

CHAIRMAN'S MESSAGE

Y.A.M. TENGKU SYARIF BENDAHARA PERLIS SYED BADARUDIN
JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL



DEAR SHAREHOLDERS AND STAKEHOLDERS,

The past 12 months marked an important period in our continued journey of development, a period in which we built upon our earlier focus on capturing value across the entire value chain and committed ourselves to *Delivering More* — more value, more innovation and more positive impact for every stakeholder.

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As a company with more than 140 years of heritage, *Delivering More* is not simply an ambition but a responsibility. Our legacy as one of Malaysia's most trusted household names drives us to remain at the forefront of a fast-evolving food and beverage industry, while strengthening our resilience and commitment to sustainability.



INVESTING IN GROWTH

In order to deliver more for our stakeholders, we recognise that we must first invest in ourselves and our business. In FY2025, we prioritised strengthening our foundation to capture new opportunities and drive sustainable progress.

Capital investments are laying a solid foundation for future growth. F&N AgriValley, now home to more than 6,000 cattle, commenced milk production during the year. This milestone marks a significant step forward in strengthening our ability to deliver high-quality fresh milk at an affordable price.

Our Butterworth plant has begun producing drinking water and carbonated beverages for markets in northern Peninsular Malaysia, while construction of our new manufacturing facility in Cambodia continues to progress steadily, placing us in a strong position to enhance our competitiveness across the Indochina market.

Together, these efforts reinforce the fundamentals of our business, ensuring that F&NHB remains well-positioned to deliver sustained value over the long term.



Innovation remains central to driving F&N's continued relevance and competitive edge. To meet evolving consumer preferences, we consistently refresh our product portfolio. This year's new offerings included F&N Sparkling Zero and 100PLUS ZERO Power Peach, both sugar-free variants, as well as F&N Magnolia 100% Fresh Milk UHT and F&N NutriWell plant-based milk for health-conscious consumers.

DELIVERING MORE NUTRITION FOR A RESILIENT NATION

Of the many important initiatives undertaken this year, one stands out as particularly transformative: F&N AgriValley. More than a business investment, it represents a vital step in our commitment to *Delivering More*, enabling us to strengthen Malaysia's food security and better meet the nutritional needs of the nation, especially the young generation.

The farm celebrated many meaningful milestones this year, from the arrival of our first cattle to the harvest of our first corn crop.

Among these, the birth of our first calf, Che Bedah, was deeply meaningful to me as it symbolised tangible progress in our mission to make world-class, nutritious milk accessible and affordable for every Malaysian household.

Through circular practices, F&N AgriValley embodies our commitment to building a resilient and self-sustaining agricultural ecosystem that integrates modern dairy farming, sustainable feed production, and innovation-led food manufacturing. These efforts reinforce our commitment to advancing Malaysia's aspiration for greater self-sufficiency and food security.

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Our efforts to *Delivering More* extend beyond our farm to nurturing the next generation. In partnership with the Ministry of Education, we supply fresh milk to over 85,000 students from B40 families in Melaka, Negeri Sembilan and Johor through the School Milk Programme (*Program Susu Sekolah*).

In parallel, F&N Magnolia rolled out its *Tasty Goodness* campaign across 300 schools in Thailand, where the team distributed F&N Magnolia milk to 350,000 students nationwide to promote healthier dietary habits among schoolchildren.

NURTURING TALENT, INSPIRING CHAMPIONS

Delivering More also means empowering Malaysians to lead healthier, more active lives. In FY2025, we strengthened our long-standing commitment to sports, supporting athletes and communities at every level — from grassroots programmes to professional arenas.

As Malaysia's leading isotonic beverage, 100PLUS has long been a driving force in national sports development inspiring active lifestyles. This year, we renewed our partnership with the Badminton Association of Malaysia (BAM) and strengthened collaboration with key sporting bodies, including the National Sports Council, the Football Association of Malaysia, and the Sportswriters Association of Malaysia to promote sports development in the country.

At the grassroots level, we nurture young talents through initiatives such as the F&N Magnolia Under-12 Football Championship, organised in collaboration with the Ministry of Education's Sports, Co-Curricular and Arts Division (BSKK), and the Liga Bola Sepak Kementerian Pendidikan Malaysia 100PLUS, a flagship annual competition that cultivates emerging athletes and promotes a healthy lifestyle among the youth.

100PLUS also served as the official hydration partner for major national events, strengthening its role as a unifying symbol of energy and endurance for all Malaysians. With its strong presence in the sports and hydration scene, 100PLUS once again received Gold Award at the Putra Brand Awards 2024 in the Non-Alcoholic Beverage category and was honoured at the MSA Awards 2025 for its *Dahagakan Apa Jua* and *Pasti Stedi* campaigns, reaffirming its position as a brand that champions active and healthy living.

STRENGTHENING HALAL INTEGRITY AND LEADERSHIP

Halal integrity remains central to F&NHB's commitment to quality, safety and trust, which is why all our employees undertake mandatory Halal awareness training to ensure shared accountability in upholding the highest *Halalan Toyyiban* standards.

F&NHB continued to advance the national and global Halal agenda through close collaboration with key Halal authorities such as JAKIM, the Halal Development Corporation Berhad (HDC) and various State Islamic Religious Councils. During the year, our partnership with HDC under the Halal Sourcing Partnership Programme continued to elevate SME capacity within the Halal supply chain, with four SMEs successfully on-boarded as our vendors and six others undergoing mentorship. Our participation in the Halal Sector Seminar 2024 by HDC, further reaffirmed our commitment to advancing the Halal ecosystem through industry collaboration.

This year, we also nurture greater Halal awareness among the younger generation through the Halal Smart Camp in Johor, organised together with International Institute for Halal Research and Training (INHART) of International Islamic University Malaysia (IIUM) and the Kota Tinggi District Education Office. Encouraged by its success, we plan to expand the programme to more regions nationwide.

These collective efforts, which underscore the Group's unwavering commitment to Halal excellence, earned F&NHB the ASEAN Halal Brand Award 2025 in recognition of our exemplary Halal standards and our contribution to economic development across the region.



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DELIVERING MORE FOR EMPLOYEES

As we continue to transform our business, we recognise that our progress is only possible through the capabilities and dedication of our people. That is why we continue to nurture their growth, celebrate their achievements and promote their holistic wellbeing.

This commitment was reflected in a year filled with activities that brought our people together and fostered a greater spirit of camaraderie. From Parents' Day and festive gatherings to our Merdeka and Malaysia Day celebrations, these occasions reinforced our shared values of unity and community. We also encouraged active lifestyles and teamwork through sports activities such as the F&NHB Bowling Tournament, which brought together 240 Fraserians across the Group, and the F&N Badminton Tournament 2025, which saw participation from more than 70 pairs representing various business units.

Over in Thailand, a company-wide Sports Day brought together 180 employees for friendly competition and team activities, fostering greater collaboration and sense of belonging across the organisation.

Employee wellness remained a key priority. Health talks and screenings help employees stay informed and proactive about their wellbeing, with topics covering heart health and stroke prevention. In addition, our annual influenza vaccination programme reached 1,600 employees across Malaysia and Thailand, supporting a healthier and more resilient workforce.

We continued our long-standing tradition of celebrating academic excellence through the F&N Chairman's Award, which recognises the outstanding achievements of employees' children. This year, RM290,000 in cash rewards was presented to 82 secondary and tertiary students for their academic and co-curricular accomplishments.

Our commitment to building a progressive and engaging workplace also received external recognition. F&NHB was named 1st Runner-Up in the Fast-Moving Consumer Goods category at the Graduates' Choice Awards 2024, reaffirming our reputation as an employer of choice among Malaysia's future workforce. We also received the Silver Award for Excellence in the Use of HR Tech at the HR Excellence Awards 2024, recognising our success in leveraging technology to enhance HR efficiency and productivity.

DELIVERING MORE FOR COMMUNITIES

As we continue to grow, we remain steadfast in delivering more for local communities, nurturing goodwill and togetherness, and contributing meaningfully to the nation's social fabric.

In FY2025, we continued to engage communities across Malaysia during the festive seasons, some of the most meaningful times of the year for many Malaysians. Our nationwide outreach programmes during Ramadan, Hari Raya, Chinese New Year and Deepavali brought cheer to more than 150,000 people from underprivileged groups and care centres. This year, our Deepavali engagement also honoured both current and former national athletes, including para-athletes, for their contribution to the nation's sporting legacy.

In the spirit of Hari Raya, we brought joy and hydration to travellers on their *balik kampung* journeys by distributing 30,000 units of F&N beverages at major toll plazas. Meanwhile, 100PLUS raised awareness of healthy hydration and encouraged healthier lifestyles during the fasting month through its *Misi Hidrasi Truck* campaign.



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Beyond festive occasions, we continue to stand with Malaysians in times of need. Following the floods in Kelantan, F&N collaborated with entrepreneur Khairul Aming to distribute F&N Ice Mountain drinking water to affected families. In January, the F&N AgriValley team partnered with the Village Development and Security Committees in Gemas to provide essential flood relief to impacted households.

In the same spirit of community upliftment, F&N Dairies Thailand awarded 20,000 Thai Baht scholarships to 40 deserving elementary school students from communities surrounding our Rojana factory. In Malaysia, our partnership with Montfort Boys Town empowers youth through digital and culinary training, including hands-on food application sessions led by our in-house chef, equipping students with practical skills for future employability.

These efforts reaffirm our commitment to education and to empowering the next generation to help build stronger, more resilient communities.

DELIVERING MORE FOR A SUSTAINABLE TOMORROW

Alongside our commitment to social progress is an increasing dedication towards protecting the planet that sustains us all. On this note, we made strong progress in embedding environmentally responsible practices across our operations in FY2025, aligned with national sustainability priorities and the United Nations Sustainable Development Goals (SDGs).

Through continued investment in renewable energy, we are accelerating our transition to a low-carbon future. Our solar installations across Malaysia and Thailand now generate over 19 million kWh of clean energy annually—the equivalent carbon absorption of about 88,000 trees.

This milestone marks a significant step forward in our decarbonisation journey and underscores our commitment to supporting each country's renewable energy goals.



We also advanced circularity across our value chain. During the year, we increased the average recycled content in our packaging and introduced 100% recycled polyethylene terephthalate (rPET) bottles for BORNEO SPRINGS mineral water, with plans to extend the use of recycled materials across more product lines. At the same time, we have significantly reduced our solid waste sent to landfill since 2020. Today, all our beverage and dairy plants operate at zero waste to landfill, marking solid progress towards a circular and cleaner future.

Since 2007, we have actively promoted the 5R principles in schools nationwide through partnerships with local councils and SWCorp via the PERKISS Inter-School Recycling Competition. To-date, the programme has engaged more than 1,700 schools and collected over 10 million kilogrammes of recyclables. This year, the programme expanded with on-ground roadshows, reaching over 3,000 students and further instilling sustainable habits from an early age.

To further minimise waste, we established long-term partnerships with Yayasan Bursa Malaysia, The Lost Food Project, Kechara Soup Kitchen and Kembara Kitchen to channel surplus products to underprivileged communities. This food rescue initiative has collectively redistributed over 20,000kg of food products to those in need this year.

Extending our resource conservation efforts to Sarawak, we initiated a water conservation project at Bung Jagoi Heritage Village, replenishing over 5.5 million litres of clean water annually.

Implemented in collaboration with the Jagoi Area Development Committee and local stakeholders, the project ensures consistent access to clean water for the local community and supports the preservation of this important cultural site.

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As we continue strengthening our sustainability foundation, we have proactively aligned our disclosures with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards under the International Sustainability Standards Board (ISSB), ahead of Bursa Malaysia's forthcoming climate-related reporting requirements under the National Sustainability Reporting Framework. This early alignment underscores our commitment to transparency, accountability and global best practices.

Together, these initiatives demonstrate our dedication to environmental stewardship and community wellbeing as mutually reinforcing outcomes. They also strengthen the foundations for a more resilient and sustainable business over the long term, a commitment that was recognised at The Edge ESG Awards 2025, where F&NHB received the Gold Award in the Consumer Products and Services category.

We were also pleased that our sustainability performance was recognised globally with our inclusion in the S&P Global Sustainability Yearbook 2024, ranking among the top in the beverages sector.



DIVIDENDS

In line with our commitment to deliver consistent value to shareholders, the Board has proposed a final single-tier dividend of 35 sen per share (FY2024: 33 sen per share), subject to shareholders' approval at the forthcoming Annual General Meeting. This brings total dividends for FY2025 to 65 sen per share, amounting to RM238.4 million (FY2024: 63 sen per share or RM231.1 million), representing a dividend payout ratio of 46.8% (FY2024: 42.5%).

The steady increase in dividend distribution reflects our strong financial fundamentals, operational resilience, and disciplined cash management. Even as we continue to invest in future growth, we remain committed to delivering sustainable returns to our shareholders and sharing the Group's success with those who placed their trust in F&NHB.

ACKNOWLEDGEMENTS

United by our shared purpose of *Delivering More*, FY2025 has been a year of steady progress for F&NHB — one defined by clear headway in executing our strategies and by meaningful advances in how we serve our consumers, employees, communities and the nation.

As Chairman, I take immense pride in the collective contributions of our people, guided by the steadfast leadership of our Chief Executive Officer, whose commitment and foresight have been instrumental in navigating an increasingly complex environment. Despite macroeconomic challenges, we remained resilient and can be justifiably proud of our performance this year.

With that said, *Delivering More* is not a time-bound commitment but a continuous promise that will continue to guide us as we strengthen the foundations for growth and long-term sustainability. The Board remains focused on providing the necessary guidance and oversight to sustain this momentum.

We are pleased to welcome Mr. Michael Lau Hwai Keong as Independent Non-Executive Director and Mrs. Tongjai Thanachanan as Non-Independent Non-Executive Director. Their diverse experience and insights will further enhance governance and support the Group's continued evolution.

I would also like to welcome Mr Rahul Colaco as Chief Executive Officer of Fraser and Neave, Limited. His appointment marks an exciting new chapter for the Group as we continue to invest in growth and strengthen our position as a leading player in the regional food & beverage industry.

As Mr Colaco assumes leadership, we bid a fond farewell to Mr Hui Choon Kit, who retires after more than 25 years of distinguished service with the Group. On behalf of the Board and all of us at F&N, I would like to extend our deepest appreciation to Mr Hui for his leadership, wisdom and integrity, which have been instrumental in guiding F&N through a dynamic business landscape.

As one united organisation, let us continue to advance with confidence — *Delivering More* value, innovation, and impact for all our stakeholders, while driving long-term sustainability and prosperity for our business.

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