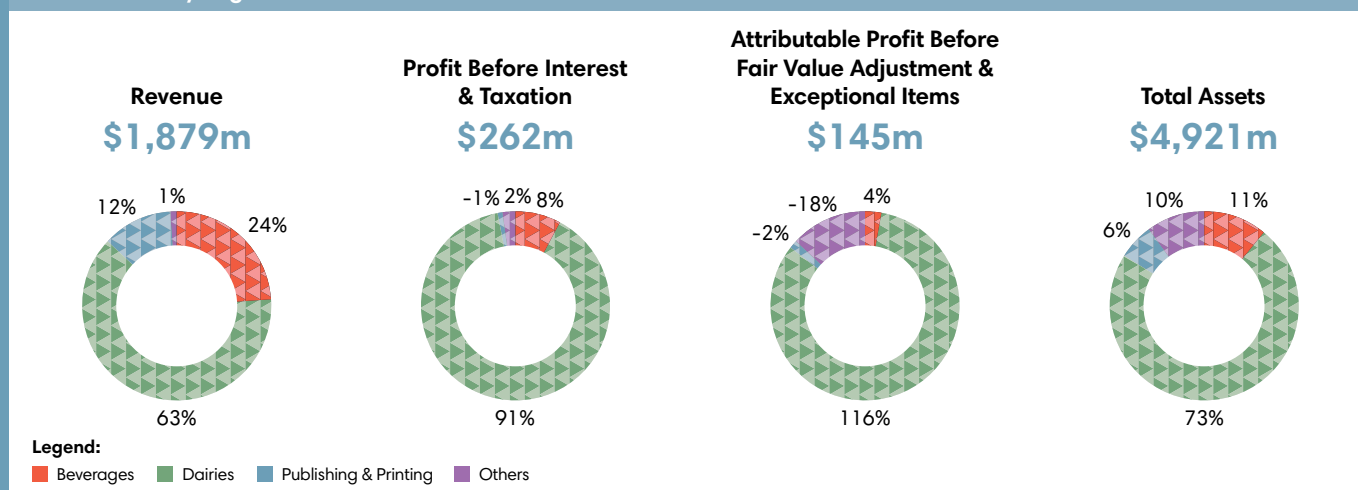
In 2012, F&N divested its equity stake in APB to realise a substantial value for shareholders. In 2014, the Group demerged FCL through a listing on the Singapore Stock Exchange, thereby transferring value to shareholders.

Today, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, as well as years of acquisition experience, the Group provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia Pacific, Europe and the USA, and employs over 6,900 people worldwide.



### Contribution by Segment





**FY2021 Revenue**  
**\$1,879m**

**530m+**  
consumers in SEA

**140+**  
export markets

**50+**  
Food & Beverage and  
Publishing & Printing  
brands

**FY2021 PBIT**  
**\$262m**

**Employees**  
**6,900+**

 Female **38%**  
 Male **62%**

**60+**  
manufacturing and  
warehousing facilities  
in 11 countries

**FY2021 Total Assets**  
**\$4,921m**

**FY2021 APBFE**  
**\$145m**



### SINGAPORE

Revenue **\$422m**  
PBIT **\$11m**  
APBFE **(\$20m)**  
Total Assets **\$568m**

 **F&N HQ**



### MALAYSIA

Revenue **\$666m**  
PBIT **\$36m**  
APBFE **\$12m**  
Total Assets **\$895m**



### THAILAND

Revenue **\$666m**  
PBIT **\$112m**  
APBFE **\$49m**  
Total Assets **\$565m**



### VIETNAM

Revenue **\$0m**  
PBIT **\$111m**  
APBFE **\$111m**  
Total Assets **\$2,685m**



### OTHER COUNTRIES

Revenue **\$125m**  
PBIT **(\$9m)**  
APBFE **(\$7m)**  
Total Assets **\$208m**

Brunei



Chile



China



Hong Kong



Dubai



Indonesia



Myanmar



USA



#### Legend:

##### Manufacturing Plants

 Dairies  Soft Drinks  Beer  Publishing & Printing

##### Offices

 Dairies  Soft Drinks  Beer  Publishing & Printing

# F&N Business Model

## Key Risk Categories:



### WHAT WE DEPEND ON



#### Human

Over 6,900 talented people across the Group

#### By Geography

Singapore	24%
Malaysia	46%
Thailand	19%
Others	11%



#### Social & Relationship

Our relationships with governments and other organisations help us drive change in our communities

We collaborate with over 4,000 suppliers to produce products



#### Intellectual

Brands, R&D capabilities, and intellectual property set us apart

- 30+ brands in 16 beverage categories
- Internally developed systems, customised customer solutions and manufacturing processes



#### Manufactured

We operate 12 F&B manufacturing plants and 4 printing plants in Singapore, Malaysia, Myanmar, Thailand and China



#### Financial

Appropriate cash, equity and debt to invest for the long-term

- Share Capital \$859m
- Equity \$3,451m
- Debt Capital \$927m



#### Natural

Our operations are dependent on renewable and non-renewable resources particularly land, water, forests and soils

### VISION, STRATEGY, VALUES, SUSTAINABILITY TARGETS

#### Our Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region

#### Our Strategy

To deliver long-term growth and sustainable value creation:

Winning with  
**BRANDS**

Winning in  
**MARKETPLACE**

Winning with  
**INNOVATIONS**

Winning with  
**PEOPLE**

#### Our Global Values



Collaboration



Creating Values



Caring for Stakeholders



#### Primary



#### Secondary



#### 2025 Sustainability Targets<sup>1</sup>

Environment	Social	Economic
<ol style="list-style-type: none"> <li>1. Reduce solid waste to landfill by 30%</li> <li>2. Reduce energy intensity ratio by 8%</li> <li>3. Reduce GHG emissions intensity ratio by 8%</li> <li>4. Reduce water intensity ratio by 8%</li> <li>5. 25% of packaging uses recycled materials</li> </ol>	<ol style="list-style-type: none"> <li>6. Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-executives</li> <li>7. Zero Lost Time Injury Frequency Rate</li> <li>8. 2/3 of F&amp;B products to comply with Nutritional Guidelines</li> <li>9. Increase community engagement programs by 10%</li> </ol>	<ol style="list-style-type: none"> <li>10. All key active suppliers to accept and comply with F&amp;N's Supply Code of Practice</li> <li>11. Rollout 10% new products</li> <li>12. All plants to be FSSC 22000 and/or halal certified</li> </ol>

#### Note:

<sup>1</sup> Refer to Sustainability Report 2021 for details

Creating Shared Value

Understanding societal needs and stakeholder expectations

Communicating through stakeholder engagement



Reputational

Strategic

Currency

Operational

Country

## VALUE CHAIN

## STAKEHOLDERS

## THE VALUE WE CREATE

UPSTREAM

### ACTIVITIES

### FOCUS AREAS

#### Innovation



Our Marketing & R&D teams, combining consumer insights, technical excellence and in collaboration with suppliers, develop products that consumers want and need

#### Sourcing



We work closely with our suppliers to ensure their goods and services meet quality, environmental and social standards, in addition to our stringent internal standards

#### Production



We implement a standardised safe production process, in accordance with international standards, throughout most of our operations. We also strive for eco-efficient processes, to provide good value and maximum benefit without polluting the environment

#### Distribution



Our extensive distribution system and network ensure that our products are efficiently distributed to our consumers. Across our operations, we strive to minimise environmental and social impacts from transportation by managing our energy use, while safeguarding the safety of our personnel and local communities

#### Marketing & Sales



We demonstrate consumer and societal responsibility by providing healthier product options and informative product labels. We also seek feedback from our customers on our products to create sustainable value for consumers and for our business

#### Post-Consumption Packaging Management



We minimise the impact of post-consumer waste through research and development to deliver innovative and environmental-friendly packaging. We also promote environmental awareness to the communities where we operate

DOWNSTREAM



#### Our People

We aim to reward people fairly for the work they do, and help them reach their potential



#### Consumers & Customers

We aim to provide superior and quality products that promote good health



#### Suppliers & Business Partners

We partner with thousands of suppliers to deliver quality products, and support mutual growth



#### Regulators & Communities

We aim to develop business and social partnerships while managing environmental and other social impacts



#### Shareholders

We aim to maximise financial returns, responsibly, through operating savings, revenue enhancements and high asset utilisation



#### Human

- Paid \$255m in remuneration in FY2021
- Female representation:
  - 25% of Board
  - 38% of total employee
  - 43% of total managerial positions
- Supported employees growth by providing >72,000 training hours



#### Intellectual/Consumers

- Continued to fulfill consumers' demand for safe and quality products
- Adopted many channels to make our products available to consumers in over 140 countries
- Introduced over 40 new products in FY2021 to meet the needs of consumers
- Excited consumers with the rollout of various limited edition beverages



#### Social & Relationship

- Upheld strong human rights practices in our operations and supply chain
- 91% of our suppliers are local
- \$1.3b paid to suppliers; close to 70% local purchase value
- 67% active suppliers who accepted F&N's Supplier Code of Practice
- About 1,500 suppliers were screened using new social criteria



#### Natural

- Adhered to sustainable practices to protect stakeholders
- Received several environmental excellence recognition
- Total production volume of 1.1m MT



#### Manufactured

- Over 80% of plants are FSSC 22000 and/or halal certified
- 99% of packaging is recyclable
- Reduction in greenhouse gas emissions, energy emissions and solid waste

### Financial Outcomes



\$1,879m  
Revenue



\$73m  
Dividends



\$145m  
APBFE



\$220m  
Economic  
Value Retained



## Corporate Structure

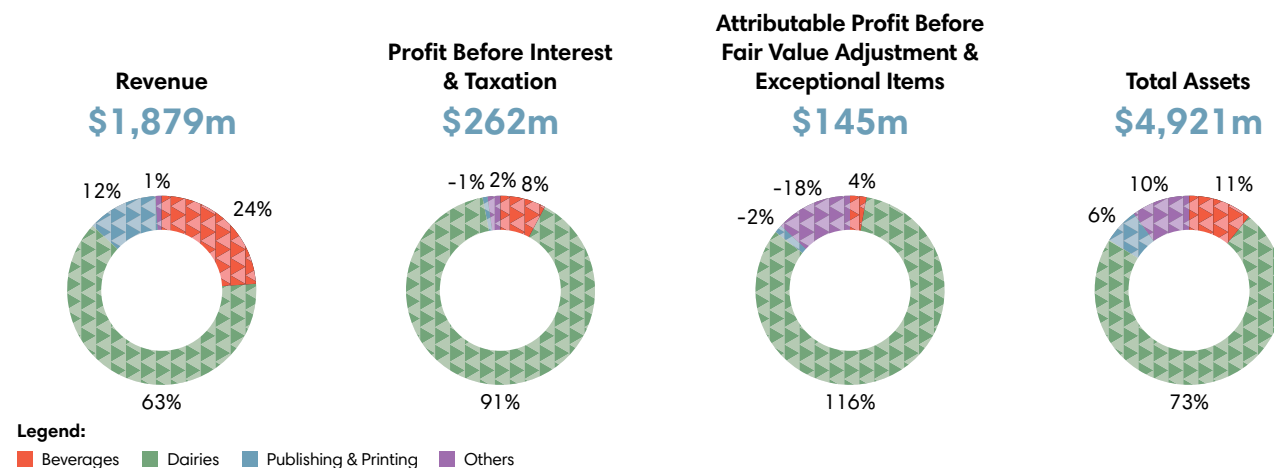


SGX Code: F99

Listed on the mainboard of the Singapore Exchange Securities Trading Limited

Number of ordinary shares outstanding: 1,451,835,276 shares

### Contribution by Segment

**BEVERAGES & DAIRIES<sup>1</sup>**87%<sup>2</sup>

**Subsidiary companies:**

- Emerald Brewery Myanmar Limited **(80.0%)**
- F&N Foods Pte Ltd **(100.0%)**
- F&N Creameries Group **(100.0%)**
- Fraser & Neave Holdings Bhd Group **(55.5%)**
- Warburg Group **(100.0%)**
- Yoke Food Industries Group **(100.0%)**

**Associated company:**

- Vietnam Dairy Products Joint Stock Company **(20.4%)**



This segment comprises the businesses upon which F&N was founded. Established in 1883, F&N today holds market leading positions in a range of categories within the food & beverage market in Singapore, Malaysia and Thailand. Some of F&N's leading brands are 100PLUS, F&N SEASONS, F&N MAGNOLIA and F&N. The Group is also licensed by Nestle S.A., Sunkist Growers and ThaiBev to use the CARNATION and BEAR BRAND, SUNKIST, and OISHI and CHANG beer brands, respectively.

## PUBLISHING & PRINTING<sup>1</sup>

12%<sup>2</sup>

**Subsidiary company:**

- Times Publishing Group (100.0%)



A leading publishing and printing company in Singapore. Its diverse publishing, printing, distribution and retail businesses are based on the Total Service Concept, spanning conceptualisation to consumption. The Group has a global network of publishing offices, printing plants, retail outlets, distributors, direct sales teams and value-added suppliers worldwide.

**OTHERS<sup>1</sup>**

1%

**Associated company:**

- **Cocoaland Holdings Berhad (15.1%<sup>3</sup>)**

**Joint venture companies:**

- F&N International Holdings Co., Ltd **(49.0%)**
- F&N Retail Connection Co., Ltd. **(74.0%)**

In addition to focusing on its core business, the Group also seeks to develop other strategic investment projects to enhance income stream and maximise shareholder value. These investments add to F&N's key competitive advantage.

**Notes:**

- 1 The list highlights Key Operating Units of the F&N Group. For a detailed listing, please refer to Significant Subsidiary, Joint Venture and Associated Companies on  
pages 175 to 181
- 2 As at percentage of Group FY2021 Revenue
- 3 Held under Fraser & Neave Holdings Bhd



## Corporate Information

Mr Charoen Sirivadhanabhakdi  
**(Chairman)**

Khunying Wanna  
Sirivadhanabhakdi  
**(Vice-Chairman)**

Tengku Syed Badarudin Jamalullail  
**(Lead Independent Director)**

Mrs Siripen Sitasuwan

Mr Timothy Chia Chee Ming<sup>1</sup>

Mr Charles Mak Ming Ying

Mr Chan Heng Wing

Dr Sujittra Sombuntham

Mr Koh Poh Tiong

Mr Chotiphat Bijananda

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah  
**(Alternate Director to  
Mr Thapana Sirivadhanabhakdi)**

Mr Prapakon Thongtheppairot  
**(Alternate Director to  
Mr Sithichai Chaikriangkrai)**

# BOARD OF DIRECTORS

### BOARD EXECUTIVE COMMITTEE

Mr Koh Poh Tiong  
**(Chairman)**

Mr Thapana Sirivadhanabhakdi  
**(Vice-Chairman)**

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongtheppairot

### SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Mr Koh Poh Tiong  
**(Chairman)**

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongtheppairot

### AUDIT COMMITTEE

Mrs Siripen Sitasuwan  
**(Chairman)**

Mr Timothy Chia Chee Ming<sup>1</sup>

Mr Sithichai Chaikriangkrai

### NOMINATING COMMITTEE

Tengku Syed Badarudin Jamalullail  
**(Chairman)**

Mrs Siripen Sitasuwan

Mr Thapana Sirivadhanabhakdi

### REMUNERATION COMMITTEE

Mr Timothy Chia Chee Ming<sup>2</sup>  
**(Chairman)**

Mrs Siripen Sitasuwan

Mr Thapana Sirivadhanabhakdi

### LEADERSHIP TEAM

Mr Lee Meng Tat  
**Chief Executive Officer,  
Non-Alcoholic Beverages**

Mr Edmond Neo  
**Chief Executive Officer, Beer**

Mr Siew Peng Yim  
**Chief Executive Officer,  
Times Publishing Group**

Mr Lim Yew Hoe  
**Chief Executive Officer,  
Fraser & Neave Holdings Bhd**

Mr Hui Choon Kit  
**Chief Financial Officer and  
Company Secretary**

### REGISTERED OFFICE

438 Alexandra Road  
#20-00 Alexandra Point  
Singapore 119958  
Tel: (65) 6318 9393  
Fax: (65) 6271 0811

### SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Barbinder Share  
Registration Services  
80 Robinson Road #02-00  
Singapore 068898  
Tel: (65) 6236 3333  
Fax: (65) 6236 3405

### AUDITOR

KPMG LLP  
Partner-in-charge:  
Mr Jeya Poh Wan Suppiah  
(with effect from financial year 2021)

### PRINCIPAL BANKERS

Oversea-Chinese Banking  
Corporation Limited  
DBS Bank Ltd  
CTBC Bank Co. Ltd  
Crédit Agricole Corporate  
and Investment Bank  
Standard Chartered Bank

### WEBSITE

[www.fraserandneave.com](http://www.fraserandneave.com)

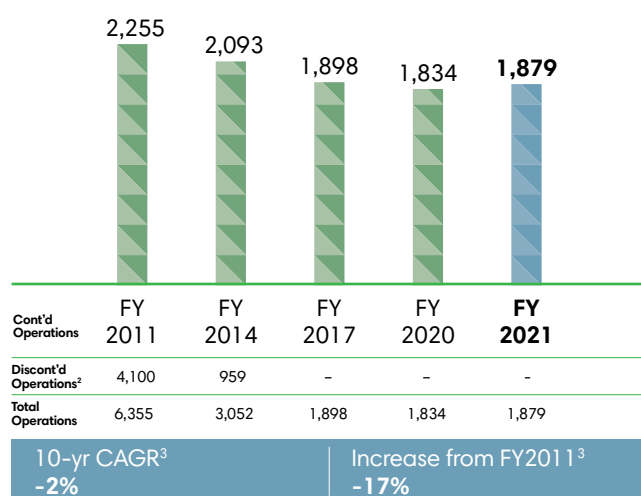
#### Notes:

- Ref to SGX announcement dated 5 Nov 2021 in relation to Mr Chia's resignation on 31 Dec 2021 and Mr Ng Tat Pun's appointment as an independent and non-executive director, and a member of the Audit Committee on 1 Jan 2022
- Following Mr Chia's resignation on 31 Dec 2021, Mr Chan Heng Wing, an independent, non-executive director shall be appointed as Chairman of the Remuneration Committee with effect from 1 Jan 2022

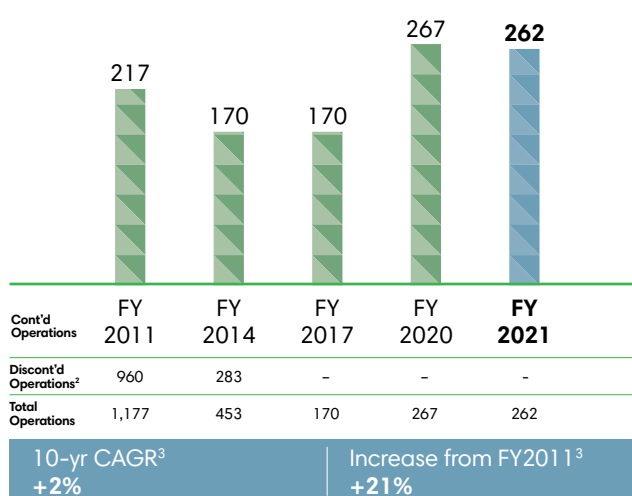


## Performance at a Glance

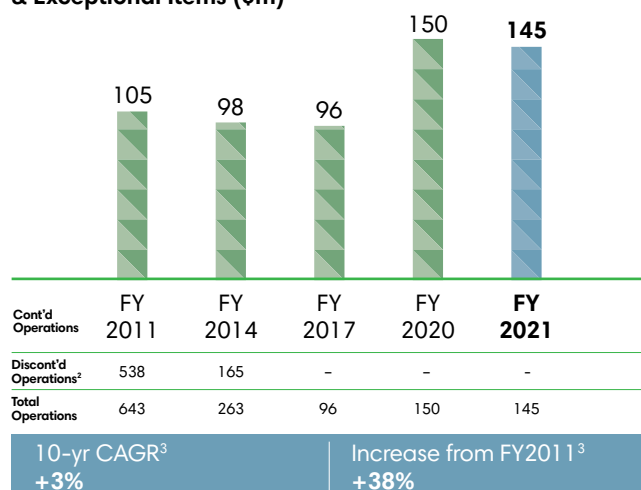
### Revenue (\$m)



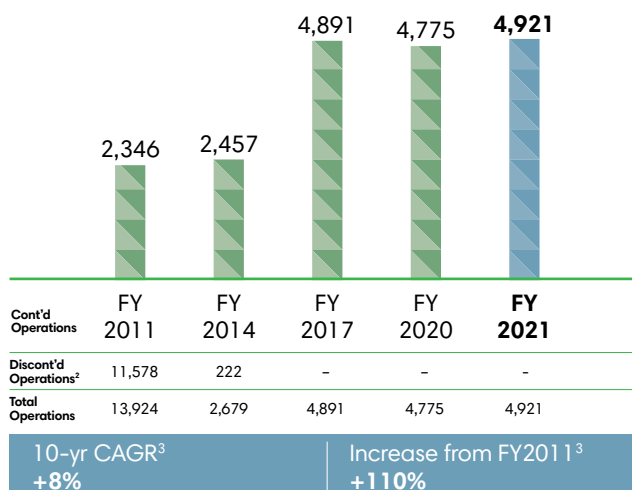
### Profit Before Interest & Taxation (\$m)



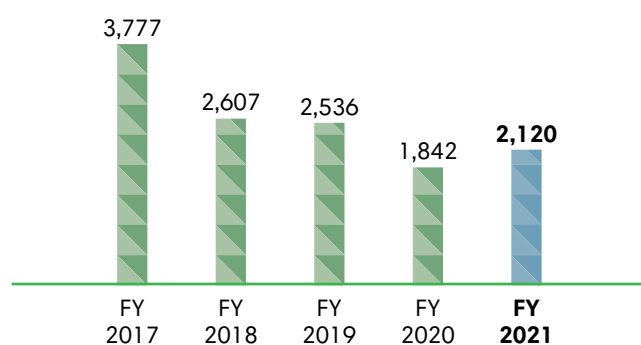
### Attributable Profit Before Fair Value Adjustment & Exceptional Items (\$m)



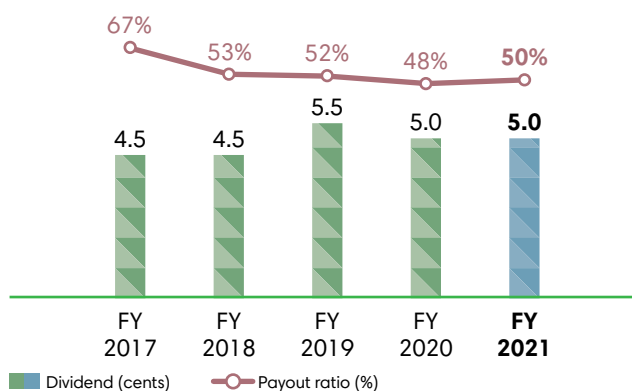
### Total Assets (\$m)



### Market Capitalisation<sup>4</sup> (\$m)



### Dividend Distribution



#### Notes:

1 FY2011, FY2014 and FY2017 : As previously reported

2 Upon the disposal of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd ("APB/APIPL") and Myanmar Brewery Limited ("MBL"), and the distribution in-specie of Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited), their respective results have been classified as discontinued operations

3 Excludes discontinued operations of APB/APIPL, FCL and MBL

4 Based on issued shares at close of business on the first trading day after preliminary announcement of results



# Group Financial Performance

5-Year Statistics

Year ended 30 September		FY2017	FY2018	FY2019	FY2020	FY2021
<b>Notes</b>						
1	<b>Profit Statement (\$ million)</b>					
	Revenue	1,898	1,835	1,902	1,834	<b>1,879</b>
	Profit before taxation					
	- before interest	170	215	283	267	<b>262</b>
	- before fair value adjustment & exceptional items	164	199	269	245	<b>239</b>
	- after fair value adjustment & exceptional items	1,340	200	268	244	<b>230</b>
	Attributable profit					
2	- before fair value adjustment & exceptional items	96	123	153	150	<b>145</b>
	- after fair value adjustment & exceptional items	1,279	124	152	149	<b>140</b>
1	<b>Balance Sheet (\$ million)</b>					
3	Net asset value	2,815	2,817	2,933	2,969	<b>3,019</b>
	Total assets employed	4,891	4,506	4,721	4,775	<b>4,921</b>
	Long-term borrowings	517	497	820	796	<b>499</b>
	<b>Market Capitalisation (\$ million)</b>					
	at close of business on the first trading day after preliminary announcement of results	3,777	2,607	2,536	1,842	<b>2,120</b>
1	<b>Financial Ratio (%)</b>					
	Return on average shareholders' equity					
	- profit before fair value adjustment, taxation & exceptional items	5.8	7.1	9.3	8.3	<b>8.0</b>
2	- attributable profit before fair value adjustment & exceptional items	3.4	4.4	5.3	5.1	<b>4.9</b>
4	Gearing ratio					
	- without non-controlling interests	5.9	12.1	14.0	18.6	<b>15.1</b>
	- with non-controlling interests	5.3	10.8	12.3	16.3	<b>13.2</b>
1	<b>Per Share</b>					
	Profit before fair value adjustment, taxation and exceptional items (cents)	11.4	13.8	18.5	16.9	<b>16.5</b>
	Attributable profit (cents) (basic)					
	- before fair value adjustment & exceptional items	6.7	8.5	10.6	10.4	<b>10.0</b>
	- after fair value adjustment & exceptional items	88.4	8.5	10.5	10.3	<b>9.7</b>
3	Net asset value (\$)	1.95	1.95	2.02	2.05	<b>2.08</b>
	Dividend					
	- net (cents)	4.5	4.5	5.5	5.0	<b>5.0</b>
5	- cover (times)	1.5	1.9	1.9	2.1	<b>2.0</b>
	<b>Stock Exchange Prices (\$)</b>					
	at close of business on the first trading day after preliminary announcement of results	2.61	1.80	1.75	1.27	<b>1.46</b>

**Notes:**

- 1 FY2017 - 2020: As previously reported
- 2 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items
- 3 Net asset value: Share capital and reserves
- 4 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity
- 5 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share

## 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

## Statement from Chairman of Board Executive Committee

Our regional footprint, broad portfolio of products, strong distribution network and well-recognised brands have allowed us to stay connected to our customers in this challenging time. This winning combination continues to give me confidence we are on the right path forward to seize growth opportunities.



I want to start by echoing the Chairman's remarks expressing gratitude to our employees and customers who have demonstrated such resilience through the COVID-19 pandemic. Despite the unpredictable nature of the coronavirus, F&N has remained steadfast and the team has proven resilient and risen to the challenges. It has been a year in which we have seen our Company's values come to the forefront, demonstrating real adaptability and industriousness.

As the pandemic entered a second year, it continued to cause disruption across all countries and communities. In Southeast Asia the COVID-19 pandemic had waned, but the emergence of more virulent strains saw spikes in case numbers. Consequently, enhanced COVID-19 movement restrictions were imposed, impacting economic activities.

Against this backdrop, the Group delivered resilient FY2021 results. Overall, Group revenue grew 2% from a year ago, to \$1.88b, lifted by the Food & Beverage ("F&B") division which has benefited from its diversified portfolio and commercial excellence.

In spite of higher sales, stringent cost management and overhead reduction exercises, a combination of rising input costs, the spike in freight charges, as well as unfavourable foreign currency translation have impacted F&N's earnings. Accordingly, due to the 8%-decline in F&B earnings, Group profit before interest and tax declined 2%, to \$261.7m, down from \$267.4m from a year ago. Group Attributable Profit before fair value adjustment

and exceptional items declined 3%, to \$145.2m.

### OUR DIVERSE PORTFOLIO MADE THE DIFFERENCE

As countries emerge from lockdowns and movement restrictions, we are encouraged by the momentum of recovery of economic activity across Southeast Asia. Our regional footprint, broad portfolio of products, strong distribution network and well-recognised brands have allowed us to stay connected to our customers in this challenging time. This winning combination continues to give me confidence we are on the right path forward to seize growth opportunities.

Our F&B business continued to improve the nutritional quality of its packaged beverages. This year, we rolled out a number of healthy and nutritious products, much to the delight of consumers. We also continually review and improve our business processes in order to strengthen our competitiveness and financial performance in a sustainable manner. By prioritising renewable inputs, ensuring efficient use of raw materials, and recovering by-products and waste, for instance, we were able to save costs, as well as progress on our circular journey.

Despite the deteriorating business environment due to rising COVID-19 community cases and changes in Myanmar's political landscape, Emerald Brewery Myanmar Limited ("EBML"), our greenfield brewery, continued to perform well. EBML reported strong year-on-year volume gain, and revenue growth of 77%. However, unfavourable foreign

exchange rate movements impacted its earnings. Excluding foreign exchange losses, EBML turned profitable in just its second year of operations.

Publishing & Printing's ("P&P") progress continued apace despite the challenges related to COVID-19. The progress that P&P made up to the onset of the pandemic and the speed of its recovery in the first half of FY2021 give us confidence that its fundamental growth strategy remains intact and on track. As P&P continues to focus on enhancing capabilities and expanding into new markets, it will strengthen its financial performance, paving the way for its longer-term growth.

The acquisition of Sri Nona Companies also adds to our portfolio diversity. Sri Nona, a manufacturer of branded food products such as rice cakes, condiments, desserts, jams and beverages, is anchored by strong brands of "NONA" and "LEE SHUN HING". This investment is earnings accretive, and plans are underway to leverage this platform and establish new pathways to penetrate the halal food segments.

As we move forward, we will continue executing our strategy with the same rigour and determination while constantly analysing the global marketplace to ensure that our strategic priorities remain appropriate.

Thank you.

**Mr Koh Poh Tiong**

Chairman of Board Executive Committee



## Board of Directors



Mr Charoen  
Sirivadhanabhakdi  
**N** Page 15



Khunying Wanna  
Sirivadhanabhakdi  
**N** Page 16



Tengku Syed  
Badarudin Jamalullail  
**I** Page 16



Mrs Siripen  
Sitasuwan  
**I** Page 17



Mr Timothy  
Chia Chee Ming<sup>1</sup>  
**I** Page 17



Mr Charles  
Mak Ming Ying  
**I** Page 18



Mr Chan  
Heng Wing  
**I** Page 18



Dr Sujittra  
Sombuntham  
**I** Page 19



Mr Koh  
Poh Tiong  
**N** Page 19



Mr Chotiphat  
Bijananda  
**N** Page 20



Mr Thapana  
Sirivadhanabhakdi  
**N** Page 20



Mr Sithichai  
Chaikriangkrai  
**N** Page 21



Mr Ng  
Tat Pun<sup>1</sup>  
**I** Page 22



Mr Michael  
Chye Hin Fah  
**A** Page 22



Mr Prapakon  
Thongthepairat  
**A** Page 23

**N** Non-Independent  
**I** Independent  
**A** Alternate Director

### Note:

<sup>1</sup> Ref to SGX announcement dated 5 Nov 2021 in relation to Mr Chia's resignation on 31 Dec 2021 and Mr Ng Tat Pun's appointment as an independent and non-executive director, and a member of the Audit Committee on 1 Jan 2022

**MR CHAROEN  
SIRIVADHANABHAKDI, 77**

**Chairman / Non-Independent  
and Non-Executive Director**

Date of first appointment as a director  
**28 Feb 2013**

Date of last re-appointment as a director  
**29 Jan 2019**

Country of principal residence  
**Thailand**

**BOARD COMMITTEE(S) SERVED ON**

- Nil

**ACADEMIC & PROFESSIONAL  
QUALIFICATION(S)**

- Honorary Doctoral Degree in Social Science (Social Work), Mahamakut Buddhist University, Thailand
- Honorary Doctoral Degree in Marketing, Rajamangala University of Technology Isan, Thailand
- Honorary Doctoral Degree in Buddhism (Social Work), Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Hospitality Industry and Tourism, Christian University of Thailand, Thailand
- Honorary Doctoral Degree in Sciences and Food Technology, Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in International Business Administration, University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Management, Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctor of Philosophy in Business Administration, Mae Fah Luang University, Thailand

- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand

**PRESENT DIRECTORSHIP(S)  
(as at 02 Dec 2021)**

**Listed companies**

- Asset World Corp Public Company Limited (Chairman)
- Berli Jucker Public Company Limited (Chairman)
- Frasers Property Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman)
- Thai Group Holdings Public Company Limited (Chairman)

**Others**

- Beer Thai (1991) Public Company Limited (Chairman)
- Cristalla Co., Ltd. (Chairman)
- International Beverage Holdings Limited (Chairman)
- Plantheon Co., Ltd. (Chairman)
- Siriwana Co., Ltd. (Chairman)
- Sura Bangyikhan Group of Companies (Chairman)
- TCC Asset World Corporation Limited (Chairman)
- TCC Assets (Thailand) Company Limited
- TCC Corporation Limited (Chairman)
- TCC Group of Companies
- TCC Land Co., Ltd. (Chairman)

**PAST DIRECTORSHIP(S) OTHER THAN  
F&N HELD OVER THE PRECEDING  
FIVE YEARS**

**Listed companies**

- Big C Supercenter Public Company Limited<sup>1</sup>

**Others**

- North Park Golf and Sports Club Co., Ltd. (Chairman)
- Red Bull Distillery Group of Companies (Chairman)
- Southeast Corporation Co., Ltd. (formerly known as Southeast Group Co., Ltd.) (Chairman)

**PRESENT PRINCIPAL COMMITMENTS  
(other than Directorships)  
(as at 02 Dec 2021)**

- Nil

**PAST PRINCIPAL COMMITMENTS  
OVER THE PRECEDING FIVE YEARS  
(other than Directorships)**

- Nil

**OTHERS**

- Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title 'Tan Sri' from Malaysia
- Royal Order of Sahametrei, Grand Officer of the Most Noble Order of the Rajamitrabhorn of Cambodia

**SHAREHOLDING INTEREST IN  
F&N GROUP**

- Refer to Shareholding Statistics on pages 185 to 186

**RELATIONSHIP WITH OTHER  
DIRECTOR, EXECUTIVE OFFICER, F&N,  
SUBSTANTIAL SHAREHOLDER OF F&N  
OR SUBSTANTIAL SHAREHOLDER OF  
PRINCIPAL SUBSIDIARY**

- Spouse of Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Father of Mr Thapana Sirivadhanabhakdi (Director)
- Father-in-law of Mr Chotiphat Bijananda (Director)
- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 87 for details on relationship with other substantial shareholders of F&N

**ADDITIONAL INFORMATION**

- Additional information on Charoen Sirivadhanabhakdi, who is seeking re-appointment as a Director at the 123<sup>rd</sup> Annual General Meeting, is provided on pages 194 to 201.

**Note:**

- <sup>1</sup> Delisted from the Stock Exchange of Thailand on 28 September 2017

## Board of Directors

**KHUNYING WANNA  
SIRIVADHANABHAKDI, 78**

**Vice-Chairman / Non-Independent  
and Non-Executive Director**

Date of first appointment as a director  
**28 Feb 2013**

Date of last re-appointment as a director  
**21 Jan 2021**

Country of principal residence  
**Thailand**

### BOARD COMMITTEE(S) SERVED ON

- Nil

### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Honorary Doctoral Degree in Buddhism (Social Work), Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctoral Degree (Management), Mahidol University, Thailand
- Honorary Doctorate of Philosophy (Business Management), University of Phayao, Thailand
- Honorary Doctoral Degree from the Faculty of Business Administration and Information Technology, Rajamangala University of Technology Tawan-ok, Thailand
- Honorary Doctor of Philosophy in Social Sciences, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Chiang Mai University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Bio-technology, Ramkhamhaeng University, Thailand

### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

#### Listed companies

- Asset World Corp Public Company Limited (Vice-Chairman)
- Berli Jucker Public Company Limited (Vice-Chairman)
- Frasers Property Limited (Vice-Chairman)
- Thai Beverage Public Company Limited (Vice-Chairman)
- Thai Group Holdings Public Company Limited (Vice-Chairman)

### Others

- Beer Thip Brewery (1991) Co., Ltd. (Chairman)
- Cristalla Co., Ltd (Vice-Chairman)
- International Beverage Holdings Limited (Vice-Chairman)
- Plantheon Co., Ltd. (Vice-Chairman)
- Sangsom Co., Ltd. (Chairman)
- Siriwana Co., Ltd. (Vice-Chairman)
- TCC Asset World Corporation Limited (Vice-Chairman)
- TCC Assets (Thailand) Company Limited
- TCC Corporation Limited (Vice-Chairman)
- TCC Group of Companies
- TCC Land Co. Ltd. (Vice-Chairman)

### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

#### Listed companies

- Big C Supercenter Public Company Limited<sup>1</sup>

### Others

- North Park Golf and Sports Club Co., Ltd. (Vice-Chairman)
- Southeast Corporation Co., Ltd. (formerly known as Southeast Group Co., Ltd.) (Vice-Chairman)

### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Nil

### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

### OTHERS

- Royal Order of Cambodia, Grand Cross of the Most Noble Order of the Rajamitrabhorn (First Class) in Diplomacy

### SHAREHOLDING INTEREST IN F&N GROUP

- Refer to Shareholding Statistics on pages 185 to 186

### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Spouse of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder)
- Mother of Mr Thapana Sirivadhanabhakdi (Director)
- Mother-in-law of Mr Chotiphat Bijananda (Director)

- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 88 for details on relationship with other substantial shareholders of F&N

### Note:

- 1 Delisted from the Stock Exchange of Thailand on 28 September 2017

**TENGKU SYED BADARUDIN  
JAMALULLAIL, 76**

**Lead Independent  
and Non-Executive Director**

Date of first appointment as a director  
**08 Jan 2014**

Date of last re-appointment as a director  
**29 Jan 2019**

Country of principal residence  
**Malaysia**

### BOARD COMMITTEE(S) SERVED ON

- Nominating Committee (Chairman)

### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Arts in Law & History, University of Cambridge, UK

### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

#### Listed companies

- Fraser & Neave Holdings Bhd (Chairman)

### Others

- Besar Holdings Sdn Bhd
- Mega SPJ Sdn Bhd
- Pusat Dialysis Centre Tuanku Syed Putra – NKF (Chairman)
- Tuanku Syed Putra Foundation
- Vacaron Company Sdn Bhd

### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

#### Listed companies

- Hwang Capital (Malaysia) Berhad

### Others

- Berkat Restu Sdn Bhd<sup>1</sup>
- HDM Capital Sdn Bhd

### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Nil

### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil



#### SHAREHOLDING INTEREST IN F&N GROUP

- 2,062,000 shares in Fraser & Neave Holdings Bhd, a subsidiary of F&N listed on Bursa Malaysia

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

#### ADDITIONAL INFORMATION

- Additional information on Mr Tengku Syed Badarudin Jamalullail, who is seeking re-appointment as a Director at the 123<sup>rd</sup> Annual General Meeting, is provided on pages 194 to 201.

#### Note:

- 1 De-registered from the Companies Commission of Malaysia on 7 November 2018

#### MRS SIRIPEN SITASUWAN, 73

Independent and  
Non-Executive Director

Date of first appointment as a director  
**31 May 2013**

Date of last re-appointment as a director  
**29 Jan 2020**

Country of principal residence  
**Thailand**

#### BOARD COMMITTEE(S) SERVED ON

- Audit Committee (Chairman)
- Nominating Committee
- Remuneration Committee

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, Wichita State University, Kansas, USA
- Bachelor of Arts (Commerce), Chulalongkorn University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors, Singapore
- Director Certification Program (DCP) 2003, Thai Institute of Directors (IOD)

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Sermasuk Public Company Limited
- Thanachart Capital Public Company Limited

##### Others

- Nil

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Thai Solar Energy Public Company Limited

##### Others

- Solaris Asset Management Co., Ltd. (Chairman)

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Nil

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

#### MR TIMOTHY CHIA CHEE MING<sup>1</sup>, 71

Independent and  
Non-Executive Director

Date of first appointment as a director  
**08 Jan 2014**

Date of last re-appointment as a director  
**29 Jan 2020**

Country of principal residence  
**Singapore**

#### BOARD COMMITTEE(S) SERVED ON

- Audit Committee
- Remuneration Committee (Chairman)

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Science cum laude, majoring in Management, Fairleigh Dickinson University, USA

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Banyan Tree Holdings Limited
- Malaysia Smelting Corporation Berhad
- Thai Beverage Public Company Limited
- The Straits Trading Company Limited

##### Others

- Gracefield Holdings Limited (Chairman)

- Hup Soon Global Corporation Private Limited (Chairman)
- Innoven Capital Pte Ltd (Chairman)
- Seviara Holdings Pte Ltd
- Singapore Power Limited
- United Motor Works (Siam) Public Co Ltd (Chairman)
- Vertex Venture Holdings Ltd

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Ceylon Guardian Investment Trust PLC
- Ceylon Investment PLC

##### Others

- Coutts & Co Ltd
- Gabelhorn Investments Pte Ltd
- HS Global Holdings Pte Ltd
- Innoven Capital China Pte Ltd
- Innoven Capital Singapore Pte Ltd
- Parkesville Pte Ltd
- QuantuMDx Group Limited
- Rahman Hydraulic Tin Sdn Bhd
- Straits Investment Management Pte Ltd
- United Motor Works (Mauritius) Ltd

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- ASEAN Business Club (Member, Advisory Council & Co-Chair, Singapore)
- Asian Civilisation Museum (Member, Advisory Board)
- Monetary Authority of Singapore (Member, Corporate Governance Advisory Committee)
- National Heritage Board (Member, Investment Committee)
- Singapore Indian Development Association (Term Trustee)
- Singapore Management University (Member)

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Singapore Management University (Member, Board of Trustees)

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

#### Note:

- 1 Ref to SGX announcement dated 5 Nov 2021 in relation to Mr Chia's resignation

## Board of Directors

### MR CHARLES MAK MING YING, 69

#### Independent and Non-Executive Director

Date of first appointment as a director  
**11 Jan 2018**

Date of last re-appointment as a director  
**21 Jan 2021**

Country of principal residence  
**Hong Kong**

#### BOARD COMMITTEE(S) SERVED ON

- Nil

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, PACE University, USA
- Bachelor of Business Administration, PACE University, USA

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Frasers Property Limited

##### Others

- BeerCo Limited

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Nil

##### Others

- Nil

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- PACE University, USA (Board of Trustees)

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Morgan Stanley Asia Pacific (Vice-Chairman)
- Morgan Stanley Asia's Investment Banking Division (Senior Advisor)
- Morgan Stanley International Wealth Management (President)
- Chairman and Director of Bank Morgan Stanley AG

- Director in Morgan Stanley Asia Limited and a member of Morgan Stanley's Asia Pacific Executive Committee, the Morgan Stanley Wealth Management Committee and the International Operating Committee
- Managing Director and Head of Morgan Stanley Asia Pacific Private Wealth Management
- Executive Director and Senior Investment Adviser of Morgan Stanley's Private Wealth Management Group

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

### MR CHAN HENG WING, 74

#### Independent and Non-Executive Director

Date of first appointment as a director  
**11 Jan 2018**

Date of last re-appointment as a director  
**21 Jan 2021**

Country of principal residence  
**Singapore**

#### BOARD COMMITTEE(S) SERVED ON

- Nil

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Science, Columbia Graduate School of Journalism, USA
- Master of Arts, University of Singapore, Singapore
- Bachelor of Arts (Honours), University of Singapore, Singapore

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- EC World REIT
- Frasers Property Limited

##### Others

- One Bangkok Holdings Company Limited
- Precious Quay Pte. Ltd.
- Precious Treasure Pte Ltd

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Banyan Tree Holdings Limited

##### Others

- Nil

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- China Cultural Centre Singapore (Member, Executive Board)
- Milken Institute Asia Center (Senior Advisor)
- Ministry of Foreign Affairs: Non-resident Ambassador to Austria

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

## DR SUJITRA SOMBUNTHAM, 64

### Independent and Non-Executive Director

Date of first appointment as a director  
**11 Jan 2018**

Date of last re-appointment as a director  
**21 Jan 2021**

Country of principal residence  
**Thailand**

### BOARD COMMITTEE(S) SERVED ON

- Nil

### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Medical Degree, Prince of Songkla University (First Class Honors, Valedictorian), Thailand
- Board of Internal Medicine, Chulalongkorn University, Thailand
- Diploma in Dermatology, University of London, United Kingdom
- Board of Family Medicine, The Royal College of Family Physicians of Thailand
- Certificate in Anti-Aging Medicine Specialization, World Society of Anti-Aging Medicine, European Organization of Scientific Anti-Aging Medicine
- American Board of Anti-Aging and Regenerative Medicine, USA
- Listed Entity Director Programme, Singapore Institute of Directors, Singapore

### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

#### Listed companies

- Nil

#### Others

- Bhatra Co., Ltd.
- DermScan Asia Co., Ltd.
- Springfield At Sea Co., Ltd.
- Springfield Beach Club Co., Ltd.
- Springfield Holding Co., Ltd.
- Springfield Royal Club Co., Ltd.
- Thaniya Co., Ltd.
- Thaniya Dental Center Co., Ltd.
- Thaniya Holding Co., Ltd.
- Thaniya Medical Center Co., Ltd.
- Thaniya Real Estate Co., Ltd.
- Thaniyakit Co., Ltd.
- Thanyaville Co., Ltd.
- Yada Development Co., Ltd.

### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

#### Listed companies

- Nil

#### Others

- Nil

### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- St. Joseph Hospital Foundation (Vice-President)
- DermScan Asia Co., Ltd (Clinical Director)
- Thai Society of Cosmetic Dermatology and Surgery (Treasurer)
- Thai Society of Anti-Aging
- Honorary Advisory Board of Dysport
- Mae Fah Luang University (Guest Lecturer)
- Chulalongkorn University (Guest Lecturer)
- Thaniya Medical Clinic (Physician)

### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

## MR KOH POH TIONG, 74

### Non-Independent and Non-Executive Director Adviser to The Board

Date of first appointment as a director  
**03 Apr 2013**

Date of last re-appointment as a director  
**29 Jan 2020**

Country of principal residence  
**Singapore**

### BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee (Chairman)
- Sustainability and Risk Management Committee (Chairman)

### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Science, University of Singapore, Singapore

### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

#### Listed companies

- Bukit Sembawang Estates Limited (Chairman)
- Delfi Limited
- Raffles Medical Group Limited
- Saigon Beer-Alcohol-Beverage Corporation (Chairman)

#### Others

- Asia Breweries Limited
- BeerCo Limited (Chairman)
- Great Eastern General Insurance (Malaysia) Berhad
- Great Eastern Life Assurance (Malaysia) Berhad
- Times Publishing Limited (Chairman)

### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

#### Listed companies

- SATS Ltd (Director)
- United Engineers Ltd (Director)

#### Others

- National Kidney Foundation (Chairman)
- Singapore Kindness Movement (Chairman)
- The Great Eastern Life Assurance Company Ltd (Director)
- Yunnan Yulinquan Liquor Co., Ltd. (Chairman)

### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Nil

### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

### SHAREHOLDING INTEREST IN F&N GROUP

- 251,315 shares in Fraser and Neave, Limited

### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

### ADDITIONAL INFORMATION

- Additional information on Mr Koh, who is seeking re-appointment as a Director at the 123<sup>rd</sup> Annual General Meeting, is provided on pages 194 to 201.



## Board of Directors

### MR CHOTIPHAT BIJANANDA, 57

#### Non-Independent and Non-Executive Director

Date of first appointment as a director  
**19 Feb 2013**

Date of last re-appointment as a director  
**29 Jan 2019**

Country of principal residence  
**Thailand**

#### BOARD COMMITTEE(S) SERVED ON

- Nil

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, Finance, University of Missouri, USA
- Bachelor of Laws, Thammasat University, Thailand

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited (formerly known as Ticon Industrial Connection Public Company Limited)
- Sermasuk Public Company Limited (2<sup>nd</sup> Vice-Chairman)
- Siam Food Product Public Company Limited
- Thai Group Holdings Public Company Limited

##### Others

- Asiatic House Co., Ltd.
- Concept Land 5 Co., Ltd.
- Dhamma Land Property Company Limited
- DL Engineering Solutions Company Limited
- Frasers Property Australia Pty Limited
- Pholmankhong Business Co., Ltd.
- Pro Garage Company Limited (formerly known as Sinn Bualuang Leasing Co., Ltd.)
- Southeast Academic Center Company Limited
- Southeast Advisory Company Limited
- Southeast Capital Company Limited (Chairman of Executive Board)
- Southeast Insurance Public Company Limited (Chairman of Executive Board)
- Southeast Joint Venture Co., Ltd.
- Southeast Life Insurance Public Company Limited (Chairman of Executive Board)
- Southeast Money Company Limited
- Southeast Money Retail Company Limited

- Southeast Property Co., Ltd.
- Suansilp Pattana 1 Co., Ltd.
- TCC Assets (Thailand) Company Limited
- TCC Privilege Card Company Limited
- ME Innovation Company Limited (formerly known as Big C Services Company Limited)
- Sentrics Consulting Company Limited
- Siam Food (2513) Co., Ltd.

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Nil

##### Others

- Big C Services Co., Ltd.
- Golden Land Property Development Public Company Limited
- Sentrics Consulting Company Limited
- S Sofin Co., Ltd.
- Pro Checker Company Limited
- TCC Holdings (2519)
- TCC Property Development Co., Ltd.
- T.C.C. Technology Co., Ltd.

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Nil

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Son-in-law of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder) and Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Brother-in-law of Mr Thapana Sirivadhanabhakdi (Director)

#### ADDITIONAL INFORMATION

- Additional information on Mr Chotiphat Bijananda, who is seeking re-appointment as a Director at the 123<sup>rd</sup> Annual General Meeting, is provided on pages 194 to 201.

### MR THAPANA SIRIVADHANABHAKDI, 46

#### Non-Independent and Non-Executive Director

Date of first appointment as a director  
**19 Feb 2013**

Date of last re-appointment as a director  
**29 Jan 2020**

Country of principal residence  
**Thailand**

#### BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee (Vice-Chairman)
- Nominating Committee
- Remuneration Committee
- Sustainability and Risk Management Committee

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Science (Logistics Management), King Mongkut's Institute of Technology Ladkrabang, Thailand
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon, Thailand
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep, Thailand
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University, Thailand
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University, Thailand
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University, Thailand
- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Amarin Printing and Publishing Public Company Limited (Vice-Chairman)
- Sermasuk Public Company Limited (3<sup>rd</sup> Vice-Chairman)
- Thai Beverage Public Company Limited (President and CEO)
- Thai Group Holdings Public Company Limited

- The Siam Cement Public Company Limited (Independent Director)
- Univentures Public Company Limited (Vice-Chairman)

#### Others

- Adelfos Co., Ltd.
- Asia Breweries Limited
- Bistro Asia Co., Ltd. (Chairman)
- BeerCo Limited
- BeerCo Training Co., Ltd.
- Beer Thai (1991) Public Company Limited (Vice-Chairman)
- Chang Beer Company Limited
- Chang Corporation Co., Ltd.
- Food and Beverage United Co., Ltd.
- InterBev Investment Limited
- International Beverage Holdings Limited (President)
- Plantheon Co., Ltd.
- Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd.
- Red Bull Distillery Group of Companies (Chairman)
- SCG Chemicals Co., Ltd.
- Siam Breweries Limited
- South East Asia Logistics Pte. Ltd. (Chairman)
- Southeast Group of Companies (Vice-Chairman)
- TCC Group of Companies
- Thai Beverage Group of Companies
- Times Publishing Limited (Vice-Chairman)

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Berli Jucker Public Company Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited

#### Others

- GMM Channel Holding Co., Ltd.
- InterBev Malaysia Sdn. Bhd

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Thai Beverage Public Company Limited (President & Chief Executive Officer)

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Thai Beverage Public Company Limited (Chief Beer Product Group)

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Son of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder) and Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Brother-in-law of Mr Chatiphat Bijananda (Director)

#### OTHERS

- Knight of the Legion of Honor (Chevalier de la Légion d'Honneur)

#### MR SITHICHA CHAIKRIANGKRAI, 67

##### Non-Independent and Non-Executive Director

Date of first appointment as a director  
**22 Feb 2013**

Date of last re-appointment as a director  
**29 Jan 2020**

Country of principal residence  
**Thailand**

#### BOARD COMMITTEE(S) SERVED ON

- Audit Committee
- Board Executive Committee
- Sustainability and Risk Management Committee

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Accountancy (First Class Honors), Thammasat University, Thailand
- Diploma in Computer Management, Chulalongkorn University, Thailand
- Certificate of the Mini MBA Leadership Management, Kasetsart University, Thailand

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Asset World Corp Public Company Limited
- Berli Jucker Public Company Limited
- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited
- Oishi Group Public Company Limited
- Sermasuk Public Company Limited
- Siam Food Products Public Company Limited
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

#### Others

- Asia Breweries Limited
- BeerCo Limited
- Big C Retail Holding Company Limited
- Chang Beer Company Limited
- Eastern Seaboard Industrial Estate (Rayong) Company Limited
- Food and Beverage Holding Co., Ltd.
- Frasers Property Commercial Asset Management (Thailand) Co., Ltd. (formerly known as Univentures REIT Management Co., Ltd.)
- Petform (Thailand) Co., Ltd.
- Siam Breweries Limited
- South East Asia Logistics Pte. Ltd.
- TCC Assets (Thailand) Company Limited
- Thai Beverage Can Co., Ltd.
- Thai Breweries Limited

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Big C Supercenter Public Company Limited<sup>1</sup>
- Golden Land Property Development Public Company Limited

#### Others

- Nil

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Thai Beverage Public Company Limited (Senior Executive Vice-President, Group CFO)

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

#### Note:

- <sup>1</sup> Delisted from the Stock Exchange of Thailand on 28 September 2017

## Board of Directors

**MR NG TAT PUN, 77**

**Independent and  
Non-Executive Director**

Date of first appointment as a director  
**01 Jan 2022<sup>1</sup>**

Date of last re-appointment as a director  
-

Country of principal residence  
**Singapore**

### BOARD COMMITTEE(S) SERVED ON

- Audit Committee<sup>1</sup>

### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Arts Degree (Economics and History), University of Singapore, Singapore
- Director of Accreditation Program (DAP) 2006, Thai Institute of Directors Association
- Business Future Series (BFS 3), Singapore Institute of Directors

### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

#### Listed companies

- Nil

#### Others

- SP Chemicals Pte. Ltd.

### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

#### Listed companies

- EnGro Corporation Ltd.
- Sing Investments & Finance Limited (Chairman)
- Thai Beverage Public Company Limited

#### Others

- SP Chemicals Holdings Ltd. (Chairman)

### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Monetary Authority of Singapore: Corporate Governance Advisory Committee

### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

### ADDITIONAL INFORMATION

- Additional information on Mr Ng, who is seeking re-appointment as a Director at the 123<sup>rd</sup> Annual General Meeting, is provided on pages 194 to 201.

#### Note:

- 1 Ref to SGX announcement dated 5 Nov 2021 in relation to Mr Ng's appointment as an Independent and Non-Executive Director from 1 Jan 2022

**MR MICHAEL CHYE HIN FAH, 62**

**Alternate Director to  
Mr Thapana Sirivadhanabhakdi**

Date of first appointment as an  
alternate director  
**08 Feb 2017**

Country of principal residence  
**Singapore**

### BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee
- Sustainability and Risk Management Committee

### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Business Studies with First Class Honours in Accounting and Finance, Massey University, New Zealand
- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Fellow of the Institute of Singapore Chartered Accountants
- Associate Member of the Institute of Chartered Secretaries & Administrators
- Member of the Singapore Institute of Directors
- Associate Member of Chartered Secretaries Institute of Singapore

### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

#### Listed companies

- Saigon Beer-Alcohol-Beverage Corporation
- Vietnam Dairy Products Joint Stock Company

### Others

- Alliance Asia Investment Private Limited
- Alliance Strategic Investments Pte. Ltd.
- Asia Breweries Limited
- ASM International Limited
- Beer Chang International Limited
- BeerCo Limited (incorporated in Hong Kong)
- BeerCo Limited (incorporated in Singapore)
- BevCo Limited (incorporated in Hong Kong)
- BevCo Limited (incorporated in Thailand)
- Chang Beer Company Limited
- Chang Beer UK Limited
- Chang Corporation Co., Ltd.
- Chang Holding Co., Ltd.
- Chang International Co., Ltd.
- DECCO 235
- F&N Retail Connection Co., Ltd.
- Grand Royal Group International Company Limited (formerly known as Myanmar Distillery Company Limited)
- Havi Food Distribution (Thailand) Co., Ltd.
- Havi Logistics (Thailand) Limited
- Heritas Capital Management Pte. Ltd.
- IMC Pan Asia Alliance Corporation
- InterBev (Singapore) Limited
- InterBev (Singapore) 2019 Limited
- InterF&B Pte. Ltd.
- International Beverage Holdings Limited
- International Beverage Holdings (Singapore) Pte. Limited
- International Beverage Holdings (UK) Limited
- International Beverage Trading (Hong Kong) Limited
- International Breweries Limited
- Inver House Distillers Limited
- Inver House Distillers (ROI) Limited
- Marketing Magic Pte. Ltd.
- Max Asia Food and Beverage (Thailand) Co., Ltd.
- Myanmar Supply Chain and Marketing Services Company Limited
- Prudence Holdings Limited
- Siam Breweries Limited
- So Water Company Limited
- South East Asia Logistics Pte Ltd
- Super Brands Company Pte. Ltd.
- Super Beer Brands Limited (formerly known as Beer Super Brands Limited)
- Thai Breweries Limited
- Vietnam Beverage Company Limited (formerly known as Nga Son Beverage Joint Stock Company)

- Vietnam F&B Alliance Investment Joint Stock Company (formerly known as Nga Son Investment Joint Stock Company)
- Vietnam Logistics and Supply Chain Company Limited
- Wellwater Limited

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Sermasuk Public Company Limited

##### Others

- C A C Co., Ltd.
- International Beverage Trading Limited
- Sermasuk Beverage Co., Ltd.
- Sermasuk Holdings Co., Ltd.
- Wrangyer Beverage (2008) Co., Ltd.

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- BeerCo Limited, Singapore (Chief Executive Officer)
- Thai Beverage Public Company Limited (Chief Beer Product Group)
- Vietnam Beverage Company Limited (Legal Representative/General Director)
- Vietnam F&B Alliance Investment Joint Stock Company (Legal Representative/Chairman of Board of Management)

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Thai Beverage Public Company Limited (Executive Vice-President, Finance and Accounting Group, Deputy Group CFO and Chief Finance Officer – International Business)
- International Beverage Holdings Limited (Group Chief Finance Officer)
- Super Brands Company Pte. Ltd. (Executive Director)

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

#### MR PRAPAKON THONGTHEPPAIROT, 50

##### Alternate Director to Mr Sithichai Chaikriangkrai

Date of first appointment as an alternate director  
**21 Mar 2013**

Country of principal residence  
**Thailand**

#### BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee
- Sustainability and Risk Management Committee

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Advanced Management Programme, INSEAD, France
- Master of Science in Finance, Georgia State University, USA
- Master of Business Administration, Mercer University, USA
- Bachelor of Business Administration, Assumption University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors, Singapore
- Director Certification Program (DCP) 2017, Thai Institute of Directors (IOD)

#### PRESENT DIRECTORSHIP(S) (as at 02 Dec 2021)

##### Listed companies

- Nil

##### Others

- Asiaeuro International Beverage (Guangdong) Co., Ltd.
- Asiaeuro International Beverage (Hong Kong) Limited
- ASM International Limited
- BeerCo Limited
- Bistro Asia Co., Ltd.
- Chang Holding Co., Ltd.
- Food and Beverage Holding Co., Ltd.
- Grand Royal Group International Co., Ltd.
- Green Bean Co., Ltd.
- InterBev Investment Limited
- International Beverage Holdings Limited
- International Beverages Trading Co., Ltd.
- Myanmar Supply Chain and Marketing Services Co., Ltd.
- P.M.T. Mansion Co., Ltd.
- Red Bull Distillery Group of Companies

- Siam Breweries Limited
- South East Asia Logistics Pte. Ltd.
- Super Beer Brands Limited
- Thai Beverage Group of Companies
- Thai Beverage Training Co., Ltd.
- ThaiBev Marketing Co., Ltd.
- Traditional Trade Management Co., Ltd.
- Vietnam Logistics and Supply Chain Company Limited

#### PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

##### Listed companies

- Nil

##### Others

- Thai Beverage Marketing Co., Ltd.
- Times Publishing Limited

#### PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 02 Dec 2021)

- Thai Beverage Public Company Limited (Executive Vice-President – Chief Spirit Product Group, Deputy Group CFO and Chief Finance Officer – International Business)

#### PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Held various senior executive positions in the TCC Group, namely Chief Route to Market and Senior Vice-President for Beer Product Group and Finance in Thai Beverage Public Company Limited, Director and Chief Executive Officer in Thai Beverage Marketing Co., Ltd., Senior Executive Vice-President for Land Development and Investment Management in TCC Land Group, Senior Executive Vice-President for Corporate Services in Plantheon Group and TCC Land Group, and Senior Executive Vice-President for Finance in TCC Land Group.

#### SHAREHOLDING INTEREST IN F&N GROUP

- Nil

#### RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil



## Leadership Team



Mr Lee Meng Tat  
Chief Executive Officer,  
Non-Alcoholic Beverages

▶ 1



Mr Edmond Neo  
Chief Executive Officer,  
Beer

▶ 2



Mr Siew Peng Yim  
Chief Executive Officer,  
Times Publishing Group

▶ 3



Mr Lim Yew Hoe  
Chief Executive Officer,  
Fraser & Neave Holdings Bhd

▶ 4



Mr Hui Choon Kit  
Chief Financial Officer  
and Company Secretary

▶ 5

▶ 1

### MR LEE MENG TAT, 58

#### Chief Executive Officer, Non-Alcoholic Beverages

Date of appointment  
01 May 2015

Length of service in the F&N Group  
18 years 10 months

#### JOB DESCRIPTION

Mr Lee is responsible for overseeing and driving the growth strategies of Group's non-alcoholic beverages business, which has operations and investments in Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Certificate in Corporate Governance, International Directors Programme (IDP-C), INSEAD, France
- Advanced Management Program, Harvard Business School, USA
- Master of Business Administration, Imperial College, London, UK
- Bachelor of Engineering (Mechanical), National University of Singapore, Singapore

#### WORKING EXPERIENCE

- Chief Executive Officer, Wildlife Reserves Singapore Group
- Chief Corporate Development Officer, Food & Beverage Division, Fraser and Neave, Limited ("F&N")
- Chief Executive Officer, China, Heineken-APB (China) Management Services Co., Ltd and Regional Director, China, Asia Pacific Breweries Ltd ("APB")
- Vice-President & Deputy Head, Education Services and Corporate General Manager (Projects), Times Publishing Ltd
- Vice-President (E-business & Operations), Fannet Online Pte Ltd
- Senior Manager, New Ventures, F&N
- Deputy General Manager, Sembawang Leisure Pte Ltd
- Deputy Director, Regional Tourism, Singapore Tourism Board
- Assistant Head, International Business Development, Singapore Economic Development Board
- Owner, Wokabout Pte Ltd
- Assistant Treasurer, Corporate Banking, DBS Bank Ltd

#### OTHERS

- Council Member, Singapore Cancer Society

▶ 2

### MR EDMOND NEO, 56

#### Chief Executive Officer, Beer

Date of appointment  
01 October 2016

Length of service in the F&N Group  
29 years 02 months

#### JOB DESCRIPTION

Mr Neo is responsible for overseeing and driving the growth strategies of the Group's beer business.

#### ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Bachelor of Accountancy, National University of Singapore, Singapore
- Diploma in Marketing Management, Singapore Institute of Management, Singapore
- Heineken Executive Program, INSEAD, Fontainebleau

#### WORKING EXPERIENCE

- Managing Director, Chang International Co., Ltd
- General Manager, Regional Brand Development, F&N Interflavine Pte Ltd
- Director, Group Commercial, Asia Pacific Breweries Ltd ("APB")
- Chief Executive Officer, APB (Lanka) Ltd
- Commercial Manager, Cambodia Brewery Limited
- Assistant General Manager, Group Commercial, APB
- Regional Marketing Manager, Philips Electronics Singapore
- Senior Marketing Manager, APB
- Senior Brand Manager, DB Breweries Limited
- Senior Brand Manager, APB Singapore
- Corporate Banking Officer, Overseas Union Bank
- Auditor, Price Waterhouse

#### OTHERS

- Nil

▶ 3

**MR SIEW PENG YIM, 52**

**Chief Executive Officer,  
Times Publishing Group**

Date of appointment  
**01 October 2014**

Length of service in the F&N Group  
**9 years 05 months**

#### **JOB DESCRIPTION**

Mr Siew is responsible for overseeing and driving the growth strategies of the Group's publishing and printing businesses.

#### **ACADEMIC & PROFESSIONAL QUALIFICATION(S):**

- Bachelor of Accountancy, National University of Singapore, Singapore
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

#### **WORKING EXPERIENCE**

- Chief Financial Officer and Chief Operating Officer, Times Publishing Limited ("TPL")
- Chief Financial Officer, TPL
- Chief Financial Officer, Chief Operating Officer and Executive Director, HTL International Holdings Ltd
- Chief Financial Officer, HTL International Holdings Ltd
- Group Financial Controller, HTL International Holdings Ltd
- Financial Controller, Pillar Corporation Pte Ltd
- Chief Financial Officer, Excel Machine Tools Ltd
- Senior Audit Manager, PricewaterhouseCoopers

#### **OTHERS**

- Nil

▶ 4

**MR LIM YEW HOE, 55**

**Chief Executive Officer,  
Fraser & Neave Holdings Bhd**

Date of appointment  
**01 December 2014**

Length of service in the F&N Group  
**24 years 01 month**

#### **JOB DESCRIPTION**

Mr Lim is responsible for overseeing and driving the growth strategies of the Fraser & Neave Holdings Group's businesses.

#### **ACADEMIC & PROFESSIONAL QUALIFICATION(S):**

- Master of Business Administration (Banking and Finance), Nanyang Technological University
- Bachelor of Science (Estate Management), National University of Singapore

#### **WORKING EXPERIENCE**

- Managing Director, Asia Pacific Brewery (Hanoi) Limited
- Managing Director, Myanmar Brewery Limited
- General Manager, Chief Executive Officer's Office, APB
- Cluster Director, Heineken Asia Pacific Breweries (China) Pte Ltd
- General Manager, Heineken Trading Shanghai Co. Ltd
- General Manager, Shanghai Asia Pacific Breweries Co. Ltd
- Commercial Director, Shanghai Asia Pacific Breweries Co. Ltd
- Sales Director, Shanghai Asia Pacific Breweries Co. Ltd
- Commercial Manager, Myanmar Brewery Limited
- Manager, Indochina Regional Director's Office, APB
- Airport Manager, Civil Aviation Authority of Singapore
- Assistant Airport Manager, Civil Aviation Authority of Singapore

#### **OTHERS**

- Nil

▶ 5

**MR HUI CHOON KIT, 57**

**Chief Financial Officer and  
Company Secretary**

Date of appointment  
**01 October 2012**

Length of service in the F&N Group  
**21 years 08 months**

#### **JOB DESCRIPTION**

Mr Hui is responsible for the Group Finance, Treasury, Taxation, Investor Relations and Corporate Communications, Risk Management and Sustainability, Corporate Secretariat, Group Legal and Management Services functions.

#### **ACADEMIC & PROFESSIONAL QUALIFICATION(S):**

- Master of Business Administration, Nanyang Technological University, Singapore
- Bachelor of Business, Curtin University of Technology, Australia
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

#### **WORKING EXPERIENCE**

- Group Financial Controller, Fraser and Neave, Limited ("F&N")
- Deputy Group Financial Controller/General Manager, Corporate Communications, F&N
- General Manager, Treasury and Budget, F&N
- General Manager, Corporate Communications & Special Projects/Budget Manager, Chairman's Office, F&N
- Deputy General Manager, Corporate Planning & Business Development/Budget Manager, Chairman's Office, F&N
- Assistant General Manager, Corporate Planning & Business Development, F&N
- Senior Manager, New Ventures, F&N
- Manager, Corporate Finance, Schroder International Merchant Bankers Limited
- Assistant Vice-President, Investment Banking, Keppel Bank of Singapore Limited
- Executive Consultant, Ernst & Young Consultants Pte Ltd

#### **OTHERS**

- Member, Finance Committee, National Kidney Foundation

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FOOD & BEVERAGE







REFRESH, RE-ENERGISE,  
**REHYDRATE**

**ZERO  
SUGAR,  
ZERO  
CALORIES**  
100%  
**ENJOYMENT**





## CEO Business Review

## FOOD &amp; BEVERAGE



Mr Lee Meng Tat  
Chief Executive Officer,  
Non-Alcoholic Beverages



Revenue

**\$1,642.8m**

\$1,603.1m in FY2020



As we transition from one public health alert status to another, we have utilised technology and refined our processes to ensure our people's connectivity, safety and wellbeing, and the continuity of service for our customers and consumers.

### BUILDING RESILIENCE BEYOND COVID-19

More than a year since the outbreak of the COVID-19 pandemic, the rapid spread of infectious strains of the coronavirus has led to many parts of Southeast Asia reverting to lockdowns. At F&N, responding to changes in pandemic protocols – and providing the necessary support to our customers and our people – has also become another facet of our business. As we transition from one public health alert status to another, we have utilised technology and refined our processes to ensure our people's connectivity, safety and wellbeing, and the continuity of service for our customers and consumers. Teams across F&N continued to experiment with the new ways of working forged during FY2020, and trialling different ways to collaborate remotely and scheduling in-office working time. We are proud of our ability to adapt our ways of working, and we will continue to learn and experiment in the new year.

### FY2021 FINANCIAL PERFORMANCE

The Food & Beverage (“F&B”) sectors in Thailand, Malaysia, Singapore, Vietnam and Myanmar have been impacted by restricted movement orders as a result of the pandemic. Dampened market sentiments, competitive pricing, supply chain disruption and volatile foreign exchange characterised the difficult market conditions. Despite these pandemic-induced challenges, our F&B division has proved resilient, achieving a healthy performance, driven by focused execution and financial prudence.

FY2021 sales for the F&B division totalled \$1,642.8m, a 2.5% growth over the last fiscal year, impressive in light of the pandemic. Top line growth was broad-based, with higher Beverages and Dairies sales recorded in Malaysia, Myanmar, Singapore and Thailand. However, owing largely to lower profit from the Group's associate company in Vietnam, Vietnam Dairy Products Joint

## Profit Before Interest & Taxation

# \$258.1m

\$280.8m in FY2020

Mr Edmond Neo  
Chief Executive Officer, Beer



Stock Company (“**Vinamilk**”), higher commodity prices, and increased manufacturing and freight expenses, F&B FY2021 PBIT fell 8.1% to \$258.1m, from \$280.8m in the prior year.

Our Beverages division proved resilient, achieving top- and bottom-line growth in an environment of shrinking demand and rising input prices. Its top line grew 3.0% from last year, to \$452.7m. Aided by favourable sales mix, disciplined cost management and reduced promotional and marketing expenses, Beverages earnings surged 15.2%, to \$20.0m, up from \$17.3m a year ago. The strong performance was in spite of the impact from lockdowns of on-premise channel and stay-at-home restriction, and unfavourable foreign currency translation. Excluding foreign currency translation losses, Beverages earnings would have improved 64.8%.

Beverages Malaysia, our largest soft drinks market for Beverages, saw FY2021 earnings improve by 6.6% from last year. Lower promotional and targeted marketing spend, in addition to favourable sales mix, cushioned the impact of decline in on-premise consumption which was impacted by the pandemic. Soft drinks performance in Singapore and New Markets also improved. The better performance was largely driven by higher sales from vending business and functional products, and lower promotional and marketing spend. Despite intense competition and weak consumer sentiment, most

of our New Markets performed better. We protected our margins by reining in expenses, without compromising on our long-term objectives of brand building.

In October 2019, we commissioned our brewery – Emerald Brewery Myanmar Limited (“**EBML**”) – in Myanmar’s largest city, Yangon. EBML is a 80-20 joint venture between F&N and Sun Ace Company Corporation Limited from Myanmar. This year, to cater to the growing demand of CHANG, we added a new canning line to the brewery. We also continued to put efforts on building greater awareness and demand for our brand. Our hard work paid off as we grew our distribution network in key cities. CHANG reported strong year-on-year volume gain, and revenue growth of 77.3%. EBML’s stronger-than-expected beer sales helped boost Beverages top line performance. However, unfavourable foreign exchange rate movements impacted EBML’s earnings. Excluding foreign exchange losses, EBML turned profitable in just its second year of operations.

Higher Dairies sales also lifted F&B’s revenue. Dairies FY2021 revenue increased 2.3%, driven by higher domestic canned milk sales and strong export volume to Greater China, Indochina, Middle East and Africa. The better performance was achieved in the face of subdued on-premise channel demand in Singapore, Malaysia and Thailand due to movement restrictions. As stricter curbs

crimped domestic on-trade consumption in some of our markets, we relied on higher export volume and off-trade consumption to help push sales. Higher demand for at-home consumption, improved route-to-market, strong export sales, successful launches of new products, as well as favourable foreign currency translation effects contributed positively to top line growth. However, increased commodity and freight costs eroded Dairies earnings. Coupled with lower share of profit from Vinamilk, Dairies profit fell 9.6% from a year ago, to \$238.1m from \$263.5m.

Dairies Thailand delivered a resilient performance. In spite of weak on-premise consumption, overall volume grew. On the back of higher domestic and export volume, sales grew 2.0%. Earnings, however, was impacted by unfavourable foreign currency translation, rising input costs and freight expenses. Despite higher sales and lower promotional and advertising spending, Dairies Thailand profit decreased 3.1%. Similarly for Dairies Malaysia, while domestic and export volume and revenue grew in this fiscal year, earnings were adversely impacted by higher input and freight costs. Dairies Singapore’s profits were also squeezed by higher input costs and increased freight expenses. The Group’s share of profit from Vinamilk was also lower this year, by 7.5% to \$111.7m. Vinamilk’s earnings have been adversely impacted by higher input costs and unfavourable foreign exchange translation.

## CEO Business Review

### FOOD & BEVERAGE

#### STRATEGIC PILLARS TO BUILDING A PROFITABLE AND SUSTAINABLE BUSINESS

In these extraordinary times, F&N has stayed true to our purpose. We have cemented our commitment to developing a portfolio of health-focused and purpose-led brands that ride on our supply chain scale and our expertise in engaging consumers. These proven strategies have built our resilience, enabled us to withstand external shocks and to progress even in the most challenging of circumstances.

##### (A) PRIORITISING INNOVATION

One of our main priorities in this fast-changing world is to stay relevant and continue to offer products our consumers want. To keep up with, and even influence, these changes, we utilise deep consumer insights. We also adopt a disciplined innovation framework that enables us to correctly allocate resources to initiatives that will deliver products consumers want. We strategically invest in our core brands and execute our commercial plans to support brand health and sustainable growth of both the brand and the segment. Through this multi-pronged approach, F&N continues to reshape its brand and product portfolios, and stay ahead of the trend curve.

To excite our markets, limited-edition flavours and festivity packaging were introduced this year. In Singapore and Malaysia, we thrilled consumers with Chinese New Year packaging for 100PLUS and F&N festive variety packs; in Thailand, to celebrate Valentine's Day, F&N MAGNOLIA rollout its lactose-free milk range in unique Valentine's Day pack. In Malaysia, the rollout of the new F&N Sparkling Drinks in three unique flavours – Honey Lemon, Apple Barley and Espresso – was accompanied by limited edition gift packs.

Within the Beverage portfolio, we expanded our sparkling water offerings to include F&N ICE MOUNTAIN Sparkling Water in Yuzu & Osmanthus flavour; we added F&N NUTRIWELL Roselle Tea to the pasteurised tea

range; and a lactose-free variant under the F&N MAGNOLIA liquid milk brand for the health-conscious. These initiatives helped shape our beverage portfolio to meet changing consumer demands and health trends. Our packaging innovation includes new pack types and sustainable packaging for F&N ICE MOUNTAIN Water and F&N Fun Flavours and a refreshed look for CARNATION Sweetened Condensed Milk ("SCM"). In Thailand, we added a new flavour to Bear Brand Gold, and reformulated F&N MAGNOLIA Chocolate Malt milk. More exciting was the recent launch of the 100PLUS Hydration Bar. The all-time favourite rehydration drink, 100PLUS Original, is now available in a 75ml paper tube in frozen form. This 100PLUS Hydration Bar, a refreshing, icy cold confection, also carries the Healthier Choice Symbol by the Singapore Health Promotion Board ("HPB").

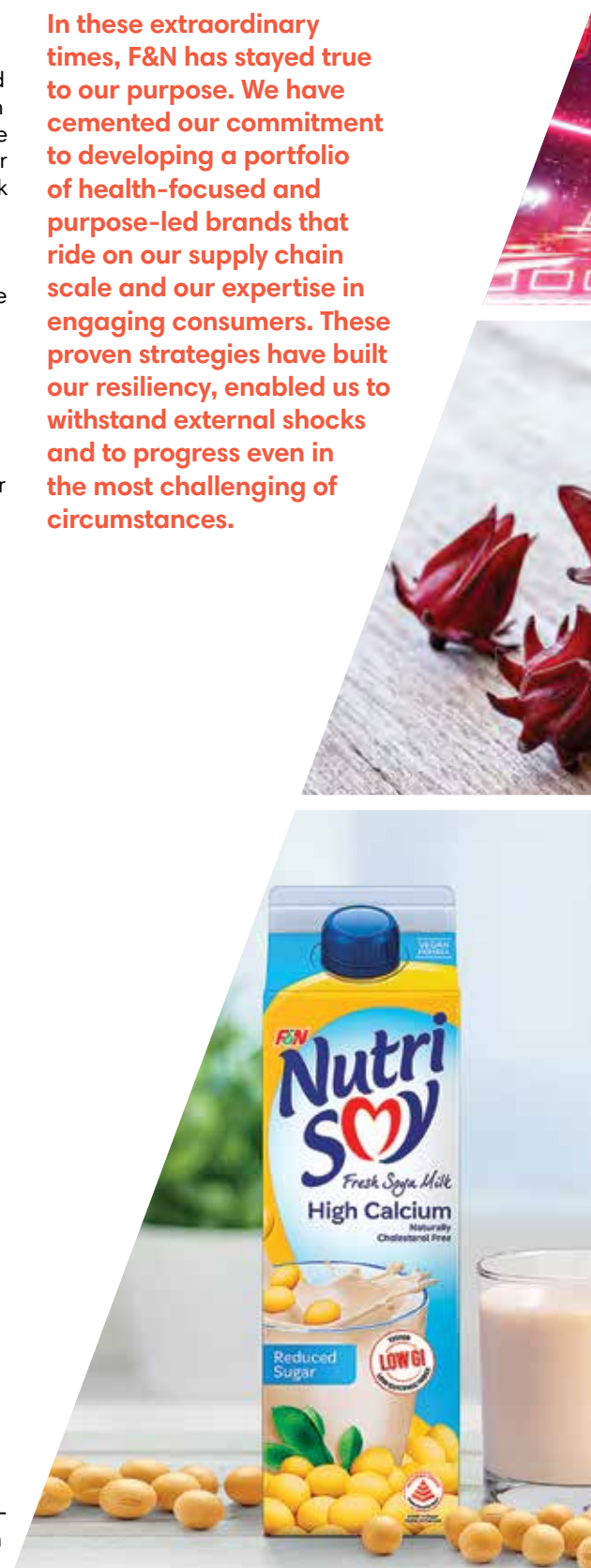
##### (B) INVESTING IN BRANDS

While innovation is a top priority for F&N, to achieve success through innovation, we put as much energy and investment into marketing new offerings as we do in generating them. We try to understand and anticipate our consumers' evolving needs, and identify opportunities and new segments. We then develop the entire go-to-market plan which aims to get our brands engaging with the right customers at the right time and place.

As technology integrates into our daily lives, we can no longer rely on traditional marketing approaches. The increase in mobile usage has spurred further change in consumer behaviour, making it necessary for us to adopt a mixed strategy of traditional and digital marketing to attract target audiences.

We aim to produce compelling content to drive engagement and build brand equity by leveraging social media platforms such as Facebook, Twitter, Instagram and TikTok. This year, F&N Teh Tarik got in on the act with its first TikTok campaign with a hashtag challenge. Users were encouraged to post videos showing off their dancing talents and using the hashtags #ShakeNTarik and #TehTarikOriFN for a chance to win attractive prizes. F&N NUTRISOY Fresh Soya Milk, adopted a 360-degree above-and-below-the-line marketing campaign

**In these extraordinary times, F&N has stayed true to our purpose. We have cemented our commitment to developing a portfolio of health-focused and purpose-led brands that ride on our supply chain scale and our expertise in engaging consumers. These proven strategies have built our resiliency, enabled us to withstand external shocks and to progress even in the most challenging of circumstances.**









## CEO Business Review

### FOOD & BEVERAGE

Given the uncertain external environment, the Group will continue to be vigilant and, at the same time, explore new growth opportunities that may arise.

to raise visibility and awareness of its new vegan-friendly formulation. Online advertorials, social media advertising on Facebook and Instagram, in-store displays and point of sales materials were adopted as key consumer touchpoints. It also partnered with social media influencers and content creators to encourage consumers to adopt a healthy, plant-based diet with its new vegan-friendly formulation.

100PLUS, for the second consecutive year, rolled out its STAY FIT campaign in Singapore, Malaysia and Myanmar with live, virtual workout sessions with local professional trainers. These home workouts served to encourage consumers to stay fit and lead active lifestyles even at home, and remind them the importance of staying hydrated during these restrictive times. As a strong advocate of sport development and active lifestyles, using sponsorships and activations, 100PLUS continued to support sporting events in all our markets, like mass runs, cycling, basketball, badminton, and even walking. We also partnered sporting bodies such as Swimming Association, Singapore Badminton Association and Singapore Table Tennis Association, and we sponsored school sports events in Singapore, Malaysia, Thailand, Vietnam and Myanmar.

In addition to investing in our core brands of 100PLUS (isotonic), F&N SEASONS and OYOSHI/OISHI (tea), F&N MAGNOLIA (milk and drinking yoghurt) and F&N ICE MOUNTAIN (water), we also nurture secondary brands that we see have the most opportunity in the future, like

F&N NUTRIWELL. This year, the rollout of F&N NUTRIWELL Roselle Tea was supported by in-store promotions and campaigns, as well as social media platforms and influencer-driven content to spread awareness and encourage consumption.

#### (C) BUILDING A SUSTAINABLE SUPPLY CHAIN

To create a more sustainable future, we are building a sustainable supply chain. From innovation to sale, each stage of the product's life is studied in order to reduce our environmental impact – from promoting the use of recyclable materials, to lower energy consumption, lower emissions of polluting gases and the optimisation of resources, especially water – while improving product quality and financial performance.

In Malaysia, this year, we teamed up with nine other key industry leaders in the fast-moving consumer goods sector to form the Malaysian Recycling Alliance. The first of its kind in Malaysia, this ten-member non-profit organisation's mission is to collaborate with the Malaysian Government and other stakeholders to jointly improve collection and recycling of packaging waste for a greener and cleaner Malaysia.

Within the Group, we rolled out various initiatives to reduce waste and encourage recycling, such as installing Reverse Vending Machines, lightweighting our packaging, and encouraging recycling via community engagement and deploying big bottle bins and crusher machines during events.

We have also been providing consumers with alternatives to PET packaging, by providing drinking water in sustainable packaging types such as paper carton and aluminum can.

At our Thailand dairy plant, the commissioning of a new THB30m solar photovoltaic system and solar roof with a generating capacity of 1MWp in April has reduced the plant's energy offtake from the grid, lowering both our energy cost as well as our carbon footprint.

We have also put a lot of work to ensure excellence in retail execution – both instore and online. Our expertise in channel management ensures the optimum store coverage, product presence, price points, shelf space and merchandising. To this end, we have developed an e-commerce business by having our own e-commerce store, F&N Life, and working with third-party platforms to respond better to the needs of consumers. We actively prioritise strategic partnerships with online retailers, working to ensure our products are well-represented on their platforms where our consumers can easily find them.

Looking at our results, in the context of current operating environment, I am encouraged by the progress we are making and successes in our execution of this strategy – in Malaysia, 100PLUS continues to lead in the carbonates and isotonic segments; F&N NUTRISOY and F&N SEASONS remain Malaysians favourite soya drink; F&N SEASONS and OYOSHI are the No.1 RTD tea brands; in our dairy business, our canned milk





## Vegan-friendly. For the plant-based nutrition you need.

NutriSoy is packed with the essential nutrients you need, so you can enjoy the nutritional benefits of a plant-based diet with the brand you trust.

brands, F&N, TEAPOT and CARNATION, continued to dominate Malaysia and Thailand.

### (D) INFRASTRUCTURE OPTIMISATION

Our 12 F&B factories in Singapore, Malaysia, Myanmar and Thailand have placed us in good position to serve our markets faster and cost effectively. As part of the New Product Development Transformation programme, we continuously seek innovative solutions to optimise our infrastructure assets.

To achieve that, we have been investing in new production lines to facilitate our extension into new product offerings and offer differentiated packaging capability. In the next few months, we will complete the construction of the RM182 million integrated warehouse in Shah Alam, which will be equipped with an automatic storage & retrieval system ("ASRS"), and the RM20 million drinking water line and warehouse in Kota Kinabalu Industrial Park. In Thailand, the 20,000-square metre Regional Distribution Centre, a fully integrated distribution centre in Rojana equipped with an RM60 million ASRS, will be fully operational by end of the year. In the coming year, upgrades to our Singapore plant will be completed, albeit delayed due to the COVID-19 impact on construction sector. These developments have not only given us additional capacity and capabilities, but also further enhance operational efficiency, equipping our organisation for future growth.

### (E) EXPANDING INTO HALAL FOOD SEGMENTS

The Group listed entity in Malaysia, Fraser & Neave Holdings Bhd ("F&NHB") advanced its portfolio expansion through the acquisition of the Sri Nona Group of Companies – Sri Nona Food Industries Sdn Bhd, Sri Nona Industries Sdn Bhd and Lee Shun Hing Sauce Industries Sdn Bhd (collectively, the "Sri Nona") – for RM59.5m (\$19.3m). The addition of Sri Nona's leading brands strengthens the Group's halal position in Malaysia. It creates opportunities for the Group to further leverage its strong R&D capability, and builds on its leadership positions to deliver attractive returns in this high growth, convenience and ready-to-eat food sector.

Sri Nona is best known for its flagship product, the NONA Ketupat (rice cakes) range, which is the number one ketupat brand in Malaysia. Sri Nona's range of oyster sauce is also among the top three in its product category.

## OUTLOOK

The Delta variant of the COVID-19 virus has dampened the global economic recovery. In Southeast Asia, the economic recovery has been delayed, not derailed; gains from reopening as vaccination rollout takes pace should help the lagging Southeast Asia economies get back to their pre-pandemic level of activities.

Although the performance of the Group is relatively resilient for the financial year, we remain cautious in our outlook

given the challenging market conditions. Vaccination rates have picked up and lockdowns have eased in our key markets in Malaysia, Myanmar, Singapore, Thailand and Vietnam, but growing unemployment and reduced disposable income are leading us to expect that consumer sentiment will remain weak. Sales from out-of-home channels will likely remain soft. On top of softened consumer demand, rising commodity costs are adding to the woes.

F&N will continue to strengthen our fundamentals, including reengineering processes, optimising resources, reviewing our cost structure and restructuring where necessary. We will focus on innovation in the health and wellness category. We seek to leverage technology and digitalisation to provide consumer insight, improve processes and operations, to gain competitive advantage, and to sharpen our execution in the market. We will continue to refine our product mix and pricing to strengthen our businesses.

In addition to strengthening our beverage business, we are also building a Halal Food pillar which will provide us a platform to offer innovative products to more halal food segments. We are leveraging partnerships within the Group to expand route-to-market coverage and supply chain synergies and in the near term, to expand capacity for the operations.

Given the uncertain external environment, the Group will continue to be vigilant and, at the same time, explore new growth opportunities that may arise.



## CEO Business Review



## CORE MARKETS

- 📍 Malaysia
- 📍 Singapore
- 📍 Myanmar

**BEVERAGES** (Soft Drinks and Beer)









## CEO Business Review

### BEVERAGES (Soft Drinks and Beer)

#### CORE MARKETS

- 📍 Malaysia
- 📍 Singapore
- 📍 Myanmar

#### BEVERAGES MALAYSIA

Alongside dealing with the unprecedented challenges of COVID-19, Beverages Malaysia, our largest soft drinks business unit, has pressed on and accelerated its growth strategy. It implemented change at a faster pace in the key areas of operational excellence, focused growth and new business development. Under difficult market conditions, Beverages Malaysia

maintained leading positions of its core brands 100PLUS, F&N SEASONS, OYOSHI and F&N NUTRISOY, and added Food business as a new pillar of growth.

The Group is confident that our robust plan for sustainable growth will enable us to meet the challenges ahead. We will continue to lift efficiency across our entire value chain and reinvest our realised improvements into growing our business sustainably. We remain guided by our mission to enhance quality of life and contribute to a healthier future as we deliver high quality products to all Malaysians.

#### ISOTONIC: 100PLUS

100PLUS, F&N's flagship brand and Malaysia's No.1 Carbonated Soft Drink and No.1 Isotonic Drink brand, continued to cement its position as the enabler of active lifestyles and strong supporter

of sports development. This year, 100PLUS extended its partnership with the National Sports Council in Malaysia to 2024. As the exclusive Official Isotonic Sponsor, 100PLUS continued to provide hydration to national athletes as they train. While sports events were halted due to COVID-19 induced movement restriction measures, 100PLUS continued to sponsor the Football Association Malaysia and the Badminton Association Malaysia, as well as the Official Isotonic drink for the Malaysian Football League and the Ministry of Education League (Liga KPM).

To generate excitement, 100PLUS also rolled out limited-edition festive packaging in celebration of the 2021 Chinese New Year in Singapore and Malaysia. It also conducted above-and below-the-line activations to spread festive cheer.

#### 📍 Malaysia



**100PLUS**  
remains Malaysia's  
No. 1 Isotonic Drink  
and Carbonated Soft  
Drink Brand



**F&N ICE MOUNTAIN**  
sustainable pack formats  
are made with FSC certified  
carton paper sourced from  
responsibly managed forests

NEW

Launched Malaysia's  
first brown sugar cola –  
**EST COLA  
BROWN SUGAR**

NEW

Introduced first carbonated  
bandung flavoured drink,  
**F&N BANDUNG,**  
in Malaysia



**F&N**  
holds the No. 1 position  
in the Tea Segment  
(Asian Drinks) in Malaysia



For the second consecutive year, 100PLUS also brought back the virtual workout sessions, conducted by professional trainers, to help consumers achieve a healthier mind and body. These free online sessions, which included HIIT and dance, were part of 100PLUS's month-long campaign to stay engaged with consumers, increase brand visibility and drive top-of-mind awareness.

#### NEW F&N SPARKLING DRINKS

F&N Sparkling Drinks introduced three new and unique sparkling beverage flavours – Espresso, Honey Lemon and Apple Barley – in 350ml PET. F&N Sparkling Espresso and Apple Barley are endorsed with Healthier Choice Logo. Embracing the digital revolution, these new drinks were unveiled on social media platforms, in a unique limited-edition gift pack, and made available on our e-commerce store, F&N Life! and convenience stores in Malaysia.

In conjunction with Chinese New Year and Hari Raya festivities, F&N rolled out new limited-edition festive packaging and flavours. For Chinese New Year, the classic range of F&N Sparkling products were offered – F&N Orange Crush and F&N Sarsi Classic; while F&N Bandung, the first ever carbonated bandung drink in Malaysia was introduced for Hari Raya. Endorsed with the healthier choice logo by the Ministry of Health Malaysia, this delicious beverage comes in two pack sizes – 1.2L and 1.5L.

#### BEVERAGES SINGAPORE

Despite challenging market conditions, Singapore maintained its leading market positions in its core categories – 100PLUS in Isotonic, F&N NUTRISOY in Soya and F&N ICE MOUNTAIN in Water. The Group continued building its brands and bringing healthy and innovative products to consumers as it navigates the new normal and build business resilience.

#### ISOTONIC: 100PLUS

Singapore's No.1 isotonic brand, 100PLUS, remains the isotonic drink of choice for consumers. It has been supporting active lifestyles over the years through sponsorships and hybrid sporting events such as the STANDARD CHARTERED SINGAPORE MARATHON, OCBC CYCLE VIRTUAL RIDE and GET ACTIVE PESTA SUKAN activities. To encourage Singaporeans to stay fit and lead active lifestyles, 100PLUS collaborated with sporting enthusiasts and fitness influencers as they conducted live workout sessions, which included yoga, kick boxing and HIIT exercises. These virtual workouts enabled 100PLUS to stay engaged with consumers.

**STAY HOME STAY FIT**

Packed with **Fibre to aid Digestion**  
#Highest fibre\* prune juice drink  
#No Sugar Added

**OFFICIAL WATER PARTNER**  
HSBC Women's World Championships

**ICE MOUNTAIN**

**Singapore**

**100PLUS**  
rolled out its #STAYFIT campaign in Singapore, Malaysia and Myanmar for the 2<sup>nd</sup> consecutive year

**F&N**  
**FRUIT TREE FRESH**  
added Prune & Mixed Fruit Juice to its no sugar juice range

**NO. 1**  
in Singapore:

- Isotonic - 100PLUS
- Soya Milk - F&N NUTRISOY
- Water - F&N ICE MOUNTAIN



## CEO Business Review

### BEVERAGES

#### (Soft Drinks and Beer)

##### CORE MARKETS

- 📍 Malaysia
- 📍 Singapore
- 📍 Myanmar

With large outdoor events further curtailed this year owing to sustained containment measures, from February to September, 100PLUS reached out to a younger target audience by running a series of e-sports competitions. This year, 100PLUS became the Official Beverage Sponsor for popular game League of Legends, Wild. In addition, 100PLUS was also the Official Hydration Sponsor of Singapore Esports Association, partnering our national athletes in their preparation journey to the SEA Games.

##### WATER: F&N ICE MOUNTAIN

F&N ICE MOUNTAIN is Singapore's No.1 water brand, led by its still drinking water range and its expanding sparkling water range. The brand also provided sustainable pack formats to consumers by offering F&N ICE MOUNTAIN still water in paper cartons. Made with FSC certified carton paper sourced from responsibly managed forests, the new packaging also comes with a bio-based cap made from sugar cane. In addition, we also launched F&N ICE MOUNTAIN still water in fully recyclable aluminium cans, broadening the range of sustainable every day healthy hydration options for consumers.

F&N ICE MOUNTAIN Sparkling Water range continued to delight consumers with the introduction of its new limited-edition variant, F&N ICE MOUNTAIN Sparkling Yuzu Osmanthus, a combination of yuzu and osmanthus without sugar and calories. Available for a limited time only, this enjoyable

fruity and floral fizzy beverage was an instant hit with our consumers, further anchoring and growing F&N's market share in the Sparkling Water segment.

##### SOYA: F&N NUTRISOY

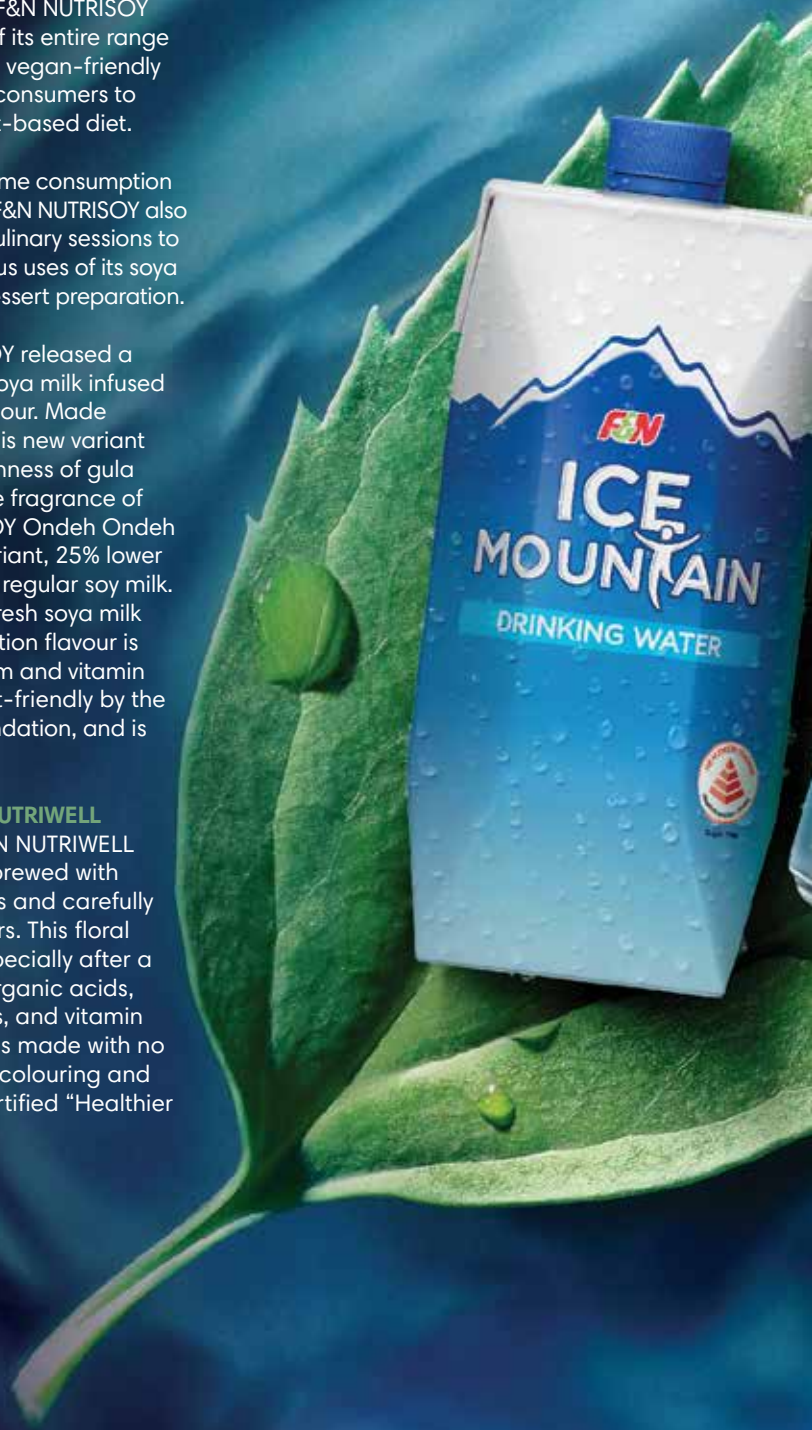
F&N NUTRISOY, Singapore's No.1 soya milk brand, continued to focus on raising brand visibility and awareness of its range of high calcium and low-glycemic index soya milk beverages amongst consumers. This year, F&N NUTRISOY improved the recipe of its entire range of soya milk, making it vegan-friendly thereby encouraging consumers to adopt a healthy, plant-based diet.

Riding on higher in-home consumption during the pandemic, F&N NUTRISOY also launched a series of culinary sessions to demonstrate the various uses of its soya milk in cooking and dessert preparation.

This July, F&N NUTRISOY released a limited-edition fresh soya milk infused with ondeh ondeh flavour. Made with fresh soya milk, this new variant is bursting with the richness of gula melaka and irresistible fragrance of pandan. F&N NUTRISOY Ondeh Ondeh is a reduced sugar variant, 25% lower in sugar compared to regular soy milk. Similar to its existing fresh soya milk range, this limited-edition flavour is high in protein, calcium and vitamin D3. It is certified heart-friendly by the Singapore Heart Foundation, and is also vegan-friendly.

##### ASIAN DRINKS: F&N NUTRIWELL

Launched in June, F&N NUTRIWELL Roselle Tea is freshly brewed with all-natural ingredients and carefully selected roselle flowers. This floral tea aids digestion especially after a heavy meal. Rich in organic acids, minerals, amino acids, and vitamin C, this refreshing tea is made with no added preservatives, colouring and sweeteners, and is certified "Healthier Choice" by the HPB.





## Singapore



### CHANG

beer was the Official Broadcast sponsor of the 2020/21 English Premier League in Singapore



## Myanmar



### #WINNINGTOGETHER WITHCHANG



### CHANG

beer was awarded the Gold Quality Award 2020



## BEER

The results of our beer division take into account our brewery in Myanmar and beer distribution in Singapore.

### EMERALD BREWERY MYANMAR LIMITED

F&N's greenfield brewery, EBML commenced production of the award-winning CHANG beer on 1 October 2019. Licensed to EBML by F&N's strategic partner, Thai Beverage Public Company Limited, CHANG lager uses only the finest ingredients from Europe and the USA, just like CHANG in Thailand.

EBML successfully launched CHANG two years ago, and has continued to build brand awareness in Myanmar. In October 2020, CHANG rolled out a six-month long nationwide campaign, WINNING TOGETHER WITH CHANG. Supported by outdoor, digital and print advertising platforms to reach consumers, this 360-degree marketing campaign covered point-of-sale advertising in both off- and on-premise channels which included local retailers, wholesalers, beer stations and restaurants in Myanmar.

In addition to developing successful marketing campaigns, CHANG also takes pride in brewing the best quality beer using only the finest ingredients the world has to offer. Last year, impressing with its outstanding quality, CHANG was awarded the Gold Quality Award 2020 by Monde Selection – an International Quality Institute which evaluates the quality of consumer products all over the world. CHANG scored highly during the evaluation process, cementing its reputation as a stylish, iconic, and perfectly balanced beer. Another key pillar driving the success of CHANG in Myanmar is the growing distribution network throughout the country. Strengthening route-to-market is critical in making CHANG accessible to as many trade customers and end consumers as the brand continues to grow in awareness and affinity.



## CEO Business Review

## CORE MARKETS



- 📍 Malaysia
- 📍 Thailand
- 📍 Singapore
- 📍 Vietnam



DAIRIES







## CEO Business Review

### DAIRIES CORE MARKETS

- 📍 Malaysia
- 📍 Thailand
- 📍 Singapore
- 📍 Vietnam

#### DAIRIES MALAYSIA

In spite of pandemic-induced market conditions, Dairies Malaysia maintained its undisputed leadership of the condensed and evaporated canned milk segment with F&N, TEAPOT, GOLD COIN and CARNATION brands. To solidify its canned milk leadership position, Dairies Malaysia continued to innovate to drive excitement, and expand its consumer base and consumption occasions of canned milk.

Building on the tagline, "PURE ENJOYMENT. PURE GOODNESS", Dairies Malaysia maintained marketing activities to drive the growth of the ready-to-drink milk category. Leveraging the Group's in-house technical expertise, product offerings and trusted relationships with consumers, Dairies Malaysia has been able to make solid progress growing its F&N MAGNOLIA and FARMHOUSE liquid milk presence.

#### CANNED MILK: F&N/TEAPOT/GOLD COIN/CARNATION

Dairies Malaysia is a leading player in the canned milk industry. In spite of

the COVID-induced challenges, the Group reinforced its No.1 condensed milk position with F&N, GOLD COIN and TEAPOT with the rollout of F&N Full Cream Condensed Milk in different flavours and convenience pack. Over the years, to drive in-home consumption, Dairies Malaysia widened its choice of condensed milk with the introduction of TEAPOT in local flavours and in convenient squeeze tube pack. Bigger and convenient pack types were introduced targeting on-trade and convenience stores. Such channel-led innovations, effective marketing activities and increased production capacity bolstered Dairies Malaysia's position as the undisputed leader in Malaysia's condensed milk category.

CARNATION refreshed packaging of its Sweetened Creamer range this year. Its fresh and updated look enhanced brand awareness and encouraged new product trial. CARNATION also went beyond the traditional marketing outlets by utilising digital platforms to drive home consumption. This year, it rolled out several online campaigns, including the Gourmet At Home Contest, My Ramadan Recipe Contest and the CARNATION Cook From Home contest – to stimulate home consumption. Continuing from last year's successful The MAMAK VIRTUAL TERBESAR TEH TARIK ORI F&N campaign, F&N TEH TARIK ORI further reached young consumers with social media and effective branded hashtag challenges in its campaigns.

#### DAIRIES THAILAND

Dairies Thailand cemented its No.1 canned milk position with TEAPOT and CARNATION brands. Its strong market leading position was due to the successful rollout of innovative products, well-executed trade programmes, as well as its unrelenting distribution expansion across the country.

Through the launch of innovative products, Dairies Thailand has been able to tap the growth of liquid milk segment and grow its position in the ready-to-drink milk with F&N MAGNOLIA in Thailand.

In addition to driving domestic volume, Dairies Thailand bolstered its presence in the SEA region. Over the years, it has successfully deepened and widened its distribution reach and built the TEAPOT brand in Cambodia and Laos. Dairies Thailand will look to increase its exports by expanding its sales and distribution networks and increasing product offerings.

📍 Malaysia, Singapore & Thailand



**CARNATION**  
No. 1 Evaporated  
Milk in Malaysia



**DAIRIES  
MALAYSIA**  
holds the No. 1 position  
in the Sweetened  
Condensed Milk  
category with  
F&N, TEAPOT &  
CARNATION

NEW

**FARMHOUSE**  
introduced new  
Dark Chocolate  
Flavoured Milk in  
Singapore



**F&N  
MAGNOLIA**  
launched a  
lactose-free  
fresh milk



**DAIRIES  
THAILAND**  
cemented its  
No.1 canned  
milk position  
with TEAPOT  
and CARNATION





## CEO Business Review



### DAIRIES CORE MARKETS

- 📍 Malaysia
- 📍 Thailand
- 📍 Singapore
- 📍 Vietnam

#### CARNATION

CARNATION, one of Nestle's brands licenced to F&N, remains the biggest brand in the canned milk sector in Thailand. Since we secured the manufacturing, marketing and distribution rights of CARNATION in 2007, the brand has grown from strength to strength. Through targeted brand marketing initiatives and expansion of hawker coverage, CARNATION was able to grow volume and reinforce its image as the premium and preferred choice in food and beverage applications. Today, CARNATION is the No.1 Premium Evaporated Milk brand in Thailand.

In 2007, the Group acquired relevant Nestle's production facilities and equipment in Thailand, along with the licensing rights to some of Nestle's canned and sterilised milk brands. Nestle's trademark licence agreement was subsequently renewed in 2015 for 22 years, until 2037, for the manufacturing and distribution of Nestle's products – CARNATION and BEAR BRAND in Singapore, Thailand, Malaysia, Brunei and Laos.

As in previous years, nationwide loyalty campaigns were rolled out this year to reward customers and consumers. The campaign, CARNATION, TEE 1 KWAM AROI, LOON BOI DON JAI TOOK RANGWAN generated brand excitement while the CARNATION MUD-JAI YING KOOM aimed to strengthen good relationship and bonding as well as brand loyalty with core users of CARNATION.

#### TEAPOT

Already Thailand's No. 1 flavoured SCM in squeezable tubes, TEAPOT expanded

its SCM portfolio with the introduction of TEAPOT Strawberry Yoghurt. Packed in convenient on-the-go squeezable tubes, this new addition, made with fresh milk, is rich and creamy, and delivers an aromatic and delicious taste. Supporting the launch was a series of marketing activities, including television commercials, digital and mobile campaigns, extensive nationwide sampling and various point-of-sales initiatives.

To better serve convenience stores, TEAPOT SBC Standing Pouch in 500g was introduced. Both value for money and convenient, this new pack type expanded TEAPOT SBC presence in the convenience channel and gained market share.

Capitalising on the demand for convenience, this July, TEAPOT rolled out another convenience pack in addition to squeezable tubes. TEAPOT SCM in sachets offers both affordability and convenience to consumers. Launched in



two flavours, the regular Fresh Milk and Fresh Milk Chocolate, these on-the-go sachets supported penetration into the Horeca channel.

#### NEW GROWTH PILLAR: F&N MAGNOLIA AND BEAR BRAND

Our expanding product offering in the UHT milk segment enables us to meet the diverse and changing needs of our consumers. This year, health-conscious consumers in Thailand were treated to F&N MAGNOLIA Chocolate Malt Drink with 50% less sugar. This flavoured milk drink offers a guilt-free indulgence for consumers who are watching their sugar intake.

BEAR BRAND GOLD has introduced a new variant in Thailand this month – BEAR BRAND GOLD Acerola Cherry, the first ready-to-drink milk with Acerola Cherry in Thailand. The launch was supported by online communications and in-store visibility. Offering distinctive Acerola Cherry aroma and rich unique milk taste, this new variant also contains seven

benefits, similar to other variants of BEAR BRAND GOLD – which are high in vitamins A, B, C, D, E, calcium, and low in fat.

#### DAIRIES SINGAPORE

As a major dairy manufacturer and beverage supplier, F&N's F&B operation in Singapore remains resilient and adaptive as it overcame supply disruptions, manpower resource shortages and changing consumer consumption patterns. We continue to accelerate our digitalisation efforts and our transformation into a new normal.

#### LIQUID MILK: F&N MAGNOLIA AND FARMHOUSE

This year, Dairies Singapore continued to excite the market by introducing new, healthier products. It expanded its F&N MAGNOLIA Plus milk range with the introduction of F&N MAGNOLIA Plus Lactose Free Milk. Made from fresh milk with added lactase enzymes, F&N MAGNOLIA's very first lactose-

free milk provides lactose intolerant consumers an alternative to regular milk. Rich in calcium, every 250ml glass of F&N MAGNOLIA Plus Lactose Free Milk contains 40% of a person's daily calcium needs. Fortified with vitamin D3 to support calcium absorption, this nutritious beverage also contains vitamins B2 and B12 which are necessary for cellular growth, as well as cellular metabolism of carbohydrates, fat and protein. Voted the best tasting lactose free fresh milk during a blind taste test conducted by The Straits Times Life in May, F&N MAGNOLIA Plus Lactose Free Milk is a delicious and easy-to-digest beverage that allows consumers to enjoy the benefits of milk without experiencing uncomfortable symptoms.

In May, FARMHOUSE introduced a new FARMHOUSE Dark Chocolate Low Fat Flavoured Milk. Made with bittersweet, premium cocoa and fresh milk from Australia, this new addition was a roaring success, creating overwhelming demand.



## CEO Business Review

### DAIRIES

#### CORE MARKETS

- 📍 Malaysia
- 📍 Thailand
- 📍 Singapore
- 📍 Vietnam

### DAIRIES VIETNAM

F&N operates in Vietnam through its 20.4% investment in Vinamilk and its wholly owned subsidiary, F&N Vietnam Limited Company ("FNV") (please refer to New Markets).

#### VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY ("Vinamilk")

F&N's investments in Vietnam date back to February 2005, when it first

took an approximately 5% stake in Vinamilk. In December 2016, the Group acquired additional shares representing approximately 5.4% interest through a competitive bid process. Thereafter, through further purchases from the market, the Group continued to increase its stake in Vinamilk, to 20.4% as at 30 September 2021. On account of the Group's shareholding and its appointment of a second representative to its board, the Group was deemed to have a significant influence over

📍 Malaysia, Singapore & Thailand

NEW

### 100PLUS

excited Singaporeans with new 100PLUS Hydration Bar



### F&N MAGNOLIA

Justice League themed ice cream was back with a healthier formula and new packaging in Thailand



### F&N

partnered with Foodpanda to provide Malaysians an alternative digital platform to purchase F&N products





Vinamilk for accounting purposes in accordance with the Singapore Financial Reporting Standards (International). Consequently, effective 16 April 2017, the Group started to equity account for its share of Vinamilk's profit under the equity accounting method.

In FY2021, Vinamilk contributed \$111.7m to F&N's PBIT, accounting for 42.7% of the Group's \$261.7m profit.

Vinamilk, the largest F&B company listed on the Ho Chi Minh Stock Exchange, is primarily involved in the production, supply and distribution of dairy products including powdered, liquid and condensed milk and yoghurt, as well as beverages including soy milk, fruit juice and tea. It is present in over 50 countries around the world, and is supported by 15 dairy factories in Vietnam, Cambodia and the USA, and 12 dairy farms in Vietnam.

## DAIRIES ICE CREAM

Dairies Ice Cream division, with well-established and trusted brands like F&N MAGNOLIA, KING'S and MEADOW GOLD, is supported by two manufacturing plants in Malaysia and Thailand. This year, amidst difficult market conditions, F&N KING'S and F&N MAGNOLIA remained popular choices of ice cream brands in Malaysia, Singapore and Thailand. Both well-loved brands continued to rollout new products to keep pace with, and to shape, evolving consumer needs. They also embarked on key collaboration initiatives and effective marketing campaigns to drive sales.

In Singapore, the successful rollout of the Hawker Cart Inspiration Project helped boost F&N MAGNOLIA ice cream sales. The project successfully brought traditional bread sandwich ice cream from the streets to contemporary dining arena of cafes and foodcourts, driving sales and increasing brand awareness.

In September, F&N launched its first 100PLUS Original inspired ice cream – 100PLUS Hydration Bar – generating excitement and keeping consumers hydrated in sunny Singapore. Certified a healthier choice product by the Health Promotion Board, 100PLUS Hydration Bar is also trans-fat free.

In Thailand, Dairies Ice Cream also extended F&N MAGNOLIA's offering by introducing two new variants to capture the hearts and minds of kids.

Launched during the summer months, F&N MAGNOLIA introduced the F&N MAGNOLIA Cookie Crunch, a chocolate coated cookies and cream flavoured ice cream and F&N MAGNOLIA Gotcha Twin Rocket, a delicious orange-cola flavoured ice cream in the shape of a duo rocket. These new flavours were met with good response.

To further strengthen its presence in the kids' segment, F&N MAGNOLIA re-introduced its range of Justice League themed-ice cream in Thailand. Back with a healthier formula and new packaging design, the iconic Batman, Superman and The Flash ice cream are lower in sugar and calories, compared to its earlier range. Supported by a 360-degree marketing campaign which included digital and print advertising as well as in-store and outdoor activations, the return of F&N MAGNOLIA Justice League series has generated much excitement amongst consumers.

In response to the growing trend of healthy lifestyle, F&N MAGNOLIA introduced two healthier products, F&N MAGNOLIA C100 Orange and F&N MAGNOLIA Apple Twist. Targeting health-conscious consumers, both variants are lower in sugar and calories. F&N MAGNOLIA will continue to expand its healthier range of ice cream to cater to health-conscious consumers in the future.

In addition to driving innovation, F&N also expanded its sales and distribution network to keep up the sales momentum in the current economic landscape. It has also increased partnership with online marketplaces to better distribute its products and reach consumers. This year, in Malaysia, F&N partnered with Foodpanda – an online grocery portal – to make purchases of its range of ice cream easier for consumers. F&N also leveraged F&N Life, its very own e-commerce platform, to expand its online presence.





## NEW MARKETS

- Indonesia
- Myanmar
- Thailand
- Vietnam





## NEW MARKETS

- 📍 Indonesia
- 📍 Myanmar
- 📍 Thailand
- 📍 Vietnam

New Markets FY2021 performance has been impacted by the pandemic, as weaker sentiments due to COVID-induced lockdowns and other public health safety measures dampened demand. While vaccination rates in our New Markets have picked up, their recoveries continued to be curtailed by recurring spikes of COVID-19 cases, resulting in the reimposition of stringent containment measures in some countries.

Despite the challenges, efforts have been made to expand and deepen distribution channels, in particular for 100PLUS and TEAPOT, with a clear focus on the SEA region. F&N will continue to drive growth through investment in our brands and extend our route-to-market capabilities. Alongside our organic growth strategy, we will continue to seek acquisitions which are value enhancing or capability-enhancing.

### (A) INDONESIA

This year, PT YFI, a subsidiary of the Group, responded to the challenges by adopting a low-risk strategy to protect profitability and safeguard liquidity, while focusing on deepening

and widening distribution. Despite the pandemic-induced curbs, PT YFI recorded revenue growth and improved profitability, compared with FY2020. The higher revenue was attributed to well-executed route-to-market strategy, which focused on the convenience store, supermarket and e-commerce channels. A new strategic partnership also significantly improved PT YFI's distribution network in the greater Jakarta area, East Java and Bali island. This year, PT YFI was also appointed the distributor for SUNKIST Growers USA to distribute the popular range of SUNKIST sparkling beverages throughout Indonesia.

The launch of TEAPOT in December also boosted PT YFI's dairy business, complementing our very popular F&N range of canned milk which has been in the market for over 20 years. In addition, the successful listings of F&N Coffee Soda and DAYDAY Bird's Nest Drink in Alfamart and Alfamidi stores have also continued to drive sales and conversion.

To date, our range of products – 100PLUS, F&N canned milk, TEAPOT, DAYDAY Asian soft drinks, UNIFRESH, F&N Sparkling Drinks, SUNKIST and F&N SEASONS Asian Drinks range – are available in over 20 major cities. We remained focus on building our brands, distribution and expanding our range of products in both retail and F&B outlets in all key cities.

Indonesia will remain a key market and a core component in our growth

strategy. Its immense and growing consumer market presents opportunities to the Group. We are determined to pursue every opportunity to grow this important market. We shall continue to seek growth through investment in our brands and extend route-to-market capabilities, and by strategic acquisitions to broaden and deepen our footprint in Indonesia.

### (B) MYANMAR

100PLUS continued to strengthen its brand position as the drink of choice for consumers who lead active lifestyles. From November '20 to January '21, 100PLUS launched a thematic communication campaign, OUTDO THE ORDINARY, to raise awareness of the benefits of consuming isotonic beverages. The campaign was supported by advertisements on social media and strong on-ground merchandising and shelf visibility. This three-month long campaign was complemented by a virtual running event, the 100PLUS ACTIVE VIRTUAL RUN 2020. More than 1,000 runners participated in the virtual run, generating more than one million engagements on Facebook, reinforcing 100PLUS's leadership in the isotonic segment.

In November, to provide convenience to consumers, we introduced TEAPOT in innovative packaging – TEAPOT GOLD Sweetened Beverage Creamer Easy Open and TEAPOT Evaporated Creamer Easy Open. These new introductions drove sales and further strengthened TEAPOT's presence in the canned milk market.



**F&N PRODUCTS**  
are available in over  
20 major cities in  
Indonesia



**F&N**  
was appointed by  
SUNKIST Growers USA  
to distribute SUNKIST's  
range of sparkling  
beverages in Indonesia





## CEO Business Review

### NEW MARKETS

- 📍 Indonesia
- 📍 Myanmar
- 📍 Thailand
- 📍 Vietnam

F&N canned milk continued to focus its efforts in relevant food service channels such as tea and coffee shop operators in Yangon, Myanmar. This year, F&N successfully sought a new alliance with a tea shop operator to exclusively provide TEAPOT condensed and evaporated

canned milk to all its tea shops in Yangon. This new partnership increased TEAPOT's on-premise presence, which has led to sales growth.

#### (C) THAILAND (SOFT DRINK)

The fast-moving-consumer-goods ("FMCG") industry in Thailand faced a tough year in 2021 due to the COVID-19 pandemic. As a result of longer lockdown periods and stringent government measures, the economy was inevitably affected. Consumers are more cautious in their spending, prioritizing healthier alternatives and essential products. Although the government has launched various subsidy programs, the FMCG and beverage industries continued to face

challenges, and will likely continue do so even into 2022.

Amidst the COVID-19 outbreak, 100PLUS continued to strengthen its unique positioning as a healthy carbonated beverage at points of purchase and via online media. Despite continued restrictions on outdoor activities, 100PLUS, as the hydration drink of choice, was able to continue its sponsorship of sports-related events – BURIRAM MARATHON 2021, SUPHANBURI CLASSIC RACE MUEANGNHOE Y2020, KHAO YAI MARATHON RUN, and TENNIS CHAMPIONSHIP MATCH – successfully generating trials and sustaining brand awareness. As a strong advocate for



**“ANH EM  
CÙNG CHA KHÁC VỊ”  
NHÀ 100PLUS**



**100PLUS VỊ CHANH**  
đã gửi một lời mời kết bạn

**CHẤP NHẬN**

**TỪ CHỐI**



## 100PLUS

continued its sponsorship for sports-related events in Thailand, Myanmar and Vietnam



## 100PLUS

raised funds in support of local athletes in Vietnam

NEW

## New TEAPOT products in Myanmar

- TEAPOT GOLD Sweetened Beverage Creamer Easy Open
- TEAPOT Evaporated Creamer Easy Open

active and healthy lifestyles, 100PLUS also sponsored sports associations such as the BADMINTON T. THAILAND CLUB and BASKETBALL CLUB (HITECH).

100PLUS continued to ensure brand presence and visibility at the Happy and Healthy Bike Lane – a world-class outdoor cycling track – which attracted over 600,000 amateur and professional cyclists annually.

F&N Sarsi, F&N's popular flavoured carbonated soft drink kept up its brand building pace through point of purchase media and in-store promotions to encourage trial and repeat purchase. This much-loved beverage is available in both modern trade and traditional trade channels.

### (D) VIETNAM: F&N VIETNAM LIMITED COMPANY ("FNV")

This year, in addition to increasing brand visibility, FNV has also been focused

on converting shoppers during point-of-purchase, in-store promotions and outdoor activations at sports venues and supermarkets to encourage out-of-home and modern trade consumption. Quarterly promotions and gift redemptions were also rolled out, which contributed to FNV achieving higher sales volume this fiscal year.

100PLUS continued to strengthen its brand position as the drink of choice for those who lead active lifestyles. In January, 100PLUS organized the RUN FOR VIETNAMESE ATHLETICS event in collaboration with the Ho Chi Minh City ("HCMC") Athletics Federation, to raise funds to support local athletes who represented Vietnam in the 2021 Olympics and 31<sup>st</sup> Southeast Asian Games. This first relay running event in Vietnam helped increase brand awareness and reinforced 100PLUS's image as the enabler for active lifestyles.

Following its successful sporting sponsorship, 100PLUS rolled out a three-month long digital marketing campaign, BURST YOUR ENERGY, BREAK THE LIMIT, from April to June. This campaign was launched on popular online media platforms – Facebook and YouTube – attracting over 100 participants who took part in its online-to-offline consumer engagement activities. Supported by iTVCs, KV and AOC, this campaign achieved over 7 million hits and 90,000 engagements on both online platforms, successfully increasing 100PLUS's share of voice and brand presence in the country.

To sustain brand awareness, 100PLUS continued its support for various sports events and running clubs such as the HCMC INTERNATIONAL MARATHON 2021, VIETRACE 365, HOA BINH PARK RUN CLUB, PHUMYHUNG RUNNERS CLUB and HAIPHONG RUNNERS CLUB in Vietnam.



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PUBLISHING & PRINTING







## CEO Business Review

## PUBLISHING &amp; PRINTING



**Mr Siew Peng Yim**  
Chief Executive Officer,  
Times Publishing Group



**New digital content and continual expansion in international markets will spur revenue growth for the education business whilst the expansion to sustainable print packaging will reboot our print business.**

Amidst the volatile recovery of the global economy from the COVID-19 pandemic, Times Publishing Limited ("TPL") managed to stabilise its business performance.

This year, TPL achieved a revenue of \$222.4m, a marginal decline of 3.3% from last year – a good performance in challenging times. Despite lower sales, the Group managed to narrow its losses by 75.7%, from \$10.5m last year to \$2.5m this year. This was achieved through rigorous restructuring exercises and improved profitability of Education Publishing and Book Distribution.

Our Education business continued to be TPL's main profit driver. This year, we continued to diversify the business by expanding our digital footprint and bringing our content to new markets. We continued to pivot our content to a digital-physical hybrid model, as the digital realm is evolving into a critical driver for our education business. In this aspect, we are also working with various educational institutions to provide online professional development courses

for educators in the ASEAN region. In addition, Education is also expanding its international market presence by expanding into markets like Azerbaijan.

Like Education, Printing is also diversifying its revenue stream. We are pursuing the expansion of our printing capabilities beyond traditional magazine and book printing to the production of sustainable print packaging. The global demand for promotional and sustainable packaging materials for the e-commerce, retail, and food & beverage industries continues to grow at a healthy pace. Eco-friendly print solutions to reduce the printing industry's impact on the environment also emerged as a significant market factor. We are targeting the FMCG, health and technology industry, as their demand for sustainable print solutions offers the most promising growth opportunities. To this end, we are in the process of adapting some of our existing print machines and installing ancillary print equipment at our facilities in Singapore to produce sustainable print packaging. The production line for our sustainable





## Revenue

**\$222.4m**

\$230.0m in FY2020



## Losses Before Interest & Taxation

**\$2.5m**

\$10.5m in FY2020

print solutions is targeted to come online in 2022. This new strategic direction will put the Print Group in a much stronger position to stage growth in both revenue and profitability.

Our high-street book retailing remained very trying, especially during the movement control orders and Phase 2 Heightened Alert periods in Malaysia and Singapore, respectively. Amidst the movement restriction orders, and changes in consumer purchasing behaviours, we have expanded our flagship online stores such as Marshall Cavendish and Times Junior, and partnered several e-commerce platforms to reach customers. We also hastened the closures of non-performing high street retail stores in Malaysia and Singapore to reduce losses.

The book distribution business remains resilient despite volatile footfall in retail outlets. We have gained new channels such as the online book market where it recorded the highest revenue growth and is becoming one of our key channels for book distribution. By contrast, the sharp decline in magazine sales reached a point where we ceased magazine distribution in Singapore and Malaysia effective 1 April 2021. Leveraging our strong distribution network, we have expanded our replacement portfolio with the distribution of lifestyle stationery brands such as Hallmark, Crayola and Smiggle, and our Office & School Solutions.

Despite the higher vaccination rates and re-opening of international borders, business sentiments remain cautious. Supply chain disruptions and higher operating costs continue to weigh on businesses. In the next 12 months, to navigate in this volatile and uncertain environment, we will continue to be vigilant, both in managing our cost base as well as in implementing our business strategies to grow top line and improve profitability. New digital content and continual expansion in international markets will spur revenue growth for the education business whilst the expansion to sustainable print packaging will reboot our print business. Our distribution business will regain its market strength eventually when normalcy in the retail trade returns.

## PUBLISHING

Our publishing business is represented by Marshall Cavendish Education ("MCE"), Marshall Cavendish International (Asia) ("MCIA") and Marshall Cavendish Business Information ("MCBI"). Together, they create content that ranges from education, general interest, business information to home reference.

### PUBLISHING: EDUCATION

MCE continued to grow and uphold its market share in educational content publishing in Singapore while achieving key wins in global markets. In Singapore, we were awarded tenders for the

Pre-School English and by the Singapore Ministry of Education for the Primary and Upper Secondary Sciences, Civics and Moral Education and Form Teachers' Guidance Programme for the Primary level. This year, for the first time, MCE was also awarded the tender for Physical Education.

On the international front, MCE's key markets like North America and ASEAN have recovered well. We made inroads into the Azerbaijan market through winning a government consultancy project to review its national curriculum and textbooks. In another breakthrough, the Indonesian Ministry of Education has licensed our textbook, Biology Matters, which will be adapted and translated into Bahasa Indonesian and used in their public secondary schools.

In Hong Kong, our team held several events both online and offline despite the restrictions imposed due to the ongoing pandemic. Online activities included an inter-school Primary Mathematics competition, a series of webinars on the topic, Citizenship and Social Development, and sales promotions on HKTV Mall, our flagship e-commerce store in Hong Kong.

In 2019, we were appointed one of the four Endorsement Partners of Cambridge Assessment International Education (CAIE) licensed to develop resources for Cambridge schools internationally. Since then, we have



## CEO Business Review

### PUBLISHING & PRINTING

completed a host of IGCSE subjects such as English as a Second Language, Science, Information Communication Technology and Computer Science which were developed by subject experts that had passed CAIE's rigorous quality-assurance process. All these will further strengthen MCE's market share in the international market.

Since the launch of MCEduHub, our online learning portal in 2020, we have intensified our effort to create content for the hybrid learning model as well as to form strategic alliances. To this end, we will partner various educational institutions to provide online learning courses on MCEduHub for the professional development of educators in the ASEAN region.

#### PUBLISHING: OTHERS

Our general interest publishing business achieved modest growth as the market gradually recovered. Last year, MCIA published a selection of fiction and non-fiction titles, including the English and Tamil version of the novel *Sembawang*. The title was launched in April 2021 with Minister Ong Ye Kung, MP for Sembawang, as guest-of-honour and India's High Commissioner to Singapore, Mr P. Kumaran, as special guest. Written by Kamaladevi Aravindan and translated by Anitha Devi Pillai, the title was shortlisted for the fiction category of the Singapore Book Awards and the NUS History Prize.

In addition to traditional print publishing, riding on the rise of on-demand content, MCIA has also adopted digital publishing option. Two books – *In Honour of War Heroes: Colin St Clair Oakes and the Design of Kranji War Memorial* by Athanasios Tsakonas and *We are Singaporeans*, written by Melanie Lee and illustrated by Lee Xin Li – were launched digitally. Going forward, MCIA will continue to focus on publishing children, business and self-help genres, in physical, digital or hybrid publishing options.

#### PRINT

Our offset print business has shown improved results compared to last year despite the various disruptive lockdowns in Malaysia which limited daily production capacity. In contrast,

the recovery of the out-of-home printing business was sapped by the frequent heightened alert measures in Singapore, which caused uncertainty amongst its customers in committing on-site mega advertising and promotional activities.

To combat revenue shortfall, we have diversified our capability to produce sustainable print packaging, such as paper pouches, folding cartons, biodegradable paper bags, point-of-sale materials, as well as other 100% compostable food packaging solutions. This new strategic direction, which is aligned with global efforts to develop environmentally friendly products, will add a new revenue stream to Print division. We expect the production of sustainable print packaging business to start in 2022.

Additionally, Print has expanded its services to include in-house advertising, digital and social media marketing and video production. Our technological capability was given a further boost by the addition of the only 27-metre magnetic seaming machine in Singapore. This machine can print seamless banner joints that are nearly invisible to the naked eye. In line with our sustainability efforts, Print will take the lead in offering PVC-free 100% biodegradable large format materials for banners, billboards and stickers.

### RETAIL AND DISTRIBUTION

Retail continued to be impacted by challenging conditions as the resurgence of COVID-19 variants in Singapore and Malaysia. Travel restrictions worsened the situation, and sales fell, especially for stores like The Times Junior and Kaboom in Changi Airport that are highly dependent on tourists and travellers.

While sales from physical stores were down, sales from our online store, GoGuru, and online marketplaces grew steadily. We have increased our online presence by setting up brand flagship stores on online marketplaces for Times Junior and Marshall Cavendish. In May 2021, Times Bookstores Malaysia launched its official store on third-party e-commerce platforms, Shopee and Lazada. These initiatives correspond to the shift in consumer purchasing behaviour during the pandemic, which saw a reduction in retail footfall.

Our book distribution business was resilient. We added new publishers to our portfolio, strengthening our market leadership in book distribution. We were also appointed the exclusive distributor by Harvard Business Review, Plata and Harper Collins Group. With the appointment by Harper Collins, we are now the distributor of the world's top four English language publishers. Similar to the other P&P divisions, book distribution has also made inroads into e-commerce. Book distribution through online channels has grown by almost 130% compared to last year, making the online channel one of our most promising growth channels. Online book





## Publishing & Printing



### EDUCATION PUBLISHING

expanded its digital footprint and introduced its content to new markets



### PRINT

expanded into sustainable and environmentally friendly print products and solutions



### Increased our ONLINE PRESENCE

with TIMES JUNIOR and MARSHALL CAVENDISH brand flagship stores



### GROWTH

in Book Distribution with new publishers and further inroads into online channels

revenue now contributes about 10% of total book distribution sales.

This year, we have exited the magazine distribution business in Malaysia and Singapore. Instead, we pivoted our distribution resources to focus on stationery, gifts and office supplies, essentially utilising the same infrastructure with minimal new investment.

As a way of giving back to the community, we organised several corporate social responsibility activities last year. Print donated used computers and laptops to the Salvation Army and

halfway homes for needy children.

To ensure students of all backgrounds had a chance to experience digital learning, MCE worked with F&N Group to sponsor 40 beneficiaries from the non-profit charitable organisation Touch Young Arrows to attend the Coding, Mobile App Development and Python Programming Workshops. It also provided free access to MCEduHub for Primary and Secondary school students during the June School Holidays as they returned to home-based learning in Singapore. In another initiative supported by our business partner, MCE designed a set of free Chinese home-based learning activity sheets for pre-schoolers, which

was featured in the Speak Mandarin Campaign, SEED Institute and Parents College Singapore Facebook Pages.

MCE also collaborated with Literatu utilising Scribo, an AI based learning application, and the local English Language Teaching Associations in Malaysia and Pakistan to organise an English writing competition for students and teachers. This competition allowed participants to experience the use of Artificial Intelligence in redefining the way they conduct or submit their writing assignments. The competition attracted an overwhelming 300 participating schools in Malaysia and Pakistan.



## Investor Relations

### EFFECTIVE AND OPEN COMMUNICATION

The F&N Group is committed to promoting effective and open communication with all stakeholders, ensuring consistency and clarity of disclosure at all times. We aim to engage with our shareholders and investment community openly and regularly in order to facilitate a mutual understanding of our respective objectives, and to provide information on our corporate strategies, trends, operational performance and financial information to the investment community.

To achieve that, F&N makes every effort to disseminate information through a broad range of communication channels and do not provide information selectively. Such commitment ensures that investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

### REGULAR DIALOGUES WITH THE INVESTMENT COMMUNITY

Besides communicating regularly with shareholders and the investment community via disclosures of material and other pertinent information through regular dialogues and announcements to SGX-ST, the Investor Relations team undertakes road shows (together with key senior management), investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance.

As the Group continued to make inroads into our regional expansion efforts, the Investor Relations team, together with senior management, continued to actively engage and update the investment community on the activities the Group had undertaken in the marketplace.

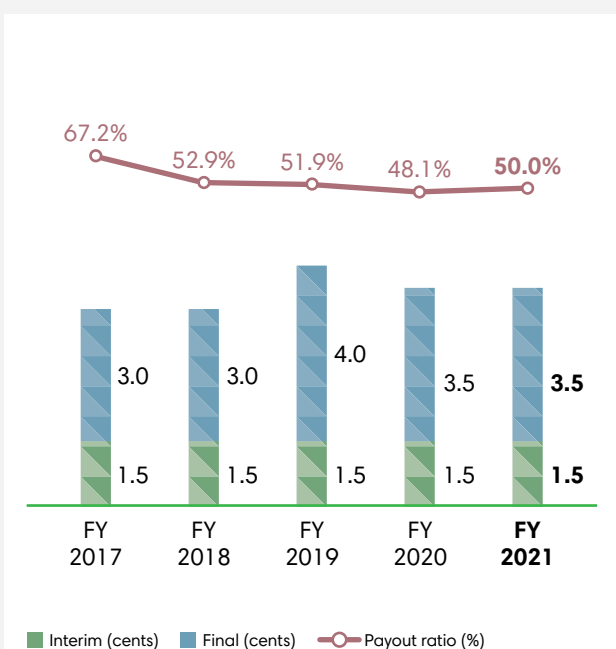
Retail investors remain an important part of our outreach efforts. In addition to annual general meetings, the Investor Relations team addresses the concerns of retail investors through email, telephone and online query form on F&N's website.

### AWARDS

F&N was the 2021 runner up of the Most Transparent Company Award – Consumer Staples category at the 21<sup>st</sup> Investors' Choice Awards organised by the Securities Investors Association Singapore. The award recognises F&N's outstanding disclosure and transparency efforts to help investors make informed decisions with the publicly available information of the company's performance. The Group continues to maintain high standards of corporate governance and well-defined business practices to safeguard our shareholders' interests whilst pursuing sustainable growth in the industry.

### DIVIDEND

The Group maintains a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2021, the directors have recommended a final dividend of 3.5 cents per share, which together with the interim dividend of 1.5 cents paid earlier brings total dividend for the year to 5.0 cents per share. In line with the Group's dividend policy, the proposed payout represents a distribution of 50.0% of the Group Attributable Profit before fair value adjustment and exceptional items.



### FINANCIAL CALENDAR: FY2022

Date	Event
18 January 2022	• Annual General Meeting
10 February 2022 (after close of trading) (tentative)	• 1 <sup>st</sup> Quarter Business Updates
06 May 2022 (after close of trading) (tentative)	• Announcement of Half-Year Results • Declaration of Interim Dividend
05 August 2022 (after close of trading) (tentative)	• 3 <sup>rd</sup> Quarter Business Updates
10 November 2022 (after close of trading) (tentative)	• Announcement of Full-Year Results • Declaration of Final Dividend



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#### Share Registrar and Transfer Office

Tricor Barbinder Share Registration Services  
80 Robinson Road, #02-00  
Singapore 068898  
Tel: (65) 6236 3333  
Fax: (65) 6236 3405



## Capital Resources

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at favourable terms. The Group's core businesses, Food & Beverage ("F&B") and Publishing & Printing ("P&P"), as well as dividends from Vinamilk are its main sources of cash flows.

Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rate exposures and overall liquidity position on a continual basis. To ensure that F&N has adequate overall liquidity to finance its operations and investments, it maintains a significant amount of available banking facilities with many banks. The Group's Debt Issuance Programmes also provide F&N continued access to the debt capital markets.

As at 30 Sep 2021, the Group's borrowings, net of cash, decreased to \$455.0m, from \$553.1m a year ago. The lower net borrowings were due to an increase in the Group's cash, as progress payments for the Group's new factory in Singapore were held back due to delays in construction resulting from the COVID-19 pandemic, and an earlier receipt of Vinamilk's September 2021 interim dividend. Consequently, the Group's net gearing improved, to 0.13 times of total equity. Cash generative businesses, ample funding sources and adequate debt headroom continue to put F&N in a good position to tap further growth opportunities.

While net borrowings are lower, actual borrowings are slightly higher than last year. As such, finance costs for FY2021 increased from \$24.8m in the prior year to \$25.1m.

### SOURCE OF FUNDING

Besides cash flow from its businesses, the Group also relies on the debt capital markets, the equity market and bilateral banking facilities for its funding. As at 30 Sep 2021, the Group has an aggregate banking facilities of \$1.1b, and \$3.5b in Debt Issuance Programmes to meet its funding requirements.

### AVAILABLE BANK LINES AS AT 30 SEP 2021

The Group maintains an active relationship with a network of more than 15 banks of various nationalities, located in various countries where the Group operates. Its principal bankers are Oversea-Chinese Banking Corporation Limited, DBS Bank Ltd, CTBC Bank Co. Ltd, Crédit Agricole Corporate and Investment Bank and Standard Chartered Bank.

The Group adopts the philosophy of engaging the banks as its core business partners. It has very strong support from its relationship banks across all segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group, as at 30 Sep 2021, amounted to \$1.1b. The principal bankers of the Group provided 66.0% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

### DEBT CAPITAL MARKETS

The Group has a \$2.0b multi-currency debt issuance programme and a \$0.5b short-term Commercial Paper Program in Singapore. The Group also has an an Islamic commercial paper programme ("ICP Programme") and an Islamic medium term notes programme ("IMTN Programme") with an aggregate limit of RM3.0b in Malaysia in place to tap the debt capital markets.

### MATURITY PROFILE OF GROUP DEBT (EXCLUDES FINANCE LEASES)

Time to maturity	\$'million
< 1 year	427.6
1-2 years	-
2-5 years	399.5
> 5 years	99.7
<b>Total</b>	<b>926.8</b>

The Group has already partially refinanced its Series 13 bond of \$160m due in March 2022 and is preparing to refinance its \$200m-Series 15 bond due in August 2022. The remaining balance will either be repaid with the Group's existing cash balances or refinanced with existing revolving credit facilities. The Group does not foresee any problems with the refinancing of its debts.

### INTEREST RATE PROFILE AND DERIVATIVES

The Group manages its interest costs by maintaining a mix of fixed and floating rate borrowings. On a portfolio basis, 93% of the Group's borrowings are in fixed rates, with an average fixed rate tenor of 2.9 years as at 30 Sep 2021. The fixed-rate borrowings consist largely of fixed-rate notes issued under F&N Treasury Pte Ltd's Debt Issuance Programme and bilateral bank term loans that have been hedged with interest rate swaps. The remaining 7% of the Group's borrowings, as at 30 Sep 2021, are in floating rates.

In managing the interest rate profile, the Group considers the interest rate outlook, expected cash flow generated from its business operations, holding period of long-term investments and acquisition and divestment plans.

The Group makes use of interest rate derivatives for the purpose of hedging interest rate risks and managing its portfolio of fixed and floating rate borrowings from time to time. It does not engage in trading of interest rate derivatives. The Group's total interest rate derivatives and the mark to market values as at 30 Sep 2021 are disclosed in the financial statement in Note 34.

### GEARING AND NET INTEREST COVER

The Group aims to keep its net gearing ratio below 0.80 times of total equity and maintain a net debt to EBITDA of below 3.5 times. As at 30 Sep 2021, the Group has net gearing of 0.13 times of total equity and a net debt to EBITDA of 1.29 times. Total interest expense for the year amounted to \$25.1m. The total interest income credited to profit statement for the year was \$2.3m. The interest coverage ratio for FY2021 was at 10.41 times.

### FOREIGN CURRENCY RISKS AND DERIVATIVES

The Group has exposure to foreign currency risks as a result of transactions denominated in foreign currencies arising from operational, financing and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks. For those exposures that are less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group uses foreign exchange forward contracts and certain currency derivatives to manage these foreign currency risks.

The Group does not engage in the trading of foreign currencies and foreign currency derivatives. The Group uses foreign currency contracts and derivatives solely for hedging actual underlying foreign currency requirements in accordance with hedging limits set by the Audit and the Board Committees under the Group Treasury Policy. These policies are reviewed regularly to ensure that the Group Treasury Policy are in line with its current needs, objectives and strategy of the businesses.

The Group's foreign currency contracts and derivatives and mark-to-market values as at 30 Sep 2021 are disclosed in the financial statement in Note 34. The Group does not hedge the foreign currency risks of its investments in overseas subsidiaries, joint venture and associated companies. Such investments are long-term in nature and therefore not feasible and economical to hedge. The Group only hedges dividends payable from its overseas subsidiaries, joint ventures and associated companies.

## Enterprise-Wide Risk Management

The Board and senior management of Fraser and Neave, Limited, ("F&N" or the "Group") promote a strong risk management culture through having sound risk management processes and operating procedures. F&N integrates prudent risk limits with appropriate risk measurement, monitors and reports on key risks, encourages open communication and escalates issues in a timely manner. The objective is to safeguard the interests of shareholders, while taking into account interests of other stakeholders, to achieve long-term sustainable performance.

The Sustainability & Risk Management Committee ("SRMC") assists the Board in overseeing the Group's risk management framework and policies. It:

- provides strategic direction in managing sustainability-related risks and opportunities, taking into account the Group's risk appetite and risk tolerance; and
- guides the development of risk and sustainability frameworks, policies, guidelines and initiatives to ensure that sustainability issues, including environmental, social and governance ("ESG") related issues, are effectively managed and integrated into business operations and corporate objectives.

### RISK MANAGEMENT PROCESS

F&N adopts a cohesive risk management system to manage risks in a sustainable, structured and consistent manner. It takes into account sustainable business practices, as well as identifying risks from various sources, including ESG sources, in formulating strategies and decisions to ensure that the Group remains resilient and competitive.

The Group's risk management system encompasses the setting of risk appetite and risk tolerance statements, risks identification, risk impact assessment, response and recovery processes using a top-down and bottom-up approach.

Management has the primary responsibility for identifying and evaluating risks and material ESG factors, as well as monitoring and reporting to the SRMC the status and effectiveness of risks mitigation measures, sustainability practices and strategy implementation. Management conducts such reviews regularly.

The key risks of various business units and updates on sustainability projects

are reviewed by Chief Executive Officers ("CEOs") of the Group's business divisions and Sustainability Development Committee, respectively, and circulated to the SRMC three times a year.

The F&N Audit Committee reviews these key risks and recommendations from SRMC, and then advises the Board annually.

Each business division has a dedicated risk coordinator to conduct risk analyses with the Management. Risk coordinators compile reports for timely submission to division heads and conduct briefings on risk policies and practices. The objective is to promote a culture of risk awareness, as some risks may impact more than one department, division or subsidiary and could have financial, reputational, legal and/or operational impact on the Group.

To facilitate the reporting and monitoring of risks, F&N Group uses a web-based Corporate Risk Scorecard ("CRS") system, a common platform which enables business units to report risks and risk status consistently and cohesively. The CRS records risks, mitigating measures, timelines for action items and risk ratings. Key risk indicators, upon which risk ratings are measured against the probability of occurrence, are also reviewed. The Group also streamlines the use of risk scorecards and upgrades the CRS system as required.

Risk appetite and risk tolerance statements, which set out the nature and extent of the significant risks that the Group is willing to accept in achieving its strategic objectives, are reviewed annually.

At the end of each financial year, the CEOs, the Heads of Finance and other key management personnel who are responsible for each of the Group's business divisions, and the CFO provide assurance to the Board, Audit Committee and SRMC on the adequacy and effectiveness of the Group's risk management system and internal controls. These assurances for FY2021 are disclosed on Page 76 of this report.

### KEY RISKS IN FINANCIAL YEAR 2021

As at 30 September 2021, the key risks have been identified and mitigation plans developed. The proportion of risks that were rated as "very significant" and "high" have been reduced substantially after taking into account the mitigating measures. The key categories of risk faced by the Group are summarised as follows.

### Strategic - COVID-19 Pandemic and Sustainability Risks

The Group periodically reviews its business model and strategies to ensure its continued relevance to its stakeholders. At the onset of the COVID-19 pandemic, the Group adopted digital measures to ensure it could continue operations and keep people connected while following COVID-19 related distancing measures. In addition to traditional channels, the F&B business division has stepped up its efforts to engage customers on digital and e-commerce platforms. The division aims to further expand its e-commerce presence with enhancements to F&N Life, its e-commerce platform. The Publishing & Printing ("P&P") business division accelerated its digital push through various third-party e-commerce platforms for both retail and distribution. For its Education Publishing, P&P accelerated its blended learning model with initiatives such as conversion of print to e-books, as well as bundling of and supplementing digital contents with print titles. It also launched an Educator's Professional Development Portal with NTU aimed at providing courses and certification for teachers.

With increasing ESG concerns, the Group closely tracks developments in the Food & Beverage ("F&B") and P&P industries and reviews the effectiveness of its strategies.

The key ESG-related risks facing the Group include:

- changing regulatory and consumer trends; and
- the impact F&N products have on the environment

From June 2022, drinks with high sugar or saturated fat content are required to display a Nutri-Grade label in Singapore. These colour coded nutrition labels, with descending grades ranging from A to D - from A (dark green) representing the lowest sugar and fat contents, B (light green), C (orange) and to D (red) representing the highest amount of sugar and fat contents - aim to help consumers better gauge how healthy pre-packaged beverages are at a glance. F&N would comply with the above regulations. In the longer term, the Group continues to educate consumers on the effects of sugar while developing more healthy products.

In F&N, we remain committed to minimising our impact on the environment through finding new innovative ways in waste reduction, water and energy

conservation and the use of renewable energy (refer to F&N Sustainability Report 2021 on the Group's sustainability initiatives). To reduce the environmental impact of packaging, F&N is constantly looking at alternative and sustainable packaging solutions. The effectiveness of these sustainable packaging is regularly assessed in conjunction with changing consumers preferences. More recently, F&NHB has partnered nine other fast moving consumer goods companies under the Malaysian Recycling Alliance to focus on improving the collection and recycling of post-consumer packaging.

#### Strategic – Merger & Acquisitions Risks

The Group has in place an investment approval process whereby a disciplined approach is taken to review key risks and opportunities presented by potential investments. As part of the approval process, all major investment opportunities are subject to due diligence and are evaluated by a cross-functional project team. This ensures that the potential investment is in line with the Group's vision, and required returns, whilst addressing underlying risk factors.

#### Reputational – Food Safety Risks

Food safety remains a key risk to the F&B business division due to the potential reputational and financial impact on the Group.

In addition to

- (i) close monitoring of food safety issues worldwide,
- (ii) upholding the strict requirements stipulated under the various food safety standards and certifications,
- (iii) putting in place a robust process to mitigate the risk of food contamination, and
- (iv) close monitoring of the status of Key Risk Indicators which track food safety risks,

the Management also shares learnings on best practices, food quality and safety issues across business units.

#### Reputational – Social Media and Communications Risks

With growing social media influence and proliferation of applications for social networking and messaging, the spread of false and misleading information globally has increased significantly. Business divisions closely monitor this medium and periodically review the effectiveness of policies and procedures that are in place.

#### Currency Risks

Owing to its international activities, the Group is exposed to currency risks. These financial risks occur in connection with the purchase of raw materials and equipment, and sale of products, which are transacted in different currencies. While foreign currency risks are reduced through natural hedging, the Group also hedges committed cash flows, in accordance with the Group Treasury policy. Such policy is reviewed regularly to ensure it reflects the current needs, objectives and strategy of the business.

#### Operational – Risks associated with Business Interruption

Globally, the rise in cybercrime, increased natural disasters, heightened political tensions, epidemic infectious diseases threats and risk of terrorism reinforce the need for F&N to remain vigilant and respond promptly to unexpected changes in its operating environment.

The Group regularly engages employees on cybersecurity matters to help maintain awareness. This year, additional mandatory e-learning covering topics such as ransomware and password control have been introduced. Mock phishing exercises were also conducted to assess staff readiness to cyber attacks.

In addition to reviewing Business Continuity Plans ("BCP") and flood prevention measures on a regular basis, the Crisis Management programme has been updated to address new crisis scenarios. The Group continued to conduct call notification exercises, walk-through/desktop exercises, mock product recalls, IT disaster recovery exercises and business continuity simulation exercises. All employees involved in crisis management have been trained on key aspects of crisis management.

Shortage of vessels, containers and workers during the pandemic have resulted in higher freight costs and longer delivery lead time. Proactive measures such as switching to air freight, where economically feasible, were taken by P&P to manage cost escalation. For F&B, it continued to seek out other sources for raw materials and strengthen domestic sourcing.

#### Operational – People Risks

People are the most important asset of the Company. The Group recognises the importance of identifying and growing

its talent pool to successfully transform its business. Team building workshops and competency-based trainings are organised periodically. As a recognition of the Group's continuing efforts in improving workplace safety and health for its employees, most of its operations in Singapore have been awarded with Singapore's bizSAFE certificates. Plants have been surveyed to identify potential fire hazards and non-compliance of fire safety standards. F&N also promoted healthy work living by supporting activities such as health screenings, health and wellness talks and sponsors sports and community events like SGX Cares Bull Charge Charity Run and National Steps Challenge™.

#### Country Risks

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 11 countries where it has a presence. It continues to reinforce risk and BCP awareness throughout the Group. It also builds good rapport with local authorities and business partners to keep abreast of political, regulatory and economic developments in countries where the Group operates.

Insurance programmes are reviewed annually to consider the changing needs of the businesses and the operating environment to better mitigate losses in the event of a claim. Plant and equipment are revalued periodically to ensure adequacy of insurance coverage.

#### RISK CULTURE

The SRMC encourages proactive and periodic benchmarking of the Group's ERM, BCP and insurance programmes against industry best practices and standards. It considers recommendations from consultants and insurance advisers in mitigating cybersecurity and terrorism risks, pandemic, epidemic and adverse climate situations, to ensure that its ERM, BCP and insurance programmes remain adequate and effective.

As every member of staff has a role to play in risk management, BCP and cybersecurity, new staff are briefed on these subjects. Refresher sessions are organised when required. Following the set up of a e-learning committee, F&N policy e-learning programmes were successfully rolled out to entities in Singapore.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Fraser and Neave, Limited (“**F&N**” or the “**Company**”) is committed to setting and maintaining high standards of corporate governance. To this end, F&N has in place well-defined corporate policies, business practices and internal controls to help F&N and its subsidiaries (the “**Group**”) safeguard its assets and shareholders’ interests whilst pursuing sustainable growth and value-enhancement strategies.

F&N complies with the principles of the Code of Corporate Governance 2018 (the “**Code**”) and is guided in its corporate governance practices by the provisions of the Code. Where there are any deviations from the provisions of the Code, appropriate explanations have been provided.

The Company continues to strive towards maintaining accountability, high standards of corporate governance and corporate transparency.

This report is arranged according to the principles listed in the Code. Principles 1 to 5 deal with board matters, Principles 6 to 8 with remuneration matters, Principles 9 to 10 with accountability and audit, Principles 11 to 12 with shareholder rights and engagement and Principle 13 with managing stakeholder relationships. A summary of compliance with the express disclosure requirements under the provisions of the Code is set out on pages 84 to 85 of this Annual Report.

## A. BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

The board of directors of the Company (the “**Board**”) is entrusted with and committed to effective oversight of the business performance and affairs of the Group. The Board also sets good principles of ethics and values for the Group, sets appropriate tone-from-the-top and desired organisational culture, ensures proper accountability within the Group and seeks to ensure that obligations to shareholders and other stakeholders are understood and met.

The Board (a) reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, (b) monitors the financial performance of the Group and management’s performance, (c) oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, (d) assumes responsibility for corporate governance, (e) considers sustainability issues such as environmental and social factors as part of its strategic formulation and (f) ensures compliance by the Group with relevant laws and regulations.

During the financial year ended 30 September 2021, the Board has continued to spend time monitoring the impact of the ongoing COVID-19 pandemic and has been working closely with management in reviewing the business opportunities and challenges posed by the COVID-19 pandemic. Further details on the issues reviewed by the Board in the face of the COVID-19 pandemic (including changes to business fundamentals, the significant risks facing the Group as a result of the pandemic and the acceleration of digitisation efforts within the Group), can be found in the Enterprise Wide Risk Management Report on pages 60 and 61 of this Annual Report and the Company’s Sustainability Report 2021 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

The Board meets regularly. During Board and board committee meetings, our Directors actively participate, discuss, deliberate and appraise matters requiring attention and decision. If required, time is set aside after scheduled Board meetings for discussions amongst our Directors without the presence of management, as this facilitates a more effective check on management.

In addition, the Lead Independent Director can call and lead meetings of the independent Directors and/or other non-executive Directors when necessary and appropriate without the presence of management to provide a forum for the frank exchange of any concerns which may be difficult to raise in management’s presence. The Lead Independent Director provides feedback to the Chairman of the Board as appropriate. Regular meetings of independent Directors were held during the year under review.

## A. BOARD MATTERS (cont'd)

As at 30 September 2021, the Board comprises 12 Directors, all of whom are non-executive Directors. They are:

Mr Charoen Sirivadhanabhakdi	Chairman
Khunying Wanna Sirivadhanabhakdi	Vice-Chairman
Tengku Syed Badarudin Jamalullail	
Mrs Siripen Sitasuwan	
Mr Timothy Chia Chee Ming <sup>1</sup>	
Mr Charles Mak Ming Ying	
Mr Chan Heng Wing	
Dr Sujittra Sombuntham	
Mr Koh Poh Tiong	
Mr Chotiphat Bijananda	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	

The Board has also approved the appointment of the following Alternate Directors:

Mr Michael Chye Hin Fah	(Alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot	(Alternate Director to Mr Sithichai Chaikriangkrai)

### Note:

<sup>1</sup> As announced on 5 November 2021, Mr Timothy Chia Chee Ming will step down as a Director at the end of 31 December 2021, and Mr Ng Tat Pun will be appointed as a Director with effect from 1 January 2022.

Please refer to pages 14 to 23 of this Annual Report for key information of each Director.

## Delegation of Authority on certain Board Matters

In order to efficiently provide strategic oversight of F&N, the Board delegates specific areas of responsibilities to five board committees (the “**Board Committees**”) namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration Committee and the Sustainability and Risk Management Committee.

Each Board Committee is governed by clear written terms of reference (the “**Terms of Reference**”) setting out their composition, authorities and duties (including reporting back to the Board), which have been approved by the Board. The determination, amendment or alteration of the Terms of Reference of any Board Committee is a matter reserved for the Board’s approval.

Minutes of all Board Committee meetings are circulated to the Board so that directors of the Company (the “**Directors**”) are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company also adopts a framework of delegated authorisations in its Manual of Authority (“**MOA**”), which is clearly communicated to management in writing. The MOA defines the procedures and levels of authorisation required for specified transactions. It sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA authorises the Board Executive Committee (“**Board Exco**”) to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Below the Board and Board Exco levels, there are appropriate delegation of authority and approval sub-limits at management level, to facilitate operational efficiency. Under the MOA, certain matters such as approval of credit facilities, approval of annual capital budget and annual operating budget are matters specifically reserved for the approval of the Board. Board approval is also required for material transactions, such as major acquisitions, divestments, funding and investment proposals.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## A. BOARD MATTERS (cont'd)

### Conflicts of Interest

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and the Companies Act (Chapter 50) (the "**Companies Act**"). Directors are required to promptly declare any conflict of interest at a meeting of the Directors or by written notification to the company secretary (the "**Company Secretary**") and they are required to take such action as is necessary to effectively resolve the conflict (for instance recusing themselves by refraining from participating in meetings or discussions (or relevant segments thereof) and by abstaining from voting, on any matter in which they are interested or conflicted).

### Board Executive Committee

The Board Exco assists the Board in formulating strategic development initiatives, provides direction for new investments and material financial and non-financial matters to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value. It assists the Board in enhancing its business strategies and contributes towards the strengthening of core competencies of the Group. The Board Exco reviews and approves corporate decisions, such as capital investments, and acquisitions, investments and divestments (other than those which are material to the Company requiring Board approval). The Board Exco also reviews and approves succession plans in respect of senior management of the Company and oversees the Company's and the Group's conduct of business and corporate governance structure.

The Board Exco is made up of the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Vice-Chairman
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

The activities and responsibilities of the other Board Committees are described in the following sections of this report.

### Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. Directors attend and actively participate in Board and Board Committee meetings. For the financial year ended 30 September 2021, the Board met five times. A table showing the attendance record of the directors at meetings of the Board and Board Committees as well as at the general meeting of shareholders during the financial year ended 30 September 2021 is set out on page 65 of this Annual Report.

The Directors are also given direct access to the management team of the Group's business divisions<sup>1</sup> through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

#### Note:

<sup>1</sup> The Group's business divisions are as follows: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer) and Publishing & Printing.



## A. BOARD MATTERS (cont'd)

The number of Board meetings, Board Committee meetings and general meetings of shareholders held in the financial year ended 30 September 2021 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Sustainability and Risk Management Committee	Remuneration Committee	Nominating Committee	General Meetings
<b>Meetings held for the financial year ended 30 September 2021</b>	5	6	5	3	2	3	1
Mr Charoen Sirivadhanabhakdi	5/5	-	-	-	-	-	1/1
Khunying Wanna Sirivadhanabhakdi	5/5	-	-	-	-	-	1/1
Tengku Syed Badarudin Jamalullail	5/5	-	-	-	-	3/3	1/1
Mrs Siripen Sitasuwan	5/5	-	5/5	-	2/2	3/3	1/1
Mr Timothy Chia Chee Ming	5/5	-	5/5	-	2/2	-	1/1
Mr Charles Mak Ming Ying	5/5	-	-	-	-	-	1/1
Mr Chan Heng Wing	5/5	-	-	-	-	-	1/1
Dr Sujittra Sombuntham	5/5	-	-	-	-	-	1/1
Mr Koh Poh Tiong	5/5	6/6	-	3/3	-	-	1/1
Mr Chotiphat Bijananda	5/5	-	-	-	-	-	1/1
Mr Thapana Sirivadhanabhakdi	5/5	6/6	-	3/3	2/2	3/3	1/1
Mr Sithichai Chaikriangkrai	5/5	6/6	5/5	3/3	-	-	1/1
Mr Michael Chye Hin Fah (Alternate Director)	-	6/6	-	3/3	-	-	1/1
Mr Prapakon Thongtheppairot (Alternate Director)	-	5/6	-	3/3	-	-	1/1

### Orientation and Training for Directors

The Nominating Committee (“NC”) reviews and makes recommendations to the Board on matters relating to the training and professional development programmes for the Board and its Directors. The NC also has overall oversight to ensure that new Directors are aware of their duties and obligations. Upon appointment, each new Director is issued a formal letter of appointment setting out his or her roles, duties and obligations as a Director of the Company, including their responsibilities as fiduciaries and how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted by the Chief Executive Officers of each of the Group’s business divisions (“CEOs”) and senior management to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to get acquainted with the CEOs and senior management, and also facilitates and fosters better rapport and communication with management. Unless the NC is of the view that training is not required because a Director has other relevant experience, any new Director appointed to the Board, who has no prior experience as a director of an issuer listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”), must undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST.

Our Directors are regularly updated on the Group’s businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board is also regularly updated on the latest key changes to any applicable legislation and changes to the SGX-ST Listing Rules (“Listing Rules”) as well as developments in accounting principles, by way of briefings held by the Company’s lawyers and auditors. To ensure that Directors can fulfil their obligations and to continually improve performance of the Board, all Directors are encouraged by the Company to undergo continual professional development at the Company’s expense, during the term of their appointment. Our Directors are also encouraged to be members of the Singapore Institute of Directors (“SID”) and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## A. BOARD MATTERS (cont'd)

### Access to Information

The Company recognises the importance of providing the Board with complete, accurate and relevant information on a timely basis. This is to give the Board and Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations. This also allows our Directors to effectively carry out their duties and discharge their oversight function. In particular, management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial statements, management accounts, financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

During the course of the year under review, the Board was kept promptly informed of the implementation of the Company's COVID-19 business continuity plan.

The Company continued to closely monitor developments on the COVID-19 situation within the Group and each of the business divisions and the crisis management steering committee coordinated the escalation of information regarding any impact and mitigation measures to the Board.

The Board was also regularly updated on relevant legal and regulatory requirements in light of the evolving COVID-19 situation.

A calendar of activities is scheduled for the Board a year in advance. The Company recognises that information should be supplied to the Board in a timely manner and as far as possible, Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior management is requested to attend meetings of the Board and the Board Committees in order to provide input and insight into matters being discussed, and to respond to any queries that the Directors may have.

The Board also has separate and independent access to the Company's management and the Company Secretary.

The Company Secretary is responsible for, among other things, ensuring that Board procedures, the Company's Constitution and relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) (the "SFA"), Companies Act and Listing Rules are complied with. The Company Secretary attends all Board meetings and provides advice and guidance on corporate governance practices and processes with a view to enhancing long-term shareholder value.

The Company Secretary also facilitates and acts as a channel of communication to ensure good information flow within the Board and its various Board Committees, as well as between and with senior management. In addition, the Company Secretary solicits and consolidates Directors' feedback and evaluations from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board. Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

### Principle 2: Board Composition and Guidance

The Board and Board Committees are of an appropriate size and possess an appropriate balance and mix of skills, experience and knowledge. The Board is diversified in terms of age, gender and nationality. The Board comprises highly qualified and effective members who are responsible for providing overall entrepreneurial leadership and setting strategic objectives for the long-term success of the Group.

## A. BOARD MATTERS (cont'd)

Provision 2.2 of the Code provides that independent directors should make up a majority of the Board where the Chairman of the Board is not independent. As at 30 September 2021, the F&N Board, which is chaired by a non-independent Chairman, comprises 12 non-executive Directors, of whom six (i.e. half) are independent. While the Company is working towards adjusting its Board composition with a view to complying with Provision 2.2 of the Code, it is cognisant that it is also in the interest of the Group to preserve the balance and mix of skills, experience and knowledge offered by the current Board, which is appropriate for the nature and scope of the Group's current operations. The Board is already entirely made up of non-executive Directors, which serves to reinforce management accountability and which is adequate to ensure that there is an appropriate balance or power within the Board even though independent Directors do not make up a majority. In addition, each of the NC, Remuneration Committee and Audit Committee comprise a majority of and are chaired by independent Directors, and there is a Lead Independent Director who can address shareholders where they have concerns for which contact through the Chairman is inappropriate. Matters requiring the Board's approval are discussed robustly with participation from each member of the Board and decisions are made collectively without any individual or select group of individuals dominating the decision-making process, and Directors are required to take the necessary actions to resolve any conflict of interest they might have, including recusing themselves from meetings or discussions or abstaining from voting on matters in which they are interested or conflicted. In view of the foregoing, the NC and the Board are of the view that the Board has an appropriate level of independence through the collective weight of the current independent Directors on the Board and on the Board Committees, and that the Board procedures and codes of conduct which are already in place are sufficient, to ensure that the Board makes decisions in the best interests of the Company, which is in line with the intent of Principle 2 of the Code.

Based on the declarations of independence which are submitted by the Directors annually and reviewed by the NC, none of the independent Directors has any relationship with the Company, its related corporations<sup>1</sup>, its substantial shareholders<sup>2</sup> or the officers of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. In particular, none of the independent Directors is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years or has an immediate family<sup>3</sup> member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Remuneration Committee of the Company.

With respect to the year under review, the NC considered, in particular, Mr Timothy Chia Chee Ming's role as an independent non-executive director of Thai Beverage Public Company Limited ("**ThaiBev**") which is a substantial shareholder of the Company. The NC was satisfied that Mr Chia's role as an independent non-executive director of ThaiBev did not affect his continued ability to exercise strong objective judgement and to be independent in the expression of his views and in his participation in the deliberation and decision making of the Board and Board Committees of which he is a member.

The six independent Directors on the F&N Board help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its shareholders. As at 30 September 2021, none of the independent Directors have served on the Board for more than nine years continuously.

### Notes:

- 1 The Code states that "**related corporation**" in relation to a company shall have the same meaning as currently defined under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.
- 2 Under the Code, the term "**substantial shareholder**" refers to a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the SFA.
- 3 Under the Listing Rules, the term "**immediate family**" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

The NC undertakes an annual review of the size and composition of the Board to ensure alignment with the needs of the Group. The NC is of the view that the current size and composition of the F&N Board helps avoid groupthink, foster constructive debate, facilitates effective decision-making and is appropriate for the scope and nature of the Group's operations. Taking into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the Board and Board Committees, the NC is of the view that the current size of the Board is not so large as to be unwieldy or as to interfere with efficient decision-making. No individual or group dominates the Board's decision-making process. The NC is of the view that there is an appropriate balance of expertise and skills amongst the Directors as they collectively bring with them a broad range of complementary competencies and experience.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## A. BOARD MATTERS (cont'd)

The Company has also adopted a Board Diversity Policy which sets out the approach which the Company takes towards diversity on its Board. The Board Diversity Policy recognises that a diverse Board would be beneficial to the Company as it would allow for the harnessing of a variety of skills, industry and business experiences, gender, age, ethnicity, cultural, educational and geographical background and other distinguishing qualities of members of the Board. The NC will monitor and implement the Board Diversity Policy and will take the principles of the policy into consideration when determining the optimal composition of the Board, and when recommending any proposed changes to the Board. The policy also provides that the NC will review and assess the structure and composition of the Board and recommend to the Board such adjustments as it may deem necessary in order to complement the Company's objective and strategies. Although there were no Board composition changes during the financial year ended 30 September 2021, the Company remains committed to implementing the Board Diversity Policy and any progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate. The current Board composition reflects the Company's commitment to Board diversity, especially in terms of female representation (25%), geographical background and experience (Singapore, Thailand and Malaysia) and diverse age range (46 to 78 years).

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks as part of its diversity policy to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of backgrounds and competencies of our Directors, whose competencies range from banking, finance and accounting to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to the Company and its management as decisions by, and discussions with, the Board are enriched by the broad range of views and perspectives and the breadth of experience of our Directors.

### Principle 3: Chairman and Chief Executive Officer

The Chairman of the Company and the CEOs are separate persons to ensure an appropriate balance and separation of power, increased accountability, and greater capacity of the Board for independent decision making. The Chairman, who is non-executive, is not related to any of the CEOs. There is no business relationship between him and any of these CEOs. Likewise, none of the CEOs are related to each other, and neither is there any other business relationship between or among them. The division of responsibilities between the Chairman and the CEOs is clearly set out in writing. Having clarity of their respective responsibilities and separating the respective roles avoids concentration of power, ensures a degree of checks and balances, increases accountability and ensures greater capacity of the Board for independent decision making.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the management team on strategic, business and other key issues pertinent to the businesses and operations of the Group. In addition, the Chairman promotes a culture of openness and debate at Board meetings and also ensures, with the support of the Company Secretary, that Directors are provided with clear, complete and timely information to enable them to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation and contribution from all Directors, and facilitates constructive relations among and between them and management. With the full support of the Board, the Company Secretary and management, the Chairman facilitates and encourages the Company in its bid to promote and maintain high standards of corporate governance and transparency. The Chairman also sees to it that there is overall effective communication to and with shareholders on the performance of the Group. In turn, the CEOs are responsible for executing the Group's strategies and policies and are accountable to the Board for the conduct and performance of the respective business operations under their charge.

### Lead Independent Director

Tengku Syed Badarudin Jamalullail, Chairman of the NC, was appointed as Lead Independent Director on 7 May 2015. As the Lead Independent Director, he serves in a lead capacity to coordinate the activities of the independent Directors when necessary and especially where the Chairman is conflicted. The Lead Independent Director is available to address shareholders where they have concerns for which contact through normal channels such as the Chairman, the CEOs or the Chief Financial Officer of the Company is inappropriate or inadequate. As disclosed above, the Lead Independent Director also has the authority to call and lead meetings of the independent Directors when necessary and appropriate and to provide feedback to the Chairman after such meetings.

## A. BOARD MATTERS (cont'd)

### Principle 4: Board Membership

#### Nominating Committee

The Nominating Committee is made up of the following Directors:

Tengku Syed Badarudin Jamalullail	Chairman
Mrs Siripen Sitasuwan	Member
Mr Thapana Sirivadhanabhakdi	Member

A majority of the members of this Board Committee, including its Chairman, are independent and non-executive Directors. The Lead Independent Director, Tengku Syed Badarudin Jamalullail is the Chairman of the NC.

The NC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the NC. The responsibilities of the NC include reviewing the structure, size, composition and independence of the Board and its Board Committees. The NC also identifies the balance of skills, qualification, experience and diversity required for the Board to discharge its responsibilities effectively and nominates candidates to meet the needs and requirements of the Group. Apart from the foregoing, the NC also reviews and makes recommendations to the Board on the succession plans for the Directors, the Board Chairman and the key management personnel (including the CEOs).

#### Independence

The NC determines the independence of each Director annually and as and when circumstances require, based on the definitions set out in the Listing Rules and the guidelines of independence set out in the Code and its accompanying Practice Guidance. The NC provides its views to the Board for the Board's consideration.

Directors are expected to disclose any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. In particular, the independent Directors are given an independence declaration form each year, under which they are asked to assess their own independence annually, with specific references to the relevant provisions in the Listing Rules, the Code and its accompanying Practice Guidance.

Based on the declarations of independence of the Directors and having regard to the circumstances set forth in Rule 210(5)(d) of the SGX-ST Listing Manual, Provision 2.1 of the Code and the accompanying Practice Guidance and based on the review and recommendations of the NC, the Board has, for the financial year ended 30 September 2021, determined the status of each Director as follows:

Mr Charoen Sirivadhanabhakdi <sup>1</sup>	Non-Independent
Khunying Wanna Sirivadhanabhakdi <sup>1</sup>	Non-Independent
Tengku Syed Badarudin Jamalullail	Independent
Mrs Siripen Sitasuwan	Independent
Mr Timothy Chia Chee Ming	Independent
Mr Charles Mak Ming Ying	Independent
Mr Chan Heng Wing	Independent
Dr Sujittra Sombuntham	Independent
Mr Koh Poh Tiong <sup>2</sup>	Non-Independent
Mr Chotiphat Bijananda <sup>3</sup>	Non-Independent
Mr Thapana Sirivadhanabhakdi <sup>4</sup>	Non-Independent
Mr Sithichai Chaikriangkrai <sup>5</sup>	Non-Independent

#### Notes:

- Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than five percent (5%) of the total voting shares in the Company through their interests in TCC Assets Limited ("TCCA") and ThaiBev. As at 30 September 2021, TCCA has a direct interest of 59.10% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.41% interest in the Company. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi.
- Mr Koh Poh Tiong is also an adviser to the Board, and has received compensation for provision of services other than Director's fees.
- Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi and is a director of TCCA.
- Mr Thapana Sirivadhanabhakdi being a son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is an immediate family member of a substantial shareholder of the Company.
- Mr Sithichai Chaikriangkrai is a Director, Senior Executive Vice-President and Group Chief Financial Officer of ThaiBev.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## A. BOARD MATTERS (cont'd)

### Process and Criteria for Appointment of New Directors and Re-Appointment of Existing Directors

The NC also takes the lead in identifying, evaluating and selecting suitable candidates for appointment as Directors. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. It also reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates. The NC will also take into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities and assess whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company.

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees (including Alternate Directors), and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities and the need for progressive renewal of the Board.

The Company's Constitution provides that at least one-third of its Directors shall retire from office and are subject to re-election at every Annual General Meeting of the Company ("**AGM**"). All Directors are required to retire from office at least once every three years. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. Newly appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The shareholders approve the appointment or re-appointment of Board members at the AGM.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

### Review of Director's Time Commitments

The NC also appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC determines annually whether Directors who hold multiple board representations and other principal commitments are able to and have been devoting sufficient time and attention to carry out their duties and discharge their responsibilities adequately. Details of other directorships (including listed company directorships) and other principal commitments of each of the Directors may be found on pages 14 to 23 of this Annual Report.

Instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have, the NC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, taking into consideration not only the number of other board and principal commitments held by each Director, but also the nature and complexity of such commitments.

In determining whether each Director is able to devote sufficient time to discharge his or her duties as a director of the Company, the NC considers the attendance and contributions by each Director to and during meetings of the Board and relevant Board Committees and their personal capabilities are holistically assessed and taken into account. Having regard to each Director's attendance record and degree of participation at Board and Board Committee meetings during the year, the NC is of the view that all the Directors were able to effectively discharge their duties to the Company by being able to participate in meetings, devote sufficient time and attention to the affairs of the Company and adequately discharge their duties. The NC is therefore satisfied that during the year, where a Director had a significant number of other company board representations and/or other principal commitments, the Director nevertheless was able to effectively carry out and had been adequately carrying out his or her duties as a Director of the Company.

### Alternate Directors

The Board currently has two Alternate Directors, namely Mr Michael Chye Hin Fah who is the Alternate Director to Mr Thapana Sirivadhanabhakdi and Mr Prapakon Thongthepairot who is the Alternate Director to Mr Sithichai Chaikriangkrai. Mr Michael Chye Hin Fah and Mr Prapakon Thongthepairot are familiar with the affairs of the Company. The Board has considered the expertise, business and financial backgrounds of Mr Michael Chye Hin Fah and Mr Prapakon Thongthepairot and is satisfied that they are both appropriately qualified to serve as Alternate Directors.



## A. BOARD MATTERS (cont'd)

### Key Information regarding Directors

Key information on the Directors is set out on pages 14 to 23 of this Annual Report.

### Principle 5: Board Performance

The Board, with the assistance of the NC, has approved the objective performance criteria and implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The assessment is designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities of the Group.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board processes, managing the Company's performance, effectiveness of the Board and the Board Committees and Director development. As part of this process, Directors are requested to complete an evaluation questionnaire which includes questions on (i) how the Board plays an effective role and adds value on critical issues, (ii) how the Board operates to deliver impact and value, and (iii) the evaluation of the Board Committees. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made.

The Board has also implemented a formal process for assessing the contribution by each individual Director to the effectiveness of the Board.

Feedback and comments received from the Directors are reviewed by the NC.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

## B. REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

#### Remuneration Committee ("RC")

The RC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The RC comprises the following members:

Mr Timothy Chia Chee Ming <sup>1</sup>	Chairman
Mrs Siripen Sitasuwan	Member
Mr Thapana Sirivadhanabhakdi	Member

#### Note:

<sup>1</sup> As announced on 5 November 2021, Mr Timothy Chia Chee Ming will step down as a Director at the end of 31 December 2021 and will cease to be Chairman of the RC. Mr Chan Heng Wing will be appointed as Chairman of the RC with effect from 1 January 2022.

The RC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the RC. The RC's main responsibility is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. The RC reviews and recommends to the Board, remuneration packages and service terms of individual Directors and each of the CEOs. When carrying out its duties, the RC also reviews and makes recommendations, for endorsement by the Board, on the remuneration framework which covers all other aspects of remuneration including salaries, allowances, performance bonuses, grant of share awards and incentives. In discharging its responsibilities, the RC considers all aspects of remuneration and performs benchmarking against comparable market data, to ensure that all aspects of remuneration (including termination terms) are fair and competitive.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## B. REMUNERATION MATTERS (cont'd)

### Remuneration Action Framework

The RC reviews on an annual basis, the level and mix of remuneration and benefits policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key management of the Group.

The RC also aligns the CEOs' leadership, through appropriate remuneration and benefits policies and long-term incentives, with the Company's strategic objectives and key challenges. Performance targets are also set for the CEOs and their performances evaluated yearly.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management. Among other things, this helps the Company to stay competitive in its remuneration packages. During the financial year ended 30 September 2021, Korn Ferry Hay Group Pte Ltd was appointed as remuneration consultant. The Company does not have any relationship with Korn Ferry Hay Group Pte Ltd which would affect its independence and objectivity.

### Principle 7: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors to provide good stewardship of the Company and for key management to successfully manage the Company for the long term. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive the Group's businesses to greater growth, efficiency and profitability. In its deliberation, the RC also takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The Company's compensation framework comprises fixed remuneration, annual variable bonuses and long-term incentives. Annual variable bonuses are linked to achievement of financial and non-financial key performance indicators. The Company also uses indicators such as core values, key performance indicators, performance rating, and potential of the employees (including key management) to link a significant and appropriate proportion of remuneration to corporate and individual performance. Long-term incentive plans are in place and are conditional upon pre-determined performance targets being met. The long-term incentive plans serve to motivate and reward employees and align their interests with those of shareholders and other stakeholders, as well as to maximise long-term shareholder value.

### Long-Term Incentive Plans

The RC administers the Company's share-based remuneration incentive plans. The F&N Restricted Share Plan ("RSP") and the F&N Performance Share Plan ("PSP") were adopted at an extraordinary general meeting of the Company held on 22 January 2009. Both the RSP and the PSP had a duration of 10 years commencing from the date of adoption on 22 January 2009 and both expired on 21 January 2019. The expiry of the RSP and the PSP on 21 January 2019 does not affect awards granted prior to expiry of these share plans and which are pending final release.

At the Annual General Meeting of the Company held on 29 January 2019, the Company adopted a new F&N Restricted Share Plan 2019 ("RSP 2019") to replace the RSP and the PSP.

The RSP, PSP and the RSP 2019 (collectively, the "Share Plans") seek to foster a greater ownership culture within the Group by aligning more directly the interests of key senior management and senior executives with the interest of shareholders, and for such employees to participate and share in the Group's long-term growth and success.

The primary objectives of the Share Plans are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company.

Under the Share Plans, the Company grants share-based awards ("Base Awards") which are conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. The first grant of Base Awards under the RSP 2019 was made on 28 August 2020. The performance periods for the RSP and the PSP are two and three years respectively. For the RSP 2019, the performance period is one year.

The pre-set targets under the RSP and RSP 2019 were the achievement of Net Revenue, Profit Before Interest and Tax, Attributable Profit Before Fair Value Adjustment and Exceptional Items and/or Return On Capital Employed. For the PSP, the pre-set targets were based on Return On Invested Capital, Total Shareholders' Return Relative to Straits Times Index and Absolute Total Shareholders' Return as a multiple of Cost of Equity.

## B. REMUNERATION MATTERS (cont'd)

The Base Awards under the Share Plans represent the right to receive fully paid ordinary shares, their equivalent cash value or a combination thereof free of charge, provided certain prescribed performance and service conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the relevant performance periods. If the pre-determined targets are exceeded, more shares than the Base Awards can be delivered, subject to a maximum percentage of the Base Awards.

The aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, (i) pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares) and (ii) pursuant to the RSP 2019 shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. Although the 8% limit under the RSP 2019 is lower than the 10% limit under the RSP and the PSP, the Company is of the view that an 8% limit will be sufficient to achieve the primary objectives of the RSP 2019.

The RC currently does not intend, in any given year, to grant awards under the RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares from time to time (the "Yearly Limit"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

### Principle 8: Disclosure on Remuneration

#### Remuneration of Directors and Key Management Personnel

Information on the remuneration of Directors of the Company and the top five key management personnel of the Group is set out below.

Directors of the Company as at 30 September 2021	Remuneration \$	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	- <sup>1</sup>	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	- <sup>1</sup>	-	-	-	-
Tengku Syed Badarudin Jamalullail	136,000 <sup>2</sup>	100.0	-	-	100.0
Mrs Siripen Sitasuwan	175,000	100.0	-	-	100.0
Mr Timothy Chia Chee Ming	144,000	100.0	-	-	100.0
Mr Charles Mak Ming Ying	80,000	100.0	-	-	100.0
Mr Chan Heng Wing	80,000	100.0	-	-	100.0
Dr Sujittra Sombuntham	80,000	100.0	-	-	100.0
Mr Koh Poh Tiong	2,157,729 <sup>3, 4</sup>	8.3	84.4	7.3	100.0
Mr Chotiphat Bijananda	80,000	100.0	-	-	100.0
Mr Thapana Sirivadhanabhakdi	164,000 <sup>4</sup>	100.0	-	-	100.0
Mr Sithichai Chaikriangkrai	158,000	100.0	-	-	100.0
Mr Michael Chye Hin Fah (Alternate Director)	49,000	100.0	-	-	100.0
Mr Prapakon Thongthepairot (Alternate Director)	48,000	100.0	-	-	100.0

#### Notes:

1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.

2 Includes the payment of \$20,000 being the basic fee for serving as the Lead Independent Director.

3 Includes payment of \$1,822,000 being fees for services provided as adviser to the Board, and \$157,729 being car allowance paid pursuant to this appointment.

4 The Directors, who are also directors of Times Publishing Limited ("TPL"), have agreed to waive payment of directors' fees due to them from TPL for the year ended 30 September 2021.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## B. REMUNERATION MATTERS (cont'd)

Key Management Personnel of the Group as at 30 September 2021	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives <sup>1</sup> %	Total %
<b>Between \$1,000,000 and \$1,249,999</b>							
Mr Lee Meng Tat	-	67.0	20.0	4.0	-	9.0	100.0
Mr Lim Yew Hoe	-	51.0	14.0	26.0	-	9.0	100.0
Mr Hui Choon Kit	-	62.0	23.0	5.0	-	10.0	100.0
<b>Between \$500,000 and \$749,999</b>							
Ms See Kwan Kit Jennifer	-	61.0	18.0	6.0	-	15.0	100.0
Mr Siew Peng Yim	-	73.0	19.0	8.0	-	0.0	100.0
<b>Total:</b>							<b>\$4,807,282</b>

**Note:**

<sup>1</sup> The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.42 on 10 February 2021.

No termination, retirement and post-employment benefits were granted to Directors and the above-mentioned key management personnel.

There are no employees within the Group who are substantial shareholders of the Company, or are immediate family members of a Director or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year.

### Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year is as set out below. The Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2020.

	Basic Fee (\$)	Attendance Fee (\$)
<b>Board</b>		
- Chairman	150,000	2,000
- Member	75,000	1,000
- Lead Independent Director	20,000	-
<b>Audit Committee and Board Exco</b>		
- Chairman	50,000	2,000
- Member	25,000	1,000
<b>NC, RC and SRMC</b>		
- Chairman	30,000	2,000
- Member	15,000	1,000

Shareholders' approval will be sought at the 123<sup>rd</sup> AGM of the Company on 18 January 2022, for the payment of Directors' fees proposed for the financial year ending 30 September 2022 up to \$2,000,000, the same amount for which approval was sought and obtained at the 122<sup>nd</sup> AGM of the Company.

## C. ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risks and for ensuring that management maintains a sound system of risk management and internal controls with a view to safeguarding the Company's assets and shareholders' interests.

#### Accountability

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS (I)**") prescribed by the Accounting Standards Council. The Board is responsible for presenting a balanced and understandable assessment of the Group's performance, position and prospects and the Board provides shareholders with financial statements and business updates in compliance with the requirements under the Listing Rules.

The Board releases its financial results through announcements, press releases and presentation packs to the SGX-ST. In communicating and disseminating its results, the Board aims to present a balanced and clear assessment of the Company's performance, position and prospects. The Company has ceased to announce quarterly financial statements and has instead adopted half-yearly reporting of its financial statements beginning from the date of release of the Company's first half financial statements for the period ended 31 March 2020. During the year, the Company provided voluntary business updates for the first and third quarter performance of the Group and by way of these updates the Company kept the investing public informed of material developments concerning the Group during the relevant periods, including details on the impact of the COVID-19 pandemic on the Group's business operations and performance.

In order to enable the Board to obtain adequate and timely information, management provides the Board Exco with management accounts at every Board Exco meeting. Minutes of all such Board Exco meetings are circulated to the Board. This is in addition to such other information as the Board may require from time to time to make a balanced and informed assessment of the Company's performance, position and prospects.

#### Sustainability and Risk Management Committee and Audit Committee

During the year, the Board, through the Audit Committee and the Sustainability and Risk Management Committee, reviewed the adequacy and effectiveness of the Company's internal controls and risk management systems.

#### Internal Controls

The Audit Committee ("**AC**"), with the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's system of internal controls (including financial, operational, compliance and information technology controls) established by management. In assessing the adequacy and effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The importance and emphasis placed by the Group on internal controls is underpinned by the fact that the key performance indicators for management's performance takes into account the findings of both internal and external auditors and the number of unresolved or outstanding issues raised in the process.

#### Risk Management Systems

The Sustainability and Risk Management Committee ("**SRMC**") reviews and reports to the Board on the adequacy and effectiveness of the Group's risk management framework to ensure that robust risk management and internal controls systems are in place.

The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. An outline of the Group's ERM framework and progress report is set out on pages 60 and 61 of this Annual Report.

Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Key business risks are thoroughly assessed by management and each significant transaction is comprehensively analysed so that management understands the risks involved before it is embarked upon.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## C. ACCOUNTABILITY AND AUDIT (cont'd)

The SRMC also assists the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, in determining environmental, social and governance factors ("**ESG Factors**") identified as material to the business, monitoring and managing of ESG Factors and overseeing standards, management processes and strategies to implement sustainability practices which are in compliance with the SGX-ST Listing Manual. The SRMC is responsible for, among other things, reviewing the Group's ERM framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. Together with the AC, the SRMC helps to ensure that management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group. The SRMC also provides guidance to management, and renders assistance to the Board to oversee the ERM framework and for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives and value creation. The meetings of the SRMC are attended by senior management of the Company's business divisions, and serve as a forum to review and discuss material risks and exposures of these businesses and their strategies to mitigate risks.

Periodic updates are provided by senior management of the Company's business divisions to the SRMC on the Group's risk profile, and on the status of key enterprise risk management and business continuity initiatives. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by management to manage key risks. Risk tolerance statements, which set out the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives, are monitored and reported to the SRMC.

The SRMC comprises the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

To assist the Company in ascertaining the adequacy and effectiveness of the Group's internal controls and risk management systems, management implements a control self-assessment exercise. Management also maps out key risks with the existing assurance processes in a comfort matrix every year. Using a comfort matrix of key risks, the material financial, operational, compliance and information technology risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place.

The Board has received relevant assurances from:

(a) Financial Records and Financial Statements

the CEOs, the chief financial officers or financial controllers ("**Heads of Finance**") of each of the Group's business divisions and the Chief Financial Officer of the Company ("**CFO**") that, as at 30 September 2021, the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2021 give a true and fair view of the Group's operations and finances;

(b) System of Internal Controls

the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO that, as at 30 September 2021, the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and

(c) Risk Management Systems

the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO that, as at 30 September 2021, the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations.



## C. ACCOUNTABILITY AND AUDIT (cont'd)

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by the AC and SRMC and assurance from the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO, the Board is of the view that, as at 30 September 2021, the Group's internal controls were adequate and effective to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the enterprise-wide risk management framework adopted by the Company, reviews performed by the SRMC and assurance from the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO, the Board is of the view that, as at 30 September 2021, the Group's risk management system was adequate and effective to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The AC concurs with the Board's view that as at 30 September 2021, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the Group considers relevant and material to its operations.

### Principle 10: Audit Committee

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial reporting, operational, compliance and information technology controls. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board which clearly sets out its authority and duties. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (i) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (ii) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following three members:

Mrs Siripen Sitasuwan	Chairman
Mr Timothy Chia Chee Ming <sup>1</sup>	Member
Mr Sithichai Chaikriangkrai	Member

#### Note:

- <sup>1</sup> As announced on 5 November 2021, Mr Timothy Chia Chee Ming will step down as a Director at the end of 31 December 2021 and will cease to be a member of the AC. Mr Ng Tat Pun will be appointed as a Director, and a member of the AC with effect from 1 January 2022.

The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The members of the AC, including its Chairman are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. Their collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently.

The AC has reasonable resources to enable it to discharge its functions effectively. None of the members of the AC were previous partners or directors of the Company's auditor, KPMG LLP ("KPMG"), and none of the members of the AC hold any financial interest in KPMG.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## C. ACCOUNTABILITY AND AUDIT (cont'd)

During the year, the key activities of the AC included the following:

- Reviewing the financial statements and related SGX-ST announcements, including the external auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS (I). In the review of the financial statements, the significant matters referred to in Table A were reviewed by the AC and discussed with management and external auditors.
- Assessing the impact of the COVID-19 pandemic and ensuring adequate cash flow to sustain the Group's operations on an ongoing basis.
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope, including reviewing and approving adjustments to the annual internal audit plan to prioritise and address risks and constraints arising during the COVID-19 pandemic.
- Recommending, for the approval of the Board, the financial results and related SGX-ST announcements.
- Reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.
- Assessing the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors, using ACRA's Audit Quality Indicators Disclosure Framework as a basis.
- Reviewing the assurance from the CEOs and the Heads of Finance of each of the Group's significant business divisions and the Chief Financial Officer of the Company on the financial records and financial statements.
- Reviewing with internal and external auditors, the scope and results of the audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures.
- Reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls and together with SRMC, risk management systems.
- Reviewing the whistle-blowing policy and any whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

**Table A**

Significant matters	How the AC reviewed these matters
Impairment of fixed assets and investment in subsidiaries	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of fixed assets and investment in subsidiaries.</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of fixed assets and investment in subsidiaries were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2021.</p>
Impairment of goodwill and intangible assets (including brands)	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of goodwill and intangible assets (including brands).</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of goodwill and intangible assets (including brands) were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2021.</p>

## C. ACCOUNTABILITY AND AUDIT (cont'd)

The AC also meets with internal audit and KPMG in each case, without the presence of management at least once a year, to obtain feedback on the competency and adequacy of the finance function, to review the assistance given by the Company's management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. In addition, updates (if any) on changes in accounting standards and treatment are prepared by KPMG and circulated to members of the AC.

The AC reviews and approves the remuneration and terms of engagement of KPMG. The AC also makes recommendations to the Board regarding the appointment, re-appointment and removal of the Company's external auditor. Upon the Board's approval, the relevant recommendations are tabled for approval by shareholders.

During the year, the AC conducted a review of the adequacy, effectiveness, scope and results of audit by KPMG, and their cost effectiveness, as well as the independence and objectivity of KPMG. It also reviewed all non-audit services provided by KPMG, and the aggregate amount of audit fees paid/payable to them. For details of fees paid/payable to KPMG in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 125 of this Annual Report. The AC is satisfied that neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. The AC is also satisfied with the aggregate amount of audit fees paid to KPMG. Accordingly, the AC has recommended the re-appointment of KPMG at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and evaluated a variety of factors including the audit engagement partner to be assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit and the size and complexity of the Group, its business and operations.

The Company has complied with Rule 712 of the Listing Rules which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company has also complied with Rule 715 of the Listing Rules which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

### Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy ("**Policy**"). This Policy provides an independent feedback channel through which matters of concern about any possible improprieties, misconduct or wrongdoing relating to F&N in matters of financial reporting or other matters may be raised by staff and any other person in confidence and in good faith, without fear of reprisal. F&N will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith. Details of this Policy and the procedures for raising concerns have been disseminated and made available to all employees. This Policy is also available on the Company's website. The improprieties that are reportable under the Whistle-Blowing Policy include:

- (a) financial or professional misconduct;
- (b) improper conduct, dishonest or unethical behaviour;
- (c) any irregularity or non-compliance with laws/regulations or the Company's procedures, policies and codes of conduct including but not limited to those relating to financial reporting, accounting, audit and/or internal controls;
- (d) violence at the workplace, or any conduct that may threaten health and safety;
- (e) conflicts of interest;
- (f) corruption or bribery;
- (g) mismanagement of the Company's resources;
- (h) conduct that may cause loss (whether financial or otherwise) to the Company;
- (i) sexual harassment; and
- (j) any other improprieties or matters that may adversely affect shareholders' interests in, and assets of, the Company and its reputation.

All whistle-blowing complaints are independently investigated and appropriate actions taken. The AC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## C. ACCOUNTABILITY AND AUDIT (cont'd)

### Internal Audit

The Internal Audit ("IA") Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group's system of internal controls. The Head of IA, who is a Chartered Accountant of Singapore, reports directly to the AC.

The Head of IA is an appointed member of the Board of Governors of the Institute of Internal Auditors, Singapore. The IA Department has adopted and complied with the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the IA Department also attend relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies. All senior internal audit staff are required to enrol as members of the Institute of Internal Auditors, Singapore or the Information Systems Audit and Control Association, upon confirmation of their employment.

The IA Department operates within the framework stated in its Terms of Reference, which is approved by the AC. Under its Terms of Reference, the AC has the authority to approve the hiring, removal, evaluation and compensation of the Head of IA. The IA Department has unfettered access to all the Company's documents, records, properties and personnel including access to the AC. The IA Department adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

During the year, the IA Department conducted its audit reviews based on the internal audit plan approved by the AC. At each quarterly meeting with the AC, the Head of IA presents on the status of the internal audit plan and proposes adjustments to the plan with a view to enhancing agility and relevance of audits performed. All audit reports detailing audit findings and recommendations are provided to management who would respond on the actions to be taken. The audit reports are also circulated to the AC and the external auditors. Each quarter, the IA Department also presents to the AC, a summary of the key audit findings and actions taken by management on such findings, including tracking of implementation of audit recommendations for past audit reports to ensure proper closure of agreed action plans by management. The AC monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by management.

The IA Department has a Quality Assurance and Improvement Programme ("QAIP") in place to ensure that its audit activities conform to the IIA Standards. An external Quality Assurance Review ("QAR") is carried out at least once every five years by qualified professionals from an external consulting firm to be approved by the AC. Based on the external QAR that was last carried out by Ernst & Young Advisory Pte Ltd during the financial year ended 30 September 2018, the internal audit function had been rated to have conformed with the IIA Standards. In 2018, the QAIP was expanded to include an internal self-assessment QAR to be conducted once every two years. During the financial year ended 30 September 2021, the first self-assessment QAR was performed by the IA Department and the results of the self-assessment were discussed and approved by the AC.

The AC is satisfied that the internal audit function is independent and effective and that the IA Department has adequate resources and appropriate standing within the Company to perform its function effectively.

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

F&N believes in treating all shareholders fairly and equitably. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares or are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell its shares, in a timely and consistent manner.

Shareholders of F&N are also given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

### Conduct of Shareholder Meetings

The Board supports and encourages active shareholder participation at AGMs. It believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("**Letter to Shareholders**"), in line with the Group's sustainability strategy, these documents are made available for download from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request.

At general meetings, the Company sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications for doing in the notice calling for the general meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior management are present at each shareholders' meeting to respond to questions from shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies. The Company's independent auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. F&N's Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). F&N will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities. In line with Principle 11 of the Code, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as shareholders are able to appoint proxies to vote on their behalf at general meetings through proxy forms sent in advance.

Beginning from the 2020 AGM, F&N has published minutes of general meetings of shareholders on its corporate website as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management, which are addressed at the AGM.

### 2021 AGM

In view of the COVID-19 pandemic, the 2021 AGM was convened and held by way of electronic means on 21 January 2021, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 Temporary Measures Order**"). The alternative arrangements put in place for the conduct of the 2021 AGM included (i) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions to the Chairman of the meeting in advance of the AGM, and (iii) voting at the AGM by appointing the Chairman of the Meeting as proxy.

### 2022 AGM

In view of the ongoing COVID-19 situation in Singapore, the forthcoming 2022 AGM will again be convened and held by way of electronic means on 18 January 2022, pursuant to the COVID-19 Temporary Measures Order. The same alternative arrangements for the AGM will be put in place as last year except that this year, Shareholders will additionally be able to (i) submit questions to the Chairman of the Meeting "live" at the AGM, and (ii) vote at the AGM "live" by electronic means or by appointing a proxy(ies) (other than the Chairman of the Meeting) to vote on their behalf.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

### Principle 12: Engagement with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N is committed to providing fair, relevant, comprehensive and timely information regarding the Group's performance and progress to shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("IR") team is tasked with and focuses on facilitating communications between the Company and its shareholders, as well as with the investment community. F&N has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The IR team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team conducts roadshows (together with senior management), and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance. During the year, the IR team engaged with Singapore and foreign investors at one-on-one and group meetings virtually. The aim of such engagements is to provide shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance and to solicit and understand the views of such shareholders and investors.

The Company makes available all its briefing materials to analysts and the media. In line with F&N's investor relations policy, such information, financial information, annual reports and all announcements of the Company are made available to the SGX-ST and on the Company's website at <https://www.fraserandneave.com>, with contact details for investors to channel their comments and queries.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of this Annual Report on page 58.

In determining dividends, the Board balances the need for a satisfactory return to shareholders against the Company's investment requirement to ensure sustainable growth in the future. Over the years, the Board has maintained a track record of generous shareholder distributions. As a matter of policy, the Board remains committed to paying approximately fifty percent (50%) of Group Attributable Profit Before Fair Value Adjustment and Exceptional Items.

### Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

#### Stakeholder Engagement

The Company strives to build and maintain strong relationships based on trust and respect with all stakeholders including the investment community, employees, distributors and trade customers, consumers, suppliers, regulators and the broader community. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company also maintains a corporate website to communicate and engage with stakeholders.

In order to facilitate the Company's planning and strategy for sustainable value creation, the Company engages with various key stakeholders, including employees, suppliers, customers and the investment community to gather feedback on the sustainability issues most important to them. Information and responses received from key stakeholders is then used by the Company to identify material environmental, social and governance factors and develop a materiality matrix that prioritises the Company's strategy and key areas of focus in relation to the management of stakeholder relationships for the year under review.

For more information on the Company's stakeholder engagement please refer to the Company's Sustainability Report 2021 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

Please also refer to the Enterprise Wide Risk Management Report on pages 60 and 61 of this Annual Report and the Company's Sustainability Report 2021 for further details on how the Company has adapted and responded to its stakeholders on the various issues arising in connection with the COVID-19 pandemic.



## **D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)**

### **Code of Business Conduct**

The Company has adopted a Code of Business Conduct, with the key objectives of providing clear guidelines on ethics and relationships, in order to safeguard the reputation and interests of the Group and stakeholders of the Company. The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, dealings with government officials, the maintenance of records and reports, equal employment opportunities and sexual harassment.

The Code of Business Conduct governs the conduct of employees and is disseminated and distributed to all employees for compliance, and where applicable, is made available to other stakeholders of the Group such as suppliers, business associates and customers. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

### **Dealings in Securities**

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations.

In compliance with the best practices in Listing Rule 1207 sub-Rule (19) of the Listing Rules, the Group issues reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing one month before the announcement of the Group's half-year and full-year financial statements, and ending on the date of such announcements. Similar reminders are also sent to Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing two weeks before the announcement of the Group's voluntary business updates for the first and third quarters of each financial year, and ending on the date of such announcements.

Apart from the foregoing, Directors, officers and relevant employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price or trade sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## Summary of Compliance with Express Disclosure Requirements under the Provisions of the Code

The following table benchmarks the disclosures in this Corporate Governance Report and Annual Report against the express disclosure requirements under the provisions of the Code.

Provisions of the Code - Express Disclosure Requirements	Page Reference in F&N Annual Report 2021
<b>Provision 1.2</b> The induction, training and development provided to new and existing Directors	Page 65
<b>Provision 1.3</b> Matters that require Board approval	Page 63
<b>Provision 1.4</b> Names of the Board Committee members, the terms of reference, delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities	Pages 63 to 79
<b>Provision 1.5</b> The number of Board and Board Committee meetings held in the year and each individual Directors' attendances at such meetings	Page 65
<b>Provision 2.1</b> <b>(read with Guideline 2.4 of the Code of Corporate Governance 2012)</b> Where the Board considers a director, who has served on the Board for more than nine years from the date of his/her first appointment, to be independent, the reasons for considering him/her as independent	Not applicable, see negative statement on page 67
<b>Provision 2.4</b> The board diversity policy and progress made towards implementing the board diversity policy, including objectives	Page 68
<b>Provision 4.3</b> Process for the selection, appointment and reappointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates	Page 70
<b>Provision 4.4</b> If the Board, having taken into account the views of the Nominating Committee, determines that a Director is independent notwithstanding the existence of a relationship(s) with the Company, its related corporations, its substantial shareholders or its officers, which may affect his/her independence, the relationship(s) and the Board's reasons for considering him/her as independent	Not applicable, see negative statement on page 67
<b>Provision 4.5</b> (a) Listed company directorships and principal commitments of each Director	Pages 14 to 23
(b) Where a Director holds a significant number of directorships and principal commitments, the Nominating Committee's and Board's reasoned assessment of the Directors' ability to diligently discharge his/her duties	Page 70
<b>Provision 5.2</b> How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection (if any) with the Company or any of its Directors	Page 71

## Summary of Compliance with Express Disclosure Requirements under the Provisions of the Code

Provisions	Page Reference in F&N Annual Report 2021
<b>Provision 6.4</b> The engagement of any remuneration consultants and their independence	Page 72
<b>Provision 8.1</b> The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel	Pages 73 to 74
<b>Provision 8.2</b> Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The employee's relationship with the relevant Director or the CEO or substantial shareholder should also be clearly stated	Not applicable, see negative statement on page 74
<b>Provision 8.3</b> All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company and details of employee share schemes	Page 72 to 74
<b>Provision 9.2</b> The Board has received assurance from: (a) the CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems	Page 76
<b>Provision 10.1(f)</b> The existence of a whistleblowing policy and procedures for raising concerns about possible improprieties in financial reporting or other matters	Page 79
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<b>Provision 13.2</b> The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	Page 82



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## Directors' Statement

The directors have pleasure in presenting their statement together with the audited financial statements of Fraser and Neave, Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2021.

### 1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Charoen Sirivadhanabhakdi	(Chairman)
Khunying Wanna Sirivadhanabhakdi	(Vice-Chairman)
Tengku Syed Badarudin Jamalullail	
Mrs Siripen Sitasuwan	
Mr Timothy Chia Chee Ming	
Mr Charles Mak Ming Ying	
Mr Chan Heng Wing	
Dr Sujittra Sombuntham	
Mr Koh Poh Tiong	
Mr Chotiphat Bijananda	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	
Mr Michael Chye Hin Fah (Alternate Director to Mr Thapana Sirivadhanabhakdi)	
Mr Prapakon Thongtheppairot (Alternate Director to Mr Sithichai Chaikriangkrai)	

### 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during, the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

### 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act (Chapter 50 of Singapore), interest in the shares in, or debentures of, the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Direct Interest		Deemed Interest	
	As at 1 Oct 2020	As at 30 Sep 2021	As at 1 Oct 2020	As at 30 Sep 2021
<b>Charoen Sirivadhanabhakdi</b>				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884 <sup>(1)</sup>	<b>1,270,503,884<sup>(1)</sup></b>
Fraser's Property Limited				
• Ordinary Shares	-	-	2,541,007,768 <sup>(1)</sup>	<b>3,411,180,640<sup>(1)</sup></b>
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	<b>203,470,910</b>
TCC Assets Limited				
• Ordinary Shares	25,000	<b>25,000</b>	-	-

## Directors' Statement

### 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

Name of Director	Direct Interest		Deemed Interest	
	As at 1 Oct 2020	As at 30 Sep 2021	As at 1 Oct 2020	As at 30 Sep 2021
<b>Khunying Wanna Sirivadhanabhakdi</b>				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884 <sup>(1)</sup>	1,270,503,884 <sup>(1)</sup>
Fraser's Property Limited				
• Ordinary Shares	-	-	2,541,007,768 <sup>(1)</sup>	3,411,180,640 <sup>(1)</sup>
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	203,470,910
TCC Assets Limited				
• Ordinary Shares	25,000	25,000	-	-
<b>Tengku Syed Badarudin Jamalullail</b>				
Fraser & Neave Holdings Bhd				
• Ordinary Shares	2,062,000	2,062,000	-	-
<b>Chan Heng Wing</b>				
Fraser's Property Treasury Pte. Ltd.				
• S\$300M 4.38% p.a. Subordinated Perpetual Securities (Series 003) (under S\$5B Multicurrency Debt Issuance Programme)	-	-	S\$250,000	S\$250,000
<b>Koh Poh Tiong</b>				
Fraser and Neave, Limited				
• Ordinary Shares	251,315	251,315	-	-
Fraser's Property Limited				
• Ordinary Shares	385,660	528,354	-	-
<b>Chotiphat Bijananda</b>				
Fraser's Property Limited				
• Ordinary Shares	-	-	-	70,000,000 <sup>(2)</sup>
<b>Thapana Sirivadhanabhakdi</b>				
Fraser's Property Limited				
• Ordinary Shares	-	-	-	70,000,000 <sup>(2)</sup>

<sup>(1)</sup> Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares in the Company in which TCCA has an interest. Both the Company and Fraser's Property Limited ("FPL") are direct subsidiaries of TCCA.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 51% direct interest in Siritwana Company Limited ("Siritwana"). Siritwana holds an aggregate of approximately 45.26% interest in Thai Beverage Public Company Limited ("ThaiBev").

Further, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi jointly hold a 100% direct interest in MM Group Limited ("MM Group"). MM Group holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC"). Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turn holds a 100% direct interest in InterBev Investment Limited ("IBIL"). Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all the shares in the Company in which IBIL has an interest.

<sup>(2)</sup> As at 30 September 2021, TCC Group Investments Limited ("TCCGI") (which is equally held by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi) held 70,000,000 shares in Fraser's Property Limited ("FPL") through a nominee account.

Atinant Bijananda, through her 20.0% shareholding in TCCGI, is deemed to be interested in all the shares in FPL in which TCCGI has an interest ("TCCGI's FPL Shares"). As Atinant Bijananda is the spouse of Chotiphat Bijananda, he is deemed to be interested in TCCGI's FPL Shares.

Thapana Sirivadhanabhakdi, through his 20.0% shareholding in TCCGI, is also deemed to be interested in TCCGI's FPL Shares.



## Directors' Statement

### 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

- (b) There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2021.
- (c) By virtue of Section 4 of the Securities and Futures Act, Chapter 289, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to have interests in the shares of the subsidiaries held by the Company and in the shares of the subsidiaries held by FPL.
- (d) Except as disclosed in this statement, no director who held office at the end of the financial year had any interest in shares in, or debentures of, the Company, or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

### 4. SHARE PLANS

#### (a) F&N Restricted Share Plan ("Restricted Share Plan"), F&N Performance Share Plan ("Performance Share Plan") and the F&N Restricted Share Plan 2019 ("F&N RSP 2019")

The Remuneration Committee administers the Company's share-based remuneration incentive plans, namely, the Restricted Share Plan, Performance Share Plan and the F&N RSP 2019, (collectively, the "Share Plans"). The Restricted Share Plan and the Performance Share Plan expired on 21 January 2019, and were replaced by the F&N RSP 2019. The expiry of the Restricted Share Plan and the Performance Share Plan does not affect awards granted prior to expiry of these share plans and which are pending final release.

#### Share Grants under the Share Plans

Under the Share Plans, the Company grants a base number of conditional share awards (the "Base Awards") to eligible participants annually. The Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods. The Remuneration Committee, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020. The performance periods for the Restricted Share Plan and the Performance Share Plan are two and three years respectively. For the F&N RSP 2019, the performance period is one year.

Depending on the level of achievement of the pre-determined targets over the respective performance periods for the Restricted Share Plan and the Performance Share Plan, an achievement factor will be applied to the relevant Base Awards to determine the final number of shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the Restricted Share Plan and the F&N RSP 2019, and 0% to 200% for the Performance Share Plan. Accordingly, the actual number of shares to be awarded pursuant to the Share Plans will range from 0% to 150% of the Base Awards for the Restricted Share Plan and the F&N RSP 2019, and from 0% to 200% of the Base Awards for the Performance Share Plan (the "Final Awards").

In respect of the Restricted Share Plan, the first tranche at 50% of the relevant Final Awards will be vested to participants after the end of the two-year performance period and followed by the balance which will be vested in equal instalments over the next two years. In respect of the Performance Share Plan, 100% of the relevant Final Awards will be vested to the participants after the end of the three-year performance period. In respect of the F&N RSP 2019, Final Awards will be vested in equal instalments over three years after the end of the one-year performance period.

During the financial year:

- No awards have been granted to controlling shareholders or their associates, or parent group directors or employees under the F&N RSP 2019.
- No awards have been granted to directors of the Company under the F&N RSP 2019.
- No participant has received 5% or more of the total number of shares available/delivered pursuant to grants under the Share Plans.

## Directors' Statement

### 4. SHARE PLANS (cont'd)

#### (a) F&N Restricted Share Plan ("Restricted Share Plan"), F&N Performance Share Plan ("Performance Share Plan") and the F&N Restricted Share Plan 2019 ("F&N RSP 2019") (cont'd)

The first grant of awards under the Restricted Share Plan and Performance Share Plan was made in December 2009 for Financial Year 2009/10 and the first grant of awards under the F&N RSP 2019 was made on 28 August 2020 for Financial Year 2019/2020. The details of the shares awarded under the Share Plans in aggregate are as follows:

##### (i) Restricted Share Plan

Shares	Grant Date	Balance as at 1.10.2020	Lapsed	Achievement Factor	Vested	Balance as at 30.9.2021
Year 8	28.12.2016	167,675	(275)	-	(167,400)	-
Year 9	28.12.2017	582,200	(15,500)	-	(289,800)	276,900
Year 10	21.12.2018	1,420,500	(49,400)	296,900	(851,200)	816,800
		2,170,375	(65,175)*	296,900	(1,308,400)	1,093,700

\* Lapsed due to cessation of employment.

##### (ii) Performance Share Plan

Shares	Grant Date	Balance as at 1.10.2020	Achievement Factor	Vested	Balance as at 30.9.2021
Year 9	28.12.2017	78,000	(48,500)	(29,500)	-
Year 10	21.12.2018	127,000	-	-	127,000
		205,000	(48,500)	(29,500)	127,000

##### (iii) F&N Restricted Share Plan 2019

Shares	Grant Date	Balance as at 1.10.2020 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.9.2021
Year 1	28.08.2020	1,765,250	(52,799)	(509,850)	(411,798)	790,803
Year 2	10.02.2021	1,937,750	(41,500)	-	-	1,896,250
		3,703,000	(94,299)*	(509,850)	(411,798)	2,687,053

\* Lapsed due to cessation of employment.

#### (b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP", and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021")

The F&NHB SGP were approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 20 December 2011 and subsequently approved by the shareholders of F&NHB at its Extraordinary General Meeting ("EGM") held on 13 January 2012. To date, there were no grants made under the F&NHB PSP. As the F&NHB SGP are due to expire on 14 March 2022, F&NHB introduced the F&NHB SGP 2021 which was approved by the shareholders of F&NHB at an EGM held on 19 January 2021. The F&NHB SGP 2021 was implemented on 11 February 2021 and is valid for 10 years from 11 February 2021 to 10 February 2031. The expiry of the F&NHB SGP in 2022 does not affect awards of F&NHB shares granted prior to its expiry and which are capable of being vested prior and up to 14 March 2022.

## Directors' Statement

### 4. SHARE PLANS (cont'd)

#### (b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP", and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021") (cont'd)

Under the F&NHB SGP and the F&NHB SGP 2021, F&NHB grants a base number of conditional awards of F&NHB shares (the "F&NHB Base Awards") to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid shares of F&NHB, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee of F&NHB (the "F&NHB RemCo"), as administrator of the F&NHB SGP and the F&NHB SGP 2021, has absolute discretion in granting the F&NHB Base Awards and determining the performance period and the vesting period. The F&NHB RemCo has determined the performance period for the F&NHB RSP to be two years.

Depending on the level of achievement of the pre-determined targets, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of F&NHB shares to be awarded at the end of the relevant performance period (the "F&NHB Final Awards"). The achievement factor ranges from 0% to 150%. Accordingly, the actual number of F&NHB shares to be awarded could range from 0% to 150% of the initial grant of awards under the F&NHB RSP and the F&NHB SGP 2021.

In respect of the F&NHB RSP, the first tranche of F&NHB shares (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the next two years.

The award for Year 10 of the F&NHB RSP was deferred from December 2020 originally, to 15 February 2021 (i.e. after the F&NHB SGP 2021 was approved and implemented). Therefore, the F&NHB RemCo determined that Year 10 of the F&NHB RSP would be issued under the F&NHB SGP 2021. This was because the two-year performance period for the Year 10 F&NHB RSP would traverse the expiry of the F&NHB SGP, and no F&NHB shares can be released after said performance period as they would be deemed cancelled.

The directors of F&NHB do not participate in the F&NHB SGP and the F&NHB SGP 2021.

The details of the F&NHB shares awarded under the F&NHB RSP and the F&NHB SGP 2021 are as follows:

Shares	Grant Date	Balance as at 1.10.2020 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.9.2021
<b>F&amp;NHB RSP</b>						
Year 6	22.12.2016	61,950	(300)	-	(61,650)	-
Year 7	22.12.2017	128,900	(10,625)	-	(64,150)	54,125
Year 8*	21.12.2018	213,600	(12,450)	(60,700)	(76,450)	64,000
Year 9*	23.12.2019	495,900	(106,400)	(194,750)	-	194,750
<b>F&amp;NHB SGP 2021</b>						
Year 10**	15.02.2021	384,200	(62,400)	-	-	321,800
		1,284,550	(192,175)^	(255,450)	(202,250)	634,675

\* Under the original vesting schedules for these awards of F&NHB shares, the final tranche under Year 8 F&NHB RSP, and the second and final tranches under Year 9 F&NHB RSP, would be released after the 14 March 2022 expiry of the F&NHB SGP and thus deemed to be cancelled. In view thereof, F&NHB shares under the F&NHB SGP 2021 equivalent to the number of shares deemed cancelled will be awarded to eligible participants in accordance with the original vesting schedules of these deemed cancelled awards, and which shares will not be subject to performance periods or achievement targets.

\*\* The F&NHB RemCo has also determined that the first tranche of F&NHB shares under the 15 February 2021 award for Year 10 F&NHB RSP (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period, and the balance 50% will be vested in equal instalments over the next two years.

^ Lapsed due to cessation of employment.

(c) Other than those disclosed in this paragraph 4, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(d) Other than those reported in this paragraph 4, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this statement relates.



## Directors' Statement

### 5. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act (Chapter 50 of Singapore), the SGX-ST Listing Manual and the Code of Corporate Governance 2018. These functions include, *inter alia*, the following:

- (a) reviewing the financial statements and related financial results announcements, including the independent auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the Singapore Financial Reporting Standards (International);
- (b) reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;
- (c) recommending, for the approval of the Board, the financial results and related financial results announcements;
- (d) reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;
- (e) reviewing with internal and external auditors, the scope and results of the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures; and
- (f) reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational and compliance and information technology controls and together with the Sustainability and Risk Management Committee, risk management systems.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

The Audit Committee has nominated KPMG LLP for re-appointment by the shareholders as independent auditors at the forthcoming Annual General Meeting.

### 6. INDEPENDENT AUDITORS

The independent auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

### 7. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended 30 September 2021; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

**SIRIPEN SITASUWAN**  
Director

**SITHICHAI CHAIKRIANGKRAI**  
Director

19 November 2021

## Independent Auditors' Report

MEMBERS OF THE COMPANY  
FRASER AND NEAVE, LIMITED

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Fraser and Neave, Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2021, the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company and the consolidated profit statement, consolidated statement of comprehensive income, and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 96 to 181.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment of fixed assets and investments in subsidiaries

(Refer to Note 2.8, Note 2.18, Note 12 and Note 15 to the financial statements)

##### The key audit matter

Fixed assets constitute 15.4% of the Group's total assets and investments in subsidiaries constitute 86.1% of the Company's total assets as at 30 September 2021.

When there are indicators of impairment noted in a business segment, the Group will estimate the recoverable amount of the fixed assets and investments in subsidiaries at the Company level based on discounted future cash flows expected to be generated from the business segment. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the next 5 years, and discount rate as well as terminal growth rate.

The assessment of management's judgements in arriving at these key assumptions is a key focus area of our audit.

##### How the matter was addressed in our audit

Our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the fixed assets and investments in subsidiaries.

We also assessed the reasonableness of the key assumptions used in the 5-year profit forecasts by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions, including considerations of the impact of the COVID-19 pandemic.

**Our findings** – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be appropriate.

## Independent Auditors' Report

MEMBERS OF THE COMPANY  
FRASER AND NEAVE, LIMITED

### Impairment of goodwill and intangible assets (including brands)

(Refer to Note 2.12, Note 2.13, Note 2.18, Note 18, Note 19 and Note 22 to the financial statements)

#### *The key audit matter*

As at 30 September 2021, the Group has goodwill of \$101.9 million mainly relating to the printing and publishing group and beverages group, and intangible assets (including brands) of \$68.8 million mainly relating to brands owned by the Group.

The Group will estimate the recoverable amount of goodwill and intangible assets with finite useful life with indicators of impairment based on discounted future cash flows expected to be generated from the respective operating unit. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth and gross profit margins for the next 3 to 5 years, discount rate and terminal growth rate for the operating units which the goodwill and intangible assets are allocated to.

As there are judgements and estimation involved in the preparation of the discounted future cash flows and determination of certain key inputs, this is a key focus area in our audit.

#### *How the matter was addressed in our audit*

We assessed the determination of the operating units that goodwill is allocated to based on our understanding of the nature of the Group's business.

For goodwill and intangible assets with finite useful life with indicators of impairment, our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the goodwill and intangible assets. We assessed the reasonableness of the key assumptions used in the 3 to 5 year profit forecasts, by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to the cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions, including considerations of the impact of the COVID-19 pandemic.

**Our findings** – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be appropriate.

### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholding Statistics which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholding Statistics, if we conclude that there is a material statement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

### *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.



## Independent Auditors' Report

MEMBERS OF THE COMPANY  
FRASER AND NEAVE, LIMITED

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Jeya Poh Wan S/O K. Suppiah.

### **KPMG LLP**

Public Accountants and  
Chartered Accountants

Singapore  
19 November 2021

## Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		THE GROUP	
	Notes	2021 (\$'000)	2020 (\$'000)
<b>REVENUE</b>	3	<b>1,879,163</b>	1,833,501
Cost of sales		<b>(1,296,247)</b>	(1,237,627)
<b>GROSS PROFIT</b>		<b>582,916</b>	595,874
Other income (net)	4(a)	<b>7,673</b>	23,309
Operating expenses			
- Distribution		<b>(158,929)</b>	(159,649)
- Marketing		<b>(158,535)</b>	(180,831)
- Administration		<b>(122,079)</b>	(136,989)
		<b>(439,543)</b>	(477,469)
<b>TRADING PROFIT</b>		<b>151,046</b>	141,714
Share of results of joint venture companies		<b>(3,188)</b>	2,131
Share of results of associated companies		<b>113,486</b>	123,276
Gross income from other investments	6	<b>403</b>	285
<b>PROFIT BEFORE INTEREST AND TAXATION ("PBIT")</b>		<b>261,747</b>	267,406
Finance income		<b>2,286</b>	2,830
Finance costs		<b>(25,138)</b>	(24,788)
Net finance costs	4(b)	<b>(22,852)</b>	(21,958)
<b>PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS</b>		<b>238,895</b>	245,448
Fair value adjustment of investment properties		<b>17</b>	(413)
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>	4(c)	<b>238,912</b>	245,035
Exceptional items	7	<b>(8,720)</b>	(621)
<b>PROFIT BEFORE TAXATION</b>		<b>230,192</b>	244,414
Taxation	8	<b>(34,718)</b>	(36,722)
<b>PROFIT AFTER TAXATION</b>		<b>195,474</b>	207,692
<b>ATTRIBUTABLE PROFIT TO:</b>			
Shareholders of the Company			
- Before fair value adjustment and exceptional items		<b>145,217</b>	150,397
- Fair value adjustment of investment properties		<b>17</b>	(237)
- Exceptional items		<b>(4,792)</b>	(950)
		<b>140,442</b>	149,210
Non-controlling interests		<b>55,032</b>	58,482
		<b>195,474</b>	207,692
<b>Earnings per share attributable to the shareholders of the Company</b>	10		
Basic			
- before fair value adjustment and exceptional items		<b>10.0 cts</b>	10.4 cts
- after fair value adjustment and exceptional items		<b>9.7 cts</b>	10.3 cts
Fully diluted			
- before fair value adjustment and exceptional items		<b>10.0 cts</b>	10.3 cts
- after fair value adjustment and exceptional items		<b>9.6 cts</b>	10.2 cts

# Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Profit after taxation	195,474	207,692
<b>Other comprehensive income:</b>		
<b><u>Items that are or may be reclassified subsequently to profit statement</u></b>		
Share of other comprehensive income of associated and joint venture companies	(8,287)	(59)
Realisation of reserve on liquidation of a subsidiary company	144	-
Fair value changes on derivative financial instruments	7,575	(13,330)
Currency translation difference	(35,305)	(21,627)
	<b>(35,873)</b>	<b>(35,016)</b>
<b><u>Items that will not be reclassified to profit statement</u></b>		
Fair value changes on equity investments measured at fair value through other comprehensive income	(522)	(1,509)
Remeasurement of defined benefit obligations	824	(405)
	<b>302</b>	<b>(1,914)</b>
<b>Other comprehensive income for the year, net of taxation</b>	<b>(35,571)</b>	<b>(36,930)</b>
<b>Total comprehensive income for the year</b>	<b>159,903</b>	<b>170,762</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	122,897	113,885
Non-controlling interests	37,006	56,877
	<b>159,903</b>	<b>170,762</b>

## Balance Sheets

AS AT 30 SEPTEMBER 2021

		THE GROUP		THE COMPANY	
	Notes	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>SHARE CAPITAL AND RESERVES</b>					
Share capital	11(a)	858,830	855,870	858,830	855,870
Reserves	11(b)	2,160,640	2,112,668	757,150	771,355
		3,019,470	2,968,538	1,615,980	1,627,225
<b>NON-CONTROLLING INTERESTS</b>					
		431,766	427,115	-	-
		3,451,236	3,395,653	1,615,980	1,627,225
Represented by:					
<b>NON-CURRENT ASSETS</b>					
Fixed assets	12	760,021	771,571	3,353	5,288
Investment properties	13	16,858	17,075	-	-
Properties held for development	14	17,853	18,114	-	-
Subsidiary companies	15	-	-	2,172,867	2,172,844
Joint venture companies	16	154,341	166,605	38,965	38,965
Associated companies	17	2,712,634	2,668,602	-	-
Intangible assets	18	138,636	133,695	877	652
Brands	22	32,105	27,354	212	212
Other investments	20	5,625	6,147	172,339	206,298
Other receivables	24	726	2,272	26	249
Deferred tax assets	30	4,695	4,516	-	-
		3,843,494	3,815,951	2,388,639	2,424,508
<b>CURRENT ASSETS</b>					
Inventories	23	297,577	296,724	-	-
Trade receivables	24	254,806	271,823	-	-
Other receivables	24	46,177	94,899	1,291	4,813
Related parties	24	6,121	8,664	616	735
Subsidiary companies	15	-	-	122,013	49,862
Joint venture companies	16	1,214	1,179	-	-
Associated companies	17	84	7	-	4
Cash and bank deposits	21	471,799	285,479	12,010	8,622
		1,077,778	958,775	135,930	64,036
<b>Deduct: CURRENT LIABILITIES</b>					
Trade payables	26	176,224	161,122	-	-
Other payables	26	194,914	211,759	13,434	13,850
Related parties	26	6,266	4,891	292	220
Subsidiary companies	15	-	-	90,746	5,174
Associated companies	17	261	398	-	-
Lease liabilities	27	11,646	14,268	2,445	2,353
Borrowings	28	427,573	42,701	-	-
Provision for taxation		49,349	49,639	6,420	4,296
		866,233	484,778	113,337	25,893
<b>NET CURRENT ASSETS</b>					
		211,545	473,997	22,593	38,143
<b>Deduct: NON-CURRENT LIABILITIES</b>					
Other payables	26	23,802	30,262	-	-
Subsidiary companies	15	-	-	795,000	833,019
Lease liabilities	27	36,539	25,168	235	2,380
Borrowings	28	499,262	795,888	-	-
Provision for employee benefits	29	15,760	18,414	-	-
Deferred tax liabilities	30	28,440	24,563	17	27
		603,803	894,295	795,252	835,426
<b>NET ASSETS</b>					
		3,451,236	3,395,653	1,615,980	1,627,225

The Notes on pages 104 to 181 form an integral part of the Financial Statements.



## Statements of Changes in Equity

THE GROUP											
Notes	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Hedging Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Non-controlling Interests (\$'000)	Total Equity (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2021</b>											
Balance at 1 October 2020	855,870	(6,387)	2,106,230	1,343	(33,634)	(14,777)	9,140	50,753	2,968,538	427,115	3,395,653
<u>Comprehensive income</u>											
Share of other comprehensive income of associated and joint venture companies	-	-	(8,190)	(77)	(20)	-	-	-	(8,287)	-	(8,287)
Realisation of reserve on liquidation of a subsidiary company	-	-	-	144	-	-	-	-	144	-	144
Fair value changes on derivative financial instruments	-	-	-	-	-	7,575	-	-	7,575	-	7,575
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(522)	-	-	-	(522)	-	(522)
Remeasurement of defined benefit obligations	-	-	457	-	-	-	-	-	457	367	824
Currency translation difference	-	-	-	(16,912)	-	-	-	-	(16,912)	(18,393)	(35,305)
Other comprehensive income for the year	-	-	(7,733)	(16,845)	(542)	7,575	-	-	(17,545)	(18,026)	(35,571)
Profit for the year	-	-	140,442	-	-	-	-	-	140,442	55,032	195,474
<b>Total comprehensive income for the year</b>	-	-	132,709	(16,845)	(542)	7,575	-	-	122,897	37,006	159,903
<u>Contributions by and distributions to owners</u>											
Employee share-based expense	-	-	-	-	-	-	2,926	-	2,926	517	3,443
Issue of shares in the Company upon vesting of shares awarded	11	2,960	-	-	-	-	(2,960)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	(1,184)	-	-	-	-	-	(1,184)	(950)	(2,134)
Shares of a subsidiary company reissued pursuant to its share plans	-	(279)	1,195	-	-	-	(916)	-	-	-	-
<b>Dividends:</b>	9	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(21,839)	-	-	-	-	(50,753)	(72,592)	(31,922)	(104,514)
Dividends proposed	-	-	(50,814)	-	-	-	-	50,814	-	-	-
<b>Total contributions by and distributions to owners</b>	-	2,960	(279)	(72,642)	-	-	(950)	61	(70,850)	(32,355)	(103,205)
<u>Changes in ownership interests</u>											
Changes in carrying value of put option granted to non-controlling interests	-	(1,115)	-	-	-	-	-	-	(1,115)	-	(1,115)
<b>Total changes in ownership interests</b>	-	(1,115)	-	-	-	-	-	-	(1,115)	-	(1,115)
<b>Total transactions with owners in their capacity as owners</b>	-	2,960	(1,394)	(72,642)	-	-	(950)	61	(71,965)	(32,355)	(104,320)
<b>Balance at 30 September 2021</b>	-	858,830	(7,781)	2,166,297	(15,502)	(34,176)	(7,202)	50,814	3,019,470	431,766	3,451,236

## Statements of Changes in Equity

THE GROUP											
Notes	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Hedging Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Non-controlling Interests (\$'000)	Total Equity (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2020</b>											
Balance at 1 October 2019	853,549	(5,257)	2,030,987	21,678	(32,099)	(1,447)	7,911	57,961	2,933,283	399,828	3,333,111
<u>Comprehensive income</u>											
Share of other comprehensive income of associated companies	-	-	99	(132)	(26)	-	-	-	(59)	-	(59)
Fair value changes on derivative financial instruments	-	-	-	-	-	(13,330)	-	-	(13,330)	-	(13,330)
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(1,509)	-	-	-	(1,509)	-	(1,509)
Remeasurement of defined benefit obligations	-	-	(224)	-	-	-	-	-	(224)	(181)	(405)
Currency translation difference	-	-	-	(20,203)	-	-	-	-	(20,203)	(1,424)	(21,627)
Other comprehensive income for the year	-	-	(125)	(20,335)	(1,535)	(13,330)	-	-	(35,325)	(1,605)	(36,930)
Profit for the year	-	-	149,210	-	-	-	-	-	149,210	58,482	207,692
<b>Total comprehensive income for the year</b>	-	-	149,085	(20,335)	(1,535)	(13,330)	-	-	113,885	56,877	170,762
<u>Contributions by and distributions to owners</u>											
Employee share-based expense	-	-	-	-	-	-	4,632	-	4,632	1,124	5,756
Issue of shares in the Company upon vesting of shares awarded	11	2,321	-	-	-	-	(2,321)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	(1,314)	-	-	-	-	-	(1,314)	(1,054)	(2,368)
Shares of a subsidiary company reissued pursuant to its share plans	-	(88)	1,170	-	-	-	(1,082)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	1,595	1,595
<b>Dividends:</b>	9										
Dividends paid	-	-	(21,793)	-	-	-	-	(57,961)	(79,754)	(32,292)	(112,046)
Dividends proposed	-	-	(50,753)	-	-	-	-	50,753	-	-	-
<b>Total contributions by and distributions to owners</b>		2,321	(88)	(72,690)	-	-	-	1,229	(7,208)	(76,436)	(107,063)
<u>Changes in ownership interests</u>											
Change of interests in subsidiary companies	-	-	(1,132)	-	-	-	-	-	(1,132)	1,132	-
Acquisition of non-controlling interests in a subsidiary company	-	-	(20)	-	-	-	-	-	(20)	(95)	(115)
Changes in carrying value of put option granted to non-controlling interests	-	(1,042)	-	-	-	-	-	-	(1,042)	-	(1,042)
<b>Total changes in ownership interests</b>	-	(1,042)	(1,152)	-	-	-	-	-	(2,194)	1,037	(1,157)
<b>Total transactions with owners in their capacity as owners</b>		2,321	(1,130)	(73,842)	-	-	-	1,229	(7,208)	(78,630)	(29,590)
<b>Balance at 30 September 2020</b>		855,870	(6,387)	2,106,230	1,343	(33,634)	(14,777)	9,140	50,753	2,968,538	427,115
											3,395,653

## Statements of Changes in Equity

		THE COMPANY						
	Notes	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total Equity (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2021</b>								
Balance at 1 October 2020		855,870	(1,091)	660,393	56,437	4,863	50,753	1,627,225
<u>Comprehensive income</u>								
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	(33,959)	-	-	(33,959)
Other comprehensive income for the year		-	-	-	(33,959)	-	-	(33,959)
Profit for the year		-	-	93,025	-	-	-	93,025
<b>Total comprehensive income for the year</b>		-	-	93,025	(33,959)	-	-	59,066
<u>Contributions by and distributions to owners</u>								
Employee share-based expense		-	-	-	-	2,281	-	2,281
Issue of shares in the Company upon vesting of shares awarded	11	2,960	-	-	-	(2,960)	-	-
<b>Dividends:</b>	9							
Dividends paid		-	-	(21,839)	-	-	(50,753)	(72,592)
Dividends proposed		-	-	(50,814)	-	-	50,814	-
<b>Total transactions with owners in their capacity as owners</b>		2,960	-	(72,653)	-	(679)	61	(70,311)
<b>Balance at 30 September 2021</b>		858,830	(1,091)	680,765	22,478	4,184	50,814	1,615,980
<b>YEAR ENDED 30 SEPTEMBER 2020</b>								
Balance at 1 October 2019		853,549	(1,091)	722,593	57,939	3,953	57,961	1,694,904
<u>Comprehensive income</u>								
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	(1,502)	-	-	(1,502)
Other comprehensive income for the year		-	-	-	(1,502)	-	-	(1,502)
Profit for the year		-	-	10,346	-	-	-	10,346
<b>Total comprehensive income for the year</b>		-	-	10,346	(1,502)	-	-	8,844
<u>Contributions by and distributions to owners</u>								
Employee share-based expense		-	-	-	-	3,231	-	3,231
Issue of shares in the Company upon vesting of shares awarded	11	2,321	-	-	-	(2,321)	-	-
<b>Dividends:</b>	9							
Dividends paid		-	-	(21,793)	-	-	(57,961)	(79,754)
Dividends proposed		-	-	(50,753)	-	-	50,753	-
<b>Total transactions with owners in their capacity as owners</b>		2,321	-	(72,546)	-	910	(7,208)	(76,523)
<b>Balance at 30 September 2020</b>		855,870	(1,091)	660,393	56,437	4,863	50,753	1,627,225

# Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and exceptional items	238,912	245,035
Adjustments for:		
Depreciation of fixed assets	76,935	74,251
Amortisation of brands and intangible assets	12,878	13,673
Impairment of fixed assets and intangible assets	1,247	550
Reversal of impairment of fixed assets and intangible assets	(448)	(264)
Fixed assets and intangible assets written off	250	256
Property development cost written off	8	357
Gross income from other investments	(403)	(285)
Provision for employee benefits	1,429	2,439
Write back of provision for employee benefits	(205)	(26)
Gain on disposal of fixed assets	(28)	(223)
Gain on lease termination/modification	(132)	(157)
Interest income	(2,286)	(2,830)
Interest expenses	25,138	24,788
Share of results of joint venture companies	3,188	(2,131)
Share of results of associated companies	(113,486)	(123,276)
Employee share-based expense	3,443	5,372
Fair value adjustment of investment properties	(17)	413
Fair value adjustment of financial instruments	(145)	(339)
Loss/(Gain) on disposal of financial instruments	52	(163)
Operating cash before working capital changes	246,330	237,440
Change in inventories	1,788	(34,594)
Change in receivables	72,256	(24,247)
Change in related parties' and joint venture and associated companies' balances	3,669	(3,922)
Change in payables	(12,958)	(53,840)
Currency realignment	(6,259)	(8,394)
Cash generated from operations	304,826	112,443
Interest income received	2,330	3,064
Interest expenses paid	(24,776)	(24,735)
Income taxes paid	(32,880)	(34,563)
Payment of employee benefits	(2,097)	(1,897)
Retirement benefit plan buy-out	-	(11,622)
<b>Net cash from operating activities</b>	<b>247,403</b>	<b>42,690</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends from associated companies	92,825	96,547
Gross income from other investments	403	285
Proceeds from disposal of fixed assets	617	11,677
Purchase of fixed assets	(90,279)	(108,348)
Payment for intangible assets	(9,185)	(16,163)
Net cash outflow on acquisition of subsidiary companies	(16,207)	-
Investments in joint venture and associated companies	-	(41,747)
Payment of deferred consideration for prior years' acquisition of subsidiary companies	-	(3,525)
Deposits pledged in relation to acquisition of subsidiary companies	-	3,025
<b>Net cash used in investing activities</b>	<b>(21,826)</b>	<b>(58,249)</b>



## Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### THE GROUP

	2021 (\$'000)	2020 (\$'000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	142,404	27,501
Repayment of borrowings	(50,889)	(15,607)
Payment of lease liabilities	(18,683)	(17,396)
Purchase of shares by a subsidiary company	(2,134)	(2,368)
Acquisition of non-controlling interests in a subsidiary company	-	(115)
Capital contribution by non-controlling interests	-	1,595
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(31,922)	(32,292)
- by the Company to shareholders	(72,592)	(79,754)
<b>Net cash used in financing activities</b>	<b>(33,816)</b>	<b>(118,436)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>191,761</b>	<b>(133,995)</b>
Cash and cash equivalents at beginning of year	285,479	417,327
Effects of exchange rate changes on cash and cash equivalents	(5,441)	2,147
<b>Cash and cash equivalents at end of year</b>	<b>471,799</b>	<b>285,479</b>
<b>Analysis of acquisition of subsidiary companies</b>		
Net assets acquired:		
Fixed assets	1,019	-
Brands	4,908	-
Current assets	5,916	-
Current liabilities	(2,761)	-
Non-current liabilities	(1,663)	-
Cash and cash equivalents	3,130	-
	10,549	-
Goodwill on acquisition	8,788	-
Consideration paid	19,337	-
Less: Cash and cash equivalents of subsidiary companies acquired	(3,130)	-
<b>Net cash outflow on acquisition of subsidiary companies</b>	<b>16,207</b>	<b>-</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The following Notes form an integral part of the Financial Statements on pages 96 to 103.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 19 November 2021.

## 1. GENERAL

Fraser and Neave, Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The registered office of the Company is located at 438 Alexandra Road, #20-00 Alexandra Point, Singapore 119958. TCC Assets Limited incorporated in the British Virgin Islands is the immediate and ultimate holding company.

The financial statements of the Group as at and for the year ended 30 September 2021 comprise the Company and its subsidiary companies (together referred to as the "Group").

The principal activities of the Group are:

- (a) production and sale of beverages and dairy products; and
- (b) printing and publishing.

These activities are carried out through the Company's subsidiary, joint venture and associated companies. The Company provides management and administrative services to some subsidiary companies.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar and all values are rounded to the nearest thousand (\$'000) unless otherwise stated.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and are consistent with those used in the previous financial year, except as disclosed below.

The following are the amendments to the standards that are mandatory for application from 1 October 2020:

Various	<i>Amendments to References to the Conceptual Framework in SFRS(I) standards</i>
	<i>Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements</i>
Amendments to SFRS(I) 3	<i>Definition of a Business</i>
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	<i>Definition of Material</i>
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	<i>Interest Rate Benchmark Reform</i>
Amendments to SFRS(I) 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>

The adoption of the above amendments to the standards had no material impact on the financial statements of the Group and the Company.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 2. ACCOUNTING POLICIES (cont'd)

#### 2.2 Basis of Consolidation and Business Combinations

Subsidiary companies are those companies controlled by the Group. Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies.

Acquisitions of subsidiary companies are accounted for using the acquisition method. Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, liabilities incurred, equity interest issued by the Group, any contingent consideration arrangement and any pre-existing interest in the subsidiary measured at their fair values at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any change in the contingent consideration to be paid will be recognised in the profit statement. Acquisition-related costs are expensed as incurred.

All intra group transactions, balances and unrealised gains are eliminated on consolidation. Unrealised gains resulting from transactions with associated and joint venture companies are eliminated to the extent of the Group's interest in them. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment.

Losses within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

Non-controlling interests in the acquiree is recognised on the acquisition date at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit statement.

When a change in the Company's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest and its fair value is recognised in the profit statement.

The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.1 2(b).

When an entity within the Group writes a put option with the non-controlling shareholders as part of the acquisition of a subsidiary for settlement in cash or in another financial asset, a put liability is recognised for the present value of the exercise price of the option. This creates an obligation or potential obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements) for cash or another financial asset.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group continues to recognise the non-controlling shareholders. Therefore, the present value of the option is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity.

If the put option expires unexercised, the charge to equity will be reversed and the financial liability will be derecognised. If the put option is exercised, the charge to equity will be reversed, the financial liability will be derecognised and acquisition accounting will be applied.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.2 Basis of Consolidation and Business Combinations (cont'd)

#### Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

A change in ownership interest in subsidiary companies that do not result in a change of control is accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognised directly in equity and attributed to owners of the parent company.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses.

A list of the significant subsidiary companies is shown in Note 37.

### 2.3 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

#### (a) Joint operations

A joint operation is an arrangement which provides the Group with the rights to the assets and obligations for the liabilities relating to the arrangement.

The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operations with the similar items, line by line, in its consolidated financial statements.

#### (b) Joint venture companies

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognises its interest in joint venture companies using equity method. The Group's investments in joint venture companies are recorded at cost and adjusted to recognise the Group's share of post-acquisition reserves of the joint venture companies and less accumulated impairment losses, if any.

Investments in joint venture companies include goodwill. When the Group's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture company.

The Group's share of the operating results and exceptional items of joint venture companies are shown separately in the profit statement. The Group's share of other comprehensive income ("OCI") is recognised in OCI. Net assets of the joint venture companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.3 Joint Arrangements (cont'd)

#### (b) Joint venture companies (cont'd)

The joint venture company is equity accounted for until the date on which the Group ceases to have joint control over the joint venture company. Upon loss of joint control over the joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit statement.

In the Company's separate financial statements, investments in joint venture companies are carried at cost less accumulated impairment losses.

A list of the significant joint arrangements is shown in Note 37.

### 2.4 Associated Companies

An associated company (not being a subsidiary company or joint venture company) is a company in which the Group exercises significant influence over the financial and operating policy decisions.

The Group's investments in associated companies are carried at cost and adjusted to recognise the Group's share of post-acquisition reserves of the associated companies, and less accumulated impairment losses, if any. Investments in associated companies include goodwill.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of OCI is recognised in OCI. Net assets of the associated companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company. Upon loss of significant influence over the associated company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit statement.

In the Company's separate financial statements, investments in associated companies are carried at cost less accumulated impairment losses.

A list of the significant associated companies is shown in Note 37.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.5 Revenue Recognition

#### Sale of Goods and Services

Revenue from the sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. Consideration payable is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

#### Others

Rental income is recognised on a straight-line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

Interest income is taken up on an accrual basis (using the effective interest method).

Dividend income is recognised when the Group's right to receive payment is established.

Other categories of revenue are taken up on an accrual basis.

### 2.6 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

### 2.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity or in OCI.

#### (a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.7 Taxation (cont'd)

#### (b) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary, joint venture and associated companies to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 2.8 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and replacements are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced parts is derecognised.

An asset is derecognised upon sale or retirement and any gain or loss on derecognition of the asset is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserve.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.8 Fixed Assets (cont'd)

Depreciation is calculated on the straight-line method to write off the cost or valuation of fixed assets less residual value over their estimated useful lives. No depreciation is charged for freehold land and capital work-in-progress. The residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Leasehold land	-	Over the unexpired term of lease ranging from 10 to 99 years
Building	-	Over the shorter of the unexpired term of lease and lease term (ranging from 10 to 60 years)
Plant, machinery and equipment	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 3 to 15 years
Motor vehicle and forklift	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 5 to 10 years
Postmix and vending machine	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 5 to 10 years
Furniture and fitting, computer equipment	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 2 to 10 years

Capital Work-in-Progress includes fixed assets under construction and advance payments and progress payments made for fixed assets and are not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

### 2.9 Investment Properties

Investment properties are properties that are held for long term rental yields and/or capital appreciation. Completed investment properties are initially recognised at cost, including transaction cost and subsequently measured at fair value, determined annually by independent professional valuers on balance sheet date. Changes in fair values are recognised in the profit statement in the year in which they arise.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

On disposal of a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

### 2.10 Properties Held for Development

Properties held for development are stated at cost less provision for foreseeable losses. The cost of properties held for development includes cost of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Allowance for foreseeable losses of properties held for development is made when it is anticipated that the net realisable value has fallen below cost.

Properties held for development are reclassified as property development costs at the point where the development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.11 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit statement using the effective interest method. However, borrowing costs that are directly attributable to acquisition, construction and production of qualifying assets are capitalised as part of the cost of the assets. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the assets are ready for their intended use. Borrowing costs capitalised in development properties are determined after netting off interest income earned from progress billings received and placed on fixed deposits.

### 2.12 Intangible Assets

Intangible assets acquired separately are capitalised at cost. Intangible assets from a business acquisition are capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense. Intangible assets with indefinite useful lives are subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Internally generated intangible assets arising from research are not capitalised and the expenditure is charged to the profit statement when it is incurred. Deferred development costs arising from deferred expenditure are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

- (a) Development costs of published products are expensed as incurred, except for development costs which can reasonably be expected to be recovered from related future revenues.

The development costs are then amortised in accordance with their estimated economic useful lives, upon completion of published products as follows:

	Education	General and Reference
1st year	33% - 50%	50%
2nd year	33% - 50%	30%
3rd year	34%	20%

At each balance sheet date, the Group assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.12 Intangible Assets (cont'd)

- (b) Goodwill on acquisition is identified as being the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

Positive goodwill is carried at cost less any accumulated impairment loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

- (c) Other intangible assets are amortised on a straight-line basis in accordance with their estimated economic useful lives as follows:

Intangible assets	Useful lives
Imprints	5.0%
Co-publishing rights	21.7%
Non-contractual customers	10.0%
Customer relationships	6.7% to 20.0%
Publishing rights	12.5%
Licensing rights	2.0% to 20.0%
Distribution rights	6.7% to 10.0%
Software	12.5% to 33.3%

### 2.13 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 14 years on a straight-line method to the profit statement.

Brands with indefinite lives are stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Internally generated brands are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

### 2.14 Inventories

All inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Cost in respect of raw materials, consumable stores and goods purchased for resale is stated based on first-in-first-out, weighted average or standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering spares and other inventories are valued on the weighted average cost basis less appropriate allowances for obsolete items.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.15 Financial Assets

#### (a) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI'); and
- Fair value through profit or loss ('FVTPL').

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless its business model for managing those assets changes.

#### (i) *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost mainly comprise of cash and cash equivalents, trade and other receivables, amount due from related parties, joint venture and associated companies.

#### (ii) *Financial assets at FVOCI*

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Group's equity investments are classified as FVOCI.

#### (iii) *Financial assets at FVTPL*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### (b) Recognition and derecognition

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when all risks and rewards of ownership have been substantially transferred.

#### (c) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit statement.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.15 Financial Assets (cont'd)

#### (d) Subsequent measurement

##### (i) *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit statement. Any gain or loss on derecognition is recognised in profit statement.

##### (ii) *Financial assets at FVOCI*

These assets are subsequently measured at fair value. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit statement following the derecognition of the investment. Dividends from equity investments are recognised in profit statement as "dividend income".

##### (iii) *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit statement.

#### (e) Impairment

The Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances of the Group are measured on either of the following bases:

- (i) 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected credit life of the instrument is less than 12 months); or
- (ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.15 Financial Assets (cont'd)

#### (e) Impairment (cont'd)

##### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- (i) significant financial difficulty of the borrower;
- (ii) a breach of contract such as a default;
- (iii) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- (iv) it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for a security because of financial difficulties.

### 2.16 Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit statement. Directly attributable transaction costs are recognised in profit statement as incurred.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities comprise trade payables, other payables, amounts due to subsidiary, joint venture, associated companies and related parties, borrowings and bank overdrafts, and put liability to acquire non-controlling interests. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit statement.

Gains and losses are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

### 2.17 Derivative Financial Instruments and Hedge Accounting

The Group and the Company use derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Any directly attributable transaction costs are recognised in the profit statement as incurred. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit statement.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.17 Derivative Financial Instruments and Hedge Accounting (cont'd)

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Derivative instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

#### Hedges directly affected by interest rate benchmark reform

In accordance with the transition provisions, the Group has applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed as at 1 October 2020 or were designated thereafter, and to the amount accumulated in the hedging reserve that existed at 1 October 2020.

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecasted transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecasted transaction is highly probable and present an exposure to variations in the cash flow that could ultimately affect the profit statement. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expect to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued.

#### Cash flow hedges

Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve within equity limited to the cumulative change in fair value of the hedged item, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserve are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 2. ACCOUNTING POLICIES (cont'd)

#### 2.18 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement. Impairment loss on goodwill is not reversed in a subsequent period.

#### 2.19 Discontinued Operations and Assets and Liabilities Held for Sale

A component of the Group is classified as a discontinued operation when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable SFRS(I)s. Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

Any impairment loss on initial classification and subsequent measurement is recognised as expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the profit statement.

All income and expenses from discontinued operations are reported separately from income and expenses from continuing activities in the profit statement.

#### 2.20 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.21 Employee Benefits

#### (a) Defined benefit plans

The cost of providing benefits under the defined benefit plans are determined by the project unit credit method. The liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality bonds that are denominated in the currency in which the benefits will be paid and have tenures approximating that of the related post-employment benefit obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in OCI in the period when they arise.

Past service costs are recognised immediately in the profit statement.

#### (b) Defined contribution plans under statutory regulations

Obligations for contributions to defined contribution plans are recognised as an expense in the profit statement as incurred.

#### (c) Equity compensation plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

#### *Equity-settled transactions*

The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense in the profit statement with a corresponding increase in the employee share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the awards on the date of grant. At each balance sheet date, the number of share awards that are expected to be vested are estimated. The impact of the revision of the original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to the original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

When the awards are released, the share-based payment reserve is credited to share capital if new shares are issued. If treasury shares purchased are re-issued to employees, the share-based payment reserve is credited to treasury shares with gain/loss on reissuance taken to capital reserve.

#### (d) Accrued annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

### 2.22 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

#### (a) Lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.22 Leases (cont'd)

#### (a) Lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit statement if the carrying amount of the ROU asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (b) Lessor

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16 except for sub-leases, except when the Group is an intermediate lessor.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the ROU asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the ROU asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Other Receivables". Any differences between the ROU asset derecognised and the net investment in sublease is recognised in profit statement. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit statement within "Other income". The ROU asset relating to the head lease is not derecognised.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.23 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual installments.

### 2.24 Exceptional Items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

### 2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or
- (b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### 2.26 Functional and Foreign Currencies

#### (a) Functional currency

The currency of the primary economic environment in which the Company operates ("the functional currency") is Singapore Dollar. The consolidated financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

#### (b) Foreign currency transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Currency translation differences on equity investments held at FVTPL, are reported as part of the fair value gain or loss. Currency translation differences on equity investments classified as financial assets at FVOCI, are included in the fair value adjustment reserve within equity.

Currency translation differences arising from events which are treated as exceptional are dealt with as exceptional items in the profit statement.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.26 Functional and Foreign Currencies (cont'd)

#### (c) Foreign currency translations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) profit statement items are translated into presentation currency at exchange rates ruling at the dates of the transactions;
- (ii) assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date; and
- (iii) exchange differences arising from translation of foreign subsidiary, joint venture and associated companies are recognised in OCI under exchange reserve as a separate component of the shareholders' funds.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in shareholders' funds relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit statement. For partial disposals of associated or joint venture companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

### 2.27 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

##### (i) *Impairment of non-financial and financial assets*

###### Goodwill and brands

Goodwill and brands are tested for impairment at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which the goodwill and brands are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU, including the impact arising from COVID-19, and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 18 and Note 22 respectively.

###### Investments in joint venture and associated companies

The Group assesses at each reporting date whether there is any objective evidence that investments in joint venture and associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the joint venture and associated companies including the impact arising from COVID-19, and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investees operate. Changes in assumptions about these factors could affect the recoverable amount of the investees. The carrying amount of the investments in joint venture and associated companies at balance sheet date have been disclosed in the balance sheet.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 2. ACCOUNTING POLICIES (cont'd)

### 2.27 Significant Accounting Estimates and Judgements (cont'd)

#### (a) Key sources of estimation uncertainty (cont'd)

##### (i) *Impairment of non-financial and financial assets (cont'd)*

###### ***Financial assets at amortised cost***

The Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, which is based on assumptions for the future movement of different economic drivers with consideration on the impact of COVID-19. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets at amortised cost is disclosed in Note 24 and 34(c).

##### (ii) **Taxes**

The Group has exposure to taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

##### (iii) **Depreciation of fixed assets**

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 2 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the fixed assets at balance sheet date is disclosed in the balance sheet.

#### (b) Critical judgements made in applying accounting policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 3. REVENUE

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Sale of goods	1,767,710	1,725,582
Sale of services	99,847	96,076
Others	11,606	11,843
Total revenue	1,879,163	1,833,501

### (a) Disaggregation of revenue from contracts with customers:

	Operating Segments				
	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Total (\$'000)
<b>Year ended 30 September 2021</b>					
<b>Primary geographical markets</b>					
Singapore	124,470	161,895	135,792	6	422,163
Malaysia	276,538	354,871	20,346	14,002	665,757
Thailand	-	666,097	168	-	666,265
Others	51,738	7,177	66,063	-	124,978
	452,746	1,190,040	222,369	14,008	1,879,163
<b>Major products/service lines</b>					
Sale of goods	444,454	1,190,040	119,449	13,767	1,767,710
Sale of services	8,002	-	91,800	45	99,847
Others	290	-	11,120	196	11,606
	452,746	1,190,040	222,369	14,008	1,879,163
<b>Timing of transfer of goods or services</b>					
At a point in time	452,746	1,190,040	215,081	14,008	1,871,875
Over time	-	-	7,288	-	7,288
	452,746	1,190,040	222,369	14,008	1,879,163
<b>Year ended 30 September 2020</b>					
<b>Primary geographical markets</b>					
Singapore	112,262	171,942	137,149	-	421,353
Malaysia	293,581	331,315	22,984	329	648,209
Thailand	-	657,710	399	-	658,109
Others	33,511	2,805	69,514	-	105,830
	439,354	1,163,772	230,046	329	1,833,501
<b>Major products/service lines</b>					
Sale of goods	439,354	1,163,772	122,456	-	1,725,582
Sale of services	-	-	96,037	39	96,076
Others	-	-	11,553	290	11,843
	439,354	1,163,772	230,046	329	1,833,501
<b>Timing of transfer of goods or services</b>					
At a point in time	439,354	1,163,772	217,945	329	1,821,400
Over time	-	-	12,101	-	12,101
	439,354	1,163,772	230,046	329	1,833,501

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## THE GROUP

2021	2020
(\$'000)	(\$'000)

### 3. REVENUE (cont'd)

#### (b) Contract balances

Information about contract liabilities from contracts with customers is as follows:

Contract liabilities	25,606	29,213
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The contract liabilities primarily relate to the advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

Significant changes in the contract liabilities are explained as follows:

Contract liabilities at the beginning of the year recognised as revenue during the year	(29,213)	(32,371)
Increases due to cash received, excluding amounts recognised as revenue during the year	25,606	29,213

### 4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

#### (a) Included in other income (net):

Wage and other subsidies	8,930	15,668
Sale of scrap items	1,884	1,399
Service fee income	477	383
Rental income	471	679
Subscription fee income	166	271
Fair value gain on derivatives	103	494
Management and support services	626	1,512
Gain on disposal of fixed assets	28	223
Foreign exchange (loss)/gain	(5,125)	445

#### (b) Net finance costs:

##### Finance income

Interest income from bank and other deposits	2,263	2,813
Interest income from lease receivables	10	2
Others	13	15
	2,286	2,830

##### Finance costs

Interest expense from bank and other borrowings	(23,569)	(23,043)
Interest expense from lease liabilities	(1,536)	(1,476)
Others	(33)	(269)
	(25,138)	(24,788)
	(22,852)	(21,958)

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
<b>(c) Profit before taxation and exceptional items have been arrived at after charging:</b>		
Depreciation of fixed assets	76,935	74,251
Impairment of fixed assets	1,204	386
Impairment of intangible assets	43	164
Amortisation of brands	135	135
Amortisation of intangible assets	12,743	13,538
Intangible assets written off	26	-
Fixed assets written off	224	256
Bad debts written off	-	246
Allowance for bad and doubtful trade debts	5,681	8,547
Inventory written off	2,406	2,934
Allowance for inventory obsolescence	4,793	6,661
Directors of the Company:		
Fee	820	809
Remuneration of members of Board committees	552	541
Adviser fees and allowances	1,980	1,959
Key executive officers:		
Remuneration	4,375	4,086
Provident Fund contribution	73	75
Employee share-based expense	397	551
Staff costs (exclude directors and key executives)	223,263	241,024
Employee share-based expense (exclude directors and key executives)	3,046	4,821
Defined contribution plans (exclude directors and key executives)	22,540	23,339
Defined benefit plans	1,429	2,439
Auditors' remuneration:		
Auditor of the Company	740	830
Member firms of the Auditor of the Company	790	747
Other auditors	54	34
Professional fees paid to:		
Auditor of the Company	81	52
Member firms of the Auditor of the Company	160	101
Other auditors	30	195
<b>and crediting:</b>		
Write back of defined benefit plans	205	26
Write back of allowance for bad and doubtful trade debts	928	234
Write back of allowance for inventory obsolescence	1,246	416
Reversal of impairment of fixed assets	218	209
Reversal of impairment of intangible assets	230	55

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating segments are namely beverages, dairies, printing and publishing and others. The Group operates in the following key geographical areas, namely Singapore, Malaysia, Thailand, Vietnam and other countries.

#### Year ended 30 September 2021

The following table presents financial information regarding operating segments:

Operating Segment	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	452,746	1,190,040	222,369	14,008	-	1,879,163
Revenue - inter-segment	2,284	408	1,381	100,044	(104,117)	-
<b>Total revenue</b>	<b>455,030</b>	<b>1,190,448</b>	<b>223,750</b>	<b>114,052</b>	<b>(104,117)</b>	<b>1,879,163</b>
Subsidiary companies	19,953	126,466	(2,547)	7,577	-	151,449
Joint venture and associated companies	-	111,657	-	(1,359)	-	110,298
<b>Profit/(Loss) before interest and taxation</b>	<b>19,953</b>	<b>238,123</b>	<b>(2,547)</b>	<b>6,218</b>	<b>-</b>	<b>261,747</b>
Finance income						2,286
Finance costs						(25,138)
<b>Profit before fair value adjustment, taxation and exceptional items</b>						<b>238,895</b>
Fair value adjustment of investment properties						17
Exceptional items						(8,720)
<b>Profit before taxation</b>						<b>230,192</b>
Taxation						(34,718)
<b>Profit after taxation</b>						<b>195,474</b>
Non-controlling interests						(55,032)
<b>Attributable profit</b>						<b>140,442</b>
Assets	470,888	760,766	247,265	98,884	-	1,577,803
Investments in joint venture and associated companies	-	2,684,786	149	182,040	-	2,866,975
Tax assets						4,695
Cash and bank deposits						471,799
<b>Total assets</b>						<b>4,921,272</b>
Liabilities	87,946	238,465	91,422	47,579	-	465,412
Tax liabilities						77,789
Borrowings						926,835
<b>Total liabilities</b>						<b>1,470,036</b>
Other segment information:						
Capital expenditure	29,248	56,217	12,566	1,433	-	99,464
Depreciation and amortisation	29,044	35,190	22,147	3,432	-	89,813
Impairment losses	549	583	43	72	-	1,247
Reversal of impairment losses	(147)	(71)	(230)	-	-	(448)
Attributable profit/(loss) before fair value adjustment and exceptional items	5,208	169,226	(3,249)	(25,968)	-	145,217
Fair value adjustment of investment properties	-	-	17	-	-	17
Exceptional items	(2,434)	(632)	(1,408)	(318)	-	(4,792)
Attributable profit/(loss)	2,774	168,594	(4,640)	(26,286)	-	140,442

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore (\$'000)	Malaysia (\$'000)	Thailand (\$'000)	Vietnam (\$'000)	Others (\$'000)	Per Consolidated Financial Statements (\$'000)
Total revenue	422,163	665,757	666,265	86	124,892	1,879,163
Profit/(Loss) before interest and taxation	11,021	36,209	111,900	111,126	(8,509)	261,747
Non-current assets	165,404	471,948	204,620	23	129,829	971,824
Investments in joint venture and associated companies	-	74,274	107,766	2,684,786	149	2,866,975
Current assets	152,626	234,034	174,925	265	44,129	605,979
Capital expenditure	28,934	30,654	24,788	-	15,088	99,464

Others: Myanmar, Brunei, Indonesia, China, India, Australia, Europe and USA



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 5. SEGMENT INFORMATION (cont'd)

### Year ended 30 September 2020

The following table presents financial information regarding operating segments:

Operating Segment	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	439,354	1,163,772	230,046	329	-	1,833,501
Revenue - inter-segment	2,096	162	424	104,086	(106,768)	-
<b>Total revenue</b>	<b>441,450</b>	<b>1,163,934</b>	<b>230,470</b>	<b>104,415</b>	<b>(106,768)</b>	<b>1,833,501</b>
Subsidiary companies	17,327	142,781	(10,496)	(7,613)	-	141,999
Joint venture and associated companies	-	120,714	-	4,693	-	125,407
<b>Profit/(Loss) before interest and taxation</b>	<b>17,327</b>	<b>263,495</b>	<b>(10,496)</b>	<b>(2,920)</b>	<b>-</b>	<b>267,406</b>
Finance income						2,830
Finance costs						(24,788)
<b>Profit before fair value adjustment, taxation and exceptional items</b>						<b>245,448</b>
Fair value adjustment of investment properties						(413)
Exceptional items						(621)
<b>Profit before taxation</b>						<b>244,414</b>
Taxation						(36,722)
<b>Profit after taxation</b>						<b>207,692</b>
Non-controlling interests						(58,482)
<b>Attributable profit</b>						<b>149,210</b>
Assets	516,143	728,999	275,127	129,255	-	1,649,524
Investments in joint venture and associated companies	-	2,638,523	149	196,535	-	2,835,207
Tax assets						4,516
Cash and bank deposits						285,479
<b>Total assets</b>						<b>4,774,726</b>
Liabilities	89,192	220,489	103,377	53,224	-	466,282
Tax liabilities						74,202
Borrowings						838,589
<b>Total liabilities</b>						<b>1,379,073</b>
Other segment information:						
Capital expenditure	53,603	52,103	17,931	874	-	124,511
Depreciation and amortisation	30,064	30,967	23,791	3,102	-	87,924
Impairment losses	73	117	360	-	-	550
Reversal of impairment losses	(101)	(108)	(55)	-	-	(264)
Attributable (loss)/profit before fair value adjustment and exceptional items	(183)	184,645	(12,020)	(22,045)	-	150,397
Fair value adjustment of investment properties	-	-	(18)	(219)	-	(237)
Exceptional items	-	410	(1,010)	(350)	-	(950)
Attributable (loss)/profit	(183)	185,055	(13,048)	(22,614)	-	149,210

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore (\$'000)	Malaysia (\$'000)	Thailand (\$'000)	Vietnam (\$'000)	Others (\$'000)	Per Consolidated Financial Statements (\$'000)
Total revenue	421,353	648,209	658,109	106	105,724	1,833,501
(Loss)/Profit before interest and taxation	(4,690)	37,137	121,635	119,739	(6,415)	267,406
Non-current assets	160,409	461,234	192,829	102	161,654	976,228
Investments in joint venture and associated companies	-	77,257	119,278	2,638,523	149	2,835,207
Current assets	204,190	259,821	163,520	236	45,529	673,296
Capital expenditure	24,463	60,817	26,225	2	13,004	124,511

Others: Myanmar, Brunei, Indonesia, China, India, Australia, Europe and USA

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		THE GROUP	
		2021 (\$'000)	2020 (\$'000)
<b>6. GROSS INCOME FROM OTHER INVESTMENTS</b>			
Dividend income		403	285
<b>7. EXCEPTIONAL ITEMS</b>			
Provision for restructuring and re-organisation costs of operations		(8,377)	(1,010)
Effect of change of interest in an associated company		(343)	-
Insurance claim relating to fire		-	739
Share of exceptional items of a joint venture company		-	(350)
		(8,720)	(621)
<b>8. TAXATION</b>			
Based on profit for the year:			
Singapore tax		6,604	7,528
Overseas tax			
- current year		19,897	25,113
- withholding tax		8,202	7,528
Deferred tax			
- current year		3,908	4,005
		38,611	44,174
Over provision in preceding years			
- current income tax		(1,755)	(7,405)
- deferred tax		(2,138)	(47)
		34,718	36,722
		THE GROUP	
		2021 %	2020 %
A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:			
Singapore statutory rate		17.0	17.0
Effect of different tax rates of other jurisdictions		2.6	2.5
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group		0.7	1.0
Income not subject to tax (tax incentive/exemption)		(13.3)	(13.1)
Expenses not deductible for tax purposes		6.9	6.8
Utilisation of previously unrecognised tax losses		(0.2)	(0.3)
Over provision in prior years		(1.7)	(3.0)
Deferred tax benefits not recognised		0.4	1.0
Withholding tax		3.6	3.1
Tax benefits arising from previously unrecognised losses		(0.7)	(0.1)
Others		(0.2)	0.1
		15.1	15.0

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 8. TAXATION (cont'd)

As at 30 September 2021, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately \$29,149,000 (2020: \$28,310,000) and unabsorbed capital allowances of \$Nil (2020: \$Nil) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately \$114,363,000 (2020: \$108,474,000), unutilised investment allowances of approximately \$83,072,000 (2020: \$90,121,000) and unabsorbed capital allowances of \$21,830,000 (2020: \$22,683,000). The availability of these losses and capital allowances to set off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of tax residence. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 30.

For the year of assessment ("YA") 2021 certain subsidiary companies have transferred loss items of \$10,940,000 (YA 2020: \$10,650,000) to offset against the taxable income of other companies in the Group. Tax benefits of \$1,657,000 (YA 2020: \$219,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of \$4,799,000 (YA 2020: \$6,685,000) arising from the utilisation of group relief are not recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

### 9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2021 (\$'000)	2020 (\$'000)
Interim paid of 1.5 cents per share (2020: 1.5 cents per share)	21,839	21,793
Final proposed of 3.5 cents per share (2020: 3.5 cents per share)	50,814	50,753
	<b>72,653</b>	<b>72,546</b>

The final dividend is proposed by the Directors after the balance sheet date and subject to the approval of shareholders at the next annual general meeting of the Company.

### 10. EARNINGS PER SHARE

#### (a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Group attributable profit to shareholders of the Company		
- before fair value adjustment and exceptional items	145,217	150,397
- after fair value adjustment and exceptional items	<b>140,442</b>	<b>149,210</b>
----- Number of Shares -----		
Weighted average number of ordinary shares in issue	<b>1,451,543,660</b>	<b>1,449,909,345</b>
Earnings Per Share (Basic)		
- before fair value adjustment and exceptional items	10.0 cts	10.4 cts
- after fair value adjustment and exceptional items	<b>9.7 cts</b>	<b>10.3 cts</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 10. EARNINGS PER SHARE (cont'd)

#### (b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit to shareholders of the Company by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit to shareholders of the Company is adjusted for changes in subsidiary companies attributable profit resulting from dilutive potential shares under share plans of a subsidiary company. The reconciliation of the Group adjusted attributable profit to shareholders of the Company used to compute diluted earnings per share is as follows:

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	145,217	150,397
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(134)	(184)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	145,083	150,213
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	140,442	149,210
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(129)	(188)
Group adjusted attributable profit to shareholders of the company after fair value adjustment and exceptional items	140,313	149,022

The weighted average number of ordinary shares is adjusted to assume exercise of all dilutive potential shares under share plans of the Company. The reconciliation of the weighted average number of ordinary shares used to compute diluted earnings per share is as follows:

	----- Number of Shares -----	
Weighted average number of ordinary shares used to compute basic earnings per share	1,451,543,660	1,449,909,345
Adjustment for dilutive potential shares under share plans of the Company	3,907,753	4,140,625
Weighted average number of ordinary shares used to compute diluted earnings per share	1,455,451,413	1,454,049,970
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	10.0 cts	10.3 cts
- after fair value adjustment and exceptional items	9.6 cts	10.2 cts



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 11. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY			
	2021		2020	
	Number of Shares	(\$'000)	Number of Shares	(\$'000)
<b>(a) Share capital</b>				
<u>Ordinary shares issued and fully paid up</u>				
Balance at beginning of year	1,450,085,578	855,870	1,449,028,178	853,549
Shares issued pursuant to the vesting of shares awarded under Share Plans	1,749,698	2,960	1,057,400	2,321
Balance at end of year	1,451,835,276	858,830	1,450,085,578	855,870

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has the following employee share plans under which share awards conditional on the achievement of pre-determined targets have been granted.

- (i) Fraser and Neave, Limited Restricted Share Plan
- (ii) Fraser and Neave, Limited Performance Share Plan
- (iii) F&N Restricted Share Plan 2019

### (b) Reserves

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
The reserves comprise the following:				
Capital Reserve	(7,781)	(6,387)	(1,091)	(1,091)
Fair Value Adjustment Reserve	(34,176)	(33,634)	22,478	56,437
Hedging Reserve	(7,202)	(14,777)	-	-
Share-based Payment Reserve	8,190	9,140	4,184	4,863
Revenue Reserve	2,166,297	2,106,230	680,765	660,393
Dividend Reserve (Note 9)	50,814	50,753	50,814	50,753
Exchange Reserve	(15,502)	1,343	-	-
Total reserves	2,160,640	2,112,668	757,150	771,355

Capital reserve of the Company comprises the net loss on reissuance of treasury shares. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies, the net loss on reissuance of treasury shares and put option liability arising from acquisition of subsidiary companies.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of equity investments designated at FVOCI until they are disposed or impaired.

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

Share-based payment reserve represents the share plans granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of share plans and is reduced by the shares awarded.

Dividend reserve relates to proposed final dividend of 3.5 cents (2020: 3.5 cents) per share.

Exchange reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 12. FIXED ASSETS

	THE GROUP						
	Freehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in- Progress (\$'000)	Other Assets (\$'000)	Right-of- Use Assets (\$'000)	Total (\$'000)
<b>For the year ended 30 September 2021</b>							
<b>At cost</b>							
Balance at beginning of year	39,893	339,563	786,053	91,622	204,559	119,381	1,581,071
Currency realignment	(882)	(18,492)	(34,525)	(3,523)	(4,441)	(8,457)	(70,320)
Additions	-	3,018	15,323	64,161	7,777	30,691	120,970
Acquisition of subsidiary companies	-	-	119	-	223	677	1,019
Derecognition	-	-	-	-	-	(6,292)	(6,292)
Disposals	-	(108)	(7,973)	-	(11,767)	-	(19,848)
Write off	-	-	(833)	-	(2,072)	-	(2,905)
Reclassification	-	8,666	24,050	(33,396)	680	-	-
Reclassified to intangible assets	-	-	-	(59)	(1,437)	-	(1,496)
Balance at end of year	39,011	332,647	782,214	118,805	193,522	136,000	1,602,199
<b>Accumulated depreciation and impairment</b>							
Balance at beginning of year	774	102,897	514,400	-	162,070	29,359	809,500
Currency realignment	(10)	(2,801)	(11,856)	-	(3,042)	(1,093)	(18,802)
Depreciation charge	-	8,286	34,966	-	13,551	20,132	76,935
Impairment charge	-	-	999	-	258	-	1,257
Reversal of impairment charge	-	-	(90)	-	(128)	-	(218)
Derecognition	-	-	-	-	-	(3,211)	(3,211)
Disposals	-	(95)	(7,759)	-	(11,405)	-	(19,259)
Write off	-	-	(742)	-	(1,939)	-	(2,681)
Reclassified to intangible assets	-	-	-	-	(1,343)	-	(1,343)
Balance at end of year	764	108,287	529,918	-	158,022	45,187	842,178
<b>Net book value</b>	<b>38,247</b>	<b>224,360</b>	<b>252,296</b>	<b>118,805</b>	<b>35,500</b>	<b>90,813</b>	<b>760,021</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 12. FIXED ASSETS (cont'd)

	THE GROUP							
	Freehold Land (\$'000)	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in- Progress (\$'000)	Other Assets (\$'000)	Right-of- Use Assets (\$'000)	Total (\$'000)
<b>For the year ended 30 September 2020</b>								
<b>At cost</b>								
Balance at beginning of year	40,246	66,011	301,356	697,034	142,662	203,197	-	1,450,506
Effects of adopting SFRS(I) 16	-	(58,656)	-	(324)	-	(29)	109,497	50,488
Balance at beginning of year, adjusted	40,246	7,355	301,356	696,710	142,662	203,168	109,497	1,500,994
Currency realignment	(353)	-	(3,171)	(6,261)	9,675	(3,040)	4,276	1,126
Additions	-	-	30,658	58,465	9,267	9,958	26,797	135,145
Derecognition	-	-	-	-	-	-	(21,189)	(21,189)
Disposals	-	-	(19,992)	(6,065)	-	(6,691)	-	(32,748)
Write off	-	-	(16)	(298)	-	(1,720)	-	(2,034)
Reclassification	-	(7,355)	30,728	43,502	(69,768)	2,893	-	-
Reclassified to intangible assets	-	-	-	-	(214)	(9)	-	(223)
Balance at end of year	39,893	-	339,563	786,053	91,622	204,559	119,381	1,581,071
<b>Accumulated depreciation and impairment</b>								
Balance at beginning of year	775	14,339	102,584	490,775	-	154,893	-	763,366
Effects of adopting SFRS(I) 16	-	(10,078)	-	(66)	-	(18)	10,162	-
Balance at beginning of year, adjusted	775	4,261	102,584	490,709	-	154,875	10,162	763,366
Currency realignment	(1)	-	(802)	(3,333)	-	(805)	138	(4,803)
Depreciation charge	-	-	7,615	31,335	-	15,683	19,618	74,251
Impairment charge	-	-	-	1,817	-	471	193	2,481
Reversal of impairment charge	-	-	-	(60)	-	(149)	-	(209)
Derecognition	-	-	-	-	-	-	(752)	(752)
Disposals	-	-	(10,746)	(5,801)	-	(6,506)	-	(23,053)
Write off	-	-	(15)	(267)	-	(1,496)	-	(1,778)
Reclassification	-	(4,261)	4,261	-	-	-	-	-
Reclassified to intangible assets	-	-	-	-	-	(3)	-	(3)
Balance at end of year	774	-	102,897	514,400	-	162,070	29,359	809,500
<b>Net book value</b>	<b>39,119</b>	<b>-</b>	<b>236,666</b>	<b>271,653</b>	<b>91,622</b>	<b>42,489</b>	<b>90,022</b>	<b>771,571</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 12. FIXED ASSETS (cont'd)

	THE COMPANY		
	Other Assets (\$'000)	Right-of-Use Assets (\$'000)	Total (\$'000)
<b>For the year ended 30 September 2021</b>			
<b>At cost</b>			
Balance at beginning of year	1,510	6,579	8,089
Additions	243	317	560
Disposals	(37)	-	(37)
Balance at end of year	1,716	6,896	8,612
<b>Accumulated depreciation and impairment</b>			
Balance at beginning of year	595	2,206	2,801
Depreciation charge	249	2,220	2,469
Disposals	(11)	-	(11)
Balance at end of year	833	4,426	5,259
<b>Net book value</b>	<b>883</b>	<b>2,470</b>	<b>3,353</b>
<b>For the year ended 30 September 2020</b>			
<b>At cost</b>			
Balance at beginning of year	1,443	-	1,443
Additions	68	6,579	6,647
Disposals	(1)	-	(1)
Balance at end of year	1,510	6,579	8,089
<b>Accumulated depreciation and impairment</b>			
Balance at beginning of year	342	-	342
Depreciation charge	254	2,206	2,460
Disposals	(1)	-	(1)
Balance at end of year	595	2,206	2,801
<b>Net book value</b>	<b>915</b>	<b>4,373</b>	<b>5,288</b>

- (a) Other assets comprise motor vehicles and forklift, postmix and vending machines, fixture and fittings and computer equipment.
- (b) Details of right-of-use assets are disclosed in Note 27(a).



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 13. INVESTMENT PROPERTIES

		THE GROUP	
		2021 (\$'000)	2020 (\$'000)
(a)	<b>Completed Investment Properties</b>		
	Balance at beginning of year	17,075	17,501
	Currency realignment	(234)	(13)
	Net fair value gain/(loss) recognised in the profit statement	17	(413)
	Balance at end of year	<b>16,858</b>	17,075

- (b) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 27).

The following amounts are recognised in the profit statement:

Rental income from investment properties	76	133
Direct operating expenses arising from rental generating properties	240	209

- (c) Completed investment properties are stated at fair value which has been determined based on valuations performed at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The valuations are based on open market values on the as-is basis and were prepared primarily using the Investment and Direct Comparison Approach. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Independent professional valuations were carried out by the following valuers:

Valuers	Country
Roma Appraisals Ltd	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

### 14. PROPERTIES HELD FOR DEVELOPMENT

		THE GROUP	
		2021 (\$'000)	2020 (\$'000)
	Balance at beginning of year	18,114	18,490
	Currency realignment	(253)	(19)
	Property development cost written off	(8)	(357)
	Balance at end of year	<b>17,853</b>	18,114
Properties held for development comprise:			
	Freehold land	16,180	16,409
	Development costs	1,673	1,705
		<b>17,853</b>	18,114

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 15. SUBSIDIARY COMPANIES

		THE COMPANY	
		2021 (\$'000)	2020 (\$'000)
(a)	<b>Investments in subsidiary companies</b>		
	Quoted shares at cost	256,353	256,353
	Unquoted shares at cost	2,247,954	2,247,934
	Allowance for impairment	(331,450)	(331,450)
		2,172,857	2,172,837
	Amounts owing by subsidiary companies	10	7
		2,172,867	2,172,844
	<b>Market value</b>		
	Quoted shares	1,765,619	2,152,755
<p>The Company increased its shareholdings in F&amp;N Global Marketing Pte. Ltd. through capital injections amounting to \$5,000,000 in the financial year ended 30 September 2020. There was no change to the Company's effective ownership interest in the subsidiary company.</p> <p>During the financial year ended 30 September 2020, an impairment loss of \$54,812,000 was recognised on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value. The recoverable amount of the subsidiary company had been determined based on the higher of the fair value less cost to sell and the value-in-use. The value-in-use calculations were determined using 5 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections was 6.3% and the terminal growth rate was 2.0%.</p> <p>The amounts owing by subsidiary companies are unsecured, not expected to be repaid within the next 12 months and are interest free.</p>			
(b)	<b>Balances with subsidiary companies</b>		
	<b>Current</b>		
	Amount owing from subsidiary companies		
	- current accounts - trade, non interest-bearing	9,948	9,069
	- current accounts - non-trade, non interest-bearing	12,115	6,253
	- loans, interest-bearing	99,950	34,540
		122,013	49,862
	Amount owing to subsidiary companies		
	- current accounts - trade, non interest-bearing	115	135
	- current accounts - non-trade, non interest-bearing	90,631	5,039
		90,746	5,174
	<b>Non-current</b>		
	Amount owing to subsidiary companies		
	- current accounts - non-trade, non interest-bearing	-	78,019
	- loans, interest-bearing	795,000	755,000
		795,000	833,019

The amounts owing from and to subsidiary companies disclosed under current assets and liabilities are unsecured, repayable on demand, and to be settled in cash. Loans receivable bear interest of 0.4% to 3.3% (2020: 1.0%) per annum.

The amounts owing to subsidiary companies disclosed under non-current liabilities are unsecured, not repayable within the next 12 months, and to be settled in cash. Loans payable bear interest between 2.1% to 3.9% (2020: 2.6% to 3.9%) per annum.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 15. SUBSIDIARY COMPANIES (cont'd)

### (b) Balances with subsidiary companies (cont'd)

The Company provides for 12-month ECLs for all amounts due from subsidiary companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from subsidiary companies are considered to have low credit risk and the amount of the allowance is insignificant.

Details of the significant subsidiary companies are included in Note 37.

### (c) Acquisition of subsidiary companies

On 15 January 2021, Fraser and Neave Holdings Bhd, a subsidiary company of the Group, through its direct wholly-owned subsidiary, Awana Citra Sdn Bhd, completed the acquisition of the entire equity interest in each of the following companies:

- (i) Sri Nona Food Industries Sdn Bhd;
- (ii) Sri Nona Industries Sdn Bhd; and
- (iii) Lee Shun Hing Sauce Industries Sdn Bhd,

for an aggregate purchase consideration of RM59,498,000 (approximately \$19,337,000). A goodwill of \$8,788,000 was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition, upon completion of the Purchase Price Allocation exercise. The consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, inter alia, the net asset value, brands and earnings of the 3 companies.

The fair value of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Fair Value as at Date of Acquisition (\$'000)
Fixed assets	1,019
Brands	4,908
Current assets	5,916
Current liabilities	(2,761)
Non-current liabilities	(1,663)
Cash and cash equivalents	3,130
Total identifiable net assets at fair value	10,549
Goodwill arising from acquisition	8,788
Consideration paid	19,337
Less: Cash and cash equivalents in subsidiary companies acquired	(3,130)
Net cash outflow on acquisition of subsidiary companies	16,207

### Transaction costs

Transaction costs related to the acquisitions of \$168,000 have been recognised under "Administrative expenses" in the Group's profit statement for the year ended 30 September 2021.

### (d) Liquidation of subsidiary company

During the financial year, the Group liquidated Direct Educational Technologies India Pvt. Ltd., an indirect wholly owned subsidiary company of Times Publishing Limited.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 15. SUBSIDIARY COMPANIES (cont'd)

### (e) Acquisition of non-controlling interest ("NCI") in a subsidiary company

On 29 January 2020, the Group through F&N Investments Pte Ltd ("FNI") acquired 0.12% of the issued share capital of Emerald Brewery Myanmar Limited ("EBML"). On completion of the acquisition, FNI's shareholdings in EBML increased from 79.88% to 80.00%. The differences between the consideration and the carrying values of the additional interests acquired has been recognised in revenue reserve within equity.

The following summarises the effect of the change in the Group's ownership in the above subsidiary company on equity attributable to owners of the Group:

	<b>THE GROUP</b>
	2020 (\$'000)
Carrying amount of NCI acquired	95
Consideration paid to NCI	115
Decrease in equity attributable to owners of the Group	(20)

### (f) Subsidiary company with material NCI

The Group's subsidiary company that has material NCI is as follows:

	<b>Fraser &amp; Neave Holdings Bhd</b>	
	2021 (\$'000)	2020 (\$'000)
NCI percentage of ownership and voting interest	<b>44.5%</b>	44.5%
Carrying amount of NCI	<b>407,876</b>	394,813
Profit after taxation allocated to NCI	<b>57,212</b>	58,679
Dividends paid to NCI	<b>31,842</b>	32,292
<u>Summarised financial information before inter-group elimination</u>		
Non-current assets	<b>606,749</b>	586,886
Current assets	<b>573,569</b>	573,326
Non-current liabilities	<b>(51,057)</b>	(36,309)
Current liabilities	<b>(213,160)</b>	(237,134)
Net assets	<b>916,101</b>	886,769
Revenue	<b>1,343,360</b>	1,305,837
Profit after taxation	<b>128,496</b>	134,275
Other comprehensive income	<b>(14,296)</b>	(8,827)
Total comprehensive income	<b>114,200</b>	125,448
Net cash flows from operating activities	<b>200,557</b>	112,922
Net cash flows used in investing activities	<b>(58,733)</b>	(37,778)
Net cash flows used in financing activities	<b>(110,314)</b>	(93,140)
Net increase/(decrease) in cash and cash equivalents	<b>31,510</b>	(17,996)



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 16. JOINT VENTURE COMPANIES

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
F&N Retail Connection Co., Ltd ("FNRC") and F&N International Holdings Co., Ltd ("FNIH")	107,766	119,278	38,965	38,965
Vacaron Company Sdn Bhd ("VCSB")	46,425	47,177	-	-
Other joint venture company	150	150	-	-
	<b>154,341</b>	<b>166,605</b>	<b>38,965</b>	<b>38,965</b>

- (a) The following table summarises the financial information of the Group's joint venture companies based on their respective financial statements for the periods ended 30 September, modified for fair value adjustments on acquisition and differences in the Group's accounting policies as follows:

	FNRC and FNIH		VCSB	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
Expenses	(268)	(4)	(192)	(181)
Share of joint venture companies' results	(5,912)	4,545	-	-
(Loss)/Profit before interest and taxation	(6,180)	4,541	(192)	(181)
Finance income	1	-	4	6
Finance costs	-	-	-	(10)
Net finance costs	1	-	4	(4)
(Loss)/Profit after taxation	(6,179)	4,541	(188)	(185)
<b>Total comprehensive (loss)/income</b>	<b>(6,179)</b>	<b>4,541</b>	<b>(188)</b>	<b>(185)</b>
Non-current assets	219,898	242,977	2	4
Cash and bank balances	693	808	216	424
Other current assets	365	-	92,740	94,038
Total liabilities	(1,031)	(508)	(25,005)	(25,359)
<b>Net assets</b>	<b>219,925</b>	<b>243,277</b>	<b>67,953</b>	<b>69,107</b>

- (b) The following table summarises the carrying amount and share of loss of the other joint venture company held by the Group as follows:

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Carrying amount of interest	150	150
Share of loss after taxation and total comprehensive loss	-	-

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 16. JOINT VENTURE COMPANIES (cont'd)

- (c) On 11 November 2011, the Group had through its non-wholly owned subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), entered into a conditional subscription cum shareholders' agreement ("SSA") with Frasers Property Holdings (Malaysia) Pte. Ltd. ("FPHM") to form a joint venture, VCSB for the purpose of carrying out a proposed mixed development on the land held under PN 3679 for Lot No. 35 and PN 3681 for Lot No. 37, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor. The Group and FPHM had both granted shareholder's loans to VCSB pursuant to the SSA. On 2 October 2019, the principal amount of shareholder's loan of \$41,838,000 was converted to 126,820 redeemable non-cumulative convertible preference shares at issue price of RM1,000 each.
- (d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, repayable on demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from joint venture companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from joint venture companies are considered to have low credit risk and the amount of the allowance is insignificant.
- (e) There is no share of capital commitments and contingent liabilities of the joint venture companies as at 30 September 2021 and 2020.

Details of the significant joint venture companies are included in Note 37.

### 17. ASSOCIATED COMPANIES

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	2,684,786	2,638,522
Other associated company	27,848	30,080
	<b>2,712,634</b>	2,668,602
<b>Market value</b>		
Quoted shares	<b>2,330,288</b>	2,785,216

- (a) The following table summarises the financial information of the Group's material associated company based on its consolidated financial statements for the periods ended 30 September, modified for fair value adjustments on acquisition and differences in the Group's accounting policies as follows:

#### Vinamilk

##### Summarised statement of comprehensive income

Revenue	2,943,858	2,964,926
Profit before taxation	685,928	732,141
Taxation	(129,227)	(136,023)
Profit after taxation	556,701	596,118
Other comprehensive income	(19,027)	96,616
<b>Total comprehensive income</b>	<b>537,674</b>	692,734
Attributable to:		
Non-controlling interests	31,549	96,856
Shareholders of Vinamilk	506,125	595,878
	<b>537,674</b>	692,734

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 17. ASSOCIATED COMPANIES (cont'd)

		THE GROUP	
		2021 (\$'000)	2020 (\$'000)
(a)	<b>Vinamilk (cont'd)</b>		
	<u>Summarised balance sheet</u>		
	Non-current assets	3,101,300	3,161,202
	Current assets	2,058,395	1,861,612
	Current liabilities	(1,062,484)	(1,073,215)
	Non-current liabilities	(464,973)	(462,388)
	<b>Net assets</b>	<b>3,632,238</b>	<b>3,487,211</b>
	Attributable to:		
	Non-controlling interests	164,571	131,160
	Shareholders of Vinamilk	3,467,667	3,356,051
		<b>3,632,238</b>	<b>3,487,211</b>
	<b>Group's interest in net assets at beginning of the year</b>	<b>2,638,522</b>	<b>2,591,097</b>
	Effect of change of interest	(343)	-
	Group's share of		
	Profit after taxation	111,657	120,714
	Other comprehensive income	(8,311)	(59)
	Total comprehensive income	103,346	120,655
	Additional investments during the year	-	41,582
	Currency realignment	32,447	(20,315)
	Dividends received during the year	(89,186)	(94,497)
	<b>Carrying amount of interest at end of the year</b>	<b>2,684,786</b>	<b>2,638,522</b>
(b)	The following table summarises the carrying amount and share of profit and other comprehensive income of the associated company held by the Group that is not individually material as follows:		
	Carrying amount of interest	27,848	30,080
	Share of profit before taxation	2,434	3,396
	Share of taxation	(605)	(834)
	Share of profit after taxation and total comprehensive income	1,829	2,562
(c)	The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade and non-trade in nature, interest free, repayable on demand, to be settled in cash. The Group provides for 12-month ECLs for all amounts due from associated companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from associated companies are considered to have low credit risk and the amount of the allowance is insignificant.		
(d)	There is no share of contingent liabilities of the associated companies as at 30 September 2021 and 2020.		

Details of the significant associated companies are included in Note 37.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 18. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Other Intangible Assets (\$'000)	Total (\$'000)	Other Intangible Assets and Total (\$'000)
<b>For the year ended 30 September 2021</b>					
<b>At cost</b>					
Balance at beginning of year	99,514	34,533	56,892	190,939	851
Currency realignment	(419)	(163)	(343)	(925)	-
Additional expenditure	-	7,935	1,250	9,185	283
Acquisition of subsidiary companies	8,788	-	-	8,788	-
Reclassified from fixed assets	-	-	1,496	1,496	-
Write off	-	(6,216)	(763)	(6,979)	-
Balance at end of year	107,883	36,089	58,532	202,504	1,134
<b>Accumulated amortisation and impairment</b>					
Balance at beginning of year	5,977	13,316	37,951	57,244	199
Currency realignment	(25)	(69)	(228)	(322)	-
Amortisation charge	-	9,572	3,171	12,743	58
Impairment charge	-	43	-	43	-
Impairment charge written back	-	(230)	-	(230)	-
Reclassified from fixed assets	-	-	1,343	1,343	-
Write off	-	(6,216)	(737)	(6,953)	-
Balance at end of year	5,952	16,416	41,500	63,868	257
<b>Net book value</b>	<b>101,931</b>	<b>19,673</b>	<b>17,032</b>	<b>138,636</b>	<b>877</b>
<b>For the year ended 30 September 2020</b>					
<b>At cost</b>					
Balance at beginning of year	99,487	30,895	54,698	185,080	327
Currency realignment	27	17	(3)	41	-
Additional expenditure	-	14,189	1,974	16,163	524
Reclassified from fixed assets	-	-	223	223	-
Write off	-	(10,568)	-	(10,568)	-
Balance at end of year	99,514	34,533	56,892	190,939	851
<b>Accumulated amortisation and impairment</b>					
Balance at beginning of year	5,979	12,939	34,914	53,832	152
Currency realignment	(2)	(28)	(33)	(63)	-
Amortisation charge	-	10,471	3,067	13,538	47
Impairment charge	-	557	-	557	-
Impairment charge written back	-	(55)	-	(55)	-
Reclassified from fixed assets	-	-	3	3	-
Write off	-	(10,568)	-	(10,568)	-
Balance at end of year	5,977	13,316	37,951	57,244	199
<b>Net book value</b>	<b>93,537</b>	<b>21,217</b>	<b>18,941</b>	<b>133,695</b>	<b>652</b>

All intangible assets, other than goodwill, have finite useful lives of not more than 20 years.



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

#### (a) Goodwill

The carrying value of the Group's goodwill arising from acquisitions of subsidiary companies was assessed for impairment during the financial year.

	(\$'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax discount rate
<b>Carrying value of capitalised goodwill based on CGUs</b>				
<b>As at 30 September 2021</b>				
Subsidiary companies:				
Printing and Publishing Group	34,277	Value-in-use and Fair value less cost to sell	0% - 1.0%	5.2% - 7.8%
Dairies Group	325	Value-in-use	1.0%	7.2%
Beverages Group	58,541	Value-in-use	0% - 3.5%	5.5% - 10.0%
Others Group	8,788	Value-in-use	0%	8.1%
	<u>101,931</u>			
<b>As at 30 September 2020</b>				
Subsidiary companies:				
Printing and Publishing Group	34,435	Value-in-use and Fair value less cost to sell	0% - 1.0%	6.0% - 8.1%
Dairies Group	330	Value-in-use	1.0%	7.1%
Beverages Group	58,772	Value-in-use	0% - 3.5%	6.3% - 10.8%
	<u>93,537</u>			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year period. Cash flows beyond these periods are extrapolated using the estimated growth rates stated in the table above. The fair value less cost to sell calculations are based on quoted market prices obtained from active markets or using the net carrying amount adjusted for the unrecognised fair value changes to the properties.

The terminal growth rate used does not exceed the long term average growth rate of the product, industry or country in which the entity operates.

The discount rates applied to the cash flow projections reflect management's estimates of the risks specific to the respective CGUs at the date of assessment.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

#### (b) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of \$43,000 (2020: \$557,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value due to shift in market demand for certain products.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections is 5.2% to 5.7% (2020: 6.0% to 6.1%) and the terminal growth rate is 0% (2020: 0%).

#### (c) Other intangible assets

The carrying value of other intangible assets was assessed for impairment during the financial year.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

A reasonable change to the assumptions used by the management to determine the impairment required, particularly the discount rate and terminal growth rate, would not significantly affect the results.

### 20. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>At fair value through other comprehensive income ("FVOCI")</b>				
Quoted equity investments	5,611	6,133	172,325	206,284
Unquoted equity investment	14	14	14	14
<b>Total</b>	<b>5,625</b>	<b>6,147</b>	<b>172,339</b>	<b>206,298</b>

#### Equity investments designated at FVOCI

The Group and the Company designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group and the Company intend to hold for long-term strategic purposes.

	THE GROUP		THE COMPANY	
	Fair value (\$'000)	Dividend income (\$'000)	Fair value (\$'000)	Dividend income (\$'000)
<b>Year Ended 30 September 2021</b>				
Vietnam Dairy Products Joint-Stock Company	-	-	166,714	6,509
Tsit Wing International Holdings Ltd	5,535	395	5,535	395
Ovato Limited	76	-	76	-
Others	14	8	14	-
	<b>5,625</b>	<b>403</b>	<b>172,339</b>	<b>6,904</b>
<b>Year Ended 30 September 2020</b>				
Vietnam Dairy Products Joint-Stock Company	-	-	200,151	6,925
Tsit Wing International Holdings Ltd	5,714	285	5,714	285
Ovato Limited	419	-	419	-
Others	14	-	14	-
	<b>6,147</b>	<b>285</b>	<b>206,298</b>	<b>7,210</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>21. CASH AND BANK DEPOSITS</b>				
Bank fixed deposits	67,775	67,100	3,002	5,137
Cash and bank balances	404,024	218,379	9,008	3,485
	<b>471,799</b>	<b>285,479</b>	<b>12,010</b>	<b>8,622</b>
<b>22. BRANDS</b>				
<b>At cost</b>				
Balance at beginning of year	41,548	41,667	8,647	8,647
Currency realignment	(201)	(119)	-	-
Acquisition of subsidiary companies	4,908	-	-	-
Balance at end of year	<b>46,255</b>	<b>41,548</b>	<b>8,647</b>	<b>8,647</b>
<b>Accumulated amortisation and impairment</b>				
Balance at beginning of year	14,194	14,154	8,435	8,435
Currency realignment	(179)	(95)	-	-
Amortisation charge	135	135	-	-
Balance at end of year	<b>14,150</b>	<b>14,194</b>	<b>8,435</b>	<b>8,435</b>
<b>Net book value</b>	<b>32,105</b>	<b>27,354</b>	<b>212</b>	<b>212</b>

Included in the Group's brands are brands with indefinite useful life of carrying amount of \$31,568,000 (2020: \$26,682,000).

The recoverable amount of the brands have been determined based on value-in-use calculations using 3 to 5 year cash flow projections approved by management.

The terminal growth rate used does not exceed the long term average growth rate of the product, industry or country in which the CGU operates.

The discount rate applied to the cash flow projections reflect managements' estimates of the risks specific to the respective CGUs at the date of assessment.

The pre-tax discount rates applied to the cash flow projections was 5.5% - 8.1% (2020: 6.3% - 8.4%) and terminal growth rates applied was 0% - 3.5% (2020: 1.0% - 3.5%).

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 23. INVENTORIES

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Raw materials	127,574	151,832
Finished goods	127,771	110,179
Packaging materials	26,226	22,084
Engineering spares, work-in-progress and other inventories	16,006	12,629
	<b>297,577</b>	<b>296,724</b>

The cost of inventories recognised as an expense in cost of sales during the year was \$1,246,036,000 (2020: \$1,193,786,000).

### 24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>Current</b>				
<b>Trade receivables</b>	<b>254,806</b>	271,823	-	-
<b>Other receivables:</b>				
Accrued income	143	3,475	-	300
Prepayments	6,870	9,890	440	590
Deposits paid	5,278	5,283	561	558
Tax recoverable	14,411	12,640	-	-
Staff loans	454	842	-	2
Derivative financial instruments (Note 25)	546	629	-	5
Contract costs	141	665	-	-
Sundry debtors	16,739	11,841	-	-
Dividend receivable	-	41,972	-	3,063
Other receivables	1,595	7,662	290	295
	<b>46,177</b>	94,899	<b>1,291</b>	4,813
<b>Related parties</b>	<b>6,121</b>	8,664	<b>616</b>	735
	<b>307,104</b>	375,386	<b>1,907</b>	5,548
<b>Non-current</b>				
<b>Other receivables:</b>				
Prepayments	221	590	-	-
Staff loans	8	117	-	-
Tax recoverable	-	1,009	-	-
Deposits paid	426	307	-	-
Other receivables	71	249	26	249
	<b>726</b>	2,272	<b>26</b>	249
	<b>307,830</b>	377,658	<b>1,933</b>	5,797

Current amounts due from related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from related parties based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from related parties are considered to have low credit risk and the amount of the allowance is insignificant.



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

#### Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping various customer segments that have similar loss patterns. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

Summarised below is the information about the credit risk exposure on the Group's trade receivables:

	THE GROUP		
	Gross carrying amount (\$'000)	Impairment loss allowance (\$'000)	Net carrying amount (\$'000)
<b>Year Ended 30 September 2021</b>			
Current (not past due)	194,655	(201)	194,454
Past due:			
1 to 30 days	41,429	(224)	41,205
31 to 60 days	7,942	(205)	7,737
61 to 90 days	4,914	(150)	4,764
91 to 120 days	1,595	(107)	1,488
more than 120 days	18,660	(13,502)	5,158
	<b>269,195</b>	<b>(14,389)</b>	<b>254,806</b>
<b>Year Ended 30 September 2020</b>			
Current (not past due)	217,806	(222)	217,584
Past due:			
1 to 30 days	35,711	(72)	35,639
31 to 60 days	8,373	(158)	8,215
61 to 90 days	2,180	(67)	2,113
91 to 120 days	3,821	(1,881)	1,940
more than 120 days	14,551	(8,219)	6,332
	<b>282,442</b>	<b>(10,619)</b>	<b>271,823</b>

The movements in allowance for impairment on trade receivables are as follows:

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Balance at beginning of year	10,619	3,091
Impairment charge	5,681	8,547
Write back	(928)	(234)
Acquisition of subsidiary companies	39	-
Write off	(983)	(777)
Currency realignment	(39)	(8)
Balance at end of year	<b>14,389</b>	<b>10,619</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>25. DERIVATIVE FINANCIAL INSTRUMENTS</b>				
<b>Current Assets</b>				
Forward currency contracts	546	629	-	5
<b>Current Liabilities</b>				
Forward currency contracts	419	320	17	-
<b>Non-current Liabilities</b>				
Interest rate swaps	7,202	14,777	-	-
	<b>7,621</b>	<b>15,097</b>	<b>17</b>	<b>-</b>
The Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a half yearly basis.				
<b>26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES</b>				
<b>Current</b>				
<b>Trade payables</b>	176,224	161,122	-	-
<b>Other payables</b>				
Accrued operating expenses	70,243	75,394	219	227
Sundry accruals	17,398	19,092	553	501
Sundry deposits	8,982	8,083	-	-
Staff costs payable	29,588	31,920	3,468	4,201
Accrual for unconsumed annual leave	3,205	3,097	932	970
Deferred income	742	2,871	-	299
Derivative financial instruments (Note 25)	419	320	17	-
Interest payable	4,703	4,341	-	-
Contract liabilities	25,606	29,213	-	-
Other payables	34,028	37,428	8,245	7,652
	<b>194,914</b>	<b>211,759</b>	<b>13,434</b>	<b>13,850</b>
<b>Related parties</b>	<b>6,266</b>	<b>4,891</b>	<b>292</b>	<b>220</b>
	<b>377,404</b>	<b>377,772</b>	<b>13,726</b>	<b>14,070</b>
<b>Non-current</b>				
<b>Other payables</b>				
Put liability to acquire non-controlling interests	16,600	15,485	-	-
Derivative financial instruments (Note 25)	7,202	14,777	-	-
	<b>23,802</b>	<b>30,262</b>	<b>-</b>	<b>-</b>
	<b>401,206</b>	<b>408,034</b>	<b>13,726</b>	<b>14,070</b>

- (a) Amounts due to related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash.
- (b) As part of the acquisition of Print Lab Pte. Ltd. and its subsidiary company ("PLPL") in FY2019, TPL has entered into an agreement which, among other things, provides the right for TPL to acquire the remaining 40% share capital of PLPL and the right for the non-controlling interests of PLPL to require TPL to acquire the remaining 40% shares, subject to satisfaction of certain conditions by 30 September 2023.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 27. LEASE LIABILITIES

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>Lease liabilities</b>				
Current	11,646	14,268	2,445	2,353
Non-current	36,539	25,168	235	2,380
	<b>48,185</b>	<b>39,436</b>	<b>2,680</b>	<b>4,733</b>

#### (a) The Group as a lessee

The Group leases a number of warehouse and factory facilities with an option to renew the lease after that date. Lease payments are adjusted every five years to reflect current market rentals. The Group also leases equipment for use in its back office operations and vehicles for its delivery and logistics operations. There are no externally imposed covenants on these lease arrangements.

Information about leases for which the Group and the Company is a lessee is presented below.

*Right-of-use assets classified within Fixed Assets in Note 12*

	THE GROUP				THE COMPANY	
	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Other Assets (\$'000)	Total (\$'000)	Other Assets and Total (\$'000)
<b>For the year ended</b>						
<b>30 September 2021</b>						
Balance at beginning of year	65,789	12,970	737	10,526	90,022	4,373
Currency realignment	(6,878)	(55)	(3)	(428)	(7,364)	-
Additions	439	27,783	461	2,008	30,691	317
Acquisition of subsidiary companies	-	677	-	-	677	-
Depreciation charge	(1,525)	(13,393)	(682)	(4,532)	(20,132)	(2,220)
Derecognition	(5)	(2,830)	(20)	(226)	(3,081)	-
Reclassification	(264)	264	(24)	24	-	-
Balance at end of year	<b>57,556</b>	<b>25,416</b>	<b>469</b>	<b>7,372</b>	<b>90,813</b>	<b>2,470</b>
<b>For the year ended</b>						
<b>30 September 2020</b>						
Balance at beginning of year, adjusted	75,738	18,176	2,705	2,716	99,335	-
Currency realignment	2,507	(169)	(1)	1,801	4,138	-
Additions	7,832	7,866	315	10,784	26,797	6,579
Depreciation charge	(1,855)	(12,601)	(816)	(4,346)	(19,618)	(2,206)
Derecognition	(18,433)	(132)	(1,466)	(406)	(20,437)	-
Impairment charge	-	(170)	-	(23)	(193)	-
Balance at end of year	<b>65,789</b>	<b>12,970</b>	<b>737</b>	<b>10,526</b>	<b>90,022</b>	<b>4,373</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 27. LEASE LIABILITIES (cont'd)

### (a) The Group as a lessee (cont'd)

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
<u>Amounts recognised in profit statement</u>		
Interest expense on lease liabilities	1,536	1,476
Lease expense on short-term leases	1,812	2,424
Lease expense on low-value leases	559	670
Lease expense on variable lease payments	5,628	5,968

#### *Extension options*

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

### (b) The Group as a lessor

#### *Operating lease*

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Information about the operating leases of investment properties are presented in Note 13.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Less than one year	122	229
One to two years	51	38
Total	173	267

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 27. LEASE LIABILITIES (cont'd)

#### (b) The Group as a lessor (cont'd)

##### *Finance lease*

The Group and the Company had sub-leased an office space that has been presented as part of a right-of-use asset under fixed assets and recognised interest income on lease receivables of \$10,000 (2020: \$2,000).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	<b>THE GROUP &amp; THE COMPANY</b>	
	<b>2021</b>	<b>2020</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
Less than one year	<b>239</b>	239
One to two years	<b>20</b>	239
Two to three years	<b>-</b>	20
Total undiscounted lease receivables	<b>259</b>	498
Unearned finance income	<b>(4)</b>	(14)
Net investment in lease receivables	<b>255</b>	484

#### (c) A reconciliation of movement of lease liabilities to cash flows arising from financing activities is as follows:

	<b>THE GROUP</b>	
	<b>2021</b>	<b>2020</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>Lease Liabilities</b>		
Balance at beginning of year	<b>39,436</b>	50,735
Additions	<b>30,691</b>	26,857
Acquisition of subsidiary companies	<b>699</b>	-
Derecognition	<b>(3,213)</b>	(20,594)
Payment of principal amount	<b>(18,683)</b>	(17,396)
Interest payments	<b>(1,536)</b>	(1,476)
Interest expense	<b>1,536</b>	1,476
Currency realignment	<b>(745)</b>	(166)
Balance at end of year	<b>48,185</b>	39,436



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 28. BORROWINGS

	Notes	THE GROUP	
		2021 (\$'000)	2020 (\$'000)
<b>Repayable within one year:</b>			
<b>Unsecured</b>			
Bank loans	(a)	33,132	7,041
Term loans	(b)	394,441	35,660
		<b>427,573</b>	42,701
<b>Repayable after one year:</b>			
<b>Unsecured</b>			
Term loans	(b)	499,262	795,888
	(d)	499,262	795,888
<b>Total</b>		<b>926,835</b>	838,589
<b>Fair value</b>	(c)	<b>939,209</b>	846,138

### Notes

- (a) The Group's unsecured bank loans bore interest rates ranging from 0.76% to 1.35% (2020: 0.93%) per annum.
- (b) The Group's unsecured term loans bore interest at rates ranging from 1.35% to 3.80% (2020: 1.35% to 3.80%) per annum during the year. As at 30 September 2021 and 2020, term loans include medium term notes issued by certain subsidiary companies.
- (c) The carrying amount of bank borrowings approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for term loans of \$559,414,000 (2020: \$459,389,000) which have a fair value of \$571,788,000 (2020: \$466,938,000). They are classified as a Level 2 under fair value hierarchy, as determined based on quoted market prices.

- (d) Maturity of non-current borrowings is as follows:

Between 1 and 2 years	-	396,588
Between 2 and 5 years	399,540	299,628
After 5 years	99,722	99,672
	<b>499,262</b>	795,888

- (e) A reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:

### Borrowings

Balance at beginning of year	838,589	829,684
Adoption of SFRS(I) 16	-	(302)
Balance at beginning of year, adjusted	838,589	829,382
Proceeds from borrowings	142,404	27,501
Repayment of borrowings	(50,889)	(15,607)
Currency realignment	(3,394)	(3,002)
Transaction costs	125	315
Balance at end of year	<b>926,835</b>	838,589

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 29. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Defined benefit plan	15,760	18,414

### (a) Defined Contribution Plan

The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia and Hong Kong.

Accruals for defined contribution plans are included in Other Payables under Note 26.

### (b) Defined Benefit Plan

The defined benefit plans in Malaysia, Thailand and Indonesia do not have separately funded assets. They provide a lump sum benefit at normal retirement age.

The following table summarise the components of the benefit liability:

#### Benefit liability

Present value of unfunded defined benefit obligation	15,760	18,414
Net liability arising from defined benefit obligation	15,760	18,414

The weighted average duration of the defined benefit obligation as at 30 September 2021 was 9.7 years (2020: 9.8 years).

#### Changes in present value of defined benefit obligations are as follows:

Balance at beginning of year	18,414	44,298
<u>Included in profit statement</u>		
Interest cost	440	550
Current service cost	1,458	1,909
Past service credit	(76)	(46)
Settlement gain	(598)	-
	1,224	2,413
<u>Included in other comprehensive income</u>		
Remeasurements:		
- actuarial gain arising from change in demographic assumptions	-	(6)
- actuarial loss arising from change in financial assumptions	(779)	919
- experience adjustments	(306)	(384)
	(1,085)	529
Retirement benefit plan buy-out *	-	(27,622)
Benefits paid	(2,097)	(1,897)
Currency realignment	(696)	619
Others	-	74
Balance at end of year	15,760	18,414

\* On 13 December 2019, the Trustees of the United Kingdom pension plan have purchased a bulk annuity policy in respect of all known members of the pension plan. The buy-out is expected to complete by 31 October 2022.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

#### (b) Defined Benefit Plan (cont'd)

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
<b>Changes in fair value of plan assets are as follows:</b>		
Balance at beginning of year	-	24,131
Retirement benefit plan buy-out	-	(24,966)
Currency realignment	-	835
Balance at end of year	-	-

#### The major assumptions used by the qualified independent actuaries were:

Future salary growth	<b>4.0% to 7.0%</b>	4.0% to 7.0%
Discount rate	<b>1.0% to 7.5%</b>	1.3% to 8.0%

#### Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

		Increase/(Decrease) in defined benefit obligation	
	Change in assumption	Increase in assumption (\$'000)	Decrease in assumption (\$'000)
<b>The Group</b>			
<b>Year Ended 30 September 2021</b>			
Future salary growth	1%	1,667	(1,321)
Discount rate	1%	(1,281)	1,642
<b>Year Ended 30 September 2020</b>			
Future salary growth	1%	1,809	(1,581)
Discount rate	1%	(1,604)	1,873

#### (c) Share Plans

##### Fraser and Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

##### Information regarding the RSP

- Depending on the level of achievement of pre-determined targets over a two-year performance period for the RSP, the final number of RSP shares to be awarded could range between 0% to 150% of the initial grant of the RSP shares.
- Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP share awards will vest. The balance will vest equally over the subsequent two years upon fulfillment of service requirements.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

#### (c) Share Plans (cont'd)

##### *Fraser and Neave Limited Restricted Share Plan ("RSP") (cont'd)*

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2020	Lapsed	Achievement Factor	Vested	Balance as at 30.9.2021
Year 8	28.12.2016	167,675	(275)	-	(167,400)	-
Year 9	28.12.2017	582,200	(15,500)	-	(289,800)	276,900
Year 10	21.12.2018	1,420,500	(49,400)	296,900	(851,200)	816,800
		2,170,375	(65,175)*	296,900	(1,308,400)	1,093,700

\* Lapsed due to cessation of employment.

##### *Fraser and Neave Limited Performance Share Plan ("PSP")*

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

##### Information regarding the PSP

- (i) Depending on the level of achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.
- (ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

Information with respect to the number of shares granted under the PSP is as follows:

Shares	Grant Date	Balance as at 1.10.2020	Achievement Factor	Vested	Balance as at 30.9.2021
Year 9	28.12.2017	78,000	(48,500)	(29,500)	-
Year 10	21.12.2018	127,000	-	-	127,000
		205,000	(48,500)	(29,500)	127,000

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

#### (c) Share Plans (cont'd)

##### *F&N Restricted Share Plan 2019 ("F&N RSP 2019")*

The F&N RSP 2019 replaced the RSP and PSP, which expired on 21 January 2019. The expiry of the RSP and PSP will not affect awards granted prior to expiry of these share plans and which are pending final release. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020.

##### *Information regarding the F&N RSP 2019*

- (i) Depending on the level of achievement of pre-determined targets over a one-year performance period for the F&N RSP 2019, the final number of F&N RSP 2019 shares to be awarded could range between 0% to 150% of the initial grant of the F&N RSP 2019 shares.
- (ii) Based on meeting stated performance conditions over a one-year performance period, the share awards will vest equally over three years upon fulfillment of service requirements.

Information with respect to the number of shares granted under the F&N RSP 2019 is as follows:

Shares	Grant Date	Balance as at 1.10.2020 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.9.2021
Year 1	28.08.2020	1,765,250	(52,799)	(509,850)	(411,798)	790,803
Year 2	10.02.2021	1,937,750	(41,500)	-	-	1,896,250
		3,703,000	(94,299)*	(509,850)	(411,798)	2,687,053

\* Lapsed due to cessation of employment.

The estimated fair value of shares granted during the financial year ended 30 September 2021 ranges from \$1.28 to \$1.38 (2020: \$1.17 to \$1.27). The fair value of equity-settled contingent award of shares are determined using Black-Scholes Valuation Model. The inputs to the model used are as follows:

	2021	2020
Dividend yield (%)	3.5	4.3
Expected volatility (%)	27.9	25.4
Risk-free interest rate (%)	0.3 to 0.5	0.3 to 0.4
Expected life (years)	0.9 to 2.9	0.3 to 2.3
Share price at date of grant (\$)	1.42	1.29



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (c) Share Plans (cont'd)

*Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP", and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021")*

The F&NHB SGP were approved by the shareholders of F&NHB at its Extraordinary General Meeting held on 13 January 2012. As the F&NHB SGP is due to expire on 14 March 2022, F&NHB introduced the F&NHB SGP 2021 which was approved by the shareholders of F&NHB at the Extraordinary General Meeting held on 19 January 2021. The F&NHB SGP 2021 was implemented on 11 February 2021 and is valid for 10 years from 11 February 2021 to 10 February 2031. The expiry of the F&NHB SGP in 2022 does not affect awards of F&NHB shares granted prior to its expiry and which are capable of being vested prior and up to 14 March 2022.

#### **F&NHB RSP and F&NHB SGP 2021**

Under the F&NHB RSP and the F&NHB SGP 2021, F&NHB grants a base number of conditional awards of F&NHB shares (the "F&NHB Base Awards") to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid shares of F&NHB, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee of F&NHB (the "F&NHB RemCo"), as administrator of the F&NHB RSP and the F&NHB SGP 2021, has absolute discretion in granting the F&NHB Base Awards and determining the performance period and the vesting period. The F&NHB RemCo has determined the performance period for the F&NHB RSP to be two years.

Depending on the level of achievement of the pre-determined targets, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of F&NHB shares to be awarded at the end of the relevant performance period (the "F&NHB Final Awards"). The achievement factor ranges from 0% to 150%. Accordingly, the actual number of F&NHB shares to be awarded could range from 0% to 150% of the initial grant of awards under the F&NHB RSP and the F&NHB SGP 2021.

In respect of the F&NHB RSP, the first tranche of F&NHB shares (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the next two years.

The award for Year 10 of the F&NHB RSP was deferred from December 2020 originally, to 15 February 2021 (i.e. after the F&NHB SGP 2021 was approved and implemented). Therefore, the F&NHB RemCo determined that Year 10 of the F&NHB RSP would be issued under the F&NHB SGP 2021. This was because the two-year performance period for the Year 10 F&NHB RSP would traverse the expiry of the F&NHB SGP, and no F&NHB shares can be released after said performance period as they would be deemed cancelled.

Information with respect to the number of shares granted under the F&NHB RSP and F&NHB SGP 2021 is as follows:

Shares	Grant Date	Balance as at 1.10.2020 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.9.2021
<b>F&amp;NHB RSP</b>						
Year 6	22.12.2016	61,950	(300)	-	(61,650)	-
Year 7	22.12.2017	128,900	(10,625)	-	(64,150)	54,125
Year 8*	21.12.2018	213,600	(12,450)	(60,700)	(76,450)	64,000
Year 9*	23.12.2019	495,900	(106,400)	(194,750)	-	194,750
<b>F&amp;NHB SGP 2021</b>						
Year 10**	15.02.2021	384,200	(62,400)	-	-	321,800
		1,284,550	(192,175)^	(255,450)	(202,250)	634,675

\* Under the original vesting schedules for these awards of F&NHB shares, the final tranche under Year 8 F&NHB RSP, and the second and final tranches under Year 9 F&NHB RSP, would be released after the 14 March 2022 expiry of the F&NHB SGP and thus deemed to be cancelled. In view thereof, F&NHB shares under the F&NHB SGP 2021 equivalent to the number of shares deemed cancelled will be awarded to eligible participants in accordance with the original vesting schedules of these deemed cancelled awards, and which shares will not be subject to performance periods or achievement targets.

\*\* The F&NHB RemCo has also determined that the first tranche of F&NHB shares under the 15 February 2021 award for Year 10 F&NHB RSP (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period, and the balance 50% will be vested in equal instalments over the next two years.

^ Lapsed due to cessation of employment.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

#### (c) Share Plans (cont'd)

##### *F&NHB RSP and F&NHB SGP 2021 (cont'd)*

The estimated fair value of shares granted during the year ranges from RM27.58 to RM28.85 (2020: RM31.62 to RM33.06). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2021	2020
Dividend yield (%)	2.2	2.3
Expected volatility (%)	12.8	13.3
Risk-free interest rate (%)	1.9 to 2.1	3.0 to 3.1
Expected life (years)	1.9 to 3.9	2.0 to 4.0
Share price at date of grant (RM)	30.08	34.66

##### *F&NHB PSP*

##### *Information regarding the F&NHB PSP*

- (i) Depending on the achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.
- (ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

As at 30 September 2021, no shares has been granted under F&NHB PSP.

### 30. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>Deferred tax liabilities</b>						
Differences in depreciation	36,864	33,261	3,557	2,997	53	89
Provisions, expenses and income taken in a different period	2,511	2,433	9	711	-	-
Fair value adjustments	1,027	1,062	(25)	63	-	-
Unabsorbed losses and capital allowances	-	38	-	(231)	-	-
Other deferred tax liabilities	1,457	257	22	(48)	-	-
Gross deferred tax liabilities	41,859	37,051	3,563	3,492	53	89
<b>Less: Deferred tax assets</b>						
Employee benefits	(1,900)	(1,999)	189	(165)	-	-
Unabsorbed losses and capital allowances	(1,525)	(1,499)	385	789	-	-
Provisions, expenses and income taken in a different period	(1,196)	(699)	(434)	79	-	-
Other deferred tax assets	(8,798)	(8,291)	(828)	1,932	(36)	(62)
Gross deferred tax assets	(13,419)	(12,488)	(688)	2,635	(36)	(62)
<b>Net deferred tax liabilities</b>	<b>28,440</b>	<b>24,563</b>	<b>2,875</b>	<b>6,127</b>	<b>17</b>	<b>27</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 30. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
Some subsidiary companies have net deferred tax assets relating to the following:						
Employee benefits	(1,338)	(1,475)	(64)	(220)	-	-
Differences in depreciation	(451)	(57)	(265)	(419)	-	-
Unabsorbed losses and capital allowances	(610)	(7,615)	(410)	(260)	-	-
Provisions, expenses and income taken in a different period	(2,046)	4,922	(338)	(1,057)	-	-
Tax effect on revaluation surplus	(1)	(1)	-	-	-	-
Investment allowances	(208)	(248)	(28)	(32)	-	-
Fair value adjustments	(41)	(42)	-	(181)	-	-
<b>Net deferred tax assets</b>	<b>(4,695)</b>	<b>(4,516)</b>	<b>(1,105)</b>	<b>(2,169)</b>	<b>-</b>	<b>-</b>

Deferred tax liabilities of \$634,000 (2020: \$955,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of \$3,727,000 (2020: \$5,614,000) at 30 September 2021.

Deferred tax liabilities of \$47,000 (2020: \$478,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of \$473,000 (2020: \$2,564,000) at 30 September 2021 of certain of the Group's subsidiary companies as the Group has determined that the undistributed earnings of its subsidiary companies will not be distributed in the foreseeable future.

	THE GROUP	
	2021 (\$'000)	2020 (\$'000)
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	64,158	64,288
Tax losses	141,183	135,812
	<b>205,341</b>	<b>200,100</b>

Tax losses of \$39,776,000 (2020: \$40,051,000) start to expire in 2029. The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## THE GROUP

2021  
(\$'000)

2020  
(\$'000)

### 31. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

(a) Commitments in respect of contracts placed

Fixed assets	58,050	37,192
Intangible assets	1,981	183
	<b>60,031</b>	<b>37,375</b>

(b) Other amounts approved by directors but not contracted for

Fixed assets	48,125	29,568
Intangible assets	1,052	1,055
	<b>49,177</b>	<b>30,623</b>
	<b>109,208</b>	<b>67,998</b>

### 32. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following were the significant related party transactions entered into between the Group and related parties based on agreed fees or terms between the parties.

(a) Transactions with TCC Group of Companies <sup>(i)</sup>

Sales	24,641	25,559
Advertising & promotion support	6,311	8,992
Service fee and other income	869	1,890
Purchases	(31,615)	(35,693)
Marketing expense	(5,701)	(7,911)
Logistic expense	(3,195)	(4,311)
Insurance premium expense	(1,694)	(1,598)
Management fee expense	-	(100)
Rental and other expenses	(7,285)	(6,295)

<sup>(i)</sup> This refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

(b) Transactions with Joint Venture and Associated Companies

Sales	1,120	5,177
Receipt of corporate service fee	39	39
Finance income	-	5
Purchases	(2,312)	(1,829)

### 33. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of \$2,897,158,000 (2020: \$2,892,707,000) for the purpose of assisting its subsidiary and joint venture companies to obtain external borrowings. Of the \$2,897,158,000 (2020: \$2,892,707,000) corporate guarantees given by the Company, \$920,486,000 (2020: \$808,209,000) has been utilised by its subsidiary and joint venture companies as security for their borrowings.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit Committee to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

#### (a) Foreign Currency Risk

The Group and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's and Company's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's and the Company's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group and the Company use foreign currency forward exchange contracts to manage these foreign exchange risks.

At 30 September 2021, the Group had entered into foreign currency forward exchange buy contracts amounting to \$23,794,000 (2020: \$27,455,000) and sell contracts amounting to \$19,220,000 (2020: \$12,300,000). The fair value adjustments of the buy contracts and sell contracts are losses of \$371,000 (2020: gains \$99,000) and gains of \$498,000 (2020: \$210,000) respectively.

At 30 September 2021, the Company had entered into foreign currency forward exchange sell contracts amounting to \$2,715,000 (2020: \$826,000). The fair value adjustments of the sell contracts is a loss of \$17,000 (2020: gain of \$5,000).

The fair values of foreign currency forward exchange contracts have been calculated using rates quoted by the Group's and Company's bankers to terminate the contracts at the balance sheet date.

The major foreign currencies exposure of the Group and the Company are as follows:

	Australian Dollar (\$'000)	United States Dollar (\$'000)	Hong Kong Dollar (\$'000)	Chinese Renminbi (\$'000)	Malaysian Ringgit (\$'000)
<b>The Group</b>					
<b>Year Ended 30 September 2021</b>					
Other investments	76	-	5,535	-	-
Receivables	2,852	52,151	-	1,020	8,965
Cash and bank deposits	2,989	25,263	1,443	-	13,724
Payables	(6,349)	(28,617)	(11)	-	(22,227)
Borrowings	-	(19,062)	-	-	-
Net balance sheet exposure	(432)	29,735	6,967	1,020	462
Forward exchange contracts	13,663	2,528	-	-	(1,967)
Net exposure	13,231	32,263	6,967	1,020	(1,505)
<b>Year Ended 30 September 2020</b>					
Other investments	419	-	5,714	-	-
Receivables	1,383	44,225	14	6,531	8,560
Cash and bank deposits	1,061	26,405	807	-	11,595
Payables	(6,004)	(17,130)	(342)	-	(25,712)
Borrowings	-	(7,041)	-	-	-
Net balance sheet exposure	(3,141)	46,459	6,193	6,531	(5,557)
Forward exchange contracts	14,074	10,693	-	-	-
Net exposure	10,933	57,152	6,193	6,531	(5,557)



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (a) Foreign Currency Risk (cont'd)

	Australian Dollar (\$'000)	Vietnamese Dong (\$'000)	Hong Kong Dollar (\$'000)	Malaysian Ringgit (\$'000)	Thai Baht (\$'000)
<b>The Company</b>					
<b>Year Ended 30 September 2021</b>					
Other investments	76	166,714	5,535	-	-
Receivables	-	2,791	-	1,956	1,467
Cash and bank deposits	-	-	-	182	-
Payables	-	-	-	(25)	(80)
Net balance sheet exposure	76	169,505	5,535	2,113	1,387
Forward exchange contracts	-	-	-	(1,967)	(764)
Net exposure	76	169,505	5,535	146	623
<b>Year Ended 30 September 2020</b>					
Other investments	419	200,151	5,714	-	-
Receivables	-	3,063	-	12	1,460
Cash and bank deposits	-	-	-	191	-
Payables	-	-	-	(72)	(220)
Net balance sheet exposure	419	203,214	5,714	131	1,240
Forward exchange contracts	-	-	-	-	(822)
Net exposure	419	203,214	5,714	131	418

The following table demonstrates the sensitivity of the Group and the Company's total equity and the Group and the Company's profit before taxation to a reasonably possible 10% strengthening of the Australian Dollar, United States Dollar, Hong Kong Dollar, Chinese Renminbi, Malaysian Ringgit, Vietnamese Dong and Thai Baht exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2021		2020	
	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)	Profit (\$'000)
<b>The Group</b>				
Australian Dollar	8	1,315	42	1,051
United States Dollar	-	3,226	-	5,715
Hong Kong Dollar	553	143	571	48
Chinese Renminbi	-	102	-	653
Malaysian Ringgit	-	(151)	-	(556)
<b>The Company</b>				
Australian Dollar	8	-	42	-
Vietnamese Dong	16,671	279	20,015	306
Hong Kong Dollar	553	-	571	-
Malaysian Ringgit	-	15	-	13
Thai Baht	-	62	-	42

A 10% weakening of the above currencies at the balance sheet date would have had the equal but opposite effect on the respective functional currencies of the Group entities as the amounts shown above, on the basis that all other variables remain constant.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Liquidity Risk

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group maintains sufficient cash and marketable securities, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

The table below analyses the maturity profile of the Group's and Company's financial liabilities and derivative financial instruments based on contractual undiscounted cash flows.

	Contractual Cash Flows				
	Carrying amount (\$'000)	Total cash flows (\$'000)	Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
<b>The Group</b>					
<b>Year Ended 30 September 2021</b>					
<b>Non-derivative Financial Liabilities</b>					
Trade payables	176,224	176,224	176,224	-	-
Other payables	178,108	178,182	161,582	16,600	-
Lease liabilities	48,185	67,568	13,472	17,899	36,197
Borrowings	926,835	974,538	444,275	428,160	102,103
Related parties	6,266	6,266	6,266	-	-
Associated companies	261	261	261	-	-
	<b>1,335,879</b>	<b>1,403,039</b>	<b>802,080</b>	<b>462,659</b>	<b>138,300</b>
<b>Derivative Financial Instruments</b>					
Interest rate swaps (net-settled)	7,202	12,302	4,393	7,909	-
Forward currency contracts (net-settled)	(127)	(127)	(127)	-	-
	<b>7,075</b>	<b>12,175</b>	<b>4,266</b>	<b>7,909</b>	<b>-</b>
	<b>1,342,954</b>	<b>1,415,214</b>	<b>806,346</b>	<b>470,568</b>	<b>138,300</b>
<b>Year Ended 30 September 2020</b>					
<b>Non-derivative Financial Liabilities</b>					
Trade payables	161,122	161,122	161,122	-	-
Other payables	193,155	193,256	177,771	15,485	-
Lease liabilities	39,436	47,981	15,278	15,145	17,558
Borrowings	838,589	898,387	61,916	730,568	105,903
Related parties	4,891	4,891	4,891	-	-
Associated companies	398	398	398	-	-
	<b>1,237,591</b>	<b>1,306,035</b>	<b>421,376</b>	<b>761,198</b>	<b>123,461</b>
<b>Derivative Financial Instruments</b>					
Interest rate swaps (net-settled)	14,777	16,644	4,380	12,264	-
Forward currency contracts (net-settled)	(309)	(309)	(309)	-	-
	<b>14,468</b>	<b>16,335</b>	<b>4,071</b>	<b>12,264</b>	<b>-</b>
	<b>1,252,059</b>	<b>1,322,370</b>	<b>425,447</b>	<b>773,462</b>	<b>123,461</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Liquidity Risk (cont'd)

		Contractual Cash Flows			
	Carrying amount (\$'000)	Total cash flows (\$'000)	Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
<b>The Company</b>					
<b>Year Ended 30 September 2021</b>					
<b><u>Non-derivative Financial Liabilities</u></b>					
Other payables	12,274	12,274	12,274	-	-
Subsidiary companies	885,746	929,618	111,728	817,890	-
Lease liabilities	2,680	2,721	2,485	236	-
Related parties	292	292	292	-	-
	<b>900,992</b>	<b>944,905</b>	<b>126,779</b>	<b>818,126</b>	<b>-</b>
<b><u>Derivative Financial Instruments</u></b>					
Forward currency contracts (net-settled)	17	17	17	-	-
	<b>901,009</b>	<b>944,922</b>	<b>126,796</b>	<b>818,126</b>	<b>-</b>
<b>Year Ended 30 September 2020</b>					
<b><u>Non-derivative Financial Liabilities</u></b>					
Other payables	12,426	12,426	12,426	-	-
Subsidiary companies	838,193	894,669	105,589	686,922	102,158
Lease liabilities	4,733	4,863	2,447	2,416	-
Related parties	220	220	220	-	-
	<b>855,572</b>	<b>912,178</b>	<b>120,682</b>	<b>689,338</b>	<b>102,158</b>
<b><u>Derivative Financial Instruments</u></b>					
Forward currency contracts (net-settled)	(5)	(5)	(5)	-	-
	<b>855,567</b>	<b>912,173</b>	<b>120,677</b>	<b>689,338</b>	<b>102,158</b>

#### (c) Credit Risk

At the balance sheet date, the Group's and the Company's total exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

#### *Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country and business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	THE GROUP			
	2021		2020	
	(\$'000)	% of total	(\$'000)	% of total
<b>By Geographical Segment:</b>				
Singapore	87,229	34%	91,056	34%
Malaysia	83,514	33%	98,600	36%
Thailand	63,398	25%	60,660	22%
Others	20,665	8%	21,507	8%
	<b>254,806</b>	<b>100%</b>	<b>271,823</b>	<b>100%</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) Credit Risk (cont'd)

##### *Credit risk concentration profile (cont'd)*

	THE GROUP			
	2021		2020	
	(\$'000)	% of total	(\$'000)	% of total
<b>By Business Segment:</b>				
Beverages	55,629	22%	66,314	24%
Dairies	138,672	54%	140,643	52%
Printing & Publishing	57,795	23%	64,866	24%
Others	2,710	1%	-	-
	<b>254,806</b>	<b>100%</b>	<b>271,823</b>	<b>100%</b>

The Group and the Company have no significant concentration of credit risk. The Group and the Company have policies in place to monitor its credit risk. Sales of products and services are made to customers with an appropriate credit history. Contractual deposits are collected and scheduled progress payments are received from the buyers when due.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have a sound credit rating. Management considers that its cash and fixed deposits and investments have low credit risk and does not expect any counterparty to fail to meet its obligations. As such, the Group considers these assets are subject to immaterial credit loss.

Information regarding financial assets that are either past due or impaired and ageing analysis is disclosed in Note 24. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's total credit risk exposure for foreign exchange contracts are limited to the fair value adjustments of these contracts. It is the Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

The Group and the Company do not have significant exposure to any individual customer or counterparty.

#### (d) Interest Rate Risk

The Group and the Company's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group and the Company's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Group agree with other parties to exchange, at specified intervals mainly half yearly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The interest rate swaps have a floating leg that are indexed to Singapore swap offer rates ('SOR'). The contractual notional amount of interest rate swaps held for hedging which is based on SOR is \$300,000,000 (2020: \$300,000,000). The Group has applied the amendments to SFRS(I) 9 on these hedging relationships directly affected by the interest rate benchmark reform.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Interest Rate Risk (cont'd)

The Group held the following instruments to hedge exposures to changes in interest rates:

	Carrying amount			Changes during the year				
	Contractual notional amount (\$'000)	Liabilities (\$'000)	Line item in the Balance Sheet	Change in value of hedging instrument recognised in OCI (\$'000)	Amount reclassified from hedging reserve to Profit Statement (\$'000)	Line item in the Profit Statement affected by the reclassification	Weighted average hedged rate*	Maturity date
THE GROUP								
Year Ended 30 September 2021								
Cashflow hedge								
Interest rate swaps								
to hedge			Non-current					June and
floating rate			Other			Finance		August
borrowings	300,000	(7,202)	Payables	3,168	4,407	costs	1.68%	2024
Year Ended 30 September 2020								
Cashflow hedge								
Interest rate swap								
to hedge			Non-current					June and
floating rate			Other			Finance		August
borrowings	300,000	(14,777)	Payables	(14,417)	1,087	costs	1.68%	2024

\* Weighted average hedged rate refers to the fixed rate payable under the interest rate swaps and excludes the underlying bank loan credit margin.

At the reporting date, the interest rate profile of interest-bearing financial instruments, was as follows:

	THE GROUP Nominal amount		THE COMPANY Nominal amount	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
<b>Fixed rate instruments</b>				
Cash and bank deposits	207,362	92,653	11,258	8,376
Other financial assets	259	497	100,209	35,037
Borrowings	(560,325)	(490,280)	-	-
Lease liabilities	(67,568)	(47,981)	(2,721)	(4,863)
Other financial liabilities	(4,240)	(4,202)	(795,000)	(755,000)
Effect of interest rate swaps	(300,000)	(300,000)	-	-
	<b>(724,512)</b>	<b>(749,313)</b>	<b>(686,254)</b>	<b>(716,450)</b>
<b>Floating rate instruments</b>				
Cash and bank deposits	1,383	3,253	-	-
Borrowings	(367,369)	(349,293)	-	-
Effect of interest rate swaps	300,000	300,000	-	-
	<b>(65,986)</b>	<b>(46,040)</b>	<b>-</b>	<b>-</b>

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The Group and the Company are in a net finance costs position for the year ended 30 September 2021 and 2020.



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Interest Rate Risk (cont'd)

##### *Sensitivity analysis for floating rate instruments*

It is estimated that a ten basis points (bps) increase in interest rate, with all other variables held constant, would decrease the Group's profit before taxation by approximately \$66,000 (2020: \$46,000) and increase the Group's hedging reserve by approximately \$893,000 (2020: \$1,193,000). A decrease of a ten bps in interest rate would have an equal but opposite effect. The analysis is performed on the same basis for 2020.

#### (e) Market Price Risk

The Group and the Company are exposed to market price risk and the risk of impairment in the value of investments held. The Group and the Company manage the risk of impairment by evaluation of investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

##### *Sensitivity analysis for quoted investment risk*

If prices for equity investments at fair value through OCI increase by 10% with all other variables including tax rate being held constant, the impact on fair value adjustment reserve will be as follows:

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
Fair value adjustment reserve	561	613	17,232	20,628

There will be no impact to profit before taxation.

A 10% decrease in the underlying equity prices would have had the equal but opposite effect as the amounts shown above. The analysis is performed on the same basis as for 2020 and assumes that all other variables remain constant.

#### (f) Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

##### (i) *Cash and bank deposits, other receivables and other payables*

The carrying amounts of these items in current assets and current liabilities approximate fair value due to their short term nature.

##### (ii) *Trade receivables and trade payables*

The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

##### (iii) *Amounts due from/to related parties, associated, joint venture and subsidiary companies*

The carrying amounts of amounts due from/to related parties, associated, joint venture and subsidiary companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due to subsidiary companies included in long term liabilities, no disclosure of the fair value has been made as the carrying amount approximates fair value.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 34. FINANCIAL RISK MANAGEMENT (cont'd)

### (f) Fair Values (cont'd)

#### (iv) Other investments

Market value of quoted investment is determined by reference to stock exchange quoted prices.

Certain unquoted investments do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.

#### (v) Borrowings

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 28. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate bank borrowings and term loans approximate their fair value.

#### (vi) Assets and liabilities measured at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows the analysis of assets and liabilities carried at fair value and their levels in the fair value hierarchy:

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>The Group</b>				
<b>Year Ended 30 September 2021</b>				
<b>Financial Assets</b>				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	5,611	-	-	5,611
Derivative financial instruments (Note 25)	-	546	-	546
	<b>5,611</b>	<b>546</b>	<b>-</b>	<b>6,157</b>
<b>Non-Financial Asset</b>				
Investment properties (Note 13)	-	-	16,858	16,858
<b>Financial Liability</b>				
Derivative financial instruments (Note 25)	-	7,621	-	7,621
<b>Year Ended 30 September 2020</b>				
<b>Financial Assets</b>				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	6,133	-	-	6,133
Derivative financial instruments (Note 25)	-	629	-	629
	<b>6,133</b>	<b>629</b>	<b>-</b>	<b>6,762</b>
<b>Non-Financial Asset</b>				
Investment properties (Note 13)	-	-	17,075	17,075
<b>Financial Liability</b>				
Derivative financial instruments (Note 25)	-	15,097	-	15,097

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (f) Fair Values (cont'd)

##### (vi) Assets and liabilities measured at fair value (cont'd)

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>The Company</b>				
<b>Year Ended 30 September 2021</b>				
<b>Financial Assets</b>				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	172,325	-	-	172,325
<b>Financial Liability</b>				
Derivative financial instruments (Note 25)	-	17	-	17
<b>Year Ended 30 September 2020</b>				
<b>Financial Asset</b>				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	206,284	-	-	206,284
Derivative financial instruments (Note 25)	-	5	-	5
	206,284	5	-	206,289

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 30 September 2021 and 2020.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to the quoted market price at the balance sheet date.

The fair value of derivatives categorised within Level 2 of the fair value hierarchy are valued using a valuation technique with market observable inputs. These include forward pricing and swap models, using present value calculations. The models incorporate various inputs such as foreign exchange spot and forward rates.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (f) Fair Values (cont'd)

##### (vi) Assets and liabilities measured at fair value (cont'd)

The following table presents the valuation techniques and significant unobservable inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Valuation techniques	Significant unobservable inputs	Range and Rate	
			2021	2020
Commercial property in Malaysia	Investment Approach	Estimated rental value per square feet per month (RM)		
		- 1st to 5th year	<b>4.00 - 5.50</b>	4.00 - 5.50
		- 6th year onwards	<b>4.00 - 5.50</b>	4.00 - 5.50
		Capitalisation rate		
		- 6th year onwards	<b>7.25%</b>	7.25%
		Void factor		
		- 1st to 5th year	<b>50%</b>	50%
		- 6th year onwards	<b>12.50%</b>	12.50%
		Capital expenditure reserve per square feet (RM)	<b>1.00</b>	1.00
		Discount factor		
		- 1st to 5th year	<b>7.00%</b>	7.00%
		- 6th year onwards	<b>7.25%</b>	7.25%
		Market interruption	<b>20.00%</b>	20.00%
Commercial property in Hong Kong	Direct Comparison Approach	Transacted price of comparable properties per square feet	<b>\$1,832</b>	\$1,678
			<b>to \$2,496</b>	to \$1,987
Car park in Malaysia	Direct Comparison Approach	Value per car park bay	<b>RM30,000</b>	RM30,000

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various significant unobservable inputs tabled above. Increase/(Decrease) in estimated rental value would result in higher/(lower) fair value of the investment properties assuming that all other assumptions were held constant. Increases/(Decreases) in the capitalisation rate, void factor, capital expenditure reserve, and discount factor and market interruption would result in lower/(higher) fair value assuming that all other assumptions were held constant.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties is set out in note 13.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 34. FINANCIAL RISK MANAGEMENT (cont'd)

#### (g) Classification of Financial Assets and Liabilities

Set out below is a comparison by category of the carrying amounts of the Group's and the Company's financial assets and liabilities that are carried in the financial statements:

	Amortised cost (\$'000)	Fair value through profit and loss (\$'000)	Derivatives designated as a hedge (\$'000)	Fair value through other comprehensive income (\$'000)	Total (\$'000)
<b>The Group</b>					
<b>Year Ended 30 September 2021</b>					
<b>Assets</b>					
Joint venture companies	13,660	-	-	-	13,660
Associated companies	84	-	-	-	84
Other investments	-	-	-	5,625	5,625
Other receivables	19,654	546	-	-	20,200
Trade receivables	254,806	-	-	-	254,806
Related parties	6,121	-	-	-	6,121
Cash and bank deposits	471,799	-	-	-	471,799
	<b>766,124</b>	<b>546</b>	<b>-</b>	<b>5,625</b>	<b>772,295</b>
<b>Liabilities</b>					
Trade payables	176,224	-	-	-	176,224
Other payables	178,108	419	7,202	-	185,729
Associated companies	261	-	-	-	261
Related parties	6,266	-	-	-	6,266
Lease liabilities	48,185	-	-	-	48,185
Borrowings	926,835	-	-	-	926,835
	<b>1,335,879</b>	<b>419</b>	<b>7,202</b>	<b>-</b>	<b>1,343,500</b>
<b>Year Ended 30 September 2020</b>					
<b>Assets</b>					
Joint venture companies	13,800	-	-	-	13,800
Associated companies	7	-	-	-	7
Other investments	-	-	-	6,147	6,147
Other receivables	66,904	629	-	-	67,533
Trade receivables	271,823	-	-	-	271,823
Related parties	8,664	-	-	-	8,664
Cash and bank deposits	285,479	-	-	-	285,479
	<b>646,677</b>	<b>629</b>	<b>-</b>	<b>6,147</b>	<b>653,453</b>
<b>Liabilities</b>					
Trade payables	161,122	-	-	-	161,122
Other payables	193,155	320	14,777	-	208,252
Associated companies	398	-	-	-	398
Related parties	4,891	-	-	-	4,891
Lease liabilities	39,436	-	-	-	39,436
Borrowings	838,589	-	-	-	838,589
	<b>1,237,591</b>	<b>320</b>	<b>14,777</b>	<b>-</b>	<b>1,252,688</b>



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 34. FINANCIAL RISK MANAGEMENT (cont'd)

### (g) Classification of Financial Assets and Liabilities (cont'd)

	Amortised cost (\$'000)	Fair value through profit and loss (\$'000)	Fair value through other comprehensive income (\$'000)	Total (\$'000)
<b>The Company</b>				
<b>Year Ended 30 September 2021</b>				
<b>Assets</b>				
Subsidiary companies	122,023	-	-	122,023
Other investments	-	-	172,339	172,339
Other receivables	816	-	-	816
Related parties	616	-	-	616
Cash and bank deposits	12,010	-	-	12,010
	<b>135,465</b>	<b>-</b>	<b>172,339</b>	<b>307,804</b>
<b>Liabilities</b>				
Other payables	12,274	17	-	12,291
Subsidiary companies	885,746	-	-	885,746
Related parties	292	-	-	292
Lease liabilities	2,680	-	-	2,680
	<b>900,992</b>	<b>17</b>	<b>-</b>	<b>901,009</b>
<b>Year Ended 30 September 2020</b>				
<b>Assets</b>				
Subsidiary companies	49,869	-	-	49,869
Associated companies	4	-	-	4
Other investments	-	-	206,298	206,298
Other receivables	4,407	5	-	4,412
Related parties	735	-	-	735
Cash and bank deposits	8,622	-	-	8,622
	<b>63,637</b>	<b>5</b>	<b>206,298</b>	<b>269,940</b>
<b>Liabilities</b>				
Other payables	12,426	-	-	12,426
Subsidiary companies	838,193	-	-	838,193
Related parties	220	-	-	220
Lease liabilities	4,733	-	-	4,733
	<b>855,572</b>	<b>-</b>	<b>-</b>	<b>855,572</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholders' value. No changes were made in the objectives, policies or processes during the years ended 30 September 2021 and 2020.

The Group monitors its cashflow, debt maturity profile, cost of funds, overall liquidity position and gearing ratio on a continuous basis. The Group's policy is to keep gearing ratio at not more than 80% of total equity.

The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as borrowings less cash and bank deposits. Total equity is calculated as shareholders' fund plus non-controlling interests.

	THE GROUP		THE COMPANY	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
Cash and bank deposits	471,799	285,479	12,010	8,622
Borrowings	(926,835)	(838,589)	-	-
Net (borrowings)/cash	(455,036)	(553,110)	12,010	8,622
Shareholders' fund	3,019,470	2,968,538	1,615,980	1,627,225
Total equity (including non-controlling interests)	3,451,236	3,395,653	1,615,980	1,627,225
Gearing ratio %				
- without non-controlling interests	15.1	18.6	(0.7)	(0.5)
- with non-controlling interests	13.2	16.3	(0.7)	(0.5)

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. The Group and the Company are in compliance with all externally imposed capital requirements.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group and the Company have not adopted the following new SFRS(I) and amendments to SFRS(I)s that have been issued as at balance sheet date but are not yet effective:

Description		Effective for annual periods beginning on or after
Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020		
Amendment to SFRS(I) 1	<i>First-Time Adoption of Singapore Financial Reporting Standards (International)</i>	1 January 2022
Amendment to SFRS(I) 9	<i>Financial Instruments</i>	1 January 2022
Amendment to Illustrative Examples accompanying SFRS(I) 16	<i>Leases</i>	1 January 2022
Amendment to SFRS(I) 1-41	<i>Agriculture</i>	1 January 2022
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 17	<i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 17	<i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	<i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8	<i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 and SFRS(I) 1	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Directors expect that the adoption of the new and amendments to the standards above will have no material impact on the financial statements of the Group and the Company in the period of initial application.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding		Principal Activities
		2021	2020	
SUBSIDIARY COMPANIES OF THE COMPANY				
Country of Incorporation and Place of Business: <b>Singapore</b>				
(A)	Fraser & Neave (Singapore) Pte. Limited	100.0%	100.0%	Dormant
(A)	F&N Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A)	F&N Foods Pte Ltd	100.0%	100.0%	Manufacture and Wholesale of Beverages and Dairy Products
(A)	F&N Global Marketing Pte. Ltd.	100.0%	100.0%	Sale and Manufacture of Concentrates, Sub-licence of Brands and Related Intellectual Property Businesses
(A)	F&N Dairy Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A)	F&N Interflavine Pte. Ltd.	100.0%	100.0%	Provision of Contract Manufacturing Services
(A)	InterF&B Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	Times Publishing Limited	100.0%	100.0%	Investment Holding
(A)	F&NBev Manufacturing Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	F&N Treasury Pte. Ltd.	100.0%	100.0%	Provision of Treasury and Financial Services
(A)	F&N Creameries (S) Pte. Ltd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Distribution of Ice Cream
(A)	Warburg Vending Pte Ltd <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Vending Machine Operator, Wholesale of Other Machinery and Equipment
(A)	Warburg Engineering Pte. Ltd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Dormant
(A)	F&N Ventures Pte. Ltd. <i>(formerly known as Warburg Vending Services Pte. Ltd.)</i>	100.0%	100.0%	Dormant
(A)	F&N Myanmar Investments Pte. Ltd.	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>Hong Kong</b>				
(B)	Fraser & Neave Investments (Hong Kong) Limited	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(B)	Fraser & Neave Holdings Bhd	55.5%	55.5%	Investment Holding
(B)	Tiger Tavern Sdn. Bhd.	100.0%	100.0%	Dormant
(B)	Magnolia - PDL Dairies (1993) Sdn. Bhd.	100.0%	100.0%	Investment Holding
(B)	F&N Services (F&B) Sdn Bhd	100.0%	100.0%	Technical Application and Brand Marketing Support Services
(B)	Yoke Food Industries Sdn Bhd <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Manufacture, Export and Distribution of Soft Drinks
(B)	Warburg Vending Malaysia Sdn. Bhd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Vending Machine Operator

(A) Audited by KPMG LLP Singapore.

(B) Audited by other member firms of KPMG International.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2021	2020	
SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)				
Country of Incorporation and Place of Business: <b>Thailand</b>				
(B)	F&N United Limited (Held by a subsidiary company)	95.0%	95.0%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: <b>Indonesia</b>				
(D)	PT. F&N Indonesia (Held by subsidiary companies)	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: <b>Vietnam</b>				
(B)	F&N Vietnam Limited Liability Company (Held by a subsidiary company)	100.0%	100.0%	Distribution of Non-alcoholic Beverages and Provision of Management Services
Country of Incorporation and Place of Business: <b>Myanmar</b>				
(B)	F&N Myanmar Services Limited (Held by a subsidiary company)	100.0%	100.0%	Provision of Management Services
(B)	Emerald Brewery Myanmar Limited (Held by a subsidiary company)	80.0%	80.0%	Brewing and Distribution of Beer
SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP				
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(B)	F&N Ice Cream Manufacturing (M) Sdn Bhd	100.0%	100.0%	Manufacture and Distribution of Ice Cream
(B)	F&N Creameries (M) Sdn Bhd	100.0%	100.0%	Distribution and Sale of Ice Cream
(B)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	100.0%	100.0%	Dormant
SUBSIDIARY COMPANY OF YOKE FOOD INDUSTRIES GROUP				
Country of Incorporation and Place of Business: <b>Indonesia</b>				
(B)	PT Yoke Food Industries Indonesia	100.0%	100.0%	Distribution of Soft Drinks
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(B)	Fraser & Neave (Malaya) Sdn Bhd	55.5%	55.5%	Sale of Soft Drinks and Dairy Products, Provision of Management Services and Property Investment Holding
(B)	F&N Beverages Marketing Sdn Bhd	55.5%	55.5%	Distribution and Sale of Soft Drinks and Dairy Products

(B) Audited by other member firms of KPMG International.

(D) Not required to be audited under the laws of the country of incorporation.



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2021	2020	
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)				
Country of Incorporation and Place of Business: <b>Malaysia</b> (cont'd)				
(B)	F&N Beverages Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Soft Drinks
(B)	F&N Dairies (Malaysia) Sdn Bhd	55.5%	55.5%	Dormant
(B)	Premier Milk (Malaya) Sdn Bhd	55.5%	55.5%	Dormant
(B)	Lettricia Corporation Sdn Bhd	38.8%	38.8%	Property Development
(B)	Elsinburg Holdings Sdn Bhd	55.5%	55.5%	Dormant
(B)	Nuvak Company Sdn Bhd	55.5%	55.5%	Property Development
(B)	Greenclipper Corporation Sdn Bhd	55.5%	55.5%	Property Development
(B)	Utas Mutiara Sdn Bhd	55.5%	55.5%	Property Investment Holding
(B)	Borneo Springs Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Mineral Water, Drinking Water and Rental of Dispensers
(B)	F&N Dairies Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Dairy Products
(B)	F&N Properties Sdn Bhd	55.5%	55.5%	Provision of Property Management Services
(B)	F&N Capital Sdn Bhd	55.5%	55.5%	Provision of Treasury and Financial Services
(B)	Tropical League Sdn Bhd	55.5%	55.5%	Property Development
(B)	F&N AgriValley Sdn Bhd	55.5%	55.5%	Dormant
(B)	Awana Citra Sdn Bhd	55.5%	-	Investment Holding
Country of Incorporation and Place of Business: <b>Singapore</b>				
(A)	F&N Dairies Distribution (Singapore) Pte Ltd	55.5%	55.5%	Distribution of Dairy Products
Country of Incorporation and Place of Business: <b>Thailand</b>				
(B)	F&N Dairies (Thailand) Limited	55.5%	55.5%	Manufacture, Distribution and Sale of Dairy Products
Country of Incorporation and Place of Business: <b>British Virgin Islands</b>				
(B)	Lion Share Management Limited	55.5%	55.5%	Dormant
Country of Incorporation and Place of Business: <b>Brunei</b>				
(B)	F&N Marketing (B) Sdn Bhd	55.5%	55.5%	Sale of Soft Drinks and Dairy Products
Country of Incorporation and Place of Business: <b>United Arab Emirates</b>				
(C)	Fraser and Neave MENA DWC-LLC	55.5%	55.5%	Dormant

(A) Audited by KPMG LLP Singapore.

(B) Audited by other member firms of KPMG International.

(C) Audited by other firms of auditors.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2021	2020	
SUBSIDIARY COMPANIES OF AWANA CITRA SDN BHD				
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(B)	Sri Nona Food Industries Sdn Bhd	55.5%	-	Manufacture and Sale of Food Products
(B)	Sri Nona Industries Sdn Bhd	55.5%	-	Distribution and Sale of Food Products
(B)	Lee Shun Hing Sauce Industries Sdn Bhd	55.5%	-	Distribution and Sale of Food Products
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: <b>Singapore</b>				
(A)	Marshall Cavendish International Private Limited	100.0%	100.0%	Investment Holding
(A)	Marshall Cavendish International (Asia) Private Limited	100.0%	100.0%	Publishing of Trade Books
(A)	Marshall Cavendish Education Pte. Ltd.	100.0%	100.0%	Publishing of Education Books
(A)	Marshall Cavendish Business Information Private Limited	100.0%	100.0%	Publishing of Trade Directory and Business Information
(D)	Educational Technologies Private Limited	100.0%	100.0%	Dormant
(A)	Marshall Cavendish Institute Pte. Ltd.	100.0%	100.0%	Publishing of Education Books
(A)	Pansing Distribution Private Limited	100.0%	100.0%	Distribution of Books and Magazines
(D)	Times Graphics Private Limited	100.0%	100.0%	Dormant
(A)	Times Printers Private Limited	100.0%	100.0%	Commercial Printing
(A)	Times Distribution Pte. Ltd.	100.0%	100.0%	Distribution of Books and Magazines
(A)	Print Lab Pte. Ltd.	60.0%	60.0%	Commercial Printing
(A)	Alliance Graphics Pte. Ltd.	60.0%	60.0%	Commercial Printing
(D)(1)	Mint Lab LLP	48.0%	48.0%	Provision of Advertising and Creative Agency Services
Country of Incorporation: <b>Singapore</b>				
Place of Business: <b>Singapore and Malaysia</b>				
(A)	Times Experience Pte. Ltd.	100.0%	100.0%	Retail of Books, Stationery, Maagazines and Periodicals.

(A) Audited by KPMG LLP Singapore.

(B) Audited by other member firms of KPMG International.

(D) Not required to be audited under the laws of the country of incorporation.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2021	2020	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)				
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(B)	Marshall Cavendish (Malaysia) Sdn. Bhd.	100.0%	100.0%	Publishing of Education, Business Information and Trade Books
(B)	STP Distributors (M) Sendirian Berhad	100.0%	100.0%	Dormant
(B)	Pansing Marketing Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
(B)	Times Offset (Malaysia) Sdn Bhd	100.0%	100.0%	Commercial Printing
(B)	Pansing Distribution Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
(B)	Times Distribution (M) Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
Country of Incorporation: <b>Hong Kong</b> Place of Business: <b>Hong Kong/Thailand</b>				
(B)	Far East Publications Limited	100.0%	100.0%	Distribution of Home Library Reference Books
Country of Incorporation and Place of Business: <b>Thailand</b>				
(C)(1)	Marshall Cavendish International (Thailand) Co., Ltd	49.0%	49.0%	Dormant
Country of Incorporation and Place of Business: <b>Hong Kong</b>				
(B)	Everbest Printing Holdings Limited	100.0%	100.0%	Investment Holding
(B)	Everbest Printing Investment Limited	100.0%	100.0%	Investment Holding and Commercial Printing
(B)	Everbest Printing Company Limited	100.0%	100.0%	Commercial Printing
(B)	Marshall Cavendish Business Information (HK) Limited	100.0%	100.0%	Publishing of Trade Directory and Business Information
(B)	Times Publishing (Hong Kong) Limited	100.0%	100.0%	Publishing of Education Books and Distribution of Magazines
(B)	Educational Technologies Limited	100.0%	100.0%	Publishing and Selling of Home Library Reference Books
Country of Incorporation and Place of Business: <b>China</b>				
(B)	Everbest Printing (Guangzhou) Company Limited	100.0%	100.0%	Commercial Printing
(D)	Marshall Cavendish (Beijing) Co. Ltd <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i>	100.0%	100.0%	Book Production Services

(B) Audited by other member firms of KPMG International.

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2021	2020	
<b>SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP</b> (cont'd)				
Country of Incorporation and Place of Business: <b>Australia</b>				
(D)	Musicway Corporation Pty Ltd	<b>100.0%</b>	100.0%	Dormant
(D)	Marshall Cavendish (Australia) Pty. Limited	<b>100.0%</b>	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>United Kingdom</b>				
(B)	Marshall Cavendish Limited	<b>100.0%</b>	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>United States of America</b>				
(D)	Marshall Cavendish Corporation	<b>100.0%</b>	100.0%	Publishing of Library Reference Books
Country of Incorporation and Place of Business: <b>Chile</b>				
(C)	Marshall Cavendish Education Chile SpA (Accounting year ends on 31 December)	<b>100.0%</b>	100.0%	Publishing of Education Books
<b>JOINT VENTURE COMPANIES OF FRASER AND NEAVE, LIMITED GROUP</b>				
Country of Incorporation and Place of Business: <b>Thailand</b>				
(B)	F&N International Holdings Co., Ltd	<b>49.0%</b>	49.0%	Investment Holding
(B)	F&N Retail Connection Co., Ltd	<b>74.0%</b>	74.0%	Investment Holding
<b>JOINT VENTURE COMPANY OF FRASER &amp; NEAVE HOLDINGS GROUP</b>				
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(B)	Vacaron Company Sdn Bhd	<b>27.7%</b>	27.7%	Property Development
<b>JOINT VENTURE COMPANY OF TIMES PUBLISHING GROUP</b>				
Country of Incorporation and Place of Business: <b>China</b>				
(C)	Shanxi Xinhua Times Packaging Printing Co., Ltd (Accounting year ends on 31 December)	<b>51.0%</b>	51.0%	Commercial Printing and Packaging
<b>ASSOCIATED COMPANY OF FRASER AND NEAVE, LIMITED GROUP</b>				
Country of Incorporation and Place of Business: <b>Vietnam</b>				
(B)	Vietnam Dairy Products Joint Stock Company (Accounting year ends on 31 December)	<b>20.4%</b>	20.4%	Manufacture and Distribution of Dairy Products and Beverages

(B) Audited by other member firms of KPMG International.

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2021	2020	
ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: <b>Malaysia</b>				
(C)	Cocoaland Holdings Berhad <i>(Accounting year ends on 31 December)</i>	15.1%	15.1%	Investment Holding
ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: <b>China</b>				
(D)	Beijing Universal Times Culture Development Co., Ltd. <i>(Accounting year ends on 31 December)</i>	40.0%	40.0%	Dormant
Country of Incorporation and Place of Business: <b>Nigeria</b>				
(D)	Transworld Times Press (Africa) Limited <i>(Accounting year ends on 31 December)</i>	40.0%	40.0%	Dormant

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.



## Particulars of Group Properties

The main properties as at 30 September 2021 and their net book values are indicated below:  
("F&N" refers to Fraser and Neave Group and "TPL" refers to Times Publishing Group)

			Land (\$'000)	Building (\$'000)
<b>(A) CLASSIFIED AS FIXED ASSETS</b>				
<b>(Note 12 to the Financial Statements)</b>				
<b>FREEHOLD</b>				
<b>Singapore</b>				
TPL	- 0.4	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	2,810
<b>Peninsular Malaysia</b>				
F&N	- 12.8	hectares industrial property at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Section 26, Shah Alam, Selangor	11,992	21,925
	- 5.2	hectares warehouse and carpark at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,796	-
	- 2.3	hectares industrial property at 3724 to 3726, Jalan Sungei Nyior, Butterworth, Pulau Pinang	1,534	483
	- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	915	955
	- 2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,490	802
	- 0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	341	39
	- 0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,602
	- 0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	536	419
	- 2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	750	3,924
	- 0.3	hectares office premise at Level 1, 5, 6 & 7, Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,503
	- Other properties		303	17
TPL	- 1.7	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,252	1,443
<b>East Malaysia</b>				
F&N	- 1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,423	374
<b>Thailand</b>				
F&N	- 9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,815	43,381
<b>Total Freehold</b>			<b>38,247</b>	<b>83,677</b>
<b>LEASEHOLD</b>				
<b>Singapore</b>				
F&N	- 0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	8
	- 0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2052)	-	2,987
TPL	- 2.1	hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	9,244
	- 0.5	hectares industrial property at 438 Ang Mo Kio Industrial Park 1 (Lease expires year 2038)	-	9,457

## Particulars of Group Properties

			Land (\$'000)	Building (\$'000)
<b>(A) CLASSIFIED AS FIXED ASSETS (cont'd)</b> <b>(Note 12 to the Financial Statements)</b>				
<b>LEASEHOLD (cont'd)</b>				
<b>Peninsular Malaysia</b>				
F&N	- 15.1	hectares industrial property at Lot 56, Jalan Sungai Pinang 4/5, Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2, Pulau Indah, Selangor (Lease expires year 2097)	8,226	50,949
	- 2.0	hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,328	3,691
	- 2.0	hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	896	1,407
	-	Other properties	301	102
<b>East Malaysia</b>				
F&N	- 2.6	hectares industrial property at 5 1/2 Mile, Jalan Tuaran, Inanam, Kota Kinabalu, Sabah (Lease expires year 2062)	580	1,411
	- 8.6	hectares industrial park land at Lot 808, Kota Kinabalu Industrial Park, Sabah (Lease expires year 2096)	8,009	-
	- 2.4	hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching, Sarawak (Lease expires year 2071)	1,221	1,471
	- 2.9	hectares industrial property at 3 1/2 Mile, Jalan Penrissen, Kuching, Sarawak (Lease expires year 2074)	1,730	6,179
	-	Shop office at Lot 142, Lorong Abang Abdul Rahim 5A, Kuching, Sarawak (Lease expires year 2784)	73	43
	- 0.4	hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching, Sarawak (Lease expires year 2035)	-	60
<b>Thailand</b>				
F&N	- 3.5	hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	343
	- 21.9	hectares industrial property at 79 Moo 3, Lamlukboa, Dontum, Nakornpathom (Lease expires year 2048)	-	20,501
	- 1.2	hectares industrial property at 90 Moo 8 Mittraparp Road, Phayayen District, Amphur Pakchong, Nakornratchasima Province 30320 (Lease expires year 2037)	-	957
<b>Myanmar</b>				
F&N	- 32.8	hectares industrial land at Yay Ta La Baun Village Tract, Helgu Township, Yangon (Lease expires year 2068)	12,392	21,328
<b>China/Hong Kong</b>				
TPL	-	Industrial property at Nansha District, Guangzhou City, Guangdong, China (Lease expires year 2044)	2,035	10,403
	-	Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,717	76
	-	Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,533	66
Leasehold land recognised upon adoption of SFRS (I) 16			13,515	-
<b>Total Leasehold</b>			<b>57,556</b>	<b>140,683</b>
<b>TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)</b>			<b>95,803</b>	<b>224,360</b>

## Particulars of Group Properties

		Land (\$'000)	Building (\$'000)
<b>(B) CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES</b> (Note 13 to the Financial Statements)			
<b>Peninsular Malaysia</b>			
F&N	- A building comprising office (LG to 5th Floor) at Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 4,702 sqm	-	15,460
<b>Hong Kong</b>			
TPL	- Shop unit at Houston Centre, 63 Mody Road Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,258	140
<b>TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)</b>		<b>1,258</b>	<b>15,600</b>

		Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
<b>(C) CLASSIFIED AS PROPERTIES HELD FOR DEVELOPMENT</b> (Note 14 to the Financial Statements)				
<b>Peninsular Malaysia</b>				
F&N	- Freehold land of approximately 3,787 sqm at Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	-	55
	- Freehold land of approximately 188,182 sqm for a residential property development at Lot 609, Mukim Hulu Semenyih, District of Hulu Langat, Selangor	-	-	55
	- Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Mukim Hulu Semenyih, District of Hulu Langat, Selangor	-	-	55
	- Freehold land of approximately 12,759 sqm for a commercial property development at Lot 47261, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru	-	-	55

## Shareholding Statistics

AS AT 2 DECEMBER 2021

Class of Shares - Ordinary shares  
Voting Rights - One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	143	1.84	4,740	0.00
100 - 1,000	1,378	17.73	1,172,186	0.08
1,001 - 10,000	4,676	60.18	20,916,655	1.44
10,001 - 1,000,000	1,560	20.08	73,372,435	5.05
1,000,001 and above	13	0.17	1,356,369,260	93.43
<b>TOTAL</b>	<b>7,770</b>	<b>100.00</b>	<b>1,451,835,276</b>	<b>100.00</b>

### TOP TWENTY SHAREHOLDERS (as shown in the Register of Members and Depository Register)

No.	Shareholder's Name	Shareholdings	%*
1	DBS NOMINEES PTE LTD	436,102,002	30.04
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	430,479,811	29.65
3	INTERBEV INVESTMENT LIMITED	412,423,822	28.41
4	CITIBANK NOMINEES SINGAPORE PTE LTD	46,289,546	3.19
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	10,681,455	0.73
6	RAFFLES NOMINEES (PTE) LIMITED	6,012,005	0.41
7	UOB KAY HIAN PTE LTD	5,904,480	0.41
8	PHILLIP SECURITIES PTE LTD	2,252,552	0.15
9	HSBC (SINGAPORE) NOMINEES PTE LTD	1,680,807	0.12
10	THIA CHENG SONG	1,280,000	0.09
11	OCBC NOMINEES SINGAPORE PTE LTD	1,147,060	0.08
12	YEO WEI HUANG	1,109,000	0.08
13	THE TITULAR ROMAN CATHOLIC ARCHBISHOP OF KUALA LUMPUR	1,006,720	0.07
14	CHOO MEILEEN	906,065	0.06
15	JACK INVESTMENT PTE LTD	887,800	0.06
16	CHEE SWEE CHENG & CO PTE LTD	846,610	0.06
17	OCBC SECURITIES PRIVATE LTD	764,910	0.05
18	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	677,436	0.05
19	PHAY YEW MING	652,000	0.04
20	IFAST FINANCIAL PTE LTD	638,354	0.04
<b>TOTAL</b>		<b>1,361,742,435</b>	<b>93.79</b>

## Shareholding Statistics

AS AT 2 DECEMBER 2021

### SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
TCC Assets Limited	858,080,062	59.10	-	-
InterBev Investment Limited	412,423,822	28.41	-	-
International Beverage Holdings Limited <sup>(1)</sup>	-	-	412,423,822	28.41
Thai Beverage Public Company Limited <sup>(2)</sup>	-	-	412,423,822	28.41
Siriwana Co., Ltd. <sup>(3)</sup>	-	-	412,423,822	28.41
MM Group Limited <sup>(4)</sup>	-	-	412,423,822	28.41
Maxtop Management Corp. <sup>(4)</sup>	-	-	412,423,822	28.41
Risen Mark Enterprise Ltd. <sup>(4)</sup>	-	-	412,423,822	28.41
Golden Capital (Singapore) Limited <sup>(4)</sup>	-	-	412,423,822	28.41
Charoen Sirivadhanabhakdi <sup>(5)</sup>	-	-	1,270,503,884	87.51
Khunying Wanna Sirivadhanabhakdi <sup>(5)</sup>	-	-	1,270,503,884	87.51

To the best of the Company's knowledge and based on records of the Company as at 2 December 2021, approximately 12%\* of the issued shares of the Company are held in the hands of the public and this complies with Rule 723 of the Listing Manual.

#### Notes:

\* Percentage is based on 1,451,835,276 shares as at 2 December 2021. There are no treasury shares as at 2 December 2021.

- (1) International Beverage Holdings Limited ("IBHL") holds a 100% direct interest in InterBev Investment Limited ("IBIL") and is therefore deemed to be interested in all of the shares of Fraser and Neave, Limited ("F&N") in which IBIL has an interest.
- (2) Thai Beverage Public Company Limited ("ThaiBev") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.
- (3) Siriwana Co., Ltd. ("Siriwana") holds approximately an aggregate of 45.26% direct interest in ThaiBev.
  - ThaiBev holds a 100% direct interest in IBHL; and
  - IBHL holds a 100% direct interest in IBIL.
 Siriwana is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.
- (4) MM Group Limited ("MM Group") holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC");
  - Maxtop holds a 17.23% direct interest in ThaiBev;
  - RM holds a 3.32% direct interest in ThaiBev;
  - GC holds a 0.06% direct interest in ThaiBev;
  - ThaiBev holds a 100% direct interest in IBHL; and
  - IBHL holds a 100% direct interest in IBIL.
 MM Group is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.
- (5) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares of F&N in which TCCA has an interest. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:
  - a 51% direct interest in Siriwana. Siriwana holds an aggregate of approximately 45.26% interest in ThaiBev; and
  - a 100% direct interest in MM Group. MM Group holds a 100% direct interest in each of Maxtop, RM and GC. Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.



## Interested Person Transactions

Particulars of interested person transactions (“IPTs”) for the period from 1 October 2020 to 30 September 2021 as required under Rule 907 of the SGX Listing Manual are set out below.

Name of interested person/Nature of relationship	Aggregate value of all IPTs conducted during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)
<b>Companies and entities in the TCC Group</b> which are regarded as associates (as defined in the SGX Listing Manual) of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, who are the Chairman and Vice-Chairman of the Board of Directors respectively, and the controlling shareholders of the Company.		
- Sale of products and provision of services	Nil	1,262
- Provision of management and support services	268	358
- Reimbursement and recovery of advertising and promotional expenses	3,335	Nil
- Purchase of products and obtaining of services	Nil	9,987
- Obtaining of marketing services	548	Nil
- Lease of office/retail space	Nil	2,695

### MATERIAL CONTRACTS (RULE 1207(8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.

# Notice of Annual General Meeting

## FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)  
(Incorporated in Singapore)

**NOTICE IS HEREBY GIVEN** that the 123<sup>rd</sup> Annual General Meeting of FRASER AND NEAVE, LIMITED (the “**Company**”) will be convened and held by way of electronic means on Tuesday, 18 January 2022 at 9.30 a.m. (Singapore time) for the following purposes:

### ROUTINE BUSINESS

1. To receive and adopt the Directors’ statement and audited financial statements for the year ended 30 September 2021 and the auditors’ report thereon.
2. To approve a final tax-exempt (one tier) dividend of 3.5 cents per share in respect of the year ended 30 September 2021.
3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors<sup>1</sup>:
  - (a) “That Mr Charoen Sirivadhanabhakdi, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”  
  
Subject to his re-appointment, Mr Charoen will be re-appointed as Chairman of the Board of Directors.
  - (b) “That Tengku Syed Badarudin Jamalullail, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”  
  
Subject to his re-appointment, Tengku Syed, who is considered an independent Director, will be re-appointed as Lead Independent Director and Chairman of the Nominating Committee.
  - (c) “That Mr Koh Poh Tiong, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”  
  
Subject to his re-appointment, Mr Koh will be re-appointed as Chairman of the Board Executive Committee and Chairman of the Sustainability and Risk Management Committee.
  - (d) “That Mr Chotiphat Bijananda, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”
  - (e) “That Mr Ng Tat Pun<sup>2</sup>, who will cease to hold office pursuant to article 122 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”  
  
Subject to his re-appointment, Mr Ng, who is considered an independent Director, will be re-appointed as a Member of the Audit Committee.
4. To approve Directors’ fees of up to S\$2,000,000 payable by the Company for the year ending 30 September 2022 (last year: up to S\$2,000,000).
5. To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.

<sup>1</sup> Detailed information on the Directors who are proposed to be re-appointed can be found under the sections titled “Board of Directors”, “Corporate Governance” and “Additional Information on Directors Seeking Re-appointment” in the Annual Report 2021 of the Company.

<sup>2</sup> As announced on 5 November 2021, Mr Ng Tat Pun will be appointed as an independent and non-executive Director of the Company with effect from 1 January 2022. The announcement (titled “Appointment of Independent and Non-Executive Director”) is accessible from the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

## Notice of Annual General Meeting

### SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

6. "That authority be and is hereby given to the Directors of the Company to:
  - (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

  - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
  - (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
    - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
    - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;
  - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
  - (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
- 7. "That authority be and is hereby given to the Directors of the Company to allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the F&N Restricted Share Plan (the "**RSP**") and/or the F&N Performance Share Plan (the "**PSP**"), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited."
- 8. "That authority be and is hereby given to the Directors of the Company to:
  - (a) grant awards in accordance with the provisions of the F&N Restricted Share Plan 2019 (the "**RSP 2019**"); and
  - (b) allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the RSP 2019,

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provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited."

9. "That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme."

10. "That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 27 December 2021 (the "**Letter**"), with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "**IPM Mandate**");
- (b) the IPM Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPM Mandate and/or this Resolution."

11. "That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") transacted through the trading system of the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or
  - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next Annual General Meeting of the Company is held;
  - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
  - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

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“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

“**Maximum Percentage**” means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

BY ORDER OF THE BOARD

Hui Choon Kit  
Company Secretary

27 December 2021

### NOTES:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company’s website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice will also be sent by post to members.
2. Alternative arrangements relating to:
  - (a) attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream);
  - (b) submission of questions to the Chairman of the Meeting in advance of, or “live” at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or “live” at, the Annual General Meeting; and
  - (c) voting at the Annual General Meeting (i) “live” by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member’s behalf at the Annual General Meeting,

are set out in the accompanying Company’s announcement dated 27 December 2021. This announcement may be accessed at the Company’s website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

3. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:**
  - (a) **(where the member is an individual) vote “live” via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote “live” via electronic means at the Annual General Meeting on his/her/its behalf; or**
  - (b) **(whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.**

The accompanying proxy form for the Annual General Meeting may be downloaded from the Company’s website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the proxy form will also be sent by post to members. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>.



## Notice of Annual General Meeting

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

5. A proxy need not be a member of the Company.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898; or
  - (b) if submitted electronically, be submitted:
    - (i) via email to the Company's Share Registrar at [sg.is.FNLproxy@sg.tricorglobal.com](mailto:sg.is.FNLproxy@sg.tricorglobal.com); or
    - (ii) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>,

in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>.

**Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>.**

7. CPF and SRS investors:
  - (a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2022.
8. The Annual Report 2021 and the Letter to Shareholders dated 27 December 2021 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:
  - (a) the Annual Report 2021 may be accessed at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> by clicking on the hyperlink for "Full Report 2021"; and
  - (b) the Letter to Shareholders dated 27 December 2021 may be accessed at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> by clicking on the hyperlink for "Letter to Shareholders" under "Annual Report 2021".

The above documents may also be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copies of this Notice and the proxy form sent by post to members.

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### EXPLANATORY NOTES:

- (a) The Ordinary Resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution. As at 2 December 2021 (the “**Latest Practicable Date**”), the Company had no treasury shares and no subsidiary holdings.
- (b) The Ordinary Resolution proposed in item 7 above is to authorise the Directors of the Company to issue ordinary shares of the Company pursuant to the vesting of awards granted pursuant to the F&N Restricted Share Plan (the “**RSP**”) and the F&N Performance Share Plan (the “**PSP**”), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The RSP and the PSP expired on 21 January 2019. The expiry of the RSP and the PSP did not, however, affect awards granted prior to such expiry, whether such awards had been released (whether fully or partially) or not.
- (c) The Ordinary Resolution proposed in item 8 above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares of the Company pursuant to the F&N Restricted Share Plan 2019 (the “**RSP 2019**”), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The committee administering the RSP 2019 currently does not intend, in any given year, to grant awards under the RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time (the “**Yearly Limit**”). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised portion of the Yearly Limit may be carried over and used by the Company to make grants of awards in subsequent years for the duration of the RSP 2019, subject to the overall maximum limit of 8%.
- (d) The Ordinary Resolution proposed in item 9 above is to authorise the Directors of the Company to allot and issue ordinary shares of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.
- (e) The Ordinary Resolution proposed in item 10 above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix to the Letter to Shareholders dated 27 December 2021 (the “**Letter**”). Please refer to the Letter for more details.
- (f) The Ordinary Resolution proposed in item 11 above is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition of (i) 29,036,705 ordinary shares on the Latest Practicable Date, representing 2% of the issued ordinary shares as at that date, and (ii) 101,628,469 ordinary shares on the Latest Practicable Date, representing 7% of the issued ordinary shares as at that date, at the maximum price of \$1.50 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the Singapore Exchange Securities Trading Limited immediately preceding the Latest Practicable Date), in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2021 and certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

## Additional Information on Directors Seeking Re-Appointment

### ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE 123<sup>rd</sup> ANNUAL GENERAL MEETING:

The following additional information on Mr Charoen Sirivadhanabhakdi, Tengku Syed Badarudin Jamalullail, Mr Koh Poh Tiong, Mr Chotiphat Bijananda and Mr Ng Tat Pun, all of whom are seeking re-appointment as Directors at the 123<sup>rd</sup> Annual General Meeting, is to be read in conjunction with their respective biographies on pages 14 to 23.

	<b>Mr Charoen Sirivadhanabhakdi, 77</b> (Chairman) Non-Independent and Non-Executive Director	<b>Tengku Syed Badarudin Jamalullail, 76</b> Lead Independent and Non-Executive Director
The Board's comments on the re-appointment	The Board has considered the Nominating Committee's recommendation and assessment of Khun Charoen's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.	The Board has considered the Nominating Committee's recommendation and assessment of Tengku's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.
Working experience and occupation(s) in the past 10 years (from FY2011 to FY2021)	<b>Chairman of</b> <ul style="list-style-type: none"> <li>Southeast Corporation Co., Ltd. (formerly known as Southeast Group Co., Ltd.) (1988 to 2020)</li> <li>Beer Thai (1991) Public Company Limited (2001 to present)</li> <li>Berli Jucker Public Company Limited (2001 to present)</li> <li>North Park Golf and Sports Club Co., Ltd. (2002 to 2019)</li> <li>Thai Beverage Public Company Limited (2003 to present)</li> <li>Red Bull Distillery Group of Companies (2004 to 2018)</li> <li>International Beverage Holdings Limited (2005 to present)</li> <li>TCC Group of Companies (present)</li> <li>TCC Land Co., Ltd. (2005 to present)</li> <li>Cristalla Co., Ltd. (2006 to present)</li> <li>Plantheon Co., Ltd. (2006 to present)</li> <li>Siriwana Co., Ltd. (2006 to present)</li> <li>TCC Assets (Thailand) Company Limited (2008 to present)</li> <li>TCC Corporation Limited (2008 to present)</li> <li>Frasers Property Limited (2013 to present)</li> <li>Big C Supercenter Public Company Limited (2016 to 2018)</li> <li>TCC Asset World Corporation Limited (2017 to present)</li> <li>Asset World Corp Public Company Limited (2018 to present)</li> <li>Sura Bangyikhan Distillery Group of Companies (2018 to present)</li> <li>Thai Group Holdings Public Company Limited (2018 to present)</li> </ul>	<b>Chairman of</b> <ul style="list-style-type: none"> <li>Fraser &amp; Neave Holdings Bhd (1987 to present)</li> <li>Pusat Dialisis Centre Tuanku Syed Putra – NKF (2004 to present)</li> </ul> <b>Director of</b> <ul style="list-style-type: none"> <li>Yayasan Tuanku Syed Putra Foundation (1986 to present)</li> <li>Besar Holdings Sdn Bhd (Feb 1994 to present)</li> <li>Mega SPJ Sdn Bhd (April 1994 to present)</li> <li>Affin Hwang Investment Bank Berhad (formerly known as Hwang DBS Investment Bank) (Feb 2003 to April 2014)</li> <li>Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad) (Feb 2003 to Nov 2017)</li> <li>Vacaron Company Sdn Bhd (Nov 2004 to present)</li> <li>Affin Hwang Asset Management Bhd (formerly Hwang DBS Investment Management Bhd (Sep 2008 to April 2014)</li> <li>AIIMAN Asset Management Sdn Bhd (formerly known as Asian Islamic Investment Sdn Bhd) (Nov 2008 to April 2014)</li> <li>Hwang DBS Commercial Bank Plc (July 2011 to March 2014)</li> <li>HDM Capital Capital Sdn Bhd (Feb 2015 to Nov 2017)</li> <li>Berkat Restu Sdn Bhd (Till Nov 2018)</li> </ul>

## Additional Information on Directors Seeking Re-Appointment

Mr Koh Poh Tiong, 74 Non-Independent and Non-Executive Director; Adviser to the Board	Mr Chotiphat Bijananda, 57 Non-Independent and Non-Executive Director	Mr Ng Tat Pun, 77 Independent and Non-Executive Director
The Board has considered the Nominating Committee's recommendation and assessment of Mr Koh's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.	The Board has considered the Nominating Committee's recommendation and assessment of Khun Chotiphat's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.	The Board has considered the Nominating Committee's recommendation and assessment of Mr Ng's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.
<p><b>Chairman of</b></p> <ul style="list-style-type: none"> <li>Singapore Kindness Movement (2008 to 2021)</li> <li>National Kidney Foundation (2012 to 2020)</li> <li>Times Publishing Limited (2014 to present)</li> <li>Yunnan Yulinquan Liquor Co., Ltd (2015 to 2020)</li> <li>Bukit Sembawang Estates Limited (2017 to present)</li> <li>Saigon Beer-Alcohol-Beverage Corporation (2018 to present)</li> <li>BeerCo Limited (2019 to present)</li> </ul> <p><b>Director of</b></p> <ul style="list-style-type: none"> <li>PSA Corporation Ltd (2004 to 2014)</li> <li>PSA International Pte Ltd (2004 to 2014)</li> <li>The Great Eastern Life Assurance Company Limited (2008 to 2017)</li> <li>Delfi Limited (2011 to present)</li> <li>Ezra Holdings Limited (director from 2011 to 2012 and Chairman and senior adviser from 2013 to 2016)</li> <li>Raffles Medical Group Ltd (2011 to present)</li> <li>SATS Ltd (2011 to 2018)</li> <li>United Engineers Ltd (2011 to 2017)</li> <li>Great Eastern General Insurance (Malaysia) Berhad (2017 to present)</li> <li>Great Eastern Life Assurance (Malaysia) Berhad (2017 to present)</li> </ul>	<p><b>Chairman of</b></p> <ul style="list-style-type: none"> <li>Southeast Capital Company Limited (2007 to Present)</li> <li>Southeast Insurance Public Company Limited (2007 to Present)</li> <li>Southeast Life Insurance Public Company Limited (2007 to Present)</li> <li>Sermasuk Public Company Limited (2<sup>nd</sup> Vice Chairman) (2011 to Present)</li> <li>Dhamma Land Property Company Limited (2012 to Present)</li> <li>Asiatic House Co., Ltd. (2013 to Present)</li> <li>Concept Land 5 Co., Ltd. (2014 to Present)</li> <li>Southeast Joint Venture Co., Ltd. (2014 to Present)</li> <li>TCC Privilege Card Co., Ltd. (2014 to Present)</li> <li>DL Engineering Solutions Co., Ltd. (2015 to Present)</li> <li>Southeast Academic Center Company Limited (2015 to Present)</li> <li>Suansilp Pattana 1 Co., Ltd. (2015 to Present)</li> <li>Southeast Advisory Co., Ltd (2016 to Present)</li> <li>Southeast Property Co., Ltd. (2019 to Present)</li> <li>Southeast Money Company Limited (2020 to Present)</li> <li>Southeast Money Retail Company Limited (2020 to Present)</li> <li>ME Innovation Company Limited (formerly known as Big C Services Company Limited) (Oct 2021 to Present)</li> <li>Sentrics Consulting Company Limited (Oct 2021 to Present)</li> <li>Siam Food (2513) Co., Ltd (2021 to Present)</li> </ul>	<p><b>Chairman of</b></p> <ul style="list-style-type: none"> <li>SP Chemicals Holdings Ltd. (2006 to 2019)</li> <li>Sing Investments &amp; Finance Limited (2012 to April 2021)</li> <li>SP Chemicals Pte. Ltd. (2018 to present)</li> </ul> <p><b>Director of</b></p> <ul style="list-style-type: none"> <li>EnGro Corporation Ltd (2002 to 2017)</li> <li>Thai Beverage Public Company Limited (2006 to January 2021)</li> </ul>

## Additional Information on Directors Seeking Re-Appointment

	Mr Charoen Sirivadhanabhakdi, 77 (Chairman) Non-Independent and Non-Executive Director	Tengku Syed Badarudin Jamalullail, 76 Lead Independent and Non-Executive Director
Working experience and occupation(s) in the past 10 years (from FY2011 to FY2021)		
Other Principal Commitments, including Directorships (for the Past 5 years and Present)	Please refer to Khun Charoen's biography on page 15.	Please refer to Tengku's biography on page 16.
Conflict of interest (including any competing business)	Chairman has a deemed interest in approximately 87.51% of the shares of the Company by virtue of his deemed interest in the shares of Thai Beverage Public Company Limited and his shareholding in TCC Assets Limited, both substantial shareholders of the Company.	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to F&N	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No



## Additional Information on Directors Seeking Re-Appointment

<b>Mr Koh Poh Tiong, 74</b> Non-Independent and Non-Executive Director; Adviser to the Board	<b>Mr Chotiphat Bijananda, 57</b> Non-Independent and Non-Executive Director	<b>Mr Ng Tat Pun, 77</b> Independent and Non-Executive Director
	<p><b>Director of</b></p> <ul style="list-style-type: none"> <li>• Frasers Property Limited (2017 to Present)</li> <li>• Frasers Property Australia Pty Limited (Present)</li> <li>• Frasers Property (Thailand) Public Company Limited (2017 to Present)</li> <li>• TCC Assets (Thailand) Company Limited (2018 to Present)</li> <li>• Thai Group Holdings Public Company Limited (2018 to Present)</li> <li>• Pholmankhong Business Co., Ltd. (2018 to Present)</li> <li>• Siam Food Product Public Company Limited (May 2021 to Present)</li> </ul> <p><b>Past Working Experiences</b></p> <ul style="list-style-type: none"> <li>• Chairman, Pro Checker Company Limited (1994 to Apr 2021)</li> <li>• Director, T.C.C. Technology Co., Ltd. (Jan 2008 to Sep 2018)</li> <li>• Director, Golden Land Property Development Public Company Limited (2013 to 2021)</li> <li>• Director, TCC Holdings (2519) Co., Ltd. (May 2015 to Feb 2020)</li> <li>• Director, TCC Property Development Co., Ltd. (Jan 2016 to Jul 2016)</li> <li>• Director, Big C Services Co., Ltd. (2016 to Jun 2021)</li> <li>• Chairman, S Sofin Co., Ltd. (2018 to 2020)</li> <li>• Chairman, Sentrics Consulting Company Limited (2020 to Jun 2021)</li> </ul>	
Please refer to Mr Koh's biography on page 19.	Please refer to Mr Chotiphat's biography on page 20.	Please refer to Mr Ng's biography on page 22.
No	No	No
Yes	Yes	Yes
No	No	No

## Additional Information on Directors Seeking Re-Appointment

	Mr Charoen Sirivadhanabhakdi, 77 (Chairman) Non-Independent and Non-Executive Director	Tengku Syed Badarudin Jamalullail, 76 Lead Independent and Non-Executive Director
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

## Additional Information on Directors Seeking Re-Appointment

Mr Koh Poh Tiong, 74 Non-Independent and Non-Executive Director; Adviser to the Board	Mr Chotiphat Bijananda, 57 Non-Independent and Non-Executive Director	Mr Ng Tat Pun, 77 Independent and Non-Executive Director
Yes	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

## Additional Information on Directors Seeking Re-Appointment

	Mr Charoen Sirivadhanabhakdi, 77 (Chairman) Non-Independent and Non-Executive Director	Tengku Syed Badarudin Jamalullail, 76 Lead Independent and Non-Executive Director
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

## Additional Information on Directors Seeking Re-Appointment

Mr Koh Poh Tiong, 74 Non-Independent and Non-Executive Director; Adviser to the Board	Mr Chotiphat Bijananda, 57 Non-Independent and Non-Executive Director	Mr Ng Tat Pun, 77 Independent and Non-Executive Director
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No





**FRASER AND NEAVE, LIMITED**  
(Company Registration No. 189800001R)  
(Incorporated in Singapore)

## Proxy Form

### Annual General Meeting

**IMPORTANT**

- The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting dated 27 December 2021 will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.
- Alternative arrangements relating to:
  - attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);
  - submission of questions to the Chairman of the Meeting in advance of, or "live" at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or "live" at, the Annual General Meeting; and
  - voting at the Annual General Meeting (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the Annual General Meeting, are set out in the accompanying Company's announcement dated 27 December 2021. This announcement may be accessed at the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:
  - (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or
  - (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
- CPF and SRS investors:
  - may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2022.
- By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 December 2021.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co Reg Number)

of \_\_\_\_\_ (Address)

being a member/members of Fraser and Neave, Limited (the "Company"), hereby appoint:

Name	Address	Email Address <sup>^</sup>	NRIC/Passport Number	Proportion of Shareholdings	
				No. of Shares	%
and/or (delete as appropriate)					

<sup>^</sup> Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022> in order to access the "live" audio-visual webcast or "live" audio-only stream of the Annual General Meeting proceedings.

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means at 9.30 a.m. (Singapore time) on Tuesday, 18 January 2022 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated below.

NO.	RESOLUTIONS RELATING TO:	For*	Against*	Abstain*
	<b>ROUTINE BUSINESS</b>			
1.	To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2021 and the auditors' report thereon.			
2.	To approve a final tax-exempt (one-tier) dividend of 3.5 cents per share in respect of the year ended 30 September 2021.			
3.	(a) To re-appoint Director: Mr Charoen Sirivadhanabhakdi			
	(b) To re-appoint Director: Tengku Syed Badarudin Jamalullail			
	(c) To re-appoint Director: Mr Koh Poh Tong			
	(d) To re-appoint Director: Mr Chotiphat Bijananda			
	(e) To re-appoint Director: Mr Ng Tat Pun			
4.	To approve Directors' fees of up to S\$2,000,000 payable by the Company for the year ending 30 September 2022 (last year: up to S\$2,000,000).			
5.	To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.			
	<b>SPECIAL BUSINESS</b>			
6.	To authorise the Directors to issue shares and to make or grant convertible instruments.			
7.	To authorise the Directors to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.			
8.	To authorise the Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan 2019.			
9.	To authorise the Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.			
10.	To approve the proposed renewal of the mandate for interested person transactions.			
11.	To approve the proposed renewal of the share purchase mandate.			

\* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021/2022\*.

+ Delete whichever is inapplicable

**Total Number of Shares Held  
(Note 1)**

Signature/Common Seal of Member(s)

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**NOTES TO PROXY FORM:**

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:**
  - (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or
  - (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.

This proxy form may be downloaded from the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this proxy form will also be sent by post to members. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>.
3.
  - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
  - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898; or
  - (b) if submitted electronically, be submitted:
    - (i) via email to the Company's Share Registrar at [sg.is.FNLproxy@sg.tricorglobal.com](mailto:sg.is.FNLproxy@sg.tricorglobal.com); or
    - (ii) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>, in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

Fold here

Affix  
Postage  
Stamp

THE COMPANY SECRETARY  
**FRASER AND NEAVE, LIMITED**  
c/o Tricor Barbinder Share Registration Services  
(A division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road #11-02  
Singapore 068898

Fold here

A member who wishes to submit an instrument appointing a proxy(ies) by post or email can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>.

**Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>.**

6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the Annual General Meeting. A member who accesses the "live" webcast of the Annual General Meeting proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the Annual General Meeting proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL <https://www.fraserandneave.com/investor-relations/agm2022>, be authorised via the online process through the website.
8. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
9. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



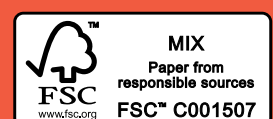
## Fraser and Neave, Limited

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Singapore 119958  
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Fax: (65) 6271 0811  
[www.fraserandneave.com](http://www.fraserandneave.com)

(Company Registration No. 189800001R)  
(Incorporated in Singapore)

For an electronic version of F&N FY2021 Annual Report, please refer to  
[www.fraserandneave.com/investor-relations/annual-reports](http://www.fraserandneave.com/investor-relations/annual-reports)

Accompanying this report: F&N FY2021 Sustainability Report  
Only available in electronic format. Download it at  
[www.fraserandneave.com/investor-relations/corporate-sustainability](http://www.fraserandneave.com/investor-relations/corporate-sustainability)



This annual report is printed on environmentally-friendly paper which contains wood pulp from well-managed forests using an elemental chlorine free process.