

Statement from Chairman of Board Executive Committee

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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