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## FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R  
Incorporated in Singapore

### Annual General Meeting to be held on 16 January 2025 Responses to Substantial and Relevant Questions Received from the Securities Investors Association (Singapore)

Fraser and Neave, Limited ("F&N" or the "Company", and together with its subsidiaries, the "Group") refers to its announcements dated 31 December 2024 and 9 January 2025 titled "*Annual General Meeting to be held on 16 January 2025 – Responses to Substantial and Relevant Questions Received from Shareholders*" (the "Previous Announcements"). Capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meanings ascribed to them in the Previous Announcements.

Further to the Previous Announcements, the Company would like to thank the Securities Investors Association (Singapore) ("SIAS") for submitting its questions in advance of the AGM to be held on 16 January 2025.

The Company's responses to the questions from SIAS are set out below.

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1. Could management elaborate further on how it contributes to the operations of Fraser & Neave Holdings Bhd Group, given its separate board, management team, and shareholder base? What measures are in place to ensure alignment between Fraser & Neave Holdings Bhd Group and the company's strategic goals?

F&N ensures strategic alignment with Fraser & Neave Holdings Bhd ("FNHB"), a listed subsidiary, by providing capital support, governance oversight, technical expertise, and brand management. As the owner of most brands marketed by FNHB, F&N also drives brand strategy and innovation.

2. Can the company clarify its role in approving major decisions at the subsidiary, especially its major projects and acquisitions, such as the upstream investment in F&N AgriValley and the acquisition of Cocoaland Holdings Berhad Group?

The role of F&N in approving and overseeing such decisions is structured as follows:

- Manual of Authority ("MOA"): Both F&N and FNHB are guided independently by their respective MOA, which defines the limits of authority and decision-making processes. This ensures that each company operates with autonomy within their governance frameworks while remaining aligned with the broader group objectives.
- Approval Process: F&N's Board of Directors and/or the Board Executive Committee play a crucial role in reviewing and approving major acquisitions and investments, such as the acquisition of 72.4% of Cocoaland Holdings Berhad Group in November 2022. The approval process ensures that such transactions are in line with the group's strategic priorities and long-term financial goals.

- Governance and Oversight: While subsidiaries like FNHB operate independently under their own MOA, F&N provides oversight to ensure that key decisions, especially those with significant financial or strategic impact, align with the group's objectives. This ensures a robust governance process and safeguards the Group's interests.
  - Due Diligence and Strategic Review: Before any major acquisition or investment is approved, F&N conducts thorough due diligence, evaluating financial terms, operational synergies, and strategic fit. This helps ensure that the transaction will generate long-term value for the Group.
  - Post-Investment Review: After an investment is made, F&N conducts post-investment reviews to assess whether the anticipated benefits are being realised and to ensure that the investment are aligned with the Group's strategic goals. This review process helps track the performance of investments and allows for course corrections if necessary to optimise outcomes.
3. Does the group actively contribute or influence operations and strategy at Vinamilk, or is the \$2.52 billion stake treated as a passive investment? What tangible benefits do shareholders, particularly minority shareholders, derive from this substantial but non-controlling interest? Has the board explored options to unlock greater value from Vinamilk, including the feasibility of a distribution-in-specie?

F&N's investment in Vinamilk, while non-controlling, remains a key component of the Group's strategy. Through our two representatives on the board of Vinamilk, who also serve on its key committees such as the Strategy Committee, the Company actively engages with Vinamilk's leadership, contributing to strategic discussions and initiatives that support the business's growth and success.

The Company is in the process of finalising a supply agreement with Vinamilk, which underscores our ongoing business collaboration and commitment to creating synergies. Additionally, we actively engage in knowledge sharing, including in areas such as dairy farming, to further strengthen this partnership.

F&N is open to exploring opportunities that could unlock greater value from its investment in Vinamilk, should the right opportunity arise. As we have done with Asia Pacific Breweries Limited (now known as Heineken Asia Pacific Pte Ltd) in the past, F&N will continue to prioritise the interests of our shareholders and consider strategic options that maximise value for them.

4. What are the alternative options available to the group, given the suspension of dairy cow imports from the United States due to concerns over an avian flu outbreak?

We are actively exploring alternative dairy cattle suppliers from other regions, which are reputable sources of dairy cattle with established health and quality standards.

5. What are the designed capacity (in terms of herd size) and capital expenditure of F&N AgriValley, and how much capital has been invested so far?

The total investment for the F&N AgriValley project is expected to exceed RM3 billion (~\$910 million). As at 30 September 2024, F&NHB has invested approximately RM1.4 billion (~\$425 million) into the project. The farm is spread over 2,726 hectares and, at full capacity, will house 20,000 milking cows. These cows will produce approximately 200 million litres of fresh milk annually, which will be supplied to meet both local and international markets demands.

The processing and packaging facilities will be located next to the milking parlour, ensuring that fresh milk is processed efficiently and is readily available to Malaysian consumers at an affordable price. In addition to dairy farming, the farm will also engage in crop farming to support its operations. This aligns with the Malaysian government's goal of reducing the nation's dependence on imported animal feed, as Malaysia currently imports nearly 100% of its feed from Brazil and Argentina.

6. Does the group possess the requisite expertise and technical capabilities - such as animal husbandry, farm operations, disease management - to manage and operate a dairy farm successfully? Given the operational complexities of upstream dairy farming, how is the group planning to mitigate potential execution risks?

F&N recognises that operating an integrated dairy farm requires specialised expertise, and we have taken steps to ensure we possess the requisite capabilities. Over the years, FNHB has conducted extensive studies, supported by overseas experts, in both confined dairy farming and cropping. These studies provided favorable outcomes, which led to the decision to acquire Ladang Permai Damai for the development of F&N AgriValley.

To ensure the success of this ambitious project, FNHB has also employed a dedicated dairy farming management team, comprising both local and international talent. This team is supported by a group of subject matter experts, covering key areas of farm operations, including animal science, feed science, disease management, and biosecurity. This diverse expertise allows us to implement best practices and address the operational complexities associated with dairy farming.

In addition to assembling the right team, we are implementing a range of measures to mitigate potential risks, such as developing strong biosecurity protocols and ongoing training programs for staff. By integrating these strategies, we are confident in our ability to manage and operate F&N AgriValley successfully while minimising execution risks.

7. Has the board closely monitored the company's financial performance and share price? What has been the total shareholder return (TSR) over the past 5, 8, 10 (since the demerger with FCL in 2014), and 12 years (since the divestment of APB in 2012)? Is the board satisfied with the TSR?

Has the board investigated the reasons for this valuation discrepancy? How does the board assess the market's perception of the parent company compared to Fraser & Neave Holdings Bhd?

We understand that shareholders wish to see total shareholder returns increase over time. Given that share price movements and trading liquidity are influenced by market forces beyond our control, our primary focus is on establishing the groundwork for a future-ready business.

8. Could the board, particularly the independent directors, explain the group's efforts to increase corporate value and improve capital efficiency?

The Group has consistently undertaken initiatives to optimise shareholder value and improve capital efficiency. In 2013, the Group distributed \$3.28 per share in cash to shareholders, amounting to an aggregate distribution of approximately \$4.7 billion. This was followed by a capital reduction exercise in 2014, which returned \$0.42 per share in cash, totaling approximately \$606.9 million. In addition, the Group relisted its property arm, Frasers Centrepoint Limited (now known as Frasers Property Limited ("FPL")), through an in-specie distribution, allowing shareholders to receive two FPL shares for every

F&N share held. FPL shares were listed on the Mainboard of the Singapore Exchange on 9 January 2014, further enhancing shareholder value.

Looking ahead, the Board remains focused on ensuring sustainable value creation and improving capital efficiency. This includes ongoing portfolio management, where the Group continuously assesses its assets to optimise returns and streamline operations. Strategic investments, such as the integrated dairy farming project and other investments, are pursued with careful capital discipline and thorough post-investment reviews.

The Group is committed to optimising its balance sheet to maintain financial flexibility while focusing on growing its core businesses. This strategic approach ensures that the Group can continue rewarding shareholders with consistent and sustainable dividend payouts. By prioritising disciplined capital allocation and actively managing its portfolio, the Group aims to drive long-term growth and maximise returns for shareholders.

9. Beyond attributing the company's low valuation to external market factors, would the board consider disclosing and implementing targeted strategies to narrow the discount gap, thereby creating value for shareholders?

The Group regularly evaluates and implements strategies to enhance operational and financial performance, ultimately to drive shareholder value. These strategies are disclosed in our annual reports, where we highlight key initiatives, performance metrics, and strategic goals. In addition to our annual disclosures, we provide quarterly updates on our performance to keep shareholders informed of our progress, financial results, and any developments that may impact our valuation.

By Order of the Board  
Samuel Lee  
Company Secretary

14 January 2025