



Responses to Substantial and Relevant Questions from Shareholders for the 2021 Virtual Annual Information Meeting of Thai Beverage Public Company Limited (“THBEV” or the “Company”) that was held on 21 June 2021

- 1. Is the management still planning to launch the BeerCo IPO/spin-off listing when the market situation improves? What is the timeline now to reconsider BeerCo IPO/spin-off listing? What are the conditions that need to be present for ThaiBev to reconsider the IPO for the beer business?**

Company’s response:

- As stated in ThaiBev’s announcement dated 16 April 2021, ThaiBev has decided to defer the Proposed Spin-off Listing for the time being. This is in view of uncertain market conditions and volatile outlook, aggravated by the pandemic, which continues to severely impact many countries, including Thailand. ThaiBev continues to believe that BeerCo's position as one of the leading beer players in Southeast Asia and its growth potential offer a distinct and compelling growth story.

ThaiBev will closely monitor the market conditions, evaluate and explore opportunities to maximize shareholders’ value. The Proposed Spin-off Listing will be reviewed at the appropriate time by ThaiBev with its advisors.

- ThaiBev will make further announcements as appropriate should there be any updates in relation to the Proposed Spin-off Listing.

- 2. How will the BeerCo IPO be favorable for ThaiBev, and what is the strategy behind? How do you intend to use the money raised from the listing of new beer company?**

Company’s response:

- Shareholders may refer to ThaiBev’s announcement dated 4 February 2021 which sets out in detail ThaiBev's rationale for and the anticipated benefits of the Proposed Spin-off Listing. ThaiBev continues to maintain the view that the Proposed Spin-off Listing, at the appropriate time and under the right circumstances, would be in the interests of Shareholders.
- As referred to in ThaiBev’s announcement dated 4 February 2021, the ThaiBev Group may use part of the proceeds generated to *inter alia* repay interest-bearing debt, which will then help to reduce the ThaiBev's Group's interest-bearing debt to equity ratio and its overall debt level. The detailed use of proceeds that may be raised in connection with the Proposed Spin-off Listing, if and when that should happen, will only be determined later at the appropriate time. Such use of proceeds may differ from the announcement dated 4 February 2021 to best suit ThaiBev’s circumstances at that time.

3. What is the estimated price of the BeerCo IPO?

Company's response:

- Pricing of the BeerCo Limited shares to be sold in the IPO, if and when that should happen, will be determined at the time and be announced later at the appropriate time.

4. Will ThaiBev shareholders be given a chance to participate in the BeerCo IPO directly or indirectly?

Company's response:

- This will be reviewed at the time of the Proposed Spin-Off Listing, if and when that should happen.

5. With COVID-19 wave on the rise in Thailand and ASEAN countries, how is the situation affecting ThaiBev business? What is business outlook for this year and the growth plan post COVID-19?

Company's response:

- In order to curb the spread of the second and third wave of COVID-19 in Thailand, the Thai government introduced less stringent measures as compared to the first wave in order to balance public health and economic interests.
- For alcobev sales, on-trade consumption restrictions and closure of pubs and bars were enforced, but there was no ban on off-trade sales during the second and third wave of the pandemic. Since last year, the government has implemented various stimulus packages to mitigate the risk of economic slowdowns.
- Despite the challenges we are facing in light of the COVID-19 situation, the performance of our business remains strong. Our portfolio is sufficiently resilient as it caters more to off-trade rather than on-trade consumption.
- In order to mitigate the pandemic's adverse impact on our business, we are continuing to enhance cost management efficiencies by reducing expenses across all our businesses and cancelling or postponing marketing activities. Notwithstanding such measures, we have still maintained brand communication initiatives, with a focus on online channels, to keep our core brands at the top of consumers' minds as they adapt to the 'new normal'.
- For Vietnam, while there has recently been a resurgence of the COVID-19 outbreak, the country's government has generally managed the situation well. Lockdowns have only been imposed in specific areas where COVID-19 cases have been found, and not across entire provinces or the country. Hence, it is a more focused approach of lockdown and it is anticipated that the impact will not be as great as the first wave last year.

- The pandemic has triggered fundamental changes in consumer behavior in Vietnam, as evident from the growth of off-trade and modern trade sales channels. SABECO has adjusted its strategies to continue the focus on traditional trade and increase the focus on modern trade channels, and stepped up its sales and marketing efforts on online platforms. It has also implemented cost-control measures, cutting utilities expenses, renegotiating rents, and postponing non-critical activities and investments.

6. What are the company's strategies during this pandemic period? What is the company's strategic plan in 2021?

Company's response:

Spirits

- During the pandemic, our spirits business continues to be solidly supported by strong brand portfolio and route-to-market strength. During the six months ended 31 March 2021 ("1H21"), our spirits business performance continued to see good growth in profitability with EBITDA increasing 5.1% YoY as a result of prudent cost control. Once the COVID situation improves, we plan to grow the spirits business by strengthening route-to-market with distribution drives and the launch of selected new products to address the opportunities in the spirits portfolio.

Beer Thailand

- We have been facing challenging market conditions through the first 6 months of the fiscal year. However, regardless of market conditions, we continue to drive towards our ambition to be the number one beer company in Thailand. We remain focused on gaining market share over our competitors; and especially focused on improving profitability for our shareholders
- With three key objectives, Area Management, Engagement with Consumers, and Margin Improvement, our business has continued to strengthen despite the challenging market conditions. Our volumes and revenues dipped as the market contracted during the COVID-19 pandemic. However, we gained market share over the competition thus growing our share of the market. We will continue to focus on our three key objectives moving forward.

SABECO

- 2020 was an unprecedented year due to the COVID-19 pandemic. The Vietnamese government has generally managed the situation well, and contained the spread of the virus. Vaccination has begun in Vietnam and SABECO is working closely with the authorities to procure vaccines for its employees.

- In 2021, we will continue to boost sales and gain market share. We want to grow our share in the Mass Premium segment, in particular through the addition of Bia Saigon Chill which was introduced in October 2020. Bia Saigon Chill’s taste and packaging have been well received by consumers. We strongly believe that Bia Saigon Chill has great growth potential.
- SABECO will continue to focus on SABECO 4.0 implementation, which we believe will bring about medium-term and long-term benefits to SABECO.
- SABECO will continue to pursue brand innovations to meet or create consumer demand.
- We recognise the importance of SABECO building a culture and environment where employees will feel engaged. By upskilling engaged employees, we will have a powerful workforce that will bring SABECO to greater heights.
- SABECO will continue to focus on operational excellence through relentless pursuit of reduction of energy consumption, raw material and packaging usage, transportation costs, and centralized and joint procurement. This will help us improve margins and profitability.
- SABECO is a Vietnamese company with a long and proud heritage. Bia Saigon was born in Vietnam, and we want to fly the Vietnamese flag high by making Bia Saigon an internationally recognized and respected brand, as the Pride of Vietnam.

Non-Alcoholic Beverages (NAB)

- We continue to build on our strategic foundation of “Profitable Volumes for Sustainable Growth”, and to embed our strategic imperatives across all aspects of our operations – from our management team to our frontline staff.
- Our key theme for the NAB business this year is “Growing Sustainably, Rising Towards a Digital Future”. The three key pillars of this theme are Sustainability, Production & Supply Chain Excellence, and Brand & Reach. To accomplish our objectives, we have adopted digital technology in the operations and management of our business, and have upgraded our work processes to enhance efficiency.
- “Sustainability” – one of the top priorities for our entire supply chain from material procurement to the reuse of packaging. Environmental conservation is at the heart of our practices, and we aim to continue improving our sustainability efforts each year. We have been inculcating a corporate culture that values sustainability from a grassroots level by developing an employee mindset that is dedicated to achieving the full potential of ThaiBev’s sustainable practices.
- “Production & Supply Chain Excellence” – We aim to enhance the connection of our world-class production facilities with ThaiBev’s extensive logistics network. We have incorporated artificial intelligence technology that helps with analyzing and developing production and distribution processes to support a circular economy, which is in line with our sustainability goals. Our efforts have not only yielded high-quality products, but have also been recognized by environmental awards throughout 2020.

- “Brand and Reach” – We aim to develop products that cater to the needs of different consumer groups. We are also building efficient sales and distribution channels that enable the prompt and extensive distribution of products to consumers. We have established a significant presence in key beverage segments, with our brands leading in their respective categories. In addition, as we move towards a digital future, we have developed various digital platforms to connect and engage with our customers and consumers.

Food

- Food retail business was directly impacted by COVID-19. Our sales have dropped sharply since mid March 2020. Since then, it has gradually picked up even though business has not recovered to pre-COVID-19 levels. However, it is still the case that whenever there are new surges in COVID-19 cases, our sales are impacted immediately and this was the case when the 2nd wave of COVID-19 occurred in Thailand in December 2020 – January 2021. The pandemic impacted our business directly during peak season for the first half of 2021.
- Three strategic imperatives we have implemented to secure our current situation and for the future are:
- “Maximize profit from our current assets” – We have worked to transform our kitchens from dine in to be able to support take away and home delivery service. We continue offering aggressive promotions to attract new users and value seekers, and strive to grow off-premise operations as our key strategy going forward.

We also continue our efforts to have better cost management e.g., price optimization, menu rationalization, waste management, logistics management, labor productivity improvement, and to reduce other expenses.

In addition, we have implemented back to basics actions to reinforce and ensure that our systems & safety standards e.g., food safety or hygiene standards, are in place.

- “Continue to expand brand presence that is relevant to the new normal” – We continue to expand brand presence by opening new stores to drive deeper penetration, with different models / formats to address the changes in consumer behaviour e.g., light investment and compact model, opening of new outlets outside shopping malls. These outlets must support take away and home delivery opportunities. In addition, we are working on other new initiatives with better & smarter outlets built e.g., food truck, cloud kitchen, compact drive thru stores, and smart box.

We also launched new product categories to capture current trends e.g., sauces (for home cooking), and healthier product options which consumers nowadays look for.

- “Thriving food business by capturing the next-normal consumer”
 - Grow off premise
 - Takes away channel offers big opportunities as it is the most profitable model. We launched a self-pick-up app, introduced KFC curbside pickup and “Oishi to go” under the Grab & go concept.
 - Home delivery – we have continuously improved and promoted both our own delivery and aggregator platforms as we need to be everywhere our consumers are.
 - Partnering with other e-commerce platforms like Shopee, Lazada.
 - Digital agility – this is an opportunity to improve our customer experience and operations processes through digital and technology. We launched cashless payment, kiosk ordering and mobile app to address concerns on safety, hygiene, ease of use and convenience. To improve operational efficiency, we are working on ways to simplify and digitalize our operations system with smart kitchens. This would help lower the time spent of our staff and improve the accuracy of the orders. We are also working toward end-to-end data management with personalized offerings.
 - Sustainability – Examples of what we are doing include healthy food options, sustainable packaging, eco-friendly and reusable packaging. We also have food waste programs for both KFC and Oishi, and a pilot store ‘KFC Green store’ which is an energy saving building, offering healthy menu options, and encouraging no plastic usage.

7. What other new markets and new products Thai Beverage is looking at expanding into?

Company’s response:

Spirits

- Our business fundamentals continue to be solidly supported by a strong brand portfolio with variety of segmentation. In Thailand, we are the largest alcohol beverage producer in addition to being a leading spirits producer in Myanmar.
- The new additions to our product portfolio are:
 - Hong Thong Thai Spirit, number one brown spirits in Thailand

We introduced a new bottle shape for Hong Thong 700ml in February 2021 and will introduce a new Hong Thong 350ml bottle in July 2021. These are part of our efforts to enhance the premiumization and brand loyalty for Hong Thong premium Thai Spirits.

- Blend 285 Signature, a sub brand of Blend 285 international spirit

Over the past three years, Blend 285 Signature has enjoyed YoY double digit growth rate. To emphasize the exclusive positioning and accelerate further growth to this sub brand, in November 2020, we introduced Blend 285 Signature Festive Box 700ml in collaboration with a local fashion brand.

- Niyomthai Special Aromatic Rice

This year, we introduced a new SKU of “Niyomthai white spirit” which currently has 6 SKUs in 30 degree, 35 degree and 40 degree with 330ml and 625ml bottle sizes. This version of Niyomthai is made from aromatic rice in a twist cap bottle. The introduction of this new SKU is to address the new emerging segment in white spirit consumption.

- Grand Royal Super Smooth

In January 2021, we launched Grand Royal Super Smooth to strengthen the Grand Royal portfolio, which is positioned to close the price gap between Grand Royal Smooth and Grand Royal Signature.

Beer Thailand

- We remain focused on the core of our business which sits in the mainstream space and our desire is to be able to capture the up-trading trend in the market. As consumers move up the pricing ladder, we want to be there with better products at a good price.
- In October 2019, we launched Chang Cold Brew as a higher priced, full malt variant to the popular Chang Classic. It has become the fastest growing local mass premium beer in the market and in only one year, it has become a Top 5 beer brand in Thailand
- In December 2020, we launched another variant, Chang Espresso, which is a coffee infused beer and the first and only espresso lager in Thailand. We have seen positive initial response.
- Both new variants won Silver Medals at 2021 Australian International Beer Awards (“AIBA”), becoming the only Thai Beer to receive such accolades. These awards are not only a fitting testament to quality & brewing excellence within the ThaiBev Group, but point towards a strong future ahead for us.

SABECO

- In June 2020, we launched our 145th anniversary brew, Bia Lac Viet, the real Vietnamese beer developed by Vietnamese, "brewed by Vietnamese, for Vietnamese".

- In October 2020, we ventured into the mass premium segment and launched Bia Saigon Chill. Bia Saigon Chill was very well received, with consumers responding positively to the packaging and taste.
- In December 2020, in preparation for TET festivities, we launched Bia Saigon Gold in a special and limited pack, in the form of a gold bar. This pack was very extremely well received, both for the attractive packaging and the taste of beer as well.
- Notably in the 2021 AIBA, our Bia Saigon Gold won the Gold Medal in the Best Australian Style Lager category at its first entry and our Bia Saigon Chill won the Silver Medal in the category of Best International lager, beating the competition despite being a newly launched product. Once again, these awards are a strong validation and affirmation of domestic Vietnamese brands' reputation and superior quality in the international brewing arena.

NAB

- We are in the process of developing new products for our 'health and wellness' product category. Our new products in this category include:
 - Oishi Gold Wakoucha, the first fermented Japanese premium tea with ingredients such as theaflavins and fiber, which accelerate fat burning, improve cholesterol levels and aid the digestive system.
 - Oishi Green tea with Vitamin C added
 - est PLAY with Vitamins B6 and B12 added, and est PLAY Jelly Shake carbonated drink mixed with Jelly with Vitamin B added
 - The immunity-boosting Vboost, which has 200% Vitamin C and beta glucan
 - Ranger, our vitamin-packed energy drink

Food

- We launched more product categories to capture the new normal behaviours and trends. We introduced three new Japanese-style sauces for home-cooked meals and healthier product options.
- In addition, we have worked to transform our kitchens from dine in to be able to support take away and home delivery service, and also introduced new store formats such as food trucks, cloud kitchens, compact drive thru stores, and smart box.

8. What is the management's view on the level of gearing? What are the options when interests start to go up?

Company's response:

- The Company current gearing ratios are:
 - Net Interest Bearing Debt / Equity (1.00x as of 31 Mar 21)
 - Net Interest Bearing Debt / EBITDA (3.87x annualized as of 31 Mar 21)
- Debt financing enables ThaiBev to fund possible M&A opportunities and helps us to operate efficiently. It is a suitable source of capital as the cost of debt is typically lower than the cost of equity, and it also provides shareholders with a better return on equity (ROE). Also, interest expense is tax-deductible.
- Majority of our interest-bearing debts are on fixed rate, in order to mitigate the interest rate risk. Should interest rates start to rise, the Company will try to convert all floating-rate debts to fixed rates.
- Should there be suitable M&A opportunities that require financing when interest rates are high, the Company will try to lower its days of working capital, and defer non-essential CAPEX in order to increase its cash flow to finance the M&A. For more sizable M&A opportunities which fit with the Company's strategy, funding may be obtained by issuing debentures in either the domestic or international market, since ThaiBev has investment-grade credit ratings from both domestic and international rating agencies.

9. Does the management have any firm plans to reduce its high gearing? How so?

Company's response:

- ThaiBev has a strong, solid, cash-based business, with the majority of its sales on "cash before delivery" terms.
- Tapping on its cash flows from operations, ThaiBev decreased its net interest-bearing debt to equity ratio from 1.01x as at 30 September 2020 to 1.00x as at 31 March 2021. ThaiBev is working to further deleverage the business.
- The Company is working towards increasing sales and cost efficiency to improve its margins, and has also scaled back on its CAPEX plans and deferred non-essential CAPEX.
- ThaiBev continues to explore ways to further deleverage, and will update shareholders as appropriate in accordance with our obligations under the SGX listing rules.

10. Will the Company continue to pay dividends? Will ThaiBev look at increasing the dividend yield for its shareholders?

Company's response:

- ThaiBev remains committed to its full-year dividend policy of paying out “*not less than 50% of net profit after deducting all specified reserves, subject to our investment plans and as the Board of Directors deems appropriate*”.
- In the event that the Company is able to lower its debt level, has no potential M&A, and has excess cash, the Company will consider increasing its dividend payment. For example, in 2010, when ThaiBev had excess cash, the Company's dividend payout ratio was 83%.

11. What are the main reasons for the underperformance of ThaiBev share price vis-a-vis its competitors? Any plan to revive the lackluster share price in SGX market?

Company's response:

- ThaiBev remains focus on driving business growth and believes that its strong performance will be recognized by the market.
- The management team will continue to work closely with all stakeholders to pursue sustainable progress and business growth, while upholding high standards of corporate governance and social and environmental responsibility, in order to create value for and share the success of its growth with its stakeholders.

12. What is financial impact to ThaiBev (Beverage, Liquor and Beer) if COVID-19 persist into end of 2022 and Thailand and Vietnam may see resumption of leisure travel only in 2023?

Company's response:

- It is hard to avoid some financial impact from this unprecedented situation.
- However, ThaiBev believes its portfolio is sufficiently resilient as it caters more to off-trade rather than on-trade consumption.
- Even if the situation persists and consumers avoid going out, they can still consume alcohol at home.
- The Thai government continues to balance public health and economic interests, and introduces less stringent measures as compared to the first wave
 - A national lockdown was not imposed following the most recent resurgence of COVID-19; instead, zone control was introduced.
 - For alcobev sales, on-trade consumption restrictions and closure of pubs and bars were enforced, but there was no ban on off-trade sales during the second and third wave of the pandemic.

- Since last year, the government has launched several stimulus packages to mitigate the risk of economic slowdowns.
- Thailand and Vietnam have also commenced the roll out of domestic vaccination programs. It is hoped that the situation in the respective countries will improve as the vaccination rate increases.

13. What is financial impact to ThaiBev (Properties including commercial and private) if COVID-19 persist into end of 2022 and Thailand and Vietnam may see resumption of leisure travel only in 2023?

Company's response:

- Food and beverage remain ThaiBev's core business while the property business is an investment made through an associate.

14. What constitute the beer business restructuring? Why did the income tax expense for the above amounted to Baht 1.084 Bn?

Company's response:

- In March 2020, the Company undertook an internal restructuring of its beer operations to unlock greater value, to generate business growth opportunities, and to improve operational efficiency.
- The restructuring involved the transfer of its shareholding stakes in each of the 15 companies in Thailand to Chang Beer Co., Ltd., the Company's indirect subsidiary.
- After the completion of the restructuring, these 15 beer companies remained wholly owned by the Company.
- The beer restructuring was undertaken to:
 - improve operational clarity and efficiency, quality of reporting standards, and performance evaluation for the beer business;
 - facilitate opportunities to create value for the beer business in the capital and bond markets and enhance shareholders' value;
 - help ThaiBev optimize its asset portfolio in order to create value for the beer business.
- Under this transaction, the Company recognized the income tax expense but did not incur actual tax payment in cash by utilizing deferred tax asset in balance sheet. The income tax expense from beer restructuring was not the expenses under normal operation for the full year period ended 30 September 2020, amounting to Baht 2,168 million. *(Note: the income tax expense for the beer business restructuring was Baht 1,084 million for 1H20)*

15. Why does the total comprehensive income for the six months period ending 31 March 2021 fallen by 50%, which is despite increase in profit for the period?

Company's response:

- The main reason for the decrease in total comprehensive income for 1H21 when compared YoY was the exchange differences on translating foreign operations from their functional currency into Thai Baht which shown gain in other comprehensive income in 1H20 due to Thai Baht depreciation, while it was changed to loss in 1H21 due to Thai Baht appreciation.

16. Under the balance sheet, why has the long-term loans from financial institutions increased by more than 2 times, from Baht 27.228Bn (as of 30 Sep 20) to Baht 63.755 Bn (as of 31 Mar 21). What is this huge loan for?

Company's response:

- This was because in March 2021, the Company entered into Baht 40,000 million bridge loan facility, to refinance its existing bond due in March 2021.
- However, on 11 June 2021, the Company issued debentures with an aggregate principal amount of Baht 40,000 million. The proceeds from the debenture issue were used to repay a Baht 40,000 million bridging loan facility on 18 June 2021, without any pre-payment penalty.

17. Why is there a huge advance payment for share subscription of Baht 8.381 Bn on the balance sheet? What is the price of the subscription shares? Would the share subscription dilute existing shareholders values?

Company's response:

- The Board of Directors approved for InterBev Investment Limited (IBIL), an indirect subsidiary of the Company, to subscribe the Rights Issue of Frasers Property Limited (FPL), an associate which ThaiBev held a 28.12% stake, and to enter into an irrevocable undertaking in connection with the FPL Rights Issue.
- On 25 March 2021, IBIL subscribed the Rights Issue of FPL of 305,193,628 shares with consideration paid in advance for the share subscription of SGD 360.13 million or approximately Baht 8,381.22 million which was presented as an advance payment for share subscription in the statement of financial position.
- On 5 April 2021, IBIL received the share allotment of FPL with an aggregate of 1,130,041,272 shares, which resulted in an increase in its interest in FPL to 28.86%, and the amount of Baht 8,381.22 million was no longer presented under advance payment for share subscription but was presented under investment in associates and joint ventures in the statement of financial position instead.
- The issue price of each Rights Share is S\$1.18.
- The share subscription does not dilute shareholders' value.

18. Is there any consideration of adding more liquidity through dual listing like in HKEX?

Company's response:

- No, there are no plans at this time.

19. Is there a secondary listing in SGX?

Company's response:

- We are currently primary listed on SGX.

20. What are you doing that makes you stand apart from your competitors in the spirits segment?

Company's response:

- Our business fundamental continues to be solid supported by strong brand portfolio of alcohol beverage with variety of segmentation together with route-to-market strength in sales and distribution. In Thailand, we are the largest alcohol beverage producer in addition to being a leading Spirits producer in Myanmar.

21. For the spirits market, are there plans to boost its sales and revenue despite the challenging COVID-19 situation in Thailand?

Company's response:

- In our 1H21 results, our spirits performance continued to see good growth in profitability with our EBITDA being 5.1% higher reaching Baht 16,547 million. Once the COVID-19 situation improves in Thailand, we plan to grow the spirit business by strengthening route-to-market with distribution drive and launch selected new products to address the opportunity in the spirits portfolio.

22. Please update shareholders on the situation in Myanmar. How has the political situation affected your spirits business in Myanmar?

Company's response:

- In 1H21, we faced a challenging situation in Myanmar where our sales revenue was 9.3% lower for the period while EBITDA was 5.2% higher with solid performance. The current situation is stable and we have no material aging receivables issues. In term of supply chain logistics, we have sufficient supplies and packaging material to continue production with good buffering stocks. From February 2021 till now, our sales have slightly declined but this has had minimal impact to the Spirits Group overall. We believe that our business in Myanmar remains on solid footing given the current situation and continue to generate strong positive cashflow.

23. Does management foresee market share expansion for the beer business both in Thailand and Vietnam in the near and mid-term? What steps have management adopted to boost its market share?

Company's response:

- We continue to drive towards our ambition to be the number one beer company in Thailand, applying our strategies as mentioned in our response to Question 6. This is still our key goal despite the challenging circumstances exacerbated by the COVID-19 pandemic. We remain focused on gaining share over our competitors; and especially focused on improving profitability for our shareholders.
- For SABECO, our market share is improving from previous year, showing that we are making inroads and continuing to recover from the inaccuracies and false claims that had been reported in certain media articles in FY2020. We got hit by the baseless rumours as well as practices that we believe to be unfair competition, so we are very proud of our team for holding up. We feel confident now because of our great team and various initiatives for margin improvements, for example, product portfolio expansion to defend against our competitors. Moreover, we have improved our sales competency through the launch of a salesforce automation system, which has helped our sales team become more productive, facilitated the launch of promotions as well as information collection. We have also launched a distributor management system to help our distributors improve their effectiveness. In addition to the foregoing, there are also various initiatives that we will introduce in the coming years, which we expect will be solid foundations for our long-term growth.

24. What is business outlook and future directions of SABECO?

Company's response:

- For further details on the business outlook for Vietnam and the strategies that we plan to implement for our beer business in Vietnam, please refer to our responses to Questions 5 and 6.

25. Can ThaiBev beer be sold online to the world. Why no e-commerce sales?

Company's response:

- In Thailand, the Royal Gazette published an announcement on 8 September 2020 from the PM's Office prohibiting the sale of alcoholic drinks via electronic channels. The ban on online sales of alcoholic drink, effective on 7 December 2020, include direct selling, attempts to persuade and introduce alcoholic products online, but it will not include electronic payments, meaning e-wallets can still be used to purchase alcoholic beverages at retail stores.

26. The margins for beer business are much lower than spirits and also below industry peers? Is this observation correct? Any strategies to improve margins?

Company's response:

- We report our sales revenue including excise tax. Since majority of our sales revenue are from Thailand which has relatively high excise tax compared to other countries, therefore, to compare our margin with other players based on gross revenue basis may not be a fair comparison. Instead, using net sales revenue (exclude excise tax/special sales tax) is a better option.
- For the beer business, area management, engagement with consumers, introducing higher price point product in mass premium segment, prudent cost control and SABECO 4.0 are the key strategies which we have adopted to try to improve our profit margin. Please refer to our response to Question 6 for further details.

27. How is the company progressing in ways to capture the market share of NAB segment from loyal customers of other brands?

Company's response:

- We have established a significant presence in key beverage segments, with our brands leading in their respective categories. Crystal and Oishi are respectively leaders in the drinking water and ready-to-drink green tea segments in Thailand, while est is the only Thai brand to compete with global players and ranks a strong third place by market share in Thailand.
- Crystal will continue to strengthen its leadership position through deeper engagement with local consumers in all regions of Thailand.
- Oishi as a market leader in ready to drink tea, continued to lead in innovation while capture growing health trend especially during pandemic.
 - We launched Oishi Green tea with Vitamin C added with impactful communication that highlighted the benefits of tea when consumed together with Vitamin C. This was the first green tea beverage with added Vitamin C which has been commercially launched in Thailand.
 - We also continued to expand consumption occasions especially in taste and enjoyment and to drive further growth through the Oishi Chakulza new line extension.
- For est COLA, we aim to capture the whitespace in the carbonated soft drink market in Thailand through the growing trend of game platforms. We launched an impactful lucky draw campaign in Thailand during summer 2021 not only to drive consumption frequency but also to continue consumer engagement.

- This year we still aim to lead innovation in flavored carbonated soft drink market by launching est PLAY Jelly Shake, a carbonated soft drink in jelly format. This is a breakthrough new product development, the first of its kind to be commercially released in Thailand, in recognition of the demand for "good-for-you" products among consumers. We then launched est PLAY with added Vitamins B6 and B12 which created product differentiation from the other offerings in market.

28. Is the company exploring other partnerships or smaller companies that they could potentially expand into (e.g., franchising of the chipotle business / noodle house business)?

Company's response:

- We are always open to all available and viable business opportunities and also continually monitor potential partnerships that complement our food portfolio and supports the acceleration of growth.

29. What in chairman's view is the greatest risk to the business at this current point of time?

Company's response:

- The greatest risk at this point of time is the COVID-19 pandemic, which remains a key concern globally. The recent resurgence of cases is also a reminder that the fight is far from over.
- It is thus vital to ensure the continuity of our production and distribution and we have taken active steps since the start of the pandemic last year to do so.
- As part of our business continuity plans, we set up the ThaiBev Situation Room in March 2020 to closely monitor information on the pandemic, anticipate problems that may adversely affect the Group and formulate measures to avoid or mitigate risks.
- The ThaiBev Situation Room also tracks and collects data related to the health and safety of more than 98% of the Group's employees via the mobile application.
- In addition to these, we have invested in a mask production line and our own COVID-19 testing center, mainly for the purpose of supporting ThaiBev's staff force. These initiatives help us keep abreast of the latest pandemic developments, as well as to take better care of the well-being of our employees, who are critical to our business continuity, as well as to prevent spread of COVID-19.
- Moreover, when Thailand starts to roll out its vaccination program, we will support the collaboration between The Bangkok Metropolitan Administration and the Thai Chamber of Commerce to manage some vaccination venues for Bangkok's mass inoculation campaign.
- ThaiBev will continue to adapt to changes in the operating environment and shifts in consumer preferences while taking care of its employees, business partners, customers as well as society and collaborating with stakeholders to overcome the difficulties posed by the pandemic.

30. Looking at the past 5 years, what would CEO do differently if he could turn back time?

Company's response:

- The success of VISION 2020 over the past five years indicates that we have made the right strategic decisions.
- In the course of executing VISION 2020, we have successfully expanded our presence in key ASEAN countries, i.e. Thailand, Vietnam, Myanmar, Singapore, and Malaysia.
- We have solidified our leadership position across key beverage segments in these markets and have become a leading food and beverage company in Southeast Asia.
- We were also recognized as the Dow Jones Sustainability Index Global Leader in November 2020 for the third consecutive year, which reaffirms our position as one of the world's most sustainable beverage companies.
- Building on the success of VISION 2020, in October 2020, ThaiBev announced "PASSION 2025", the latest five-year plan for 2021 to 2025.
- Through PASSION 2025, ThaiBev aims to build new capabilities, strengthen its market-leading position in its core markets, through an increased focus on supply chain, process innovation and digitalization, as well as on brand portfolio management, and unlock its potential to enhance shareholder value.
- The CEO believes that ThaiBev is well-positioned for the future and looks forward to executing the plans to take the Company to new heights.
