



**Securities Investors Association (Singapore)**

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UEN No: S99SS0111B

GST Reg No: M90367530Y

**Issuer:** Thai Beverage Public Company Limited

**Stock code:** Y92

**Meeting details:**

Date: 27 January 2023

Time: 10.00 a.m. (Bangkok time)

Venue: Grand Hall I, 2nd Floor, The Athenee Hotel, a Luxury Collection Hotel, Bangkok, No. 61 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330, Thailand

**Q1.** Revenue for FY2022 increased by 13.2% to Baht 272,359 million, amid higher demand for the group's products post-reopening, as well as price adjustments across the group's portfolio during the year.

- (i) What were the average price adjustments across the group's products and in the different countries?**
- (ii) Is management still looking to make further (upwards) price adjustments to mitigate the impact of higher raw material and packaging costs?**
- (iii) Can management help shareholders better understand the more muted growth in spirits (revenue rising 1%) compared to the robust recovery in beer (23.5% increase in revenue)?**
- (iv) Did the group maintain/increase its market share of the spirits market in Thailand and Myanmar?**

In 2017, the group acquired a 75% stake in Myanmar Supply Chain and Marketing Services Co., Ltd. And Myanmar Distillery Co., Ltd. ("Grand Royal Group") and a 53.59% stake in Saigon Beer-Alcohol-Beverage Corporation ("SABECO"). In particular, the goodwill allocated to the beer business (SABECO Group) amounts to 141,754 million Baht as at 30 September 2022. Sabeco currently trades at about VND185,000 per share.

- (v) Can management help shareholders better understand the key lessons gleaned from these major acquisitions in the past 5 years? Have the performance met the board/management's expectations?**
- (vi) Has management evaluated any opportunistic acquisitions given that the pandemic has affected many businesses?**
- (vii) Given that non-alcoholic beverage and food account for only 12% of the group's FY2022 revenue, would the board be allocating (relatively more) capital to grow the non-alcohol businesses at a faster pace to better balance the group's revenue streams?**

**Q2.** On 11 August 2022, the company announced that it was deferring the potential spin-off and listing of BeerCo Limited, a subsidiary of ThaiBev on the Main Board of the Singapore Exchange Trading Limited.

The spin-off was first considered in 2019/2020 and restarted in May 2022. There were plans to conduct a public offering of up to approximately 20% of the total number of issued ordinary shares of BeerCo (subject to a potential over-allotment option (if any)) (the proposed sale of such shares being the "Proposed Vendor Sale").

After consultation with its financial advisors, the company deferred the planned IPO in view of the "prolonged challenging market conditions".

- (i) **Can management help shareholders better understand the changes in the market conditions from May 2022 to August 2022 which resulted in the deferment of the IPO?**
- (ii) **What are the factors being considered by the company/board with regard to the relaunch of the IPO? With China opening its borders, and inflation rates coming off recent highs, would it be a good time to reconsider the spin-off?**
- (iii) **In addition, has the company/board considered listing on another exchange or having a secondary listing of BeerCo?**
- (iv) **Are the growth plans of BeerCo affected after the deferment of the IPO?**
- (v) **Has the company/board considered selling a strategic stake in BeerCo to a private equity player or possibly a pension/sovereign wealth fund?**

**Q3.** The group has announced its goal to achieve net-zero emissions by 2040 and has launched its sustainability strategy themed “Enabling Sustainable Growth,” with clear environmental, social and governance initiatives and targets throughout the group.

Under the Environmental pillar, the group has pledged to achieve Net-Zero emissions from its operations (Scope 1) and purchased energy use (Scope 2) by 2040, as well as 100% water replenishment by the same year. It has also set a net-zero GHG emissions (scope 3) target by 2050.

It is noted that the group’s sustainability performance has consistently been recognised by global indices such as the Dow Jones Sustainability Index (DJSI), the DJSI World Index and the DJSI Emerging Markets Index.

- (i) Can management explain how it will be integrating its sustainability strategy with its business model?**
- (ii) In addition, what is the projected additional capital expenditure/investments required to help the group meet its ESG targets?**
- (iii) What is the level of the board’s oversight (and ownership) in the group’s sustainability efforts? How does the group avoid greenwashing?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation

(<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)



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