



FN FRASER & NEAVE HOLDINGS BHD
60TH ANNUAL GENERAL MEETING

**RESPONSE TO
PRE-SUBMITTED QUESTIONS
FOR AGM**



QUESTIONS FROM MSWG

QUESTION 1



Operational & Financial Matters

During the Budget 2022 announcement, the Malaysian Government had proposed a one-off 33% prosperity tax for certain “super profits” generated in 2022 and sugar tax expansion (excise duty impose on sugar-sweetened beverages) from 1 April 2022.

How will the abovementioned proposed taxes impact on the Group’s financial performance in FY2022?

Our Response:

- *F&NHB Group comprises a number of companies and currently we do not foresee the chargeable income of these individual companies to exceed RM100 million. As such, the proposed prosperity tax has no impact to the Group in FY2022.*
- *For the proposed sugar tax expansion to include premix, it will have very minimal impact on our current portfolio of products.*

QUESTION 2



F&B Malaysia's operating profit declined to RM97.7 million from RM144.9 million due to higher input costs and restructuring expenses in FY2021. The operating margin dropped from 7.1% to 4.6% in FY2021. Whereas F&B Thailand's operating profit was flat in Thai Baht terms due to higher commodity costs and royalty expenses (page 36, 37 & 227 of the Annual Report (AR) 2021).

- a. What is the impact of rising input and freight costs on the operating margins for F&B Malaysia and F&B Thailand going forward?

Our Response:

- *In FY2021, we incurred more than RM150 million impact on raw material costs alone, which we have absorbed considerably through cost containment and operational efficiency efforts.*
- *Generally, input and freight costs remain high in FY2022 and will add pressure to our margins.*

QUESTION 2 (CONT'D)



- b. In addition, what is the ability of the Group to pass on these rising inputs costs? Given the intense competition and price wars among the F&B players, how does the Group balance between preserving margins and passing on cost increases to its customers and/or consumers given the increasing commodity prices?

Our Response:

- *The whole industry is facing cost pressure, and everyone is adjusting their prices. We believe consumers will eventually adapt to the higher prices.*
- *We are mindful that consumer's spending is weak, particular in view of the current pandemic and Malaysia recent flood. As such, we have been taking a phased approach to increase prices gradually. We have also proactively undertaken cost containment measures and improve our operational efficiency.*

QUESTION 3



One of the key focus areas of F&B Malaysia and F&B Thailand is to build the Group's online presence to connect more effectively with consumers (page 68 & 76 of AR 2021).

- a. How successful is the Group's e-commerce business such as F&N Life, online stores on Shopee and Lazada in Malaysia, and nom aroi in Thailand? How much e-commerce sales accounted for the Group's total revenue for FY2021?

Our Response:

- *F&N's e-commerce business is still relatively small but is growing rapidly. In FY2021, our online sales have more than tripled from FY2020, with growth registered across Marketplace (Shopee and Lazada), our e-commerce partners and F&N Life.*
- *We believe e-commerce contribution will become significant in line with Asia-Pacific's e-commerce market that has been identified as the region to see the greatest growth in online purchases.*

QUESTION 3 (CONT'D)



b. What are the plans to further expand e-commerce business? What are the metrics used by the board to track the Group's progress in e-commerce in Malaysia and Thailand?

Our Response:

- *We have a comprehensive strategy to grow our e-commerce business, especially when our new warehouse in Shah Alam is completed.*
- *Current focus areas include expanding our consumer base and optimisation of route-to-market. We will work even closer together with our e-commerce partners, including major e-commerce marketplace in Malaysia, Thailand and overseas markets like China to expand our products' reach to even more consumers. Meanwhile, we will continue to improve our route-to-market capability and cost to serve, as well as explore different order fulfilment options to strengthen our competitive edge. Our flagship online stores, F&N Life and "Nom aroi", also serve as a channel for direct engagement with our key customers.*
- *Like any other sales channel, key performance metrics for e-commerce business includes commercial targets and a timeline to deliver each key milestone.*

QUESTION 4



Corporate Governance Matters

The amount paid for non-audit related services provided by the external auditor and its local and overseas affiliates increased by 129% to RM439,629 (FY2020: RM191,800). The fees incurred cover quarterly reviews, review of Statement on Risk Management and Internal Control and update of Transfer Pricing Documentation for Subsidiaries (page 137 of AR 2021).

What were the reasons for the significant increase in non-audit related fees since the assignments covered by the external auditor and its affiliates are the same as the previous financial year?

Our Response:

- *The reasons for the significant increase in non-audit related fees are mainly due to:*
 - *Quarterly review was performed for 3 quarters in FY2021 compared to 2 quarters covered in FY2020 due to the movement control order imposed in March 2020.*
 - *Update of transfer pricing documentation was performed for 5 subsidiaries in FY2021 compared to 1 subsidiary in FY2020.*



QUESTIONS FROM OTHER SHAREHOLDERS

QUESTION 1



I would like to know why the share price keeps on going down for the past 3 months. TQ.

- Tan Siew Him -

Our Response:

- *The trading price of any company's shares, including F&N's, is a function of the share market, and determined by a number of prevailing factors including among others, the investors' sentiments and risk appetite. Many of these factors are not generally within the control of the company. The company key focus is on our operations and not on the short term fluctuations of the share price.*

QUESTION 2



- a. What is sustainability of business in local market and also after pandemic of recovery and also recently of floods, does company funds contribute for flood aid and csr?

- Cheong Lang Yin -

Our Response:

- *We are a company that has weathered many storms during our 139-year history. The short-term outlook may not be as desirable as we wish, but we remain confident on the long-term potential of our markets. We are confident that our long-term strategies are well placed to manage the risk of the current landscape while keeping us on track to drive future growth.*
- *Community investment alone amounted to about RM2.5 mil in FY2021. This also went to Covid relief and educational programmes to vulnerable communities, supporting the country's vaccination drive at major PPV centres, and initiatives to improve recycling and 5R awareness.*

QUESTION 2 (Cont'd)



b. How was the overall market competition among market player in local and international market?

- Cheong Lang Yin -

Our Response:

- *The level of competition in our markets and exports remains high. However, we believe generally the competition is focusing more on protecting profits instead of chasing for sales as the industry faces higher input costs and intermittent supply chain disruptions.*

QUESTION 2 (Cont'd)



c. Does ESG. Are increasing for rating?

How was the balancing of healthy and products in market demand of expecting taste?

- Cheong Lang Yin -

Our Response:

- *We take it that the shareholder is asking about how F&N is balancing between producing healthier products and products that meet consumers' taste preferences.*
- *At F&N, we have consistently emphasised offering healthier options without compromising on taste as we are driven by our brand promise to deliver "pure enjoyment, pure goodness". Each of our products undergo comprehensive taste and quality tests before they reached the shelves.*

QUESTION 2 (Cont'd)



c. Does ESG. Are increasing for rating?

How was the balancing of healthy and products in market demand of expecting taste?

- Cheong Lang Yin -

Our Response: (Cont'd)

- *Our product development is guided by the F&N Nutrition Charter, which outlines our commitment to :
 - *Developing great-tasting products that are healthy for consumers, and*
 - *Developing products based on proven scientific evidence and research, and consumer insights and tastes relevant to evolving Asian lifestyle.**
- *For example, F&N's concerted effort to reduce the sugar content in our products has been a gradual process for almost 20 years which contributed to over 63% reduction of our sugar index (grams of sugar content per 100ml) from 2004-2021 and has been met with positive consumer response.*
- *Health and wellness will continue to be a key segment that the Group will focus on.*

QUESTION 2 (CONT'D)



- d. The 2022 festival are getting closer and time of pandemic recovering unable rush for time being to show result of recovery, how the group of company performing and business planning for overall does group will reducing cost of operation by overall employment.

- Cheong Lang Yin -

Our Response:

- *We agree with your observation that this Chinese New Year will not be close to pre-covid level and the general sentiment is further exacerbated by the recent floods.*
- *Regardless of the short-term outlook, we remain confident on the long-term potential of our markets. Key to F&N's longevity has been our ability to embrace short-term impact for long-term sustainability.*
- *Against this environment, we will continue to build on adaptive channel strategies to capture opportunities in a fluid and uncertain environment. We believe that we are equipped to manage the challenges, like how we have navigated COVID-related disruptions and uncertainties to deliver resilient performance over the past two years.*

QUESTION 2 (CONT'D)



e. Volunteer reduce benefit and subsidiaries for 4 quarter to company sustaining via management level begin reducing?

- Cheong Lang Yin -

Our Response:

- *In FY2021, we reorganised our structure to be aligned with the business needs and opportunities presented by COVID-19 and digital technology. With that, we have reduced our overhead cost by 10% and gained better agility and efficiency for our organisation.*
- *We have completed the restructuring exercise in the last financial year. However, we will continue to strengthen our fundamentals, including re-engineering and simplifying processes, and reviewing our cost structure where appropriate.*

QUESTION 3



a. When are you all producing Yoghurt?

All the dairies company produces it such as Farm Fresh, Dutch Lady & Nestle. The board / R&D department should also taste a yoghurt called ambrosial from China its texture is way better than any yoghurt available in Malaysia when served chilled.

- Tan Jia Juen -

Our Response:

- *We have no plan to produce yoghurt products for the time being.*
- *We are exploring our dairy strategies, including the dairy farm, and yoghurt products will surely be considered in due course. Thank you.*

QUESTION 3 (CONT'D)



b. When are all the old taste products available in the market again?

All the products have reduce sugar and the taste have gone much worst after that. At least sell both the old taste and the new taste products side by side in the market. Let the consumer have a choice as some dont mind paying for sugar tax such as for example Oyoshi range the taste have changed considerably.

- Tan Jia Juen -

Our Response:

- *Thank you for your feedback and suggestion. We do understand that there are consumers who prefer our classic tastes.*
- *As manufacturer, we have to balance between consumers' demand and the society's evolving needs. As such, we have done the reformulations that fulfil consumer demands for healthier choices and government's regulation.*
- *We have selectively produced products with our classic recipes which are very well-received and will definitely continue to explore more.*

QUESTION 3 (CONT'D)



- c. Why are some distributor not answering question for us to order in bulk with them? Please make sure they are answering as some sales might be lost due to no one answering.

- Tan Jia Juen -

Our Response:

- *Thank you for bringing this to our attention. (We have contacted the shareholder to resolve this matter)*

QUESTION 4



- a. What is the expected or target contribution of revenue for the fourth pillar for the next 3 years?

- Koh Ye Gen -

Our Response:

- *In its maiden year under F&NHB, the Halal food pillar contributed a low single-digit percentage to F&B Malaysia's revenue. While the contribution may be small at this moment, but the Halal Food pillar is growing at a double-digit rate and we believe there is much more potential to be realised. We aim to grow the food pillar's revenue contribution to double-digit percentage over the next 3 to 5 years.*

QUESTION 4 (CONT'D)



b. Are there any other growth plan for F&N for the next 3 years other than focusing on the fourth pillar / export?

- Koh Ye Gen -

Our Response:

- *The Group is constantly exploring ways to 'reimagine' its business through organic growth and business synergies to ensure a more sustainable future, which will include looking at M&A opportunities and pursuing our ambitions in dairy farming. We will share more details when ready.*

QUESTION 5



Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ.

- Stephen Lye Tuck Meng -

Pls give us an eWallet or an eVoucher to redeem F&N products other than just one carton of 100 Plus.TQ

- Tai Phoo Siew @ Thay Phoo Siew -

Pls give us an eWallet or an eVoucher to redeem F&N products other than just one carton of 100 Plus.TQ

- Tan Chai Heng -

For this year's will having gift as cash in ewallets?

- Cheong Lang Ying -

Our response in next slide.

QUESTION 5 (CONT'D)



Our Response:

- *We are delighted to inform you that we will be giving away one carton of 100PLUS in cans to all attendees today as a token of our appreciation of your attendance and your loyalty as our shareholder. An e-Coupon and its redemption instructions will be sent to the email address which you have used to register for this AGM within 3 working days after the AGM today.*
- *Further details of the terms and conditions of the e-Coupon and its redemption can be found on page 59 of the Abridged Version of the Company's Annual Report 2021 (or page 265 of the full version of the 2021 Annual Report).*



FRASER & NEAVE HOLDINGS BHD

60TH ANNUAL GENERAL MEETING

**RESPONSE TO
LIVE QUESTIONS**

A woman wearing a white hijab and a white long-sleeved shirt is smiling broadly with her eyes closed, holding a large glass mug of Teh Tarik Ori. The mug has a label with the F&N logo and the text 'TEH TARIK ORI'. The background is a vibrant blue with abstract, swirling patterns in shades of teal and white.

QUESTIONS ANSWERED LIVE DURING AGM

QUESTION 1



May I know, what is the company's future Outlook? - *Lau Chuan Hooi*

What's next planning for F&N? - *Chan Ying Siew*

Our Response:

- *In the short-term, the environment will remain challenging due to the lingering COVID-19 pandemic and the continuing high prices of key raw and packaging materials, coupled with consumer sentiment that was further dampened by the recent floods.*
- *Therefore, like FY2021, we will continue to actively manage our cost and margin, while at the same time, remain focused on our long-term strategies execution. Several of our capex projects will be completed this year. For example, the insourcing of warehousing in Shah Alam is expected to give us savings of about RM1 million every month.*
- *Riding on the encouraging recovery momentum of economic activities in both Malaysia and Thailand, we will continue to build on adaptive channel strategies to capture opportunities in a fluid environment.*
- *We would like to assure shareholders that we are doing all we can to ensure short term performance while also focusing on long term strategy execution.*

QUESTION 2



How much is the impact due to MCO?

- *Lau Chuan Hooi*

Our Response:

- *Business-wise, the Movement Control Order (MCO) has affected beverage consumption, particularly 100PLUS, as it is a product that consumers consume when they are active. We look forward to regaining and growing the volume with the encouraging recovery momentum of economic activities in 2022.*
- *As for the impact on manufacturing/production, some of our plants are in high-risk zones. Hence, we have been very disciplined in our safety measures. In general, we have successfully maintained business continuity within the constraints and disruptions even though the expense for regular sanitisation and tests to date would have come up to a few million ringgit a year.*

QUESTION 3



How much is cost saving of this virtual AGM as compared to physical one?

- *Lau Chuan Hooi*

How much does the company spend on this virtual Agm ?

- *Teh Peng Yin*

Our Response:

- *Expenses for the virtual AGM is only about one third lower than a physical one. Additional costs for the virtual webcast platform and conducting online poll administration in a virtual AGM moderated the savings from meeting room rental for a physical event.*
- *It is about RM43,000, excluding expenses of the e-coupon for participants.*

QUESTION 4



What are the areas (whether products or territories) which the group foresees to be the growth drivers for the group moving forward? - Ashok A/L Lal Bherumal

What's next planning for F&N? - Chan Ying Siew

Our Response:

- *Under the guidance of our Chairman and directors, we take a very systematic approach to looking at growth in F&NHB. Firstly, we want to grow our core brands to protect our organic business. Secondly, we look at adjacent growth, such as the liquid milk category and in plant-based beverages. Next, we look at inorganic growth, like the Sri Nona acquisition. However, it is important to note that we only invest if there is a strategic fit.*
- *Sri Nona brand has much more potential to be realised, especially in meeting the rising demand for convenience and ready-to-eat food products. The halal food business is growing at a double-digit rate. As such, we are currently looking into growing the portfolio and production capacity as part of our long-term strategy to expand into Halal markets, which grew by more than 40% in revenue last financial year.*
- *Besides focusing on building the new Halal Packaged Food pillar, Exports will remain a growth driver for F&B Malaysia and F&B Thailand. This includes the Indochina markets (managed by F&B Thailand). Cambodia and Laos have collectively contributed over RM250 million in revenue last year, driven by successful expansion of distribution and reach.*

QUESTION 5



The Malaysian economy has more or less opened up in the fourth quarter of FY2021. Following this, has the group seen a normalised demand in Malaysia (compared to pre-pandemic levels)? What about demand in other territories (e.g. Singapore and Thailand)?

- *Dinesh A Sadhwani*

Our Response:

- *We certainly agree with you that the general market sentiment has improved, although we are also conscious of the rising Omicron cases. Therefore, we are taking a cautiously optimistic position in Malaysia and Thailand as well as our operations in Singapore (managed by Fraser and Neave, Limited).*

QUESTION 6



I noticed on the annual report, as well as the recent 4th quarter report both mentioned about Greater China on export segment. How big is the contribution from Greater China market and what will be the expectation for management on this market for the current financial year ?

- Tneoh Khye Lock

Our Response:

- *Export to Greater China contributed to 3% of our Group's revenue in FY2021. (Refer Pg 87 in Annual Report 2021)*
- *The Greater China market grew at double-digit rate last year despite COVID uncertainties. This year, we remain focused on growing export sales in this region and hope to achieve even better result.*

QUESTION 7



F&N acquired Awana Citra Sdn Bhd which is principally involved in the food industry with popular brand of "Sri Nona" and "Lee Shun Hing".

- a. Can the CEO elaborate on the rationale for this acquisition into food products as F&N is predominately into drinks.
- b. Is this a new business segment that F&N intends to grow in the future?

- *Lew Tuck Wai*

What is the contribution from Sri Nona for the group ? Can Management further elaborate about the Forth Pillar Of Growth?

- *Tneoh Khye Lock*

Our Response:

- *Just like how we have succeeded in making Exports a growth pillar, Sri Nona is part of our strategic plans to build Halal Packaged Food as our 4th pillar of growth. During the COVID period, generally every category declined except Food. Therefore, establishing the food pillar will further balance our 'legs'.*
- *In FY2021, Sri Nona contributed a low single-digit percentage to F&B Malaysia's revenue. The contribution may be small now, but it is growing at a double-digit rate, and we believe there is much more potential to be realised. We aim to grow the food pillar's revenue contribution to double-digit percentage over the next 3 to 5 years. As such, we are currently looking into growing the portfolio and production capacity as part of our long-term strategy to expand into Halal markets.*

QUESTION 8



By referring to the latest balance sheet, cash on hand is sitting at around \$555 millions. With the completion of few major capital investment last year, will management consider to increase the dividend payout ratio for the current financial year?

Or management will consider to conduct share buy back exercise since the share price is underperforming at the moment?

- Tneoh Khye Lock

Our Response:

- *We will consider increasing the dividend payout ratio by taking into account the Group's capital position, working capital and future requirements. For the time being, we believe that the situation is still quite fluid, and we should be more conservative. We want to continue with our tradition of either maintaining or increasing our dividend. Be assured that this is an objective the Chairman, directors and management strive to fulfil consistently.*
- *The Proposed Renewal of Share Buy-Back Authority will provide our Company with an additional option to utilise our financial resources more efficiently.*

QUESTION 9



Total incentives, discounts and rebates to distributors amounting to RM669 million and RM713 million in FY2021 and FY2020 respectively (page 223):

- a. Please explain what is this?
- b. The amount representing more than 15% of the group's total revenue of RM4.13 billion, why is this so substantial?
- c. FY2021 reported a reduction of RM44 million despite increases in total revenue, please explain why?

- Chua Song Yun

Our Response:

- *The advertising and promotion expenses, distributor incentives, discounts, and rebates relate to the food and beverages business to support, promote, and develop the Group's brands. Today, some of the promotion costs are parked under 'discounts' instead of Advertising & Promotion. Hence, the number now seems more significant.*
- *In FY2021, because of the need to manage our COGs, we have reduced the discounts instead of increasing prices. That is why there is a RM44 million reduction of discount compared to the previous year.*

QUESTION 10



In the past 10 years, the group's total revenue has been stagnant at around RM4 billion, does management see saturation of demand for our product in our core markets?

- Law Kung Hoo

Our Response:

- *Over the past ten years, we have parted ways with Coca Cola & Red Bull and navigated the implementation of the sugar tax, trading down by consumers, etc. Despite these, we have built back our revenue to RM4 billion.*
- *Malaysians today enjoy one of the cheapest carbonated soft drinks in the world because the revenue for beverages on a per litre basis is very low. Therefore, we need to balance the revenue view with the volume view. We remain confident in the long-term potential of our core markets. We hope to capture them through new products and other 'reimagine' initiatives to fully utilise our capacity and improve our portfolio.*

QUESTION 11



Will F&N take the opportunity to increase some gearing since its Balance sheet seems quite healthy?

If yes, what is the plan and market segment including halal market - *Tang Kang Hong*

The fact that the company has 0% gearing ratio does it means that the company is currently under utilising its financial capacity... Can you share any plan that has already in place for the company to expand its business? - *Chew Wing Hwa*

The current gearing level is extremely low, how do you ensure that the company is having an optimal capital structure? Is there a target gearing level that the company is aiming for? - *Encik Ahmad Adib Bin Mukhtar or Encik Mohd Hafizuddin Bin Ya'akop*

Our Response:

- *Yes, we do have the capacity to call on our strong balance sheet when the right opportunity arises. It is important to note that we only invest in opportunities that are a strategic fit and at the right price. Otherwise, we will invest ourselves, such as in dairy farming, which will require substantial capital expenditure. So, this gearing ratio will change very quickly as we progressively execute our longer-term plans. We seek your patience as we explore and evaluate the right avenues.*

QUESTION 12



Could you please provide updates on the progress of dairy farm in Perlis Malaysia? Thanks. - *Keh Yeow Hwee*

Could you please provide an update on the milk farming project? Have you found the suitable location for this project?

- *Encik Ahmad Adib Bin Mukhtar or Encik Mohd Hafizuddin Bin Ya'akop*

Is the company still thinking about / looking at setting up a dairy farm, or is that on the back burner currently?

What is the current hurdle the company is facing in order to setup a dairy farm?

Would the company consider looking for suitable land in Thailand?

Would the management like to elaborate further?

- *Ong Lisin*

Our Response:

- *As updated during the last AGM, we did not complete the acquisition with MSM and are no longer progressing on the land procurement in Perlis. However, we maintain an active interest in the dairy farming space. We have continued our research to understand more about how to do it better and sustainably while we continue to look for suitable land parcels in Malaysia. Updates will be provided when ready.*
- *The upstream insourcing of fresh milk is mainly intended for the Malaysian market. We want to increase the local supply as the importation of fresh milk is highly restricted by quota and country policies.*

QUESTION 13



Under "Material Matters" - "Packaging" on page 55 of the AR, the Company stated it is developing sustainable packaging solutions to reduce the impact of packaging on the environment. F&N is one of the biggest users of PET and plastic bottles for its products.

- a. How much are the plastic bottles can be recycled?
- b. Is there a target for F&N for its packaging materials to be recycled and if yes, what is the target and timeline to achieve it?

- *Lew Tuck Wai*

What's your recycling plan for your drinks packaging? Any plan to include glass, plastic & aluminium recycling plan?

- *Tow Ei Na*

Response in the next slide

QUESTION 13



Our Response:

F&NHB's approach towards packaging prioritises circularity in our operations, which is a continuous process.

- i) Currently, over 95% of our packaging are recyclable, and we are working towards achieving 100% recyclability by 2025 through active sourcing and development of sustainable packaging.*
- ii) By 2025, we also target to achieve an average of 25% recycled material in our packaging. At the moment, about 20% of our total packaging are of recycled material, and all our paper packaging are FSC certified.*
- iii) To improve collection for recycling rate and reduce waste to landfills, we have conducted the F&N School Recycling Programme for the past 15 years and reached more than 700 schools nationwide. The programme, a collaboration with local councils and recycling partners, has collected more than 4.8 million kilogrammes of recyclables, including PET, beverage cartons, aluminium, paper and e-waste, saving them from going into landfills.*
- We are also among the founding members of the Malaysian Recycling Alliance (MAREA), a voluntary, industry-led Extended Producer Responsibility (EPR) organisation with a mission to improve the collection and recycling of post-consumer packaging waste in Malaysia.*

QUESTION 14



Will there be special dividend as noted 4 year stagnant dividend

- *Koh Win Keong*

Our Response:

- *Our target is to maintain our dividend pay out of not lower than 50%. There is no plan for special dividend for now.*
- *We want to continue with our tradition of either maintaining or increasing our dividend. Be assured that this is an objective the Chairman, directors and management strive to fulfil consistently.*

QUESTION 15



Could please elaborate on the RM20.9 mil restructuring costs recorded in FY21?

- *Encik Ahmad Adib Bin Mukhtar or Encik Mohd Hafizuddin Bin Ya'akop*

Our Response:

- *The restructuring cost is mainly for employee separation expenses, which involve about 7% of the workforce in Malaysia. To be a progressive organisation, we have to realign our resources with business needs of the new normal and new ways of working made possible by digital technology. Ensuring we do not have resources that are not needed is also one way of being responsible to our shareholders. But at the same time, we need to be responsible to affected employees. As such, we ensured they received fair compensation higher than the regulated provisions.*

QUESTION 16



There are no updates on the property investment/development of the F&N's existing property assets in the AR.

- a. Has any decision been made for the launch of the Section 14 property in the JV?
- b. What the expected timeframe for the development of F&N properties in Johor Bahru and Hulu Langat as listed on pages 251-252 of the AR?

- *Lew Tuck Wai*

Our Response:

- *Regarding the property development at Section 13 Petaling Jaya, we believe the current economic landscape does not warrant property development and sale. The simple reason is that the breakeven number is not far from the property's selling price on a per sq ft basis. We will restart the project once the property market improves. With 99 years lease, we can afford to KIV for the time being. Currently, we are deriving revenue on the land from restaurant and car park operators and reviewing other proposals.*
- *Similarly, for the land in JB and Hulu Langat, we will continue to assess the market situation for the right opportunity to extract value from our land banks.*

QUESTION 17



The annual report mentioned that F&N are leaders in isotonic, carbonated soft drink, condensed & evaporated milk categories in Malaysia; and number 1 in condensed & evaporated milk category in Thailand.

- a. What is our market shares for each of the category in the above-mentioned market?
- b. Has it been growing or shrinking in respective market?
- c. What is the past years demand growth rate and demand outlook for each of the above mentioned market?

- Chua Song Yun

What is the current market share of 100+ in Malaysia and Thailand ?

- Mah Lee Ping

Our Response:

- *We do not share category details for competitive reasons. As a public-listed company, F&NHB is already one of the most transparent food and beverage companies. In general, for every 10 cans of Isotonic products consumed in Malaysia, about 9 are 100PLUS.*
- *During the COVID period, generally every category declined except Food. Importantly, we have either maintained or progressed our leadership position in these categories despite unfavourable environment through successful product and marketing innovation, as well as strong operational execution in the marketplace.*

QUESTION 18



100 Plus: What is the export volume in percentage? How about overseas licensing to manufacturer? What is the projected on overseas growth for 100 Plus.

- *Lai Kim Loong*

Our Response:

- *100PLUS makes up about one-fifth of the volume of our total exports for F&B Malaysia.*
- *For F&NHB, we do not have overseas co-packer for 100PLUS yet, and all products are currently produced at our manufacturing facilities in Malaysia. Each of our brands has its performance targets and milestones to be achieved, but we are unable to share the specific details for competitive reasons.*

QUESTION 19



Any new products will be launch? If yes, kindly elaborate in details.

- Lee Mun Hoe

Our Response:

- *We have learned during the past 2 years that the pandemic disrupted the momentum of any products that we launched. We can only share that we have a lot of products in the pipeline but will keep the timeline fluid. We are also focusing on strengthening the distribution of our numerous products launched last year.*

QUESTION 20



I noticed that one of the supply of a long standing product, "F&N Filled Milk" is not stocked regularly at certain hypermarkets. Is there any reason for this and whether this product will be discontinued in the future. Thank you.

- Koh Chooi Peng

Our Response:

- *Thank you for being a loyal consumer of F&N Filled Milk. We do not have the intention to discontinue F&N Filled Milk products. In the event the product is not available at the outlets you visited, you may also want to consider other evaporated milk products under F&N's brand portfolio, which are of equivalent taste and quality.*



Thank You