

# Who We Are

Fraser & Neave Holdings Bhd (F&NHB or the Group) is listed on Bursa Malaysia's Main Board and is amongst the region's oldest and most established companies. Founded in 1883 to produce carbonated soft drinks by John Fraser and David Chalmers Neave – from whom the 'F&N' initials are derived – the Group has grown to be an iconic household name that is trusted to provide 'Pure Enjoyment, Pure Goodness' through its wide portfolio of well-loved brands.

## VISION

To become the leading total beverage company in Malaysia and the region

## MISSION

To provide superior returns to our shareholders, excellent value for our customers and a rewarding career for our employees

A Syariah-compliant company, the Group has an annual turnover of close to RM4 billion from its core businesses in the manufacture, sales and marketing of beverages and dairy products. Today, the Group is one of the largest beverage manufacturers and distributors in the region with brands such as 100PLUS, F&N Fun Flavours, F&N NutriSoy, F&N SEASONS, F&N ICE MOUNTAIN, BORNEO, OYOSHI, est Cola and RANGER. Within the dairies line, we produce sweetened condensed and evaporated milk, as well as packaged milk and juice products under the F&N, TEAPOT, Gold Coin, F&N Magnolia, FARMHOUSE and F&N Fruit Tree brands. F&N is also an exclusive manufacturer, marketer and distributor of Carnation products in Thailand, Laos and Cambodia; Carnation, Cap Junjung and Ideal canned milk products in Malaysia, Singapore and Brunei. Currently, F&NHB has over 170 products in Malaysia and Thailand.

There have been no significant changes to F&NHB's size, operations, ownership or supply chain during the past year.

The Group's operating businesses are organised according to products and services, namely Food and Beverages Malaysia (F&B Malaysia) which encompass both Soft Drinks and Dairies Malaysia business; Food and Beverages Thailand (F&B Thailand); Property and others.

# Global Values

Our Global Values serve as a compass for our actions and describe how we behave in our organisation.



### Collaboration

We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals



### Creating Values

We are passionate about applying new idea and grasping opportunities to create positive impacts



### Caring for Stakeholders

We embrace our stakeholders' perspectives with good intent and the right mindset to bring them into our long-term sustainability efforts



137 years ago, two visionaries, John Fraser & David Chalmers Neave formed The Singapore and Straits Aerated Water Company to produce carbonated soft drinks. This company eventually became one of the region's food and beverage giants, Fraser & Neave (F&N). Today, F&N is synonymous with high quality and halal-compliant products, that is trusted by generations.

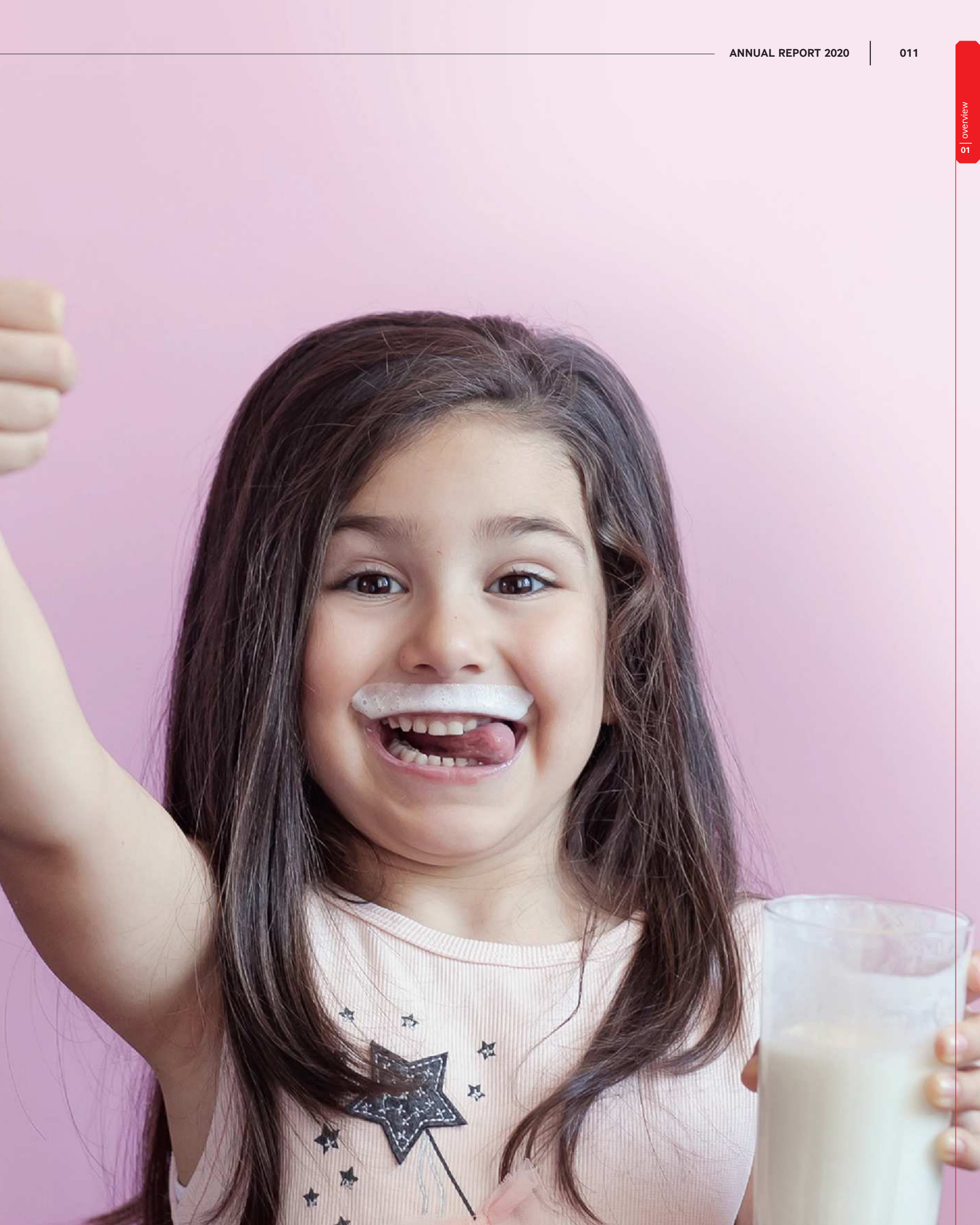


# Our Story



# Our Brands





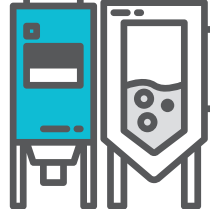
# F&NHB AT

## A *Glance*



**20** brands  
in **13** categories

**8**  
cutting-edge plants



**Beverage:**  
Shah Alam, Kuching,  
Kota Kinabalu

**Dairy:**  
Pulau Indah, Rojana,  
Pak Chong


**Mineral Water:**  
Bentong, Matang

Extensive network coverage with

**>220,000**

Outlets in Malaysia, Thailand,  
Cambodia and Laos

**RM 4**  
billion



annual turnover

**EXPORT MARKET:**

**82**  
countries  
worldwide

Food and beverage powerhouse

in the ASEAN region  
with market-leading  
brands



**TRUSTED BY  
GENERATIONS FOR:**

**137**  
years

**WORK FORCE:**

**>2,600**

**100%**



Halal-certified  
products



# Our *Product* Category



## OUR MARKET LEADING POSITIONS

**NUMBER 1** **MALAYSIA**

- in Isotonic segment
- in Carbonated Soft Drink category
- in Evaporated Milk category
- in Sweetened Condensed Milk category

**THAILAND**

**NUMBER 1**

- in Sweetened Condensed Milk category
- in Evaporated Milk category

**CAMBODIA & LAOS**

**NUMBER 1**

- in Sweetened Condensed Milk category
- in Evaporated Milk category

# Our *Recognitions*

## MARKETPLACE AWARDS

### Halal Food and Beverage Excellence Award

from Halal Development Council  
at the World Halal Excellence Awards 2020  
(Fraser & Neave Holdings Bhd)

### Thailand Best Halal Company of the Year 2020

from the Central Islamic Council of Thailand  
(F&N Dairies Thailand)

### Most Number of Participants in a virtual 'Teh Tarik' Mamak session

from The Malaysia Book of Records  
(F&N Ready-to-drink Teh Tarik)

### The Best 6-seconds Storytelling Award

from YouTube Malaysia Ad Awards 2019  
(F&N Dairies – "Nikmati Kepuasan Teh Tarik Ori F&N" Ad)

### Gold in Best Marketer in Media & Content Partnership Marketing

from CMO Asia (100PLUS)

### Bronze in Best Use of Influencer for Aktifkan AME 2019

from Effie Award (100PLUS)

## WORKPLACE AWARDS

### Top 5 in Graduates' Choice Award 2020

Malaysia's Most Attractive Graduate Employers to Work  
in the Fast Moving Consumer Goods category  
(Fraser & Neave Holdings Bhd)

### National Occupational Health & Safety Award 2020

Diamond Level from the Ministry of Labour, Thailand  
(F&N Dairies Thailand)

### Zero Accident Campaign 2020 - Silver Level

from the Ministry of Labour, Thailand  
(F&N Dairies Thailand)

### Excellent Establishment on Labour Relations and Welfare 2020

from the Ministry of Labour, Thailand for 8 consecutive years  
(F&N Dairies Thailand)

# Our Value Chain

The preparation, production and packaging of our beverages and dairy products require a range of raw materials, equipment, and other goods and services. During the past year, we engaged with over 2,900 global and local suppliers across our supply chain, including manufacturers, wholesalers, retailers, importers/merchants, contractors and professional services providers. We spent a total of RM3.21 billion on products and services provided by our suppliers.



## 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. This helps to ensure that our products are safe and of high quality. To ensure the sustainability of our business, we have risk management mechanisms in place to manage issues associated with the commodities upon which we rely.



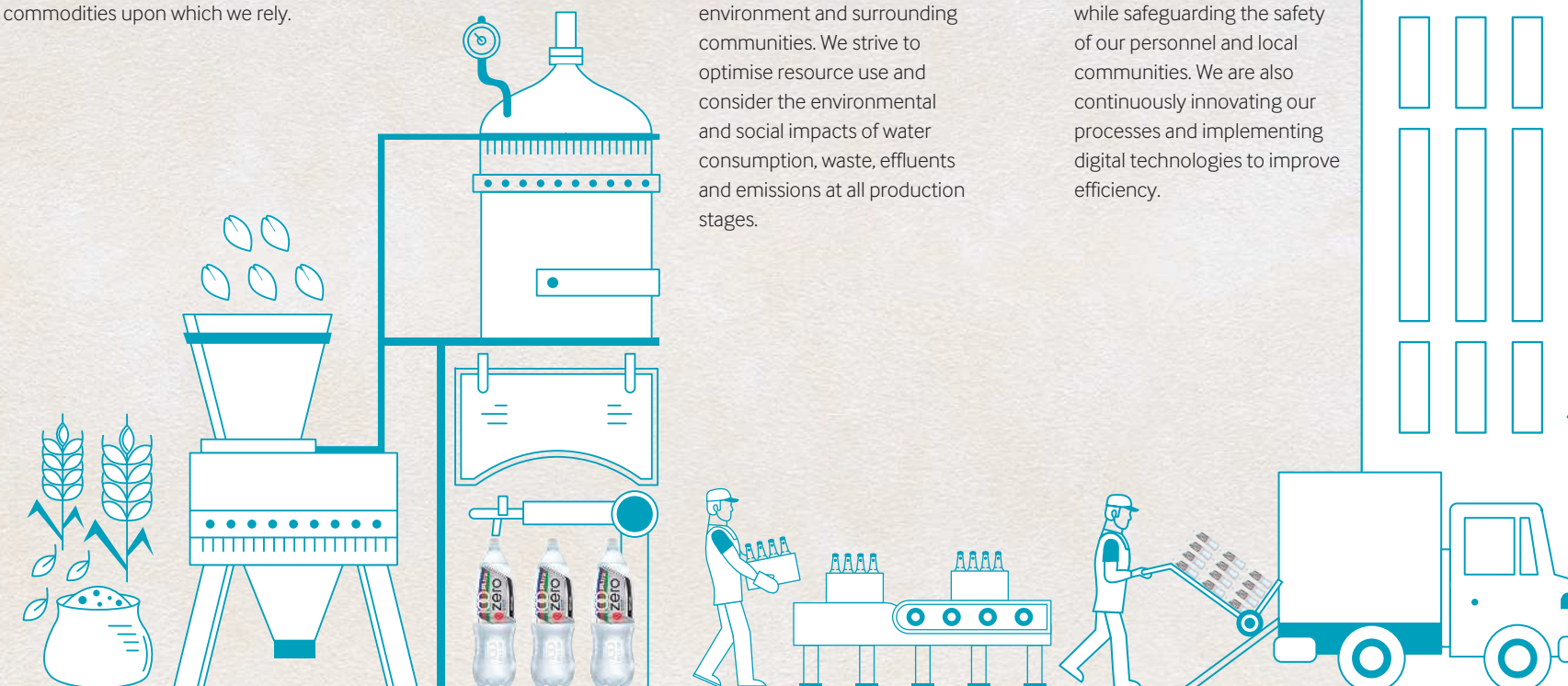
## PRODUCTION

We have implemented a standardised safe production process, in accordance with international standards, throughout all of our operations. We strive for eco-efficient processes, in which we provide good value and maximum benefit without polluting the environment and surrounding communities. We strive to optimise resource use and consider the environmental and social impacts of water consumption, waste, effluents and emissions at all production stages.



## DISTRIBUTION

We have a fully integrated and extensive distribution system and network to ensure that our products are efficiently distributed to our consumers. Our focus is to minimise the environmental and social impacts from transportation by managing our energy use, while safeguarding the safety of our personnel and local communities. We are also continuously innovating our processes and implementing digital technologies to improve efficiency.





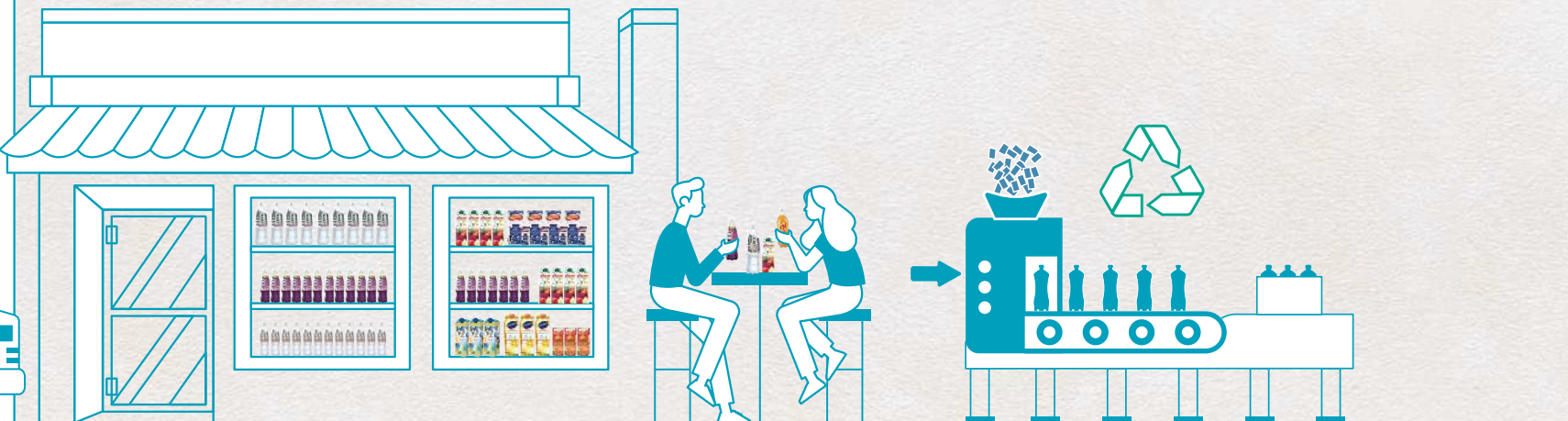
## MARKETING AND SALES

Responsible marketing and sales practices are of great importance to F&NHB. 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 improve our marketing practices and, most importantly, 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 are continuously seeking out sustainable packaging that can also meet the needs of our consumers. In addition to applying Circular Economy principles throughout F&NHB, we promote environmental awareness to the communities where we operate.



# Chairman's Message

TENGGU SYARIF  
BENDAHARA PERLIS  
SYED BADARUDIN  
JAMALULLAIL IBNI  
ALMARHUM TUANKU  
SYED PUTRA JAMALULLAIL

Chairman



## Dear Shareholders and Stakeholders,

The effects of COVID-19 on the economy and our lives have made almost everyone re-evaluate what is, and should be, important to us. At F&NHB, it further reinforced our Global Values, namely Collaboration, Creating Value and Caring for Stakeholders.

The year saw a heightened level of collaboration, not only internally among our employees but also between F&NHB, our business partners and the community. Such collaboration, together with countless other initiatives, served to create value as well as care for our stakeholders.

## LIVING OUR GLOBAL VALUES

Our "Caring for Stakeholders" value was perhaps most evident in the manner in which we have been ensuring the safety of our people and business partners while playing our part to support the community. During the Movement Control Order (MCO) period, we distributed over 650,000 products to the country's tireless front liners at Sungai Buloh Hospital, Selayang Hospital, Kuala Lumpur Hospital and Queen Elizabeth Hospital, the Royal Malaysia Police, the National Disaster Management Agency (NADMA) and numerous city councils in both Peninsular and East Malaysia.

Neither did we forget the marginalised, who were the worst hit by the pandemic. Over the course of Ramadan and Raya, we distributed over 500,000 products to about 10,000 underprivileged families under the 'Tabahkan Rakyat Malaysia di Ramadan Mulia' programme.

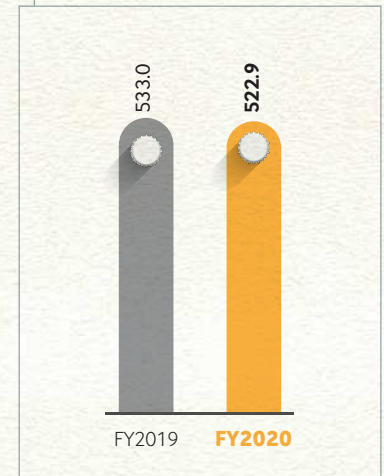
For our consumers, we made sure to deliver on our brand promise of Pure Enjoyment, Pure Goodness by ensuring the continuity of our core products. At the same time, we developed more beverages that cater to the demand for healthier choices while maintaining great taste. Among the ten new additions this year were 100PLUS Zero, Sunkist Pure Juice Drink, F&N ICE MOUNTAIN Sparkling Water and my personal favourite, F&N Ready-to-drink Teh Tarik Ori. What is more, access to our products is now easier, via F&N Life, our online store. The value this brings has been underlined by the pandemic, providing our consumers with a practical alternative to going out for their favourite F&N products.

There was also close collaboration and cooperation among F&NHB and various trade partners that ensured continued operations, enabling us to maintain our supply chain, from the supply of raw materials to the distribution of products. For this, I would like to acknowledge the responsiveness of the Ministry of International Trade and Industry (MITI) to the needs of manufacturers. Meanwhile, initiatives undertaken served to further strengthen our relationships with suppliers and distributors, many of whom have been serving the Group for generations.

To add value to our shareholders, we have always protected their investments through increasing operational and cost efficiencies. Our performance this financial year again proves our resilience in an ever-changing environment. It gives me great pride to share that, despite the immense challenges faced – primarily from the pandemic but also from intensifying competition and volatile input prices – our profit after tax this year was maintained at RM410.1 million from RM410.2 million last year. This allowed us to continue to offer our shareholders steady dividends. For the financial year 2020 (FY2020), despite a poorer first half performance and the uncertainty created by the COVID-19 pandemic, we maintained an interim single-tier dividend of 27.0 sen per share amounting to approximately RM99.0 million, which was paid on 12 June 2020. I am happy to report that the Board is also proposing a final dividend of 33.0 sen per share which, if approved, would mean a total dividend for the year of 60.0 sen per share, matching last financial year's dividends.

Profit Before Tax  
(RM million)

**-1.9%**



Basic Earnings per Share  
(Sen)



**DIVIDEND  
FOR THE YEAR**

**60** sen  
per share

## Chairman's Message (Cont'd.)

As always, our encouraging performance has been the result of the hard work and dedication of our employees, who have carried out their functions to the best of their ability despite trying conditions. Many among them also went the extra mile in supporting our programmes to contribute to front liners and the community. It has been incredibly heart-warming to see their response to the community in a time of need.

The Board also is gratified by Management's efforts to safeguard our people's well-being. In times like these, it is paramount that we keep morale high and ensure that our people have peace of mind. In addition to ensuring that standard operating procedures (SOPs) were adhered to in our workplaces, all employees and contract workers in our production lines and warehouses who had to work during the MCO received a special weekly allowance. Employees also received early pay-out of contractual bonuses and deferred repayment of motorcycle loans. At the same time, we set up a dedicated 24-hour employee careline to assist with work-related queries or issues that may impact their health and emotional well-being.

An employee recognition gesture that has become our hallmark is the F&NHB Chairman's Award. Since 2003, F&NHB has been presenting the Chairman's Award to children of employees to motivate them to excel. This year, we awarded a total of RM228,225 to 99 children who attained excellent academic and co-curricular achievements.



## EXEMPLARY ESG PERFORMANCE

Value creation for our stakeholders is one aspect of the Environmental, Social and Governance (ESG) considerations that underpin our sustainability. We recognise the impact organisations can have on the well-being of societies and are benchmarking our sustainability performance against the United Nations' Sustainability Development Goals (SDGs).

Other than to live our Global Values, which reinforce our social contributions, we continue to undertake programmes that drive social progress by strengthening vulnerable communities and promoting a healthy nation. In Thailand, F&N joined hands with our suppliers to tackle the problem of water shortage during the dry season in Chaiyaphum Province. As a result of the seven-month programme, 24 milk farms and numerous households can now enjoy consistent and sufficient supply of clean water. In the belief that an active lifestyle does not stop with the pandemic, we encouraged Malaysians to maintain an active lifestyle at home with live #StayFitwith100PLUS online workouts.

Environmentally, we are investing in renewable solar energy to play our part in climate change mitigation. Following the successful installation of Solar Photovoltaic system at Rojana, Thailand plant in April this year, we will be committing RM30 million into implementing a renewable energy programme in Malaysia in 2021. We also believe in the importance of more effective waste management and have become a founding member of a coalition of manufacturers that seeks to promote a more sustainable future through the recycling of post-consumption packaging waste.

Meanwhile, we continue to nurture a generation of young eco-warriors through our school recycling programme. Even amidst the fight with COVID-19, we owe it to the future generation to continue the recycling educational programme. Buntings and signages were sent to 430 schools across Malaysia featuring our recycling programme hero R-Boy, a familiar figure among school children.

In terms of governance, the Board continuously looks for ways to enhance our framework of integrity. In August 2019, we had reviewed the F&N Code of Business Ethics and Conduct. This led to the establishment of three new policies to reinforce an ethical corporate culture, namely the F&N Anti-Bribery and Anti-Corruption Policy, a Code of Business Practices for Third Parties, and the F&N Supplier Code of Practice. The latter ensures that all our suppliers, too, abide by the principles of respect and dignity in their treatment of employees.

Additionally, we strengthened our Board diversity by bringing on Board Ms Tan Fong Sang as a Non-Independent Non-Executive Director. We now have 27.3 per cent women representation (up from 18.2 per cent previously). Ms Tan also takes on the role of chairing our Sustainability & Risk Management Committee from Mr Lee Kong Yip, who retired on 30 September 2020. Going forward, we will continue to work towards meeting the recommendation as stipulated in the Malaysian Code on Corporate Governance 2017 to have at least 30 per cent women representation on the Board.



## AWARDS

Emphasis on governance is driven by our principles and values. However, it is encouraging when we are recognised for our efforts. Indeed, we felt honoured when F&NHB was included in the FTSE4Good Bursa Malaysia (F4GBM) Index for the second consecutive year. Even better, our overall score improved to 4.0 (out of a maximum of 5.0), placing us among the top 15 per cent of F4GBM constituent companies in the food & beverages industry. F&NHB exceeded the Consumer Goods industry average for all three pillars of Environment, Social and Governance; and attained higher scores than the country average (Malaysia) in all the themes applicable to the Group.

We were also recognised for our contributions to the halal ecosystem in both Malaysia and Thailand. In October, F&NHB received the Halal Food and Beverage Excellence Award during the World Halal Conference 2020 organised by the Halal Development Corporation in Kuala Lumpur. F&N Dairies (Thailand) Limited, meanwhile, was named Thailand Best Halal Company of the Year 2020 by the Central Islamic Council of Thailand (CICOT) in Bangkok.

## ACKNOWLEDGEMENTS

Our performance, financially and in terms of ESG, reflects the effort and commitment of all Fraserians. This year, particularly, we have seen how so many among our employees have risen over and above their normal call of duty to contribute to the company and bring smiles to our stakeholders. To everyone, from our operational staff to management, please accept my heartfelt gratitude. To Ms Tan Fong Sang, welcome to the Board; we look forward to working closely with you. On behalf of the rest of the Board, I would also like to acknowledge the immense contributions of Mr Lee Kong Yip, who had served us for 20 years. We wish him the best in all future undertakings.

To all our external stakeholders, you continue to inspire us to keep performing better and create even greater value. No matter how uncertain the future may be, rest assured that we will continue to work to bring more smiles to everyone.

**Tengku Syarif Bendahara Perlis**  
**Syed Badarudin Jamalullail Ibni**  
**Almarhum Tuanku Syed Putra Jamalullail**  
*Chairman*

# Group *Financial Highlights* 2020

REVENUE:

**RM3,988.5**  
million
BASIC EARNINGS  
PER SHARE:
**111.9** sen
DEBT TO EQUITY  
RATIO:
**3.4%**
PROFIT BEFORE  
TAX (PBT):
**RM522.9**  
million
SHAREHOLDERS'  
EQUITY:
**RM2,690.6**  
million
MARKET  
CAPITALISATION AS  
AT 30 NOVEMBER  
2020:
**RM11.9**  
billion
PROFIT FOR THE  
YEAR:
**RM410.1**  
million
NET ASSETS PER  
SHARE:
**RM7.34**

SHARE CAPITAL:

**RM816.8**  
million

PBT ON REVENUE:

**13.1%**
RETURN ON  
SHAREHOLDERS'  
EQUITY:
**15.2%**
DIVIDEND  
PER SHARE:
**60.0** sen \*

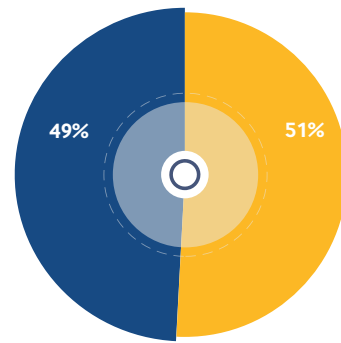
\* Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.





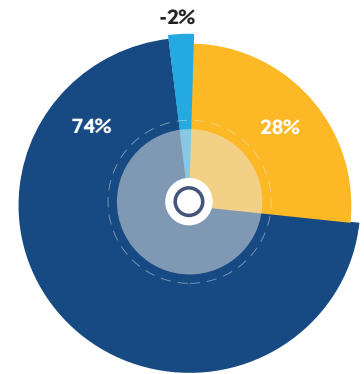
BY BUSINESS SEGMENTS

REVENUE



■ F&B Malaysia    ■ F&B Thailand  
■ Property/Others

OPERATING PROFIT



■ F&B Malaysia    ■ F&B Thailand  
■ Property/Others



FOOD & BEVERAGES MALAYSIA

**REVENUE:**  
**RM2.0**  
 billion

**OPERATING PROFIT:**  
**RM145**  
 million



FOOD & BEVERAGES THAILAND

**REVENUE:**  
**RM1.9**  
 billion

**OPERATING PROFIT:**  
**RM381**  
 million

# Corporate Information

## BOARD OF DIRECTORS

- Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail (Chairman)
- Mr. Lee Meng Tat
- Mr. David Siew Kah Toong
- Mr. Lee Kong Yip (retired on 30 September 2020)
- Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo
- Mdm. Tan Fong Sang
- Y.Bhg. Dato' Jorgen Bornhoft
- Mr. Hui Choon Kit
- Puan Aida binti Md Daud
- Puan Faridah binti Abdul Kadir
- Y.Bhg. Datuk Mohd Anwar bin Yahya
- Y.Bhg. Datuk Kamaruddin bin Taib

## COMPANY SECRETARY

- Mr. Timothy Ooi Aik Tuan  
Licence No: LS0010357  
SSM PC No: 201908002732

## GROUP EXECUTIVE COMMITTEE

### CHAIRMAN

- Mr. Lee Meng Tat

### MEMBERS

- Y.Bhg. Dato' Jorgen Bornhoft
- Mr. Hui Choon Kit
- Y.Bhg. Datuk Kamaruddin bin Taib
- Mdm. Tan Fong Sang

## SUSTAINABILITY & RISK MANAGEMENT COMMITTEE

### CHAIRMAN

- Mdm. Tan Fong Sang

### MEMBERS

- Y.Bhg. Dato' Jorgen Bornhoft
- Mr. Hui Choon Kit
- Puan Aida binti Md Daud

## AUDIT COMMITTEE

### CHAIRMAN

- Mr. David Siew Kah Toong

### MEMBERS

- Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo
- Mr. Hui Choon Kit
- Y.Bhg. Datuk Mohd Anwar bin Yahya

## NOMINATING COMMITTEE

### CHAIRMAN

- Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo

### MEMBERS

- Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail
- Mr. Lee Meng Tat
- Mr. David Siew Kah Toong
- Puan Faridah binti Abdul Kadir

## REMUNERATION COMMITTEE

### CHAIRMAN

- Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail

### MEMBERS

- Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo
- Mr. Lee Meng Tat
- Mr. David Siew Kah Toong
- Puan Faridah binti Abdul Kadir

## SHARE BUY-BACK COMMITTEE

### CHAIRMAN

- Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail

### MEMBERS

- Puan Aida binti Md Daud
- Y.Bhg. Datuk Mohd Anwar bin Yahya
- Mdm. Tan Fong Sang

## REGISTERED OFFICE

Level 3A, F&N Point  
No. 3, Jalan Metro Pudu 1  
Fraser Business Park, Off Jalan Yew  
55100 Kuala Lumpur, Malaysia  
Telephone No.: 603-9235 2288  
Facsimile No. : 603-9222 3779

## AUDITORS

### KPMG PLT

Level 10, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan

## SHARE REGISTRAR

### Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Telephone No.: 603-2783 9299  
Facsimile No.: 603-2783 9222  
E-mail: [is.enquiry@qmy.tricorglobal.com](mailto:is.enquiry@qmy.tricorglobal.com)  
Website: [www.tricorglobal.com](http://www.tricorglobal.com)

### Customer Service Centre:

Unit G-3, Ground Floor, Vertical Podium  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

## PRINCIPAL BANKERS

- OCBC Bank (Malaysia) Berhad
- Deutsche Bank (Malaysia) Berhad

## STOCK EXCHANGE

**Bursa Malaysia Securities Berhad:** Main Market

**Stock Name:** F&N

**Stock Code:** 3689

**Stock Sector:** Consumer Products & Services

# Corporate Structure

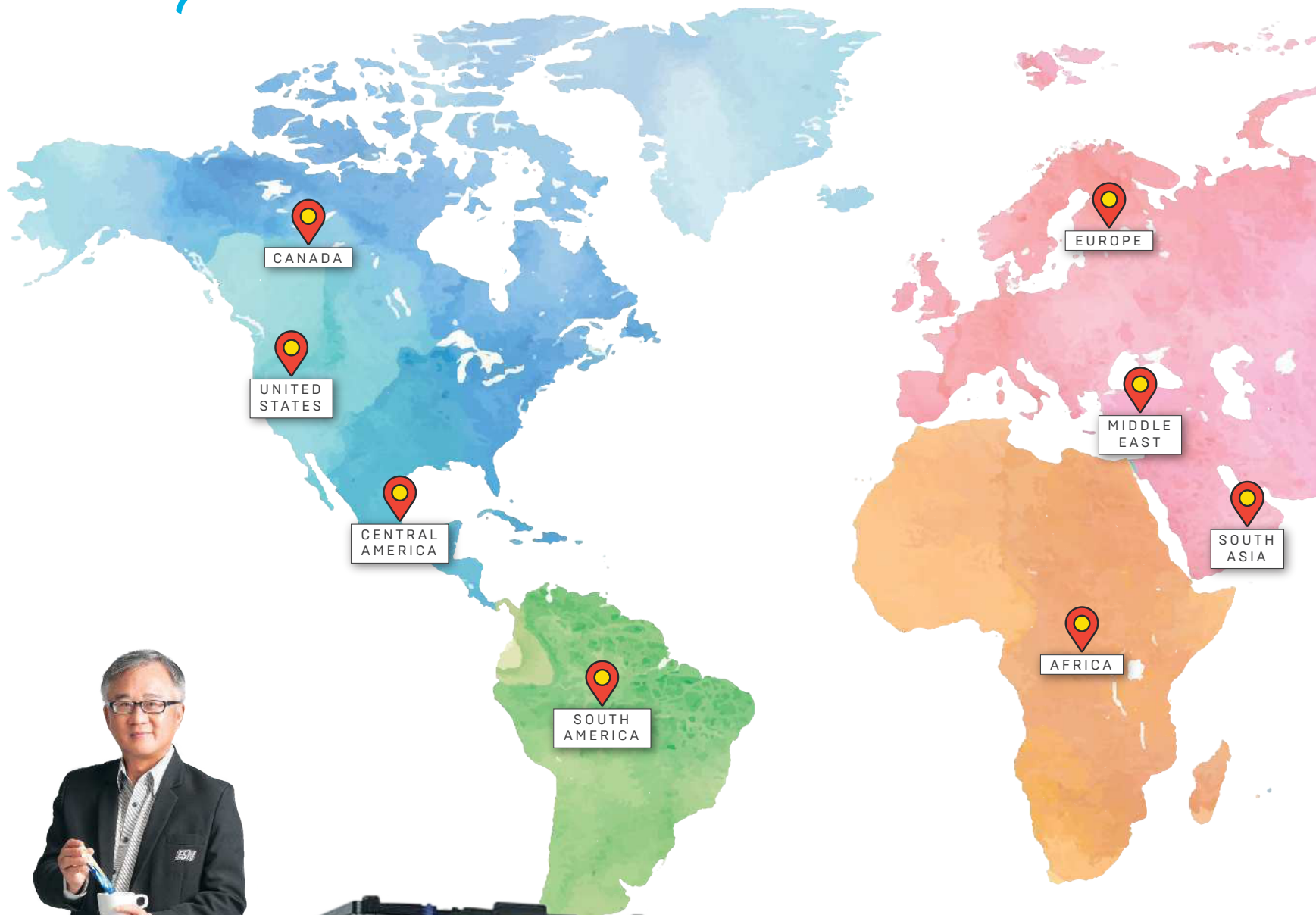
AS AT 30 NOVEMBER 2020

**Notes:**

\* Classified under Food & Beverages Malaysia and Others segments.

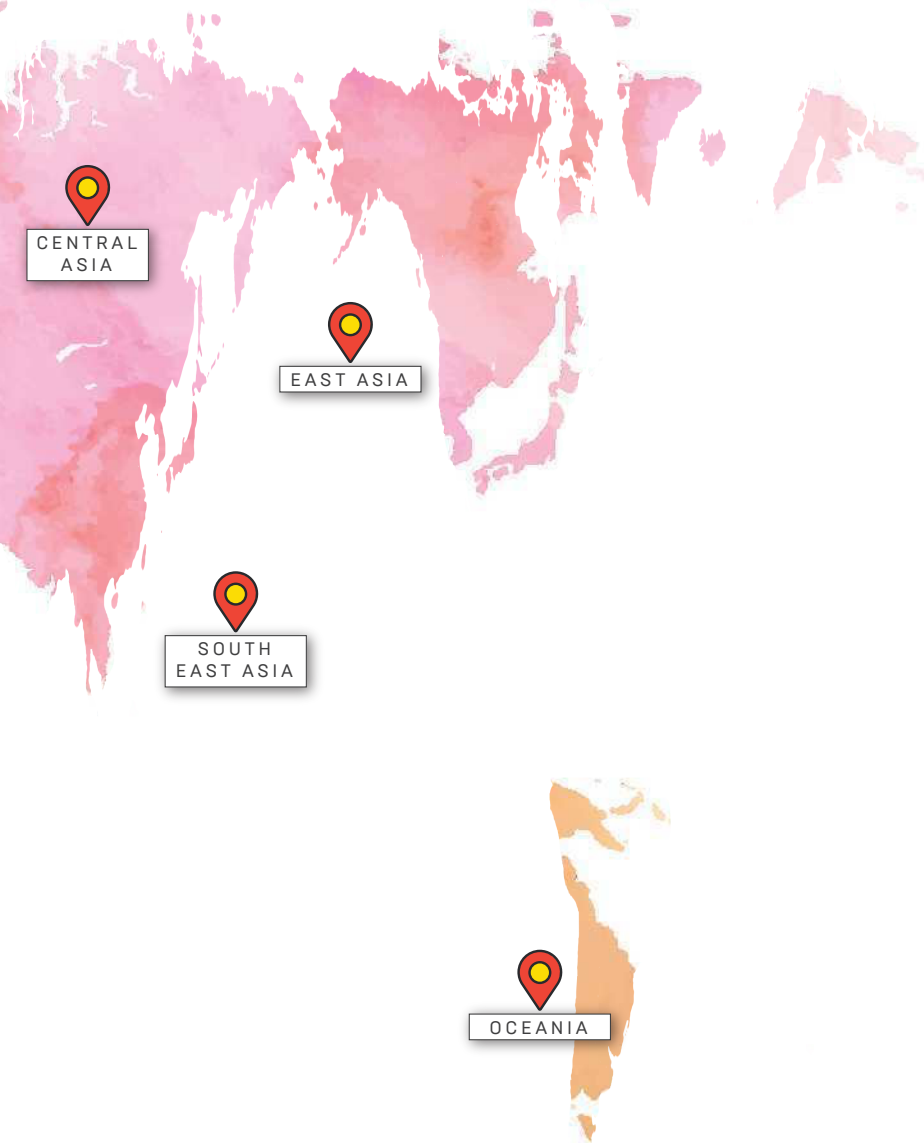
# Incorporated on 10 November 2020.

# Our *Global* Presence



**F&NHB now exports to 82 countries around the world.** During the year, we expanded our network to 7 new countries include Albania, Australia, Bangladesh, Pakistan, Suriname and Tonga. We also established our first international office, strategically located in Dubai, which will serve as a regional office for the Middle East and North Africa (MENA).

**Soh Swee Hock** | Managing Director,  
International Markets Development



We intend to set up more regional offices, with China and Asean being immediate targets as they represent significant markets which we can further develop.

We are also looking to nurture more partnerships with customers in our Export markets and to explore the potential of co-branding, thus convert some OEM customers into co-branded partners.

## EXPORT HIGHLIGHTS:

### TOP EXPORTED PRODUCTS:



- Condensed Milk and Evaporated Milk

### DIFFERENTIATION IN PACKAGING FORMAT CATERING TO THE DIFFERENT NEEDS OF OUR CONSUMERS:



- Stick pack
- 2.5kg pouch
- 20kg bag-in-box (BIB)
- 1 Metric Tonne Chep Pallecon (for Industrial)





- 7 new export countries in FY2020



- Established first international office in Dubai

### CONTRIBUTION OF EXPORT REVENUE TO SEGMENT REVENUE FY2020

 **22%**  
F&B  
MALAYSIA

 **18%**  
F&B  
THAILAND

### CONTRIBUTION OF TOTAL EXPORTS FY2020

**20%** GROUP  
REVENUE

**18%** GROUP  
OPERATING  
PROFIT



### EXPORT MARKET

COUNTRIES WORLDWIDE

**82**

# Key *Milestones*

