

**MINUTES OF THE FIFTY-EIGHTH ANNUAL GENERAL MEETING OF FRASER & NEAVE HOLDINGS BHD (“FNHB” OR “COMPANY”) HELD AT BALLROOM 1, FIRST FLOOR, SIME DARBY CONVENTION CENTRE, 1A, JALAN BUKIT KIARA 1, 60000 KUALA LUMPUR, MALAYSIA ON MONDAY, 20 JANUARY 2020 AT 10:00 A.M.**

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- Present : Directors  
Y.A.M. Tengku Syed Badarudin Jamalullail (Chairman)  
Mr. Lee Meng Tat  
Mr. David Siew Kah Toong  
Mr. Lee Kong Yip  
Y.Bhg. Dato’ Johan Tazrin bin Hamid Ngo  
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
- : Shareholders and Proxies  
As per attendance list
- : Corporate Representatives  
As per attendance list
- In Attendance : Mr. Lim Yew Hoe, Chief Executive Officer  
Mr. Lai Kah Shen, Director, Finance/Chief Financial Officer  
Mr. Timothy Ooi Aik Tuan, Director, Group Legal Counsel & Company Secretary
- By Invitation : As per attendance list, including representatives of KPMG PLT, external auditors of the Company
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**QUORUM**

As the requisite quorum was present, Mr. Timothy Ooi, Company Secretary invited Tengku Chairman to proceed with the meeting.

**COMMENCEMENT**

Tengku Chairman, on behalf of the Directors, welcomed the shareholders, proxy holders and invited guests to the Fifty-Eighth Annual General Meeting of the Company. Upon the request of Tengku Chairman, Mr. Timothy Ooi introduced the Board members, Mr. Lim Yew Hoe, the Chief Executive Officer and Mr. Lai Kah Shen, Director, Finance/Chief Financial Officer to all present.

**POLLING PROCEDURES**

Mr. Timothy Ooi informed that as required by Paragraph 8.29A of the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the meeting would be put to the vote by way of a poll, and an independent scrutineer must be appointed to validate the votes cast. As such, polling at the meeting would be conducted in a paperless manner using smartphone or tablet; or wireless handheld devices supplied by the poll administrator. For this purpose, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) had been appointed as the poll administrator, and Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd) as the independent scrutineer to verify and confirm the poll results.

He further informed that voting for each resolution would take place immediately upon conclusion of deliberations of the respective businesses of the meeting. 15 seconds would be allocated for each voting session. All resolutions 1 to 9 as set out in the notice calling the meeting were ordinary resolutions. Affirmative votes of more than half of the members or proxies, who were present and vote at the meeting would be required to pass all the resolutions.

**PRESENTATION ON PERFORMANCE HIGHLIGHTS OF FNHB GROUP FOR FINANCIAL YEAR 2019**

Mr. Lim Yew Hoe presented the performance highlights of the FNHB Group for financial year ended 30 September 2019 (“FY2019”), which covered the following:

- (a) the FNHB Group’s Financial Performance for FY2019;
- (b) dividend payout;

- (c) the future growth of the FNHB Group's business, which will be driven by innovations, excellence in execution and cost competitiveness;
- (d) the FNHB Group's key capital projects for integrated dairy farming and milk production, integrated warehouse, insourcing of drinking water production; and additional production capacity for chilled and UHT products, condensed milk and products in slim can;
- (e) FY2019 highlights showcasing the FNHB Group's new/healthier product offerings including 100PLUS (reduced sugar), Sunkist pure orange juice, sparkling water, condensed milk in squeeze tube and pouch; and the various awards and recognition received by the FNHB Group; and
- (f) the business outlook for the FNHB Group as follows:
  - Food & Beverages ("F&B") Malaysia will continue to focus on introducing additional healthier options in its product offerings and implementing effective route-to-market initiatives whilst strengthening e-commerce business for market expansion and sales growth; and
  - with on-going dedicated effort in brand building, F&B Thailand will create sustainable growth through differentiation in products and marketing strategies by emphasising value creation, caring for stakeholders and collaboration.

The presentation slides are attached as Appendix A to these minutes.

### **ORDINARY BUSINESSES**

#### **1. RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2019 TOGETHER WITH REPORTS OF DIRECTORS AND AUDITORS**

- 1.1 Tengku Chairman invited Mr. Lai Kah Shen to present the questions raised by the Minority Shareholder Watchdog Group ("MSWG") before the meeting, and the Company's replies. The questions and answers are attached as Appendix B to these minutes.
- 1.2 Tengku Chairman then invited questions from the floor on the audited financial statements for the financial year ended 30 September 2019.
- 1.3 A shareholder referred to the FNHB Group's fourth pillar (i.e. upstream fresh milk production) and asked the number of years it would take to contribute significantly to the top and bottom lines.

Mr. Lim Yew Hoe responded that the FNHB Group was in the midst of fulfilling the regulatory requirements for completion of the land acquisition, which is expected by mid-2020 for the dairy farming project. Upon completing the land acquisition, it would take another two years for Phase 1 of the project to come on stream. Thereafter, the Group could achieve economies of scale in milk production and significant top-line contribution within the next five years. Synergy and contribution to the Group's bottom line would only be derived at a later stage, i.e. Phase 2 of the project.

- 1.4 A proxy commented that the FNHB Group's good management and financial status will contribute to the Group's future success. He then asked the following questions:
  - (a) There were artificial ingredients in the Group's products including Sunkist pure orange juice. Whether the long-term impact of the artificial ingredients on consumers' health was assessed and what was the outcome of the assessment, if any.
  - (b) It was noted that F&N Dairies (Thailand) Limited had started paying corporate tax in FY2019. There was no breakdown by segment of the Group's total income tax expense for FY2019 of RM122.7m (FY2018: RM37.6m). If F&B Thailand recorded better profit after tax than F&B Malaysia, why did management decide to invest RM650m for the dairy farming project in Malaysia but not in Thailand?
  - (c) Industry growth causes high energy consumption and global warming. The adverse impact had seriously affected, among others, Thailand (i.e. severe drought in the Northern state) and Australia (i.e. bushfires crisis). Will the issues have resultant impact on the Group?

Mr. Lim Yew Hoe replied as follows:

- (a) There was no specific health impact assessment on artificial sweetener conducted by the FNHB Group.

The Group has R&D team and panel nutritionists to advise on product ingredients. While artificial sweetener is gaining popularity, the Group strives to continuously improve recipes for good and natural product ingredients and minimise the use of artificial sweeteners or

taste enhancers. While not 100% juice, better recipes were already used for Sunkist pure orange juice (containing 35% pure juice) compared to all mainstream juices in the market (as low as 5% juice). Currently, 90% of the Group's products contain sugar level of below 5% following the Group's programme of product transformation. Moving forward, the Group would introduce additional healthier products whilst having smaller pack size for its indulgent products to lower the sugar content per pack. A balanced product portfolio containing healthy and indulgent categories would be maintained to satisfy different consumers' needs as well as to meet shareholders' financial performance expectations.

- (b) It would not be possible for the FNHB Group to venture into dairy farming in Thailand, which is a highly regulated business and operated by mostly small farmers. As it is, F&B Thailand has already been able to source local fresh milk supply of about 80 million litres a year. In Malaysia, however, there is no significant dairy farming sector, and total annual fresh milk production was less than 40 million litres. F&B Malaysia has been importing fresh milk mainly from Australia for its fresh milk production.

In view of the aforesaid, management decided to embark on dairy farming business in Malaysia to become self-sufficient in local fresh milk production and to supply fresh milk to FNHB's related companies in Singapore. The new segment is expected to have better prospect than the beverage segment in Malaysia.

- (c) The FNHB Group would embark on its project for solar energy system for both Malaysian and Thailand operations in 2020 towards achieving more than 50% green energy supply ultimately. Management will manage the impact of price rise and shortage of raw materials (particularly for dairy production) by implementing effective hedging policies and having alternative sources.
- 1.5 A shareholder commented that there has been increasing health consciousness among consumers. The FNHB Group should have better marketing strategy to enhance consumers' awareness of its healthier products such as Carnation evaporated milk. The Group's dairy farming project is a positive move towards promoting a healthy life by supplying affordable fresh milk.

Mr. Lim Yew Hoe thanked the shareholder for sharing her sentiments. He informed that there were on-going campaigns to promote goodness of the Group's healthy products including Carnation products. The current limited local fresh milk supply hindered the FNHB Group from selling more healthy milk at affordable price. The Group could better manage the price and quality of dairy products for greater benefits of consumers if the dairy farming project materialises.

- 1.6 A proxy enquired about the following:
- (a) The FNHB Group's top three revenue contributors by brand.
  - (b) Why did F&B Thailand contribute higher operating profit despite recording lower revenue recorded for FY2019 compared to F&B Malaysia?

Mr. Lim Yew Hoe replied as follows:

- (a) Group revenue contribution by brand was not shared as per the FNHB Group's policy. The Group had market share of 90% for 100PLUS and more than 55% for condensed milk.
- (b) The Thailand team had been dedicated and successful in its brand building especially for condensed milk, which is F&B Thailand's core business. With its top ranking for the canned milk segment in the local market coupled with economies of scale in production, F&B Thailand had achieved better profitability.

For F&B Malaysia, dairy business was sustainable but would only be able to achieve significant profitability in the long term after insourcing upstream fresh milk production. On the other hand, profit contribution from beverage business was slightly down due to competition.

- 1.7 A shareholder cum proxy asked the following questions:

- (a) Referring to the FNHB Group's capex projects including the dairy farming project as briefed earlier, when would the additional revenue and profit contribution to the FNHB Group derived from cost efficiency be expected?
- (b) Would the FNHB Group introduce more products of smaller pack size at RM1.00 and use e-wallet vending machine to promote its products as part of the marketing strategy?

In response to the above, Mr. Lim Yew Hoe informed that:

- (a) Previous capex investments had enhanced competitiveness of the FNHB Group and contributed significantly to its top and bottom lines. For the on-going capex projects, about 80% of which would be completed by 2020 but optimal utilisation/production could only be achieved in the longer term once the full capacities added are utilised.
- (b) RM1.00 products were introduced to increase segment presence and would not be offered widely in view of low profit margin. As for the vending machine, Management has plans for the sales channel including e-wallet initiatives to drive sales.

- 1.8 Having noted the FNHB Group's recent launch of its e-commerce website and mobile app, a shareholder enquired about the current revenue contribution of the e-commerce business and requested Management to share insights into the e-commerce business.

Mr. Lim Yew Hoe responded that the FNHB Group's on-going e-commerce business through online stores such as Lazada was small due to the nature of F&N products (i.e. less valuable and bulky). The Group had recently launched its e-commerce website, F&N Life to provide an easier platform for consumers to order F&N products in bulk and at competitive prices mainly for festive seasons and special occasions. Additional capabilities would be incorporated into the website to facilitate consumer participation in various wellness programmes and enjoyment of a healthy lifestyle. The Group would also launch F&N Flagship Store in Tmall Global to drive its e-commerce business in China.

The Group's e-commerce business was expected to register sales of RM10m for the first year.

- 1.9 Another shareholder asked the following questions:

- (a) During Alibaba's Singles' Day shopping fest in 2019, the Nestle Group was one of the biggest winners. Were there any contributions to the FNHB Group?
- (b) The FNHB Group recorded improved performance for FY2019 and declared higher dividend of RM0.60 compared to last year. However, there was a declining trend in the dividend payout ratio, what was the reason for this?
- (c) Climate change due to energy consumption is one of the critical global issues. The respective water, energy and GHG emission intensity ratios of the FNHB Group were higher in FY2019 due to its two additional production lines in Shah Alam plant as indicated on page 31 of the Sustainability Report 2019. Shouldn't the consumption ratios be lower as the additional lines will increase production efficiency?

Mr. Lim Yew Hoe replied as follows:

- (a) The FNHB Group had not benefited much from Alibaba's Singles' Day 2019. Hopefully the Group would reap great benefits from the said event in 2020 after launching F&N Flagship Store in Tmall Global soon.
- (b) The Group needs to balance the dividend payout and retention of funds for future investment and growth by considering the cost of borrowings and shareholders' long-term interests. The investment in dairy farming project itself would involve a substantial financial commitment of RM650m.
- (c) The commissioning and testing of new lines causes additional energy consumption without actual production.

- 1.10 A shareholder raised her concerns about the environmental impact of the FNHB Group's dairy farming project and the potential protest by environmentalists.

Mr. Lim Yew Hoe informed that the farm would be one of those most environmental-friendly farms in the world, having the lowest carbon footprint. As for operation of the dairy and crop farms, advanced technology and measures including solar energy system would be employed to minimise the environmental impact and to produce high-yield corn and productive cows. There would also be proper waste management system to convert waste into energy and fertiliser.

- 1.11 The audited financial statements for the financial year ended 30 September 2019 were duly received by the meeting.

**2. VOTING ON RESOLUTIONS**

- 2.1 Tengku Chairman invited the representative of Tricor, Puan Suzana binti Abdul Rahim to explain the e-polling process using Tricor's e-Vote App.
- 2.2 Puan Suzana briefed all present on the voting at the meeting using Tricor's e-Vote App. She further informed that voting would be conducted for each resolution immediately upon conclusion of deliberations of the respective businesses of the meeting. Tengku Chairman would announce the start and close of the voting session for each resolution and 15 seconds would be allocated for each voting session. A video on how to use the e-Vote App was played. A test of the e-polling system was also conducted.

**3. ORDINARY RESOLUTION 1**

**- PAYMENT OF A FINAL SINGLE TIER DIVIDEND OF 33 SEN PER SHARE FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2019**

- 3.1 Tengku Chairman informed that Resolution 1 was to approve the payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2019. If approved, the dividend will be paid on 13 February 2020. Together with the interim dividend of 27 sen per share paid on 13 June 2019, the total dividend for the financial year will be 60 sen per share. Tengku Chairman invited questions from the floor.
- 3.2 There being no questions, on the proposal of Tengku Chairman and seconded by Ms. Joanne Tan Pui Fong, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 1</b>	315,615,816	99.999493	1,600	0.000507

- 3.3 Based on the above poll results, Tengku Chairman declared the following resolution carried:  
**ORDINARY RESOLUTION 1**  
**- PAYMENT OF A FINAL SINGLE TIER DIVIDEND**  
THAT the payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2019 be and is hereby approved.

**4. ORDINARY RESOLUTION 2**

**- RE-ELECTION OF Y.A.M. TENGKU SYED BADARUDIN JAMALULLAIL WHO RETIRES UNDER ARTICLE 100 OF THE COMPANY'S CONSTITUTION**

- 4.1 Tengku Chairman informed that Resolution 2 was for the re-election of himself as a Director retiring by rotation under Article 100 of the Company's Constitution, and he had offered himself for re-election as a Director. Tengku Chairman then handed over the chair to Dato' Johan to proceed with the consideration of the resolution. Dato' Johan took the chair and invited questions from the floor.
- 4.2 There being no questions, on the proposal of Ms. Tina Ho Lai Han and seconded by Ms. Lee Main Chee, Dato' Johan put the resolution to vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 2</b>	278,132,050	98.754573	3,507,616	1.245427

- 4.3 Based on the above poll results, Dato' Johan declared the following resolution carried:  
**ORDINARY RESOLUTION 2**  
**- RE-ELECTION OF Y.A.M. TENGKU SYED BADARUDIN JAMALULLAIL AS A DIRECTOR**

THAT Y.A.M. Tengku Syed Badarudin Jamalullail, who is retiring in accordance with Article 100 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby re-elected as a Director of the Company.

- 4.4 After having announced the voting result, Dato' Johan handed the chair back to Tengku Chairman. Tengku Chairman thanked the shareholders for re-appointing him to the Board.

**5. ORDINARY RESOLUTION 3**  
**- RE-ELECTION OF MR. LEE KONG YIP WHO RETIRES BY ROTATION UNDER ARTICLE 100 OF THE COMPANY'S CONSTITUTION**

- 5.1 Tengku Chairman informed that Resolution 3 was for the re-election of Mr. Lee Kong Yip as a Director retiring by rotation under Article 100 of the Company's Constitution, and Mr. Lee had offered himself for re-election as a Director. Tengku Chairman then invited questions from the floor.

- 5.2 There being no questions, on the proposal of Tengku Chairman and seconded by Ms. Joanne Tan Pui Fong, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 3</b>	280,867,159	98.978660	2,898,208	1.021340

- 5.3 Based on the above poll results, Tengku Chairman declared the following resolution carried:

**ORDINARY RESOLUTION 3**  
**- RE-ELECTION OF MR. LEE KONG YIP AS A DIRECTOR**

THAT Mr. Lee Kong Yip, who is retiring in accordance with Article 100 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby re-elected as a Director of the Company.

**6. ORDINARY RESOLUTION 4**  
**- RE-ELECTION OF Y.BHG. DATO' JORGEN BORNHOFT WHO RETIRES BY ROTATION UNDER ARTICLE 100 OF THE COMPANY'S CONSTITUTION**

- 6.1 Tengku Chairman informed that Resolution 4 was for the re-election of Y.Bhg. Dato' Jorgen Bornhoft as a Director retiring by rotation under Article 100 of the Company's Constitution, and Dato' Bornhoft had offered himself for re-election as a Director. Tengku Chairman then invited questions from the floor.

- 6.2 There being no questions, on the proposal of Tengku Chairman and seconded by Ms. Tan Yean Nin, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 4</b>	312,708,032	99.082329	2,896,208	0.917671

- 6.3 Based on the above poll results, Tengku Chairman declared the following resolution carried:

**ORDINARY RESOLUTION 4**  
**- RE-ELECTION OF Y.BHG. DATO' JORGEN BORNHOFT AS A DIRECTOR**

THAT Y.Bhg. Dato' Jorgen Bornhoft, who is retiring in accordance with Article 100 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby re-elected as a Director of the Company.

**7. ORDINARY RESOLUTION 5**  
**- RE-ELECTION OF MR. HUI CHOON KIT WHO RETIRES BY ROTATION UNDER ARTICLE 100 OF THE COMPANY'S CONSTITUTION**

- 7.1 Tengku Chairman informed that Resolution 5 was for the re-election of Mr. Hui Choon Kit as a Director retiring by rotation under Article 100 of the Company's Constitution, and Mr. Hui had offered himself for re-election as a Director. Tengku Chairman then invited questions from the floor.

- 7.2 There being no questions, on the proposal of Tengku Chairman and seconded by Ms. Shahrul Salwa binti Ishak, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 5</b>	311,577,077	98.717258	4,048,665	1.282742

7.3 Based on the above poll results, Tengku Chairman declared the following resolution carried:

**ORDINARY RESOLUTION 5**  
**- RE-ELECTION OF MR. HUI CHOON KIT AS A DIRECTOR**

THAT Mr. Hui Choon Kit, who is retiring in accordance with Article 100 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby re-elected as a Director of the Company.

**8. ORDINARY RESOLUTION 6**

**- DIRECTORS' FEES AND BENEFITS**

8.1 On behalf of Tengku Chairman, Mr. Timothy Ooi informed that Resolution 6 was to seek shareholders' approval to pay Directors' fees and benefits of up to RM1,500,000 for the period from 21 January 2020 to the next annual general meeting of the Company to be held in January 2021. Shareholders' approval for Resolution 6 would facilitate the continuous payment of Directors' fees and meeting allowances monthly in arrears after each month of completed service of the Directors for the aforesaid period.

8.2 Mr. Timothy Ooi invited questions from the floor. A shareholder cum proxy enquired whether there was any increase in the Directors' fees and asked for breakdown of the Directors' fees and meeting allowances.

Mr. Timothy Ooi replied that there was no increase in the Directors' fees as approved by shareholders at the previous annual general meeting. Details of the Directors' fees and benefits paid to the respective Directors for FY2019 were set out on page 105 of the Annual Report 2019.

8.3 There being no further questions, on the proposal of Ms. Lee Main Chee and seconded by Ms. Tina Ho Lai Han, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 6</b>	314,581,264	99.674280	1,028,003	0.325720

8.4 Based on the above poll results, Tengku Chairman declared the following resolution carried:

**ORDINARY RESOLUTION 6**  
**- PAYMENT OF DIRECTORS' FEES AND BENEFITS**

THAT Directors' fees and benefits of up to RM1,500,000 for the period from 21 January 2020 to the next Annual General Meeting of the Company to be held in January 2021, payable monthly in arrears after each month of completed service of the Directors be and are hereby approved.

**9. ORDINARY RESOLUTION 7**

**- RE-APPOINTMENT OF MESSRS. KPMG PLT AS AUDITORS OF THE COMPANY AND AUTHORISATION FOR DIRECTORS TO FIX REMUNERATION OF AUDITORS**

9.1 Tengku Chairman informed that Resolution 7 was for the re-appointment of KPMG PLT as the Company's auditors for the financial year ending 30 September 2020 at a remuneration to be fixed by the Directors. He invited questions from the floor.

9.2 There being no further questions, on the proposal of Tengku Chairman and seconded by Ms. Tan Yean Nin, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 7</b>	313,996,940	99.485333	1,624,400	0.514667

9.3 Based on the above poll results, Tengku Chairman declared the following resolution carried:

**ORDINARY RESOLUTION 7**  
**- RE-APPOINTMENT OF MESSRS. KPMG PLT AS AUDITORS OF THE COMPANY AND AUTHORISATION FOR DIRECTORS TO FIX REMUNERATION OF AUDITORS**

THAT Messrs. KPMG PLT, the retiring auditors be and are hereby appointed as the auditors of the Company for the financial year ending 30 September 2020 and THAT the Directors be and are hereby authorised to fix their remuneration.

### **SPECIAL BUSINESSES**

#### **10. ORDINARY RESOLUTION 8**

##### **- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

10.1 Tengku Chairman informed that Resolution 8 was to seek shareholders' approval for the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued shares. Full details of the proposal were set out in the Share Buy-Back Statement, which was sent to shareholders on 20 December 2019. He then invited questions from the floor.

10.2 A shareholder highlighted that the Company did not exercise the share buy-back mandate last year and had used all its treasury shares for the purposes of Employees' Share Grant Plan ("SGP"). He then asked about the basis for the Company's proposed renewal of share buy-back authority since it would not benefit the shareholders.

Mr. Lai Kah Shen replied that currently, the Company, through the trustees for the SGP, only buys the required quantity of shares from the market to fulfil its obligation for share grants to employees under the SGP. The mandate will give the Company flexibility in buying its own shares when they are at lower prices or at any appropriate time in the interests of the Company.

10.3 There being no further questions, on the proposal of Tengku Chairman and seconded by Ms. Shahrul Salwa binti Ishak, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 8</b>	315,606,142	99.996990	9,500	0.003010

10.4 Based on the above poll results, Tengku Chairman declared the following resolution carried:

#### **ORDINARY RESOLUTION 8**

##### **- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

THAT subject always to the Companies Act, 2016 ("Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to the extent permitted by the law, to make purchases of ordinary shares ("F&N Shares") in the Company's issued shares from time to time through Bursa Securities, subject further to the following:

- (i) the maximum number of ordinary shares which may be purchased and held by the Company does not exceed ten per centum (10%) of the total issued shares of the Company at any point in time ("Proposed Share Buy-Back");
- (ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company's total retained profits at the time of purchase of the Proposed Share Buy-Back;
- (iii) the approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting ("AGM") of the Company, following the passing of this resolution or the expiration of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution passed by shareholders of the Company at a general meeting but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority; and
- (iv) upon completion of the purchase(s) of the F&N Shares or any part thereof by the Company, the Directors be and are hereby authorised to cancel all the F&N Shares so purchased, retain all the F&N Shares as treasury shares for future re-sale or retain part thereof as treasury shares and cancelling the balance or distribute all or part of the F&N Shares as dividends to shareholders, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of MMLR and any other relevant authority for the time being in force,

AND THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought back) in accordance with the Act, the provisions of the Constitution of the Company, the MMLR and all other relevant governmental and/or regulatory authorities.

**11. ORDINARY RESOLUTION 9  
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED  
NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

- 11.1 On behalf of Tengku Chairman, Mr. Timothy Ooi informed that Resolution 9 was to seek shareholders' approval for renewal of the existing mandate and new mandate for recurrent related party transactions of revenue or trading nature, which are necessary for the day-to-day operations of the FNHB Group.

The nature of the recurrent related party transactions and the related parties under the renewal of the existing shareholders' mandate remained unchanged.

The transactions contemplated under Resolution 9 will be carried out at arm's length and on normal commercial terms of the FNHB Group. Further details of the proposal were set out in the Circular to Shareholders dated 20 December 2019.

The Company's major shareholder, Fraser and Neave, Limited and its respective related companies and persons, being the interested parties under the proposed renewal of shareholders' mandate and new shareholders' mandate, would abstain from voting on this resolution.

Dato' Jorgen Bornhoft, Mr. Lee Kong Yip, Mr. Lee Meng Tat and Mr. Hui Choon Kit, being nominee directors of Fraser and Neave, Limited and Tengku Chairman, being a director of Fraser and Neave, Limited, who are considered interested in the proposal, had each abstained from making any recommendation to shareholders on this Resolution. Each of these Directors had also declined to accept appointment as proxy for any shareholders to vote in respect of this resolution unless the shareholder concerned had given specific instructions in his proxy form as to the manner in which his votes were to be cast in respect of this resolution.

Mr. Timothy Ooi then invited questions from the floor.

- 11.2 There being no questions, on the proposal of Ms. Joan Tan Pei Fong and seconded by Ms. Tina Ho Lai Hun, Tengku Chairman put the resolution to the vote. The poll results shown on the screens in the meeting room were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution 9</b>	110,084,830	99.998091	2,102	0.001909

- 11.3 Based on the above poll results, Tengku Chairman declared the following resolution carried:

**ORDINARY RESOLUTION 9  
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED  
NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

THAT approval be and is hereby given for the Company and/or its subsidiaries ("F&N Group") to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions set out in Sections 2.4.1 and 2.4.2, Part B of the Statement/Circular to Shareholders dated 20 December 2019 with the related parties mentioned therein, provided that such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group's normal business practices and policies, and on terms not more favourable to the related parties than those extended to the other customers of the F&N

Group, and not to the detriment of the minority shareholders AND THAT such approval shall be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company ("AGM"), at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 1966); or
- (iii) revoked or varied by the Company in a general meeting,

whichever is the earlier AND THAT the Directors of the Company and each of them be authorised to do all such acts and things (including, without limitation, to execute all such documents) as they may consider necessary, expedient or in the interests of the Company to give effect to this resolution.

## **12. CLOSURE**

12.1 Tengku Chairman declared the meeting closed at 11:56 a.m..

A correct record,

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Chairman

Dated: 2 March 2020