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**SeyBrew**

**Seychelles Breweries Ltd**

MINUTES OF ANNUAL GENERAL MEETING  
Held Saturday December 2, 2017



## **Seychelles Breweries Ltd**

### **49<sup>th</sup> ANNUAL GENERAL MEETING Financial Year-End 2017**

#### **Welcome**

1. The Chairman opened the meeting by welcoming all shareholders. The Chairman asked the company secretary to confirm that the meeting had a quorum for the meeting. The company secretary duly confirmed that a quorum had been met and the meeting was declared open.
2. The Chairman took the opportunity to introduce the members of the board to the meeting as well as the Auditor and Company Secretary.

#### **Adoption of Agenda**

3. The Chairman proposed a correction to the Agenda at point 4 whereby it was stated the Directors would be "re-elected", the Notice should have read "re-appointed". There were no objections and the Notice and Agenda was duly adopted.
4. The Chairman asked that the members present stand for a moments silence in memory of shareholders who had passed away during the year.

#### **Adoption of Minutes of 2016 AGM – Agenda item 1**

5. The Chairman stated that the minutes of the 2016 AGM had been circulated and asked that they be taken as read. The Chairman asked whether there were any amendments or corrections to be made to the minutes, there being non put forward the minutes were adopted.

#### **Chairman's report**

6. The Chairman proceeded to highlight key areas from his Report, stating that the company registered sales revenue growth of 4% over F16. Profit after tax was 48% above last year.
7. On revenue, the Chair reported that Beer was up 13% in F17. The relaunch of the Seybrew brand in August was a great success and the company has worked hard not only improve the quality of the brand look and feel but also the liquid within every bottle. This, together with our launch of Festive Beer limited edition during the festive season, is something we are proud of.
8. The Board of Directors is recommending a dividend of R1.00 per share. This is in addition to the interim dividend of R0.50 approved in June 2017. The Company has embarked on intensive investment plan to update its production equipment. We have made a significant amount of investment in the past few years and the Company will require more such investments in the coming years as I mentioned earlier. The Company has and will have to borrow money to fund its investment plan. Therefore, the dividend for the next few years may remain at this level. However, I assure you that the Company will increase the dividend payment amount as soon as it starts generating surplus cash.
9. It is worthy of noting that in the course of the year, there were changes to the leadership of the Company. Please join me in welcoming our new Supply Chain Director Mr. Martin Cecil and our new HR Manager Ms. Shirley J. Louise. I wish them a very successful tenure in office.
10. I'd like to take the opportunity today to also give you some performance headlines for the first 4 months of our current financial year. Some highlights include that our overall Beer portfolio is in growth by 21% vs LY and within that our beloved Seybrew is +40% vs LY.

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Our focus on making the freshest beer in Seychelles and maintaining very high quality standards is paying off and it's very encouraging to see such strong performance. Our lines are also performing better and we are starting to reduce OOS we have in trade although there is still a great deal to do. We will share a full update when the first half of the year is finished but I have confidence in the team and I believe the business is definitely on the right trajectory and firmly on it's way back to great.

11. In conclusion, I would like to thank you, my fellow shareholders, for your continued support to our company over the years. I know that many of you have held your shares in this Company for several decades. This goes to show the confidence you place in this company and its rich history. I urge you to continue your support for our company as the Board and management work together to move the company forward. I also thank our key partners including distributors, customers, suppliers, professional advisers among others, for contributing to the success story of the company. I take this opportunity to also thank the Government of Seychelles for implementing investment friendly and supportive policies for local manufacturers. I would like to commend our parent company, Diageo Plc, for its unwavering support for our company and its continued belief in Seychelles. I would also like to thank Coca-Cola Company for their support. We look forward to a continued partnership in the years ahead. I must also appreciate my fellow Directors for their continued commitment to the success of our company. I take this opportunity to thank our outgoing Director Ms. Lekha Nair. She served SBL as Director for more than two years and also served as Chairperson on the Audit Committee since its inception in 2016. The company benefited from her business acumen and financial literacy. Thank you.
12. Finally, I appreciate the management team and all our committed employees for their hard work and untiring dedication in ensuring that our company continues to be profitable and successful.

### **Directors and Auditors Reports- Agenda item 2**

13. The Chairman stated that the Directors and Auditors' reports have been circulated. He asked whether these can be taken as read. There being no objection from the floor, the Chairman invited the Auditor to present key findings of the report. The representative of Pool & Patel Chartered Accountants proceeded to read the Auditors Report as published on page 21 of the Annual Report.
14. The Chairman invited questions from the floor.
15. Mr Antoa asked whether there is a need for the Financial Statements are in accordance with the Securities Act, 2008. Mr Mohammad Iqbal responded that with the adoption of IFRS reporting standard in 2017, that the Financial Statements are in accordance with the Trop-X listing requirements and therefore the Securities Act, 2008. Mr Mohammed Iqbal thanked Mr Antoa for his input and stated that this would be included in the next financial statements.
16. There being no other questions or clarifications from the floor, the Chairman thanked Pool & Patel for serving their years of service to the Company and out forward a motion to accept the Directors and Auditors reports as presented. The motion was seconded by Mr Antoa. There being no objections, the reports were accepted by the meeting.

### **Dividend – Agenda item 3**

17. The Chairperson moved that a final dividend of SR1 per share recommended in the Directors' Report for the period ended 30<sup>th</sup> June 2017 be and is hereby declared payable to all shareholders whose names appear on records on December 2nd, 2017. The motion was seconded by Mr Ramjordi. There being no objections, the motion was carried. The Chairperson requested that all members provide their update information and banking details to the company secretary to avoid any delays in receiving the monies. He stated that payment would be made by means of bank transfer or by crossed cheque posted to

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you. Those who do not have a bank account should please return the cheque to the Company where cash or an open cheque will be given in exchange. I am also asking those who have not sent their bank details to do so as soon as possible so that all payments are effected through bank transfer in the future.

### **Resolutions – Agenda item 4 points a- c**

18. I hereby move THAT Jean Weeling-Lee who retires by rotation is re-appointed as Director. The motion was seconded by Mr Rod Thorrington.
19. That the following directors who retire by casual vacancy be re-appointed:
  - a. Mr Aubrey Lucas who replaces Mrs Lekha Nair and was recommended by Seychelles Pension Fund. It is to be noted that whilst we are under no obligation to appoint upon recommendation of Seychelles Pension Fund, we do believe that Mr Lucas will be a valuable member of the Board and therefore endorse the recommendation.
  - b. Mr Baker Magunda who replaces Mr Steve White is re-appointed.

### **Managing Director's Remuneration – Agenda item 4 point d**

20. The Chairman proposed that remuneration of SR 2,450,000 per annum including income tax be approved for the Managing Director for the financial year 2017/18. The motion was seconded by Mr Ramjordi.
21. The Chairman proposed that remuneration of SR 3,200,00 per annum including income tax be approved for the Finance Director for the financial year 2017/18. The motion was seconded by Marianne.
22. The Chairman proposed that remuneration of SR 209,000 per annum including income tax be approved in respect of the non-executive Directors namely: Captain Morgan, Mr. Weeing-Lee, Mr Lucas for the financial year 2017/18. The motion was seconded by Mr Ramil.

### **Appointment and Remuneration of Auditors – Agenda item 4 points g and h**

23. The Chairman proposed that we take points (g) and (h) together on the agenda and pass a single resolution being the appointment of BDO Associated be endorsed and approved and that the Directors be authorised to fix the remuneration.
24. Mr Antoa asked why it had been decided to change Auditor. Mr Weeling-Lee as Chairperson of the Audit Committee responded that the change in Auditor is in fact in line with International best practice and the Trop-X Code of Good Governance. The current auditors have been the Company's auditors for the past 39years.
25. Mr Antoa stated that under Section 156 of the Companies Ordinance Act the retiring auditors can make a representation on this motion. He asked whether the retiring auditors wished to do so. The auditor's representative declined to do so.
26. The Chairperson invited any further questions or clarifications from the floor. There being none he presented the motion which was seconded by Mr Rod Thorrington.
27. The Chairman thanked the Auditors for their 39years of service.

### **Any Other Business**

28. The Chairman opened the floor for any questions or clarification from the floor.
29. It was asked whether at next year's AGM the company would consider giving the shareholders a souvenir as well as Seybrew Bottles such as commemorative glasses. The Managing Director responded that this is something that could potentially be done in view of it being the 50<sup>th</sup> Anniversary.
30. It was questioned why there was a lack of availability of Tonic Water on the market and what steps had been taken to rectify the situation. Nick Cook responded that the focus has been on increasing and maintaining beer supply. He informed the meeting that the decision to move Tonic Water into a 30cl format has presented challenges and confirmed that the

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company would continue to supply in glass bottles for the moment. He also informed the meeting that the company was looking at the cost advantages of moving soft-drinks back to glass.

31. It was questioned whether the company was looking to supply Ginger Ale in a larger bottle. Nick Cook responded that this was not something that had been put forward before. He stated that the company does have a list of ideas around innovation but that the primary concern for the moment is on ensuring that supply is maintained for core products.
32. It was questioned whether Seybrew had made any moves against competitors implying that Seybrew is not a 'Cold Beer'. Nick Cook informed that complaints had been made to the necessary authority but that no response had yet been received.
33. Further suggestions on increasing the size of bottle for Ginger Ale were made. It was also stated that the availability of the drink needed to be maintained. It was stated that shop-keepers are not willing to maintain stock of the product due to its short shelf life. Nick Cook informed the meeting that the shelf-life is actually longer on Ginger Ale than its counterparts that are packaged in PET bottles. Nick Cook informed the meeting that the company is reviewing its packaging format to make the products more appealing. Simon Harvey also informed the meeting that the company has introduced a retail audit whereby retailers are rewarded for carrying Seychelles Breweries products.
34. It was stated that the shelf-life of other products, such as soda, also seem to have reduced. Nick Cook responded that the aim is to ensure that every customer enjoys the product at its best and part of the challenge is to ensure that stock rotation is maintained. Simon Harvey stated that products packaged with PET generally degrade the fastest as PET is porous.
35. It was questioned whether the company still employed the practice of removing out-of-date products from retailers. Nick Cook confirmed that this is indeed the case.
36. It was questioned whether there had been any moves to put Seybrew Beer in cans as this seemed to be preventing airlines from carrying the beer. Nick Cook reiterated that performance on beer has been pleasing. Assessments have been made to move to cans but it will be expensive and part of the challenge is that there will also be a change in the taste of the beer.
37. It was questioned whether the company would be looking to develop an export market. Nick Cook stated that this is something that may be considered in the future but that the local market is the immediate priority.
38. It was questioned whether the members dividends also reflected spirit performance. It was confirmed that revenues from all products contribute to overall performance.
39. There being no other questions from the floor, the Chairman declared the meeting closed at 11.40am and invited all shareholders to refreshments and lunch. The Chairman thanked everyone for their attendance and looked forward to answering any questions in a more informal manner.



Simon Harvey  
Chairman



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