



**FRASER & NEAVE
HOLDINGS BHD**

196101000155 (4205-V)



RE-ENERGISED

ANNUAL REPORT 2022

Our Vision

To be a stable and sustainable food and beverage (F&B) leader in the ASEAN region.

Our Mission

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust.

Our Core Values

Our Global Values serve as a compass for our actions and describe how we behave in our organisation, they include:

COLLABORATION

We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals.

CREATING VALUES

We are passionate about applying new ideas and seizing opportunities to make a positive impact on our organisation and around the world.

CARING FOR STAKEHOLDERS

We embrace our stakeholders' perspectives with good intentions and right mindsets to create long-term, sustainable partnerships.



1

Strengthened our Halal Packaged Food pillar

Adding an established Malaysian confectionery and snack brands to our portfolio while maintaining our market leadership in core categories.

2

Expansion into upstream business

Building new capabilities with integrated dairy farming to support downstream production and distribution of fresh milk.

3

Strategic collaborations to unlock value

Our continuous effort in marketplace, workplace and environment received external validation through numerous awards and recognitions in Malaysia and Thailand.

4

Improved operational and cost efficiency

Strengthened our route-to-market strategies while achieving cost optimisation with our state of the art warehousing facilities.

5

Our products now powered by solar

10MWp rooftop Solar Photovoltaic (PV) System in our manufacturing plants had begun generating renewable energy progressively to power the operations.

Building New Capabilities and Business Opportunities



Acquisition of Ladang Permai Damai

- The acquisition presents an opportunity for the Group to embark on the upstream dairy business.

Access to high quality fresh milk and reduce dependence on imported milk

Able to meet the demand for fresh milk, and further advancing our push into this fast-growing segment in Malaysia

- Enable a vertical integration business and operations to lower the value chain cost.
- Less dependent on imported milk and help to promote local agricultural industry.



Acquisition of Cocoaland

- Aligned with the fourth pillar of growth – to be a stable and sustainable F&B leader in the ASEAN region, with Halal packaged food.
- Enables the Group to tap into confectionery and snack market segment worth RM4.2 billion in Malaysia.
- To leverage combined strength and introduce new products in healthy and functional range.

Provides capacity for expansion to support our existing business and future growth

Serve as a platform to expand into more Halal food segments and the overseas market

Plant-based Beverages Capability

Total Investment
in liquid milk & plant-based beverages factory

RM148 million

A strategic shift for F&NHB to reduce reliance on condensed milk and enable us to grow our brand in the liquid milk segment.

Thailand

New Liquid Milk & Plant-Based Beverages factory in Wang Muang is fully operational since October 2022

Malaysia

RM20 million investment in plant-based beverages capability at Pulau Indah, expected to be completed by end 2022

Strengthening Our Core Business for Market Leadership Positions



In-sourced Transportation Service

5 brand new F&N delivery trucks

To better manage supply chain activities

To better control the service quality and costs



Drinking Water Production Plant in Kota Kinabalu, Malaysia



Integrated Warehouse in Thailand and Malaysia

Total storage capacity
80,000 pallets

Reduces
1,400 tonnes CO_{2e} emission annually

Equipped with state-of-the-art

ASRS technology

Maximise storage efficiency, reduce operational costs, shorten delivery lead-time to customers and reduce carbon footprint



New Refreshed Look 100PLUS



A refreshed look to capture greater market share.

Sales grew by

25% for the year

14

new products

Including six Healthier Choice products endorsed by either the Malaysian Ministry of Health or the Thailand Food and Drug Administration



Unlocking Potentials to Create Maximum Value



Strong ESG Performance

TOP 3 PERFORMERS
IN ASEAN
The Edge ESG Awards 2022

FTSE4GOOD
BURSA MALAYSIA
☆☆☆ 4.4 out of 5 rating

Top 3 percent in the Global Food &
Beverage Supersector

GLOBAL TOP 10
COMPANIES
among Beverages sector in
S&P Global ESG Score



Installation of Solar Photovoltaic in 3 Plants in Malaysia

This also translates to an estimated
9,000 tonnes
of CO_{2e} emission reduction a year.

Estimated annual electricity cost
avoidance:
RM3 - 4 million.

Our New Product Sri Nona



Double-digit growth in sales

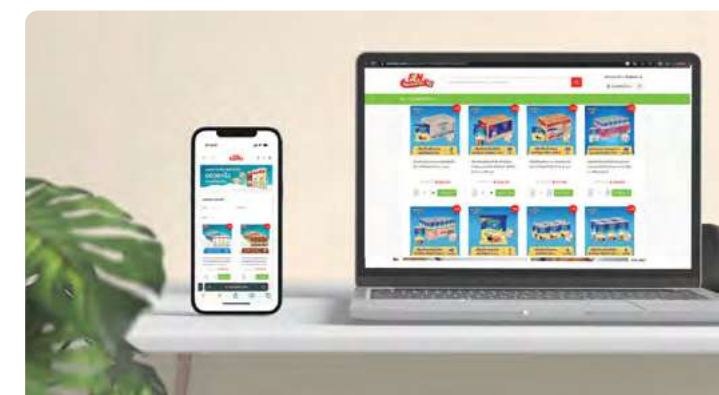
backed by the launch of new products, strengthened
internal systems, and refreshed logo and packaging
that reflect a more cosmopolitan lifestyle brand.



F&N Nom-Aroi



New Online Store for
Thailand Market



Strategic Partnership Collaboration



Halal Sourcing Partnership Programme

Mentor small and medium-sized enterprises to
qualify as Halal suppliers to large corporations.



F&N Business Partner Award Programme

Strengthen strategic partnerships to foster
strong and productive collaboration.



F&N Farming Excellence System in Thailand

Guide 2,000 farmers to improve their productivity
and milk quality in a sustainable manner.



This interactive PDF allows you to navigate between pages, sections and links to access information easily or search for a specific item or topic within the Annual Report.

Cover Rationale

As the pandemic became endemic, putting an end to various restrictions that hampered the economy, F&NHB laid the building blocks to revitalise the organisation and our business. Projects that had been on hold were restarted, while new initiatives were implemented to drive our next phase of growth. We strengthened our Halal Packaged Food pillar and resumed plans to start a dairy farm with two strategic acquisitions. Meanwhile, some of our brands – 100PLUS included – underwent makeovers to be more relevant and appealing to consumers. Together with hyped-up sales and marketing teams, we are today, re-energised and ready for the future.



Read the full version of F&NHB Annual Report 2022 and Sustainability Report 2022 here

<https://www.fn.com.my/>



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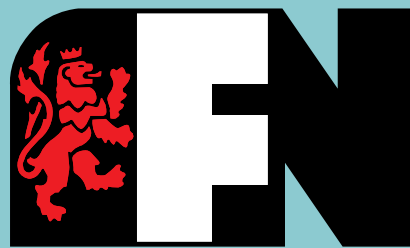
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Fraser & Neave Holdings Bhd (F&NHB) is a Malaysian-incorporated and Shariah compliant company listed on Bursa Malaysia's Main Board. The Group has an annual turnover of RM4 billion from its core businesses in the manufacture, sales and marketing of beverage, dairy and food products. With a rich heritage spanning 139 years, F&NHB is today synonymous with quality and Halal products that are trusted by generations.



F&NHB boasts a portfolio of 22 brands which are leaders in many segments such as; 100PLUS, F&N Fun Flavours, F&N SEASONS, OYOSHI, F&N Magnolia, FARMHOUSE, F&N ICE MOUNTAIN; Condensed and Evaporated Milk under F&N, TEAPOT, Gold Coin, Cap Junjung, IDEAL and CARNATION brands; as well as NONA brand of ketupat and sauces.

In November 2022, F&NHB completed the acquisition of entire equity interest in Cocoland Holdings Bhd. This acquisition will not only add a range of established Malaysian confectionery and snack brands to the Group's portfolio but will also serve as a platform to expand into more Halal food segments and to meet the rising demand for packaged food products.

With the completion of Ladang Permai Damai acquisition, F&NHB is also on track to embark on the upstream fresh milk business for downstream production and distribution of fresh milk.

F&NHB is a constituent of FTSE4Good Bursa Malaysia (F4GBM) Index for its strong commitment to responsible business practices on environmental, social and governance (ESG) matters. The Group employs over 2,500 people across its operations in Malaysia, Brunei, Thailand and Indochina.

VISION

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MISSION

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust.

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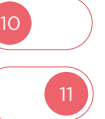
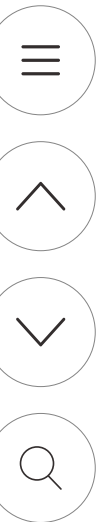
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We are passionate about applying new ideas and seizing opportunities to make a positive impact on our organisation and around the world.



CARING FOR STAKEHOLDERS

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Basis of This Report

Welcome to Fraser & Neave Holdings Bhd's Annual Report for the financial year 2022

For this financial year 2022, Fraser & Neave Holdings Bhd has incorporated some elements of integrated reporting approach. We trust that transparency and well-balanced reporting is the way to understanding the Group's process and businesses. Through the changes we have instituted into our reports this year, and aligning with the principles of integrated reporting, we hope to provide a clear account of what we believe value creation means for our stakeholders.

We value and appreciate all feedback to help make our future reports more relevant to our stakeholders.

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	Communications, Corporate Affairs and Sustainability Department No. 1 Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia

Annual Report 2022



Annual Report provides a comprehensive assessment of the Group's performance and financial statements for 2022.

Sustainability Report 2022



Sustainability Report delivers a balanced report on our efforts to create value for stakeholders and conducting business in a responsible manner. The report complies with the Global Reporting Initiative (GRI) Standards and Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Sustainability Statements in Annual Reports.

ASSURANCE

- Internal controls and management assurance
- Compliance and internal audit reviews
- External audit by KPMG PLT on financial information
- External audit by Lloyd's Register Quality Assurance on selected Environment and Social disclosures
- Board approval assisted by the Board Committees

REGULATIONS COMPLIED

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Malaysian Code on Corporate Governance
- International Integrated Reporting Framework
- Malaysian Financial Reporting Standards (MFRS)

DIRECTORS' APPROVAL

The Board acknowledges its responsibility to ensure the integrity of the Annual Report. In the Board's opinion, the report addresses all material issues and matters and fairly presents the Group's performance for the financial year 2022.

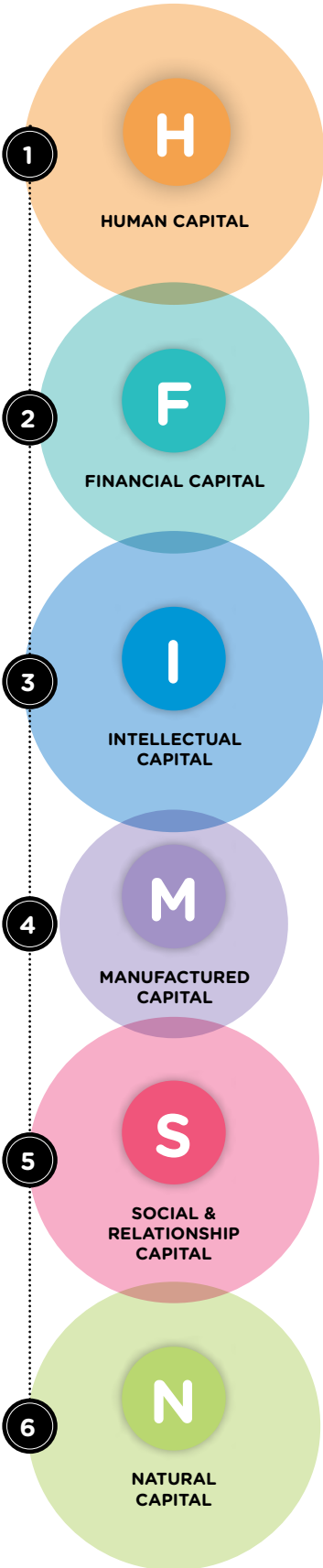
Our Stakeholders

S1 Shareholders and Investors	S2 Employees	S3 Distributors and Trade Customers
S4 Consumers	S5 Communities	S6 Regulators
S7 Suppliers		

Cross References

Indicates where more details can be accessed elsewhere in this report

WE CREATE VALUE THROUGH 6 CAPITALS





F&N At A Glance

Food and beverage powerhouse in the ASEAN region with market-leading brands



over
RM4 billion
Annual Turnover



Trusted by generations for
139 years



22 Brands
in
14 categories

9 cutting-edge plants

Beverage

- Shah Alam
- Kuching
- Kota Kinabalu

Mineral Water

- Bentong
- Matang

Dairy

- Pulau Indah
- Rojana
- Wang Muang (Fully operational since October 2022)

Food

- Kepong

Extensive network coverage with
>230,000 outlets in Malaysia, Thailand, Cambodia and Laos



100%
Halal-certified products



workforce
>2,500 people



Export market

89
countries worldwide



Group Financial Highlights FY2022

REVENUE

RM4,470.2 million

OPERATING PROFIT

RM447.9 million

PROFIT BEFORE TAX (PBT)

RM454.1 million

PROFIT FOR THE YEAR

RM382.3 million

PBT ON REVENUE

10.2 %

DIVIDEND PER SHARE*

60.0 sen

NET ASSETS PER SHARE

RM8.13

BASIC EARNINGS PER SHARE

104.5 sen

SHARE CAPITAL

RM816.8 million

SHAREHOLDERS' EQUITY

RM2,982.5 million

RETURN ON SHAREHOLDERS' EQUITY

12.8 %

MARKET CAPITALISATION

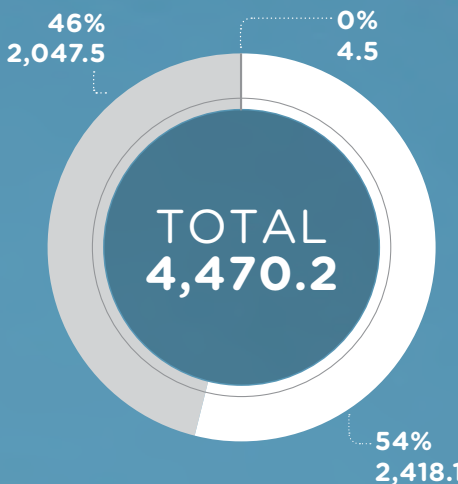
RM7,849.1 million
(As at 15 November 2022)

DEBT TO EQUITY RATIO

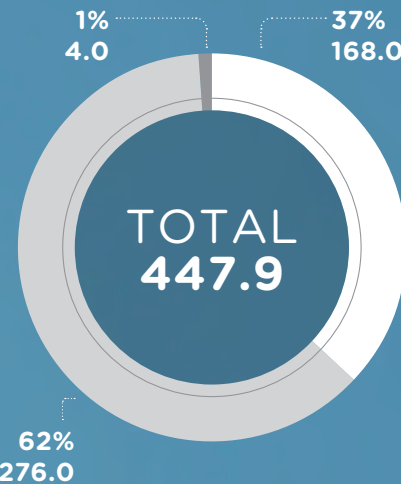
10.4 %

* Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

REVENUE (RM million)



OPERATING PROFIT (RM million)



● F&B Malaysia ● F&B Thailand ● Property & Others

BY OPERATING SEGMENTS



Food & Beverages Malaysia

REVENUE

RM2,418.1 million

OPERATING PROFIT

RM168.0 million



Food & Beverages Thailand

REVENUE

RM2,047.5 million

OPERATING PROFIT

RM276.0 million





Our Awards & Recognitions

Marketplace

FRASER & NEAVE HOLDINGS BHD

Platinum Award for Best Sustainability Reporting
National Annual Corporate Report Awards 2021

FRASER & NEAVE HOLDINGS BHD

Best Halal Achievement Award
MIHAS Awards 2022

FRASER & NEAVE HOLDINGS BHD

Top 3 Performers in ASEAN
Gold Award for Consumer Products & Services
The Edge ESG Awards 2022

100PLUS

6th Consecutive Gold in the Non-Alcoholic Beverage category
Putra Brand Awards

F&N TEH TARIK

Bronze Award in the Most Creative - Audio category
MARKies Awards 2022

Gold Winner in the Customer Experience category
The APPIES Asia Pacific 2022

Merit Winner in the Customer Experience category
The APPIES Malaysia 2022

TEAPOT

Top Growing Brand within Dairy
Kantar Brand Footprint Malaysia 2022

Environment

F&N DAIRIES (THAILAND) LIMITED

The Prime Minister's Industry Award 2021 in the category of Quality Management
Ministry of Industry Thailand

Workplace

FRASER & NEAVE HOLDINGS BHD

Award for Excellence in HR through Technology
Award for Excellence in Training
Dream Companies to Work For
Promoting Health in the Workplace
Organisation with Innovative HR Practices
Malaysia's Best Employer Brand Award 2022

Bronze Award for Excellence in HR Communication Strategy
Malaysia's Best Employer Brand Award 2022

F&N DAIRIES (THAILAND) LIMITED

Excellent Establishment on Labour Relation and Welfare 2022 Department of Labor Protection and Welfare
Ministry of Labour Thailand

National Occupational Safety and Health 2022
Ministry of Labour Thailand

CSR-DIW Continuous Award 2022
Ministry of Industry Thailand

ESG Indices & Ratings

FRASER & NEAVE HOLDINGS BHD



A Proud Constituent of FTSE4Good Bursa Malaysia Index
(4th consecutive year)
FTSE4Good Bursa Malaysia Shariah Index
(2nd consecutive year)



94th Percentile in the Beverages Industry S&P Global Corporate Sustainability Assessment
(Score Date: November 18, 2022)

Corporate Structure

as at 15 November 2022

FOOD & BEVERAGES MALAYSIA

100%
F&N Beverages Manufacturing Sdn Bhd

➤ **100%**
Borneo Springs Sdn Bhd

100%
F&N Beverages Marketing Sdn Bhd

100%
F&N Dairies Manufacturing Sdn Bhd

100%
F&N Dairies Distribution (Singapore) Pte Ltd

100%
F&N Marketing (B) Sdn Bhd

100%
Fraser & Neave (Malaya) Sdn Bhd *

➤ **100%**
Fraser and Neave MENA DWC-LLC

100%
F&N Dairies (Malaysia) Sdn Bhd

100%
Premier Milk (Malaya) Sdn Berhad

100%
Awana Citra Sdn Bhd

➤ **100%**
Sri Nona Industries Sdn Bhd

➤ **100%**
Sri Nona Food Industries Sdn Bhd

➤ **100%**
Lee Shun Hing Sauce Industries Sdn Bhd

➤ **72.38%***
Cocoaland Holdings Berhad

➤ **100%**
Cocoaland Industry Sdn Bhd

➤ **100%**
CCL Food & Beverage Sdn Bhd

➤ **100%**
L.B. Food Sdn Bhd

➤ **10%**
PT Cocoaland Indonesia

➤ **100%**
乐一百贸易 (深圳) 有限公司 Lot 100 Food Co. Ltd.

➤ **90%**
PT Cocoaland Indonesia

27.62%*
Cocoaland Holdings Berhad

FOOD & BEVERAGES THAILAND

100%
F&N Dairies (Thailand) Limited

PROPERTY

100%
F&N Properties Sdn Bhd

100%
Greenclipper Corporation Sdn Bhd

100%
Nuvak Company Sdn Bhd

100%
Utas Mutiara Sdn Bhd

100%
Tropical League Sdn Bhd

70%
Lettricia Corporation Sdn Bhd

50%
Vacaron Company Sdn Bhd

OTHERS

100%
Fraser & Neave (Malaya) Sdn Bhd*

100%
F&N Capital Sdn Bhd

100%
Elsinburg Holdings Sdn Bhd

100%
F&N AgriValley Sdn Bhd

100%
Usahaniaga Abadi Sdn Bhd

➤ **65%**
Dagang Sejahtera Sdn Bhd

➤ **100%**
Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd)

Notes:

- * Classified under Food & Beverages Malaysia and Others segments.
- @ Acquisition by F&NHB and transfer of all shares of Cocoaland Holdings Berhad other than those shares owned by F&NHB to Awana Citra Sdn Bhd ("Awana Citra") in accordance with the Members' Scheme of Arrangement pursuant to section 366 of the Companies Act, 2016. Cocoaland Holdings Berhad became a wholly-owned subsidiary of F&NHB Group w.e.f. 4 November 2022, with 27.62% held by F&NHB and the balance 72.38% held by Awana Citra.





Our Global Presence

Contribution of Export Revenue to Segment Revenue FY2022

F&B
MALAYSIA
20%

F&B
THAILAND
18%

Group
Revenue
19%

89

COUNTRIES WORLDWIDE

EXPORT MARKET

TOP
EXPORTED
PRODUCTS
Condensed and
evaporated milk



4

NEW
EXPORT
COUNTRIES
in FY2022

- Palestine
- Bhutan
- Suriname
- Guyana



Our Brands and Product Categories

PURE ENJOYMENT. PURE GOODNESS

Whether it's an evening spent with friends or a glamorous celebration, F&N products make the perfect companion to any occasion.



[Go to Website](https://my.fnlife.com/)

pure enjoyment . pure goodness

<https://my.fnlife.com/>

<https://nomaroi.com/>



Isotonic



Liquid Milk



Juice



Carbonated Soft Drinks



Tea



Soya



Water & Energy



Asian Drinks



Cordial



Milk Tablets



Packaged Food



Condensed & Evaporated Milk





Our Market Leading Positions and New Product Universe





THE PREPARATION, PRODUCTION AND PACKAGING OF OUR PRODUCTS REQUIRE A RANGE OF RAW MATERIALS, EQUIPMENT, AND OTHER GOODS AND SERVICES.

In FY2022, we engaged with over

2,300
GLOBAL
AND
LOCAL
SUPPLIERS

across our supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers.

We spent a total of

RM3.75
BILLION

on products and services.



SOURCING

We work closely with suppliers to ensure their goods and services meet our internal stringent requirements and supports external social, environmental, and ethical standards. We upkeep robust risk management mechanisms to manage issues associated with the commodities upon which we rely, ensuring the sustainability of our business.



PRODUCTION

The production process throughout our operations is standardised in accordance with international standards. We strive for eco-efficient processes to provide good value, while minimising negative environmental and social impacts. We strive to optimise resource use and consider the impacts of water consumption, waste, effluents, and emissions at all production stages.



DISTRIBUTION

We fully integrate our distribution system to enhance efficiency to our customers. We focus on improving our processes through digital technologies to ensure efficient energy management in our transportation, while ensuring the safety of our personnel and local communities.



MARKETING AND SALES

Responsible marketing and sales practices are of great importance to F&NHB. We engage regulators and customers to improve our marketing practices when communicating value – e.g., nutritional information to our consumers. Conversations with our stakeholders enable us to innovate better, providing healthier product options that are desired.



POST-CONSUMPTION PACKAGING MANAGEMENT

We minimise the impact of post-consumer waste through research and development to deliver innovative packaging that is sustainable and meets the needs of our consumers. Beyond applying the Circular Economy principles through F&NHB, we promote environmental awareness within communities where we operate.



Key Milestones



1883

The Singapore and Straits Aerated Water Company was founded by our founding fathers, John Fraser and David Chalmers Neave.



1898

The Singapore and Straits Aerated Water Company went public under its present name, Fraser and Neave, Limited on 27 January 1898.



1913

By this year, F&N had branches across the peninsula, including Kuala Lumpur, Melaka, Seremban, Ipoh and Penang.



1962

The Kuala Lumpur plant commenced its operations.



1965

The first F&N soft drinks plant in East Malaysia was opened in Kuching.



1983

F&N celebrated its 100th anniversary and introduced the iconic 100PLUS brand to the market, which soon became the No. 1 Isotonic Drink in Malaysia and Singapore.



1989

F&N restructured its dairy operations under F&N Dairies (Malaysia) Sdn Bhd.

1996

Soft drinks plant relocated to Shah Alam on 23 March 1996.

The Group's glass, dairies and soft drinks operation in Malaysia were incorporated under the umbrella of Fraser & Neave Holdings Bhd.



2004

F&N's property division started construction on Fraser Business Park in Sungai Besi, Kuala Lumpur, Malaysia.



The commissioning of our Solar Photovoltaic System at 3 manufacturing plants in Malaysia – Shah Alam, Pulau Indah and Bentong.



The official launch of F&N Nom-Aroi, our flagship online store for Thailand Market.

2022

cocoaland
(203054-X)



- F&NHB acquired the entire equity interest in Cocoaland Holdings Bhd for RM488.15 million, to expand into more Halal food segments.

- F&NHB completed the acquisition of Ladang Permai Damai, to embark on the upstream fresh milk business for downstream production and distribution of fresh milk.

- The official opening of liquid milk and plant-based beverage manufacturing plant in Wang Muang, Thailand.

BORNEO

2006

F&NHB acquired the BORNEO brand of mineral water business in East Malaysia.



2009

F&N Dairies (Thailand) Limited was established.



2021

F&NHB acquired three F&B companies – Sri Nona Food Industries, Sri Nona Industries and Lee Shun Hing Sauce for up to RM60 million, to establish Halal food as our new pillar of growth.



2020

The official launch of F&N Life, our flagship online store.

The commissioning of our first Solar Photovoltaic System at dairy manufacturing plant in Rojana, Thailand.



2018

The official launch of Cold-aseptic Filling PET line at beverage manufacturing plant in Shah Alam, Malaysia.



2017

The official launch of first-of-its kind UHT Line at beverage manufacturing plant in Kuching, Malaysia.



2013

The official opening of dairy manufacturing plant in Pulau Indah, Malaysia.

2012

The dairy manufacturing plant in Petaling Jaya ceased operations after 52 years.



2011

The official opening of dairy manufacturing plant in Rojana, Thailand.





Chairman's Message

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

Dear Shareholders & Stakeholders,

The financial year just ended was one of mixed blessings. On the one hand, protection against COVID-19 via vaccinations provided great mental and emotional relief as people have been able to resume social activities. Yet, economic recovery has been slow as scaled down production has not kept pace with recovering demand. Inflation has become our new pandemic, greatly elevating the cost of living. Additionally, our plant in Shah Alam was not spared from the massive floods in December 2021. Fortunately, quick thinking and excellent teamwork meant that our people were kept safe while physical damage and production disruption were greatly minimised.

Despite the floods and increased costs, Fraser & Neave Holdings Bhd (F&NHB) continued to demonstrate resilience and make good headway in business strategies outlined under our Reimagine programme.

Most notably, we are strengthening our fourth business pillar of Halal Packaged Food through the acquisition of Cocoland Holdings Bhd and are resuming plans to venture into the upstream dairy industry through the acquisition of dairy farm lands.

While growing our business and reimagining better ways to do things, I'm pleased to share that we stayed true to our global values of Collaboration, Creating Value and Caring for our Stakeholders. These form the fundamentals at F&NHB and lend us the resilience that has seen the Group overcome many challenges throughout our history. Below, I would like to highlight some of the ways in which we have continued to create value during the year under review.

LIVING OUR GLOBAL VALUES

Our compassion came to the fore during the floods, which displaced some 22,000 Malaysians from their homes. To play our part in relief efforts, we contributed F&N Ice Mountain drinking water, 100PLUS and canned milk to affected areas via non-profit organisations like Red Crescent and Asia Crisis Response Alliance. We also distributed RM400,000 in crisis assistance funds to 224 affected employees.

Our employees, meanwhile, came together in a strong show of solidarity to safeguard each other and our assets. As a token of appreciation to all those who went beyond the call of duty, the Board presented a Special Chairman's Award for Flood Recovery to 12 individuals, three teams and two exemplary leaders. I would like to express my gratitude to everyone who participated in this mammoth effort. With the dedication and teamwork displayed, we can achieve anything.



Over the years, we have been investing into an increasingly healthier portfolio and in FY2022, we continued to introduce new products that either contain less sugar or that have added nutritional value. With these additions, more than half of our products today are endorsed with the Healthier Choice logo, and we aim to raise the figure to two-thirds by 2025. Towards this end, we have invested RM148 million into a liquid milk and plant-based beverages factory in Wang Muang, Thailand and are equipping our Pulau Indah plant with plant-based capabilities. This represents a strategic shift to grow our brand in the liquid milk segment.

We also continued to champion the dual importance of staying active and keeping hydrated in order to promote good health. In conjunction with World Hydration Day, we pioneered a four-day carnival called Hari Hidrasi Sedunia

100PLUS, at which more than 100,000 Malaysians took part in various physical activities and experienced the superior hydrating benefits of 100PLUS.

To promote the Halal industry and build the capacity of SMEs, we collaborated with the Halal Development Corporation Berhad (HDC) to launch a Halal Sourcing Partnership Programme aimed at uplifting and transferring knowledge to small and medium-sized enterprises. I am pleased to share that we have successfully onboarded one of the programme participants as our ingredient supplier and are looking forward to more in the coming year. During the year, F&NHB also participated in knowledge-sharing forums on topics related to Halal and sustainability, such as the 18th Malaysia International Halal Showcase (MIHAS) 2022 and World Halal Business Conference Australia 2022.



PROFIT BEFORE TAX
RM454.1
million

BASIC EARNINGS PER SHARE
104.5 sen

DIVIDEND FOR THE YEAR
60 sen
per share*

* Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

Chairman's Message

Focused on our employees' well-being, we provided the opportunity for our staff to receive their second COVID-19 booster vaccination at our plants. We also ran an Environment, Health & Safety Month, during which experts presented health and waste management talks. Meanwhile, to allow for a better work-life balance, we are maintaining the technology-enabled hybrid work approach we adopted during the pandemic. We believe the flexibility offered would greatly benefit our employees, as well as attract fresh talents.

And, of course, we continue to motivate scholastic and extra-curricular excellence among our employees' children through the Chairman's Award. This year, we presented a total of RM218,000 in cash reward to 68 secondary and tertiary students who produced outstanding results.

Finally, it is with both pleasure and pride to share that, despite having gone through two-and-a-half years of a pandemic and continuing headwinds, the Group has been able to maintain our dividend. For the fourth year in a row, we are offering an interim single-tier dividend of 27.0 sen per share (amounting to RM99.0 million) and proposing a final dividend of 33.0 per share (amounting to RM121.0 million). On a related note, after two years of having to conduct virtual AGMs, I look forward to meeting our shareholders again in person during our AGM in January 2023.

SUSTAINABILITY AT THE CORE

At F&NHB, we are building our capability and capacity to strengthen our sustainability platform through robust governance, accountability, and training. The Board's Sustainability & Risk Management Committee (SRMC) oversees the Group's sustainability initiatives, while all employees are expected to play their part as sustainability-related key performance indicators (KPIs) are linked to their performance reviews.

Four training programmes were arranged for our directors and senior management this year to enhance overall knowledge of ESG matters. At the same time, 89 per cent of our employees underwent a total of 19,300 hours of ESG-related training. The training covered topics that are increasingly prioritised by our stakeholders, such as Human Rights, Cybersecurity, Climate Change and Biodiversity.

Climate change is undoubtedly one of our most urgent sustainability issues and accounts for a significant amount of our ESG investments. In February, we completed the installation of solar panels at our new plant in Wang Muang Thailand. Following that, the solar photovoltaic (PV) systems at three plants in Malaysia have begun generating renewable energy progressively since August this year.



Further underlining our commitment to climate change mitigation, we conducted our first Climate Risk and Opportunity Assessment this year as we embark on aligning our climate-related disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in our sustainability report.



“ We are also making good progress on our sustainability goals outlined last year. We are on track with seven out of 12 targets set for 2025 and are undertaking various initiatives to accelerate our performance in the other five areas. ”



RECOGNITION AND RATINGS

As a result of increased focus on sustainability, we have been very pleased to see our overall score in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Syariah Index improve from 4.1 in 2021 to 4.4, pushing up our ranking to the 97th percentile. This was mainly due to an increased focus on human rights, and strengthened disclosures based on our Human Rights Due Diligence Exercise.

F&NHB was also named the Best Performing Company in the Consumer Products & Services sector, and a Top 3 Performer in ASEAN at The Edge's inaugural ESG Awards 2022, undertaken in collaboration with Bursa Malaysia Berhad and FTSE Russel. In addition, we were one of the top 10 companies in the Beverages Industry in the 2022 S&P Global Corporate Sustainability Assessment (CSA), with a score of 71 (out of 100) and ranking in the 94th percentile out of 89 beverage companies assessed globally.

Meanwhile, our Thai operations won the Prime Minister's Industry Award in the category of Quality Management; and our Sustainability Report 2020 received the highest accolade - the Platinum - in the National Annual Corporate Report Awards (NACRA) 2021 for Best Reporting. We also gained recognition for contributing to the Halal industry, winning the Best Halal Achievement Award at the recent MIHAS Awards 2022.

In the area of human capital, F&NHB received a Bronze for Excellence in HR Communication Strategy at the HR Excellence Awards 2022 Malaysia. We were also named one of Malaysia's Best Employer Brands 2022 by the World HRD Congress and the Employer Branding Institute.

The above awards are not just testament to the quality of our systems and processes but also our commitment to excellence. The recognition gained helps us communicate this commitment to our stakeholders and identify strengths and opportunities for further improvement.



ACKNOWLEDGEMENTS

I would like to express my appreciation to our stakeholders for the many successes F&NHB has continued to make despite operating in a challenging environment. The list includes our consumers, customers, business partners, shareholders, employees, and directors - all of whom play different yet equally important roles in enabling F&NHB to achieve our business objectives sustainably.

The commitment shown by our employees has been incredibly heart-warming, and I have no doubt that their team spirit will extend to our new colleagues from Cocoaland. On behalf of the Board, I would also like to wish our new members a warm welcome to the F&NHB family.

At the Board level, we bid farewell to Mr Lee Meng Tat, who retired from his position as a Non-Independent Non-Executive Director as of 10 June 2022, after more than six-and-a-half years on the Board; and Dato' Jorgen Bornhoft who will be retiring after the Annual General Meeting, after having served the Board as a Non-Independent Non-Executive Director for nine years and eight months. I would like to record our appreciation for their invaluable contributions to the Group and wish them the best in future undertakings.

At the same time, we would like to welcome Dato' Ng Wan Peng, previously an alternate to Dato' Sri Johan Tazrin bin Hamid Ngo, as a full-fledged Independent Non-Executive Director; as well as Mr Kosit Suksingha, our new Non-Independent Non-Executive Director, and his alternate, Mrs Tongjai Thanachanan.

Mr Kosit Suksingha holds various leadership positions within Thai Beverage Group of Companies and is a nominee director of Fraser and Neave, Limited (FNL). Mrs Tongjai Thanachanan is the Senior Vice President, Chief Sustainable Business Development at Thai Beverage. All three bring immense corporate experience that will contribute to F&NHB's continued growth and value creation.

It is noteworthy that we now have four women Directors out of 11, exceeding the 30 per cent requirement under the Malaysian Code on Corporate Governance. Board diversity is something we will maintain as we continue to build our sustainability as an organisation.



ENTERING A NEW ERA

As we approach our 140th anniversary, we have a lot to celebrate about the company's history. But more importantly, we want this to be a celebration of the future.

It is very exciting that, as we exit the pandemic, we are entering a new era for F&NHB as we complete the acquisitions of Cocoaland and dairy farm lands. Both the upstream milk and Halal food sectors hold great potential for further growth as people are becoming more conscious and selective in what they consume. I am confident that the development of our two new business pillars will create many new opportunities for us, our customers, and our employees, enabling continued value creation for everyone.

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



Chief Executive Officer's Statement

LIM YEW HOE
Chief Executive Officer

Dear Shareholders & Stakeholders,

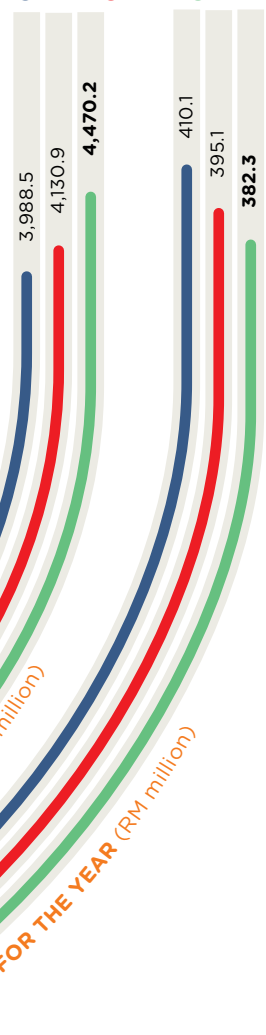
The financial year ended 30 September 2022 (FY2022) was indeed a year of two halves. While increasing commodity prices was the common theme, the first half was compounded by the floods in our beverages plant in Shah Alam, which resulted in loss of sales during the Chinese New Year period due to damaged goods. Nevertheless, the effective strategies we had put in place to navigate market risk and exposure enabled the Group to re-establish ourselves on a stronger footing during the year's second half.



2020 2021 2022

GROUP REVENUE (RM million)

PROFIT FOR THE YEAR (RM million)



CREATING VALUE: FOR US & OUR STAKEHOLDERS

STRENGTHENING FOURTH PILLAR OF GROWTH

Sri Nona achieved double-digit growth in sales backed by the launch of new products – ketupat nasi ayam, ketupat nasi lemak, kicap range, sup uncang – and strengthened internal systems with the introduction of SAP ERP system to align its governance with the F&NHB Group. The introduction of refreshed packaging and a new logo reflective of a more cosmopolitan lifestyle brand was also carried out post-Hari Raya.

The acquisition of the entire equity interest in Cocoaland Holdings Bhd, in which we previously had 27.62 per cent shareholding, further strengthens our Halal Packaged Food portfolio. Cocoaland's popular snacks and confectionery will complement F&N and Sri Nona to create a fuller food and beverages portfolio and also enhance the Group's expansion in overseas markets.

BUILDING CAPABILITIES

Organically, we continue building our internal capabilities to create greater operational and cost efficiencies. In Malaysia, despite the flood impact, we partially operationalised our 50,000-pallet integrated warehouse in Shah Alam in the second half of the year and acquired five new delivery trucks to optimise our supply chain efficiencies. In Thailand, our RM52 million regional distribution centre (RDC) in Rojana was up and running in January 2022. Both the Shah Alam warehouse and the RDC in Rojana are equipped with the latest technologies, including the Automated Storage & Retrieval System (ASRS). Both are expected to accrue significant long-term savings, with the Shah Alam warehouse expected to cut costs by more than RM1 million a month when fully operational.

In Thailand, we cemented our commitment to delivering healthier choices through the investment of RM128 million in a new liquid milk and plant-based manufacturing facility in Wang Muang, a three-hour drive north of Bangkok.

Operationally, we made headway in growing our business while further reinforcing our sustainability. In FY2021, we embarked on our fourth business pillar of Halal Packaged Food with the acquisition of Sri Nona Group. Today, we further strengthened this pillar with the acquisition and privatisation of Cocoaland Holdings Bhd, an established Malaysian confectionery and snack company which will serve as a platform to expand into more Halal food segments. The process began in April, and Cocoaland was fully privatised as a 100 per cent owned subsidiary on 25 November 2022.

With the acquisition of Ladang Permai Damai, the Group is also on track to resume its plan in the upstream fresh milk business in Malaysia for downstream production and distribution.

In terms of sustainability, we have just completed the installation of the largest industrial solar roof panels in Malaysia, with a total capacity of 10MWp, which will replace 20 per cent of our electricity requirement and remove approximately 9,000 tonnes of CO_{2e} emissions annually.

Ensuring the right balance between profits and best business practices in our pursuit of growth opportunities during the pandemic is not always easy. However, we never



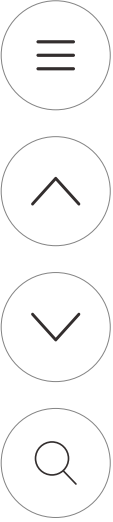
lost sight of doing the right thing, and our efforts to date have been duly recognised. Most recently, we were ranked among the top 3 companies for ESG performance in ASEAN, and the best in our sector at the Edge ESG Awards 2022.

Meanwhile, we turned crisis into a value-creating opportunity, strengthening our flood management and mitigation abilities with a three-line defence plan to fortify our Shah Alam assets. We are confident that lessons learnt from FY2022 will stand us in better stead to face future monsoon seasons.

Overall, it was a year that we can be proud of – one that once again demonstrated the resilience of our people and brands, and a year that underlined the effectiveness of our focus on value creation, collaboration and caring for our stakeholders.



Meanwhile, we turned crisis into a value-creating opportunity, strengthening our flood management and mitigation abilities with a three-line defence plan to fortify our Shah Alam assets.



Chief Executive Officer's Statement

MEETING OUR CUSTOMERS AND CONSUMERS' NEED

While developing our business, we continue to create value for our customers and consumers, critical stakeholders to our sustainable growth. Among others, we have begun to engage with and serve more customers directly, providing faster and more efficient service delivery.

For the year as a whole, we introduced no less than 14 new products, including six that have been endorsed as Healthier Choice by either the Malaysian Ministry of Health or the Thailand Food and Drug Administration. Each product is developed according to trends discerned from market data analysis.

These include F&N 25% Reduced Sugar Sweetened Creamer and TEAPOT Low Fat 25% Less Sucrose Sweetened Condensed Milk Tube; F&N Magnolia Pasteurised Full Cream Milk, F&N Magnolia UHT Milk in Plain and Chocolate flavours, F&N Magnolia Plus Vitamin ACD in Blackcurrant and Brown Sugar flavours; and a reformulated F&N SEASONS Soya Rose with better taste but with less sugar.

Another two product innovations are the Teapot Evaporated Milk and Sweetened Evaporated Milk (2 in 1) in beverage cartons that became an instant hit with chain beverage operators in Thailand for the ease of use and storage. The 2-in-1 product offers a perfect combination of sweetened and unsweetened condensed milk, which enhances the milky aroma.



Teapot continues to build brand loyalty with hawker customers in Thailand through the “TEAPOT, the more you use, the more you get” campaign. Hawker operators collect points and redeem prizes through our official LINE account. During the campaign, there was also a nationwide hawker decoration contest, which attracted over 14,000 participants. We also stepped up our hawker engagement through the Line app, achieving a 15 per cent increase in active members.

Sensitive to rising inflation, we have also been diligent about offering value to consumers by giving more for less. Among others, we introduced 1.75L carbonated soft drinks for the same price as the traditional 1.5L bottles during the promotion period; Farmhouse Twin Packs that offer more value for money; and a new range of F&N Magnolia UHT Milk priced at a very affordable THB10 in Thailand. Adding convenience to value, we introduced the 1L carton for two new products in Thailand – TEAPOT Extra Evaporated and TEAPOT Sweetened Evaporated Milk.

In keeping with increasingly digital lifestyles, we have continued to grow our e-commerce presence. During the year, we explored different ways to grow our digital stores – F&N Life in Malaysia and F&N Nom-Aroi in Thailand – while partnering with established e-commerce platforms like Lazada, Shopee and e-commerce partners like Potboy and JOCOM, which have registered positive traction during the year.



COLLABORATION TO UNLOCK VALUE

Collaboration is integral to creating value; hence we invest considerably in partnerships with key stakeholders to create mutually beneficial synergies.

It was especially manifested during the December floods, when teams across various functions and external service partners came together in a strong show of solidarity to protect our assets and hasten the recovery process while minimising disruption to our operations.

Since 2013, we have been working closely with multiple cooperatives of dairy farmers in Thailand on a Farming Excellence System. Currently, some 2,000 farmers are being guided to improve their productivity and milk quality in a sustainable manner. In FY2022, these farmers were hand-held through an assessment of their GHG emissions and subsequently to develop long-term roadmaps to reduce their GHG footprint. Improved productivity and sustainability of the farmers are beneficial to F&N, as we rely on them for the supply of fresh milk in Thailand.

Through another partnership – with the Halal Development Corporate Berhad (HDC) – we are entrenching our Halal status while contributing to the growth of the Halal industry. With HDC, we have established a Halal Sourcing Partnership Programme through which small and medium-sized enterprises (SMEs) receive technical advice to qualify as Halal suppliers to large corporations/multinationals. At the 18th Malaysia International Halal Showcase (MIHAS) 2022, in which F&N is the Platinum Sponsor, we took the opportunity

to conduct a one-on-one pitching session to uncover more local businesses with the potential of becoming our supplier under the Halal Sourcing Partnership Programme.

To further propel the Halal eco-system in Malaysia, we also facilitate positive collaborative engagement with Halal authorities such as Jabatan Kemajuan Islam Malaysia (JAKIM), Jabatan Agama Islam Selangor (JAIS) and the Department of Standards Malaysia through the Federation of Malaysian Manufacturers (FMM) towards developing Halal-related standards, such as Sertu standards and the Malaysian Standard 1514 Good Manufacturing Practice (for Food).

The pandemic reinforced the importance of establishing strong relationships with our business partners to protect our supply chain. This prompted us to launch an F&N Business Partner Award Programme. The objective is to build collaborative strategic partnerships aimed at product, service, and operational excellence towards a resilient and sustainable supply chain. Local suppliers make up 93% of total suppliers across our supply chain. Through this programme, we also encourage them to enhance their sustainability performance, which will help them expand their businesses into regional players.

Meanwhile, we continue contributing to industry collaborations such as the CEO Action Network (CAN) and Malaysian Recycling Alliance (MAREA). Both promote the exchange of best practices and collaborative forums between the public and private sectors to drive commitment and actions for sustainable development and circular transition in Malaysia.



CARING FOR OUR STAKEHOLDERS

BETTER SOCIETY

We strive to do our utmost to contribute whenever there is a national crisis. During the massive flood that inundated peninsular Malaysia in December 2021, we contributed drinking water, 100PLUS and condensed milk to flood victims through NGOs. RM400,000 in crisis assistance funds were distributed to over 200 affected employees.

Product-wise, we have been investing increasingly more in healthier options, as seen by the growing number of items that carry the Healthier Choice logo. Extending this commitment, we continue to champion well-being by encouraging Malaysians to adopt an active lifestyle. We also ride on 100PLUS' superior isotonic properties to remind Malaysians of the importance of staying hydrated. This year, we pioneered the 100PLUS World Hydration Day, which was celebrated with a four-day Hari Hidrasi Sedunia 100PLUS carnival held at the Pavilion in Kuala Lumpur. In conjunction with the event, we also distributed 100PLUS at LRT stations in the capital city and Stadium Sultan Ibrahim in Johor. In total, we reached 100,000 Malaysians through this massive initiative.

In conjunction with Hari Raya Aidilfitri, Sri Nona partnered with Pusat Pungutan Zakat - MAIWP on a CSR NONA Project. The company matched proceeds from every purchase of the limited-edition NONA Basmathi Ketupat, which was then channelled 100% to Pertubuhan Asnaf Al Barakh Malaysia towards supporting their school needs and facilities.

We also believe in playing our part to ensure that everyone's rights are respected. Last year, we conducted our first human rights due diligence assessment and drafted a Human Rights Policy. This year, we ensured control measures remained active through a second assessment and created greater awareness among employees via an awareness programme.

While caring for our external stakeholders, we naturally do our utmost to create the best possible environment for our employees. To attract top talent, we have conducted a Reward Benchmarking Exercise as part of our periodic review to ensure we offer competitive salaries against the industry. Following that, the company will make adjustments that align with our reward philosophy and position in the market.

It is heartening to see that our efforts to be an employer of choice are not in vain. During the year, we received several Human Resources (HR) awards and accolades, including five wins in the Malaysia Best Employer Brand Awards 2022 and a Bronze for Excellence in HR Communication Strategy at the HR Excellence Awards 2022 (Malaysia).



BETTER PLANET

Because the environment affects everyone's well-being, we have been focusing more on our environmental impacts, particularly our carbon emissions and waste management, as these are the two most pertinent areas to a food and beverage company.

To understand and manage climate-related impacts on our business and stay accountable to our stakeholders,

we have conducted our inaugural climate-related impact assessment and identified material transition drivers and physical climate-related risks on our operations and supply chain. The results will be integrated into F&N's Enterprise Risk Management and positively direct the development of our climate strategy. F&N is also embarking on a phased implementation of climate-related disclosures in relation to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations this year, ahead of Bursa Malaysia's stipulated timeline.

In addition to the solar photovoltaic (PV) panels in Shah Alam, Pulau Indah and Bentong, our new plant in Wang Muang, Thailand, was also fitted with 1MWp solar panels. From now on, solar PV systems will be a default component for any new facility we build to increase the use of renewable energy.

Finally, we are delighted to be able to resume our F&N School Recycling programme after a two-year hiatus during the pandemic. The ultimate objective of this programme is to make recycling a part of everyday life by inculcating awareness in the young. In conjunction with National and Malaysia day, we also organised a "How to Keep Malaysia Green with R-Boy" poster competition as a supplementary programme that showcased the students' creativity and vision for a greener environment.

In Thailand, the Waste Bank and Recycling Project were set up in two local schools - Wattanodtia School, Ayutthaya Province, Thailand and Watkokmayom School, Ayutthaya Province, Thailand. The waste bank has provided tangible monetary benefits to the students of Watkokmayom School by selling the recyclables collected. Approximately THB150,000 was spent on improving the waste management infrastructure of the schools. This year, we introduced a reward programme as added encouragement for the students, where they could exchange recyclables with our products.



PERFORMANCE REVIEW

Our performance for the year was respectable given the challenges faced, particularly the increase in cost of key ingredients and packaging used in our products, such as palm oil, skimmed milk powder and tin plates. Against this backdrop and a flood-impacted beverage business in Malaysia, we have maintained our growth momentum and significantly cushioned the impact of higher costs through prudent cost optimisation and internal efficiencies.

Strong demand from the recovery of economic activities and out-of-home consumption gave us the confidence to better align our prices to costs, contributing to much-improved performance. This was further boosted by extensive on-ground activations and promotions during the festive seasons.

Through strategic budgeting, we redirected marketing spending into resources where we believed we would reap optimum returns. Our good cost management strategy is about balancing product price and cost of goods sold to enable a reasonable margin instead of facing protracted margin deterioration.

Our brands continued to win in our core categories. 100PLUS remains the undisputed No. 1 Isotonic drink in Malaysia. We are also leaders in the Sweetened Condensed Milk and Evaporated Milk categories; in Thailand, we maintained our leadership in the Sweetened and Evaporated Milk categories; and in Cambodia and Laos, TEAPOT is the No. 1 Condensed Milk brand.

Our flagship product - 100PLUS - continued to make stellar progress. Despite a temporary supply disruption due to heavy floods impacting the Shah Alam plant in December, 100PLUS saw its sales increase by more than 25 per cent for the year. At the same time, F&NHB's recent introductions, such as 100PLUS ZERO and F&N Teh Tarik in Malaysia, TEAPOT ZERO and F&N Magnolia UHT Milk in Thailand, have performed above expectations in their respective markets.

GROUP PERFORMANCE

For the year as a whole, the Group's revenue increased by 8.2 per cent from RM4.13 billion to RM4.47 billion as the gradual waning of pandemic restrictions led to strong domestic demand in Malaysia and Thailand. This was supported by our price adjustments and the first full-year contribution from our Food pillar.

Improved revenue and cost management measures, including price and trade discount adjustments, had significantly mitigated the impact of higher commodity and freight costs, flood recovery expenses and foreign exchange translation loss from a weaker THB. Export business also recovered from the margin erosion experienced in FY2021. With more timely price adjustments, and better product and market mix, the business delivered a high double-digit improvement in profit margin.

For the year, the Group's profit after tax contracted by 3.3 per cent to RM382.3 million from RM395.1 million in FY2021.



Food & Beverages Malaysia

In Malaysia, effective marketing initiatives and price adjustments contributed to a 13.5 per cent increase in revenue to RM2.42 billion from RM2.13 billion last year. Together with improved margins and operational savings from the completion of significant capex projects - such as the Shah Alam ASRS warehouse and solar roof panels - operating profit grew by 71.9 per cent from RM97.7 million in FY2021 to RM168.0 million. This was also supported by contribution from Exports.

Excluding one-off non-operating items, F&B Malaysia's operating profit grew by 60.3% to RM186.4 million (FY2021: RM116.3 million).



Food & Beverages Thailand

Recovery in out-of-home channels, new product innovations and double-digit growth in exports to Cambodia led F&B Thailand to record 7.6 per cent increase in revenue in Thai Baht terms. However, this translated into a 2.7 per cent increase in Ringgit Malaysia due to unfavourable forex translation loss from a weaker Baht. Effective loyalty programmes and expansion of distribution coverage further boosted sales for evaporated and sweetened condensed milk categories.

Higher revenue and price adjustments helped to partially mitigate the impact of significantly higher commodity prices, particularly for tin cans and milk powder. F&B Thailand recorded RM276.0 million operating profit for the year compared to RM369.4 million in FY2021.



Exports

It was a challenging year for Exports because some markets - such as Africa and China - had yet to recover fully from the pandemic. At the same time, logistics disruption persisted, and freight costs continued to be high.

Guided by our new business intelligence tool, the team recalibrated our product and market mix with positive results. We reprioritised efforts to focus more on countries closer to home and saw encouraging increase in sales to Indonesia while adding Palestine, Bhutan, Suriname and Guyana to our network.

Although Exports from Malaysia were lower year on year, mainly due to Greater China and price-sensitive markets, operating profit improved significantly as a result of the higher selling price and strategic product/market mix. F&B Thailand saw its revenue for exports (excluding Indochina) decrease because of lower OEM orders.



OUTLOOK & GOING FORWARD

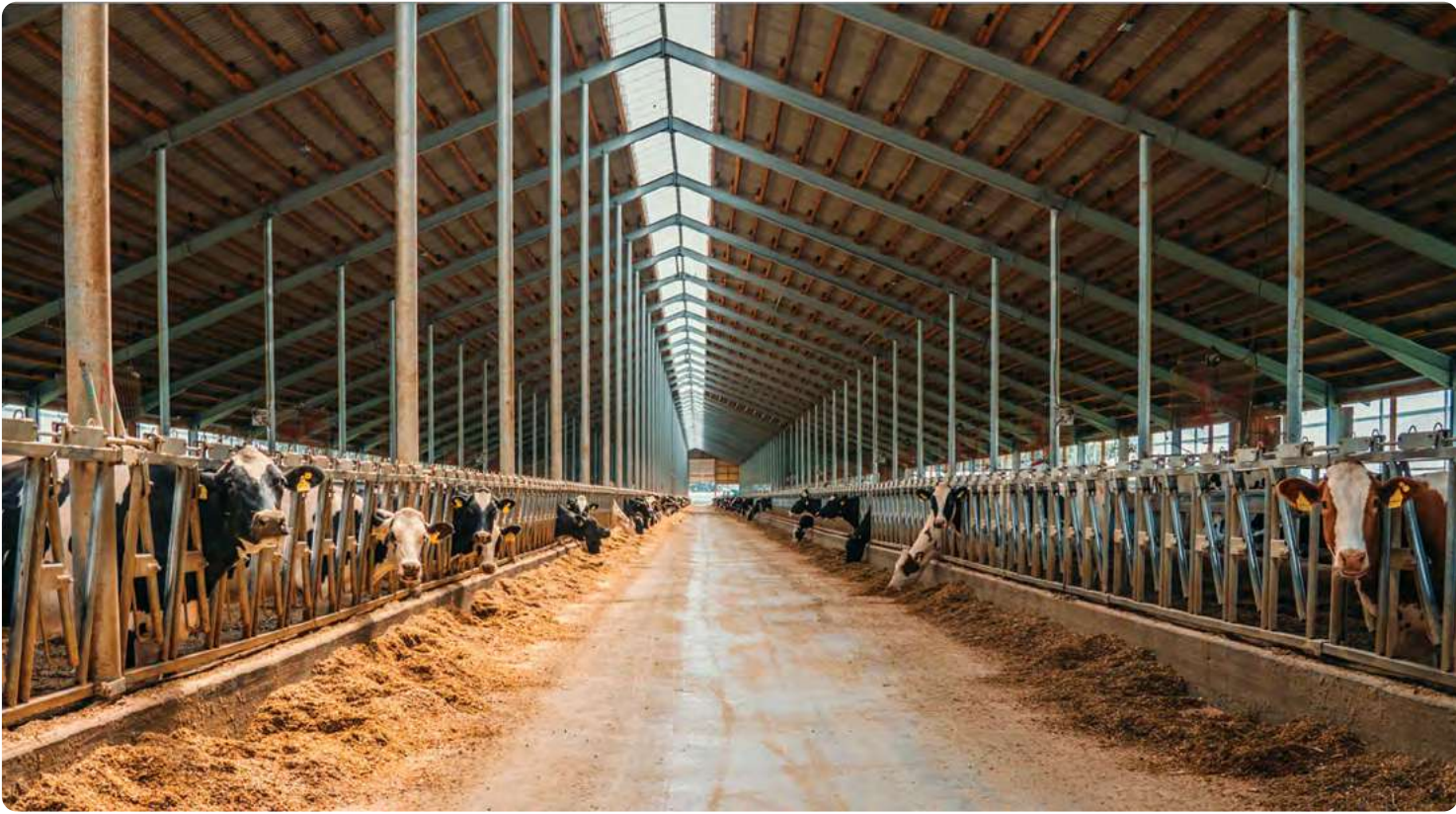
FY2023 looks set to be just as challenging as FY2022 was – as raw materials will remain costly, while the security of supply chains cannot be assured. Added to this, there is a possibility of the world entering a recession. Yet, our performance in FY2022, and especially in the last quarter, lend us reason for optimism. We believe that various systems put in place, as well as the completion of various capex projects, will place us in a stronger position operationally and financially. This would be especially opportune as the year also marks our 140th anniversary.

Many projects and launches that were put on hold over the last two years are back on track. Of these, we are particularly excited about the launch of Teh Tarik in East Malaysia, and the reinvigoration of Nutrisoy and BORNEO SPRINGS brands. And, as all our solar PV panels are fully

energised, we hope to present powered-by-solar 100PLUS to our loyal fans – literally re-energising the brand!

FY2023 will also be the year in which we go more wholesome – as we put into gear up to RM800 million capex into the upstream fresh milk business in Ladang Permai Damai; commercialise our new RM20 million drinking water plant and warehouse in Kota Kinabalu, Sabah; and roll out plant-based beverages from our new Wang Muang plant. We are confident that these investments will open up many opportunities for future growth.

At the same time, we will be working closely with Cocoaland as we did Sri Nona to extract synergies and value creation from each other. We have exciting plans to grow our Halal Packaged Food pillar which holds immense potential.



ACKNOWLEDGEMENTS

As always, I want to express my heartfelt appreciation to everyone connected with the Group for our ongoing success story. The list includes our shareholders, who provide us with their continued trust; our customers and consumers, who have demonstrated unwavering loyalty even when markets have been fickle; as well as our business partners and suppliers, who have worked with us to create some amazing synergies.

Finally, my gratitude extends to our Chairman and directors, who continue to demonstrate immense wisdom and foresight in guiding the Group through our bolder endeavours. And to all our employees, who truly are the cogs and wheels of this organisation. It is because of your dedication that we have been able to overcome the challenges of the last two years. Last but not least, I would like to warmly welcome new members from Cocoaland into our F&N family.

LIM YEW HOE
Chief Executive Officer

DELIVERING ON
OUR STRATEGY

THROUGH OUR VALUE CREATION BUSINESS MODEL

OUR BUSINESSES	Food & Beverages Malaysia	Food & Beverages Thailand	Property & Others
OUR VALUE CHAIN	Sourcing > Production > Distribution > Marketing & Sales > Post-consumption Packaging Management		

Read more in "Our Supply Chain".

HOW WE CONDUCT BUSINESS

VISION

To be a stable and sustainable food and beverage (F&B) leader in the ASEAN region.

MISSION

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust.

CORE VALUES

Collaboration: We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals.

Creating Values: We are passionate about applying new ideas and seizing opportunities to make a positive impact on our organisation and around the world.

Caring for Stakeholders: We embrace our stakeholders' perspectives with good intentions and right mindsets to create long-term, sustainable partnerships.

Supported by Strong Governance &
Effective Board Leadership

CORE AREAS OF SUSTAINABILITY

- Responsible Business Practice
- Responsible Product Stewardship
- Responsible Supply Chain
- Create Value for Society
- Empower Our People
- Operational Eco-efficiency
- Value Chain Impacts

OUR
BUSINESS
- How We
Create Value

3 STRATEGIC DOMAINS

- BUILD**
Building new capabilities and business opportunities
- UNLOCK**
Unlocking the potential of employees and the Group
- STRENGTHEN**
Strengthening core businesses for market leadership positions

OPERATING ENVIRONMENT

- Health Consciousness & Physicality
- Digitalisation & The E-Economy
- Climate Change & Its Mitigation
- Waste Management & Conscious Management
- Employees & The Great Resignation

COMPETITIVE ADVANTAGE

- Better Products
- Greater Efficiency
- Strengthen relationships with key stakeholders

INPUTS - Resources We Use

H
HUMAN
CAPITAL*

- 2,519 employees
- 30.8% of employees are female
- 44.7% of female representation in managerial positions
- 4 women directors on Board

* Including Sri Nona's workforce

F
FINANCIAL
CAPITAL

- As at 30 Sep 2022
- RM816.8 million in share capital
 - RM2,982.5 million in shareholder's equity

I
INTELLECTUAL
CAPITAL

- Equity from 22 well-loved brands
- New product formulations and recipes
- Innovative process and technology
- Strategic Partnerships
ThaiBev, Fraser and Neave, Limited, Nestlé, SunKist

M
MANUFACTURED
CAPITAL

- 9 production plants
- 25 offices in Malaysia, Thailand, Brunei and United Arab Emirates
- RM4.19 billion worth of assets

S
SOCIAL &
RELATIONSHIP
CAPITAL

- Engaged with > 2,300 local and global suppliers across our supply chain
- > 230,000 outlets in Malaysia, Thailand, Laos & Cambodia
- 53,000 hawkers in Thailand, Laos & Cambodia

N
NATURAL
CAPITAL

- > 1 billion MJ energy consumed
- > 10.9 million MJ solar energy generated
- > 2.8 million m³ water consumed
- Sourced raw materials that are sustainable

OUTPUTS - Value Created

H
HUMAN CAPITAL

- Paid RM294.1 million in total employee remuneration & benefits
- Employed 329 new employees
- Provided training and development to employees
 - Executives : 22.2 average hours
 - Non-executives : 13.1 average hours
- Awarded RM218,100 to 68 children of employees under F&N Chairman's Award
- Recorded 0 work-related fatality and ill-health case

F
FINANCIAL CAPITAL

- Revenue : RM4,470.2 million
- Profit before Tax : RM454.1 million
- Profit for the Year : RM382.3 million
- Dividend per Share : 60.0 sen**
- Total Dividend Payout : RM220.1 million
- Economic Value Retained : RM588.1 million

I
INTELLECTUAL CAPITAL

- Introduced various innovative solutions for our customers in 89 countries nationwide
- Launched 14 new products
- 68 products endorsed with Healthier Choice Logo

M
MANUFACTURED CAPITAL

- Capital investment of > RM800 million over past five years
- Renewable energy programme
- Shah Alam Integrated Warehouse, Malaysia
- Rojana Distribution Centre, Thailand
- Fresh Milk Line in Rojana, Thailand

S
SOCIAL & RELATIONSHIP CAPITAL

- Social investment of > RM1.5 million to support > 200 beneficiaries
- Spread hydration awareness to > 100,000 Malaysians through 100PLUS World Hydration Day

N
NATURAL CAPITAL

- Energy Intensity (MJ/MT) : 860.29
- GHG Emissions Intensity (MTCO_{2e}/MT) : 0.063
- Water Intensity (MJ/MT) : 2.33
- Solid Waste Recycling Rate : 87%
- % of Recyclable Packaging : 99%
- % of Recycled Content in Packaging : 25%

** Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

CREATING VALUES FOR OUR STAKEHOLDERS

• Employees
• Suppliers• Shareholders & Investors
• Regulators• Shareholders & Investors
• Consumers• Shareholders & Investors
• Distributors & Trade Customers
• Consumers• Distributors & Trade Customers
• Consumers
• Communities
• Suppliers• Shareholders & Investors
• Regulators
• Communities



Strategic Review

Market Review

OUR OPERATING LANDSCAPE

The year 2022 has been marked by two key and opposing factors. Positively, it has seen the gradual unravelling of movement and social restrictions imposed to contain COVID-19. Yet, rather than herald a significant economic recovery, global GDP growth is expected to decelerate to about 3.2 per cent after hitting a high of 6.1 per cent in 2021. The International Monetary Fund (IMF) was prompted to downgrade its GDP forecast in July 2022 because of the Russia-Ukraine war, intermittent COVID-19 outbreaks, and a continued slowdown in manufacturing and logistics.

Starting from a lower base of 3.1 per cent growth in 2021¹, Malaysia's GDP is expected to expand by 6.4 per cent according to the World Bank, supported by domestic demand underpinned by enhanced labour market conditions². Growth in Thailand, meanwhile, is anticipated at between 2.7 per cent and 3.2 per cent³, slightly higher than initially predicted as the tourism industry is beginning to pick up. This is from a base of 1.5 per cent growth in 2021. Key factors reigning in a fuller recovery are high inflation and muted trade with China, which has enforced several lockdowns in attempts to maintain zero-COVID.

Economic growth discrepancy aside, both countries continue to be affected by supply chain disruptions and a sharp increase in the price of commodities, especially palm oil, skimmed milk powder and tin plates – all of which are used in F&NHB's products and packaging. Both our key markets have also been impacted by the US Government's monetary tightening and interest rate hikes, which have resulted in the reverse flow of capital from emerging markets back to the US, contributing to depreciation in regional currencies.

As of the end of September 2022, the Malaysian ringgit had weakened to 4.6 against the dollar. However, the Thai Baht was even more affected, dipping to 38 against the dollar – marking its lowest exchange rate since July 2006. The weak Ringgit and Baht further increase the cost of already high imported commodity prices.

¹ According to a Ministry of Finance press release, 11 Feb 2022

² <https://www.theedgemarkets.com/article/world-bank-ups-2022-gdp-growth-forecast-malaysia>

³ <https://www.cnbc.com/2022/08/15/thai-second-quarter-gdp-grew-2point5percent-year-on-year-below-expectations.html>

KEY MARKET TRENDS



HEALTH CONSCIOUSNESS & PHYSICALITY

Even before the pandemic, there was increasing awareness of the importance of maintaining a good diet and being physically active to optimise one's well-being. Since the pandemic, people are taking their health and well-being even more seriously. There is increased demand for low-sugar or no-sugar beverages, low-fat foods and nutritious food and beverage products. At the same time, more people are converting to a plant-based diet. Another outcome of the pandemic is greater awareness of staying active to enhance natural immunity against COVID-19. People are exercising more and enjoying other outdoor activities to maintain good mental and physical health. Therefore, food and beverage (F&B) players must cater to healthier lifestyles to resonate better with the current consumer mindset.

- Our sugar index has dropped by 50% over the last ten years, representing the reduction of total sugar content in our drinks from 2013 to 2022. Over 90% of the ready-to-drink products sold today have less than 5g of sugar per 100 ml.
- More than half of our total product portfolio now comprises healthier options endorsed by MOH's Healthier Choice Logo, including six new products this year.
- We invested RM128 million in a new liquid milk and plant-based manufacturing facility in Wang Muang and are equipping our Pulau Indah plant with plant-based capabilities.
- 100PLUS World Hydration Day celebration promoted an active lifestyle to 100,000 Malaysians through a four-day Hari Hidrasi Sedunia 100PLUS carnival.



DIGITALISATION & THE E-ECONOMY

Digitalisation has been a catchphrase for a few years and has further accelerated throughout the pandemic. To remain competitive, corporations are fully digitalising their operations to capture and analyse data for 1) more informed decision-making; 2) more effective marketing; 3) better customer service, and 4) more efficient operations. Consumers today increasingly rely on technology for daily tasks such as banking, working and education. Trends towards digital channels also mean cyber risk is a global focus of organisations and governments. The rising trend in cashless payments has positively boosted online shopping, which had remained strong post-pandemic, indicating that consumers are already accustomed to the convenience, affordability, and rewards of online shopping.

- Business intelligence tools are vital enablers in our operations, particularly in gathering market insights, including consumers' purchasing behaviour and the movement of commodity prices.
- A robust Cybersecurity Framework ensures effective identification, protection, detection, response, and recovery of cybersecurity incidents. Cybersecurity training and external vulnerability assessment were also conducted during the year.
- We continue to increase our e-commerce presence through partnering with e-commerce platforms like Lazada, Shopee and partners like Potboy and JOCOM. At the same, we continued to grow our own platform, F&N Life, in Malaysia and launched F&N Nom-Aroi in Thailand.
- Our Enterprise resource planning system and ASRS at Shah Alam warehouse and regional distribution centre in Rojana create greater efficiencies while reducing the risk of human injury.



CLIMATE CHANGE & ITS MITIGATION

In recent years the clarion call for climate action has gained urgency, as the effects of an increasing global temperature are beginning to be evident. Most governments have committed to taking action to limit the global temperature increase to 2°C from pre-industrial days. Malaysia has set the goal to reach carbon neutrality by the year 2050 through efforts to halter deforestation and reduce methane emissions. It is imperative that corporations, organisations and individuals also play their part. Indeed, with increasing awareness of the potential calamity that unmitigated emissions will bring, investors, employees, customers and consumers actively seek to support green organisations. Companies that do not take emissions reduction seriously risk alienating their important stakeholders.

- We embarked on renewable energy through solar PV systems at our manufacturing facilities in 2020. Before the end of 2022, we will be generating enough renewable energy to replace 20 per cent of our electricity requirement with solar panels on the roofs of our plants.
- Our new Shah Alam warehouse and regional distribution centre in Rojana (RDC) will contribute to an annual reduction of 1,400 tonnes of CO₂e emissions from reduced forklift operations and lesser shunting and double handling.
- F&B Thailand is guiding some 2,000 dairy farmers in a cooperative to assess their carbon emissions and develop plans to reduce their carbon footprint.
- We began a phased implementation of climate-related disclosures in relation to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and conducted a climate-related impact assessment this year.



WASTE MANAGEMENT & CONSCIOUS CONSUMPTION

As the global population grows, we are consuming more and more of the world's natural resources and discarding an increasing volume of waste, 90 per cent of which is either dumped or burned. Landfills overflow while poorly managed waste gets washed by rain and drains into the sea. As the World Bank puts it, poorly managed waste is contaminating the world's oceans, clogging drains, transmitting diseases, increasing respiratory problems from burning, and unknowingly harming animals that consume waste. Among the most effective solutions to the problem is to increase circularity in the value chain, reduce raw materials needed, prioritise renewable inputs, and recover/recycle as much as possible. Consumers and other stakeholders today have high expectations of corporations in the fast-moving consumer goods sector to demonstrate a commitment to effective and sustainable waste management.

- Apart from renewable energy, we source raw materials that are produced sustainably, such as RSPO, VIVE, and BONSUCRO. We only use paper carton products certified by Forest Stewardship Council (FSC). We also aim to achieve 100 per cent physical certified palm oil by 2025.
- We have increased the use of recycled material in our packaging to 25 per cent and aim for all beverage and dairy packaging to be 100 per cent recyclable by 2025. (2022: 99 per cent)
- 100 per cent of the industrial sludge from our dairy production is converted into organic fertiliser and distributed to local farmers.
- After two years hiatus due to the pandemic, we re-activated our nationwide school recycling programme to inculcate 5R philosophy in our future generation. We are also a founding member of the Malaysian Recycling Alliance (MAREA), which seeks to develop effective post-consumption waste strategies and policies with all stakeholders.



EMPLOYEES & THE GREAT RESIGNATION

Gen Zs and millennials represent about half of the working population in Malaysia and Thailand today. They seek employers that provide excellent compensation and benefits, provide an enabling culture and career growth opportunities, respect the need for flexibility and work-life balance, and demonstrate strong ESG principles. While the 'Great Resignation' appears to be more muted in Southeast Asia, 86 per cent of the talents surveyed in a recent poll by Robert Walters have reassessed their priorities in work and workplaces⁴. Along with the stresses brought about by COVID-19, a majority (76 per cent) are prioritising their mental and physical well-being. The poll conducted on 2,600 professionals in June 2022 also showed that 68% of them planned to change jobs within the following year. Given the perennial lack of good talent, corporations must make more effort to discover what their employees want from their employers in order to retain them.

- To enable greater flexibility for work-life balance, we have maintained the technology-enabled hybrid work approach adopted during the pandemic.
- Conducted a Reward Benchmarking Exercise in 2022 as part of our periodic review to ensure we offer competitive salaries against the industry.
- To promote a culture of engagement and inclusion, an Employee Engagement Survey was conducted in 2022 and participated by 100 per cent of our employees. Other engagement channels included CEO Townhall and our employee mobile apps, Fraserian Connect in Malaysia, and Line app in Thailand.
- We continue to care for our employees' well-being by conducting second COVID-19 booster vaccinations at our plants. RM400,000 in crisis assistance funds was distributed to employees affected by the floods, while 68 children of our employees were awarded the Chairman's Award for their excellent results.

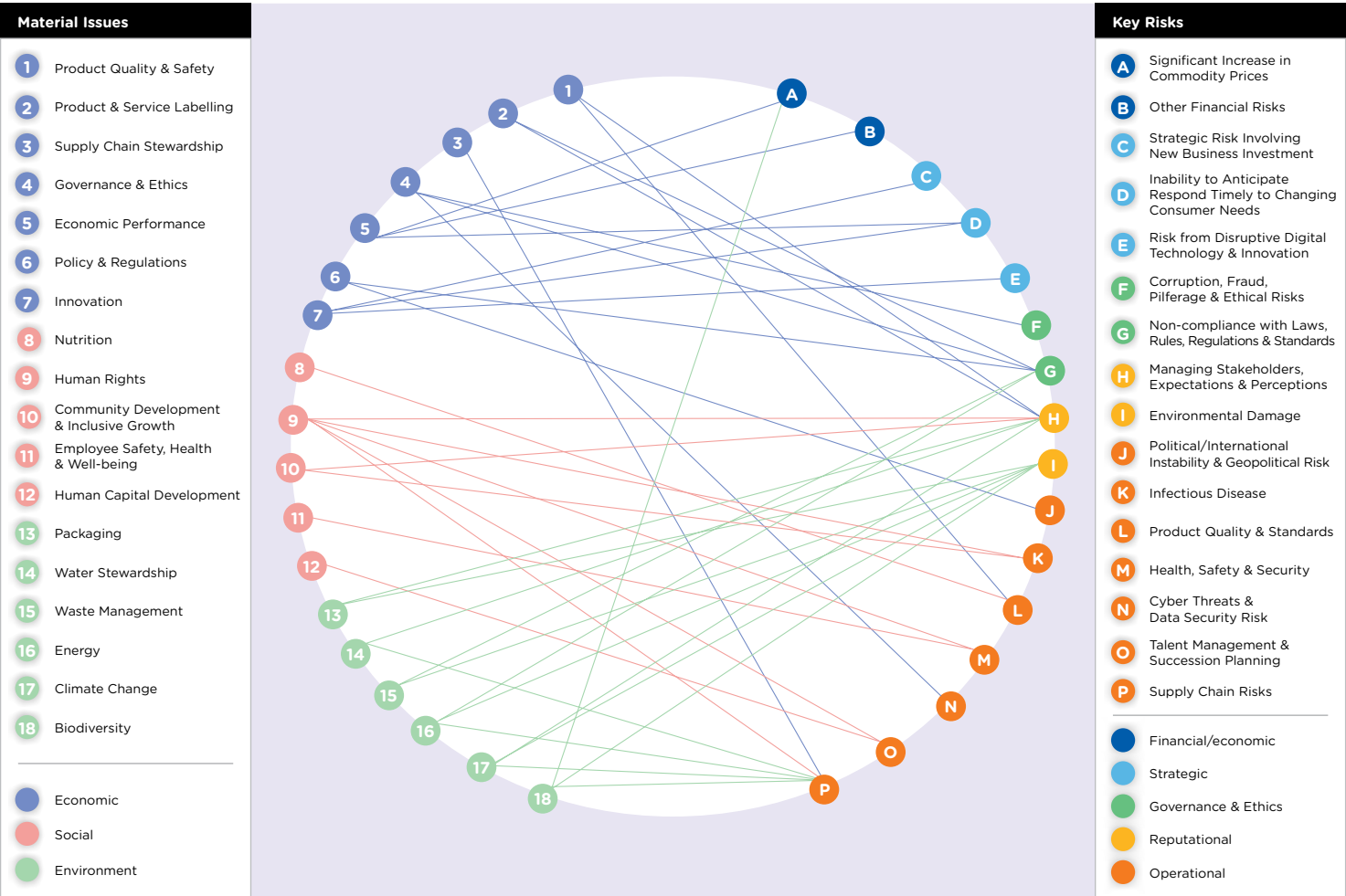
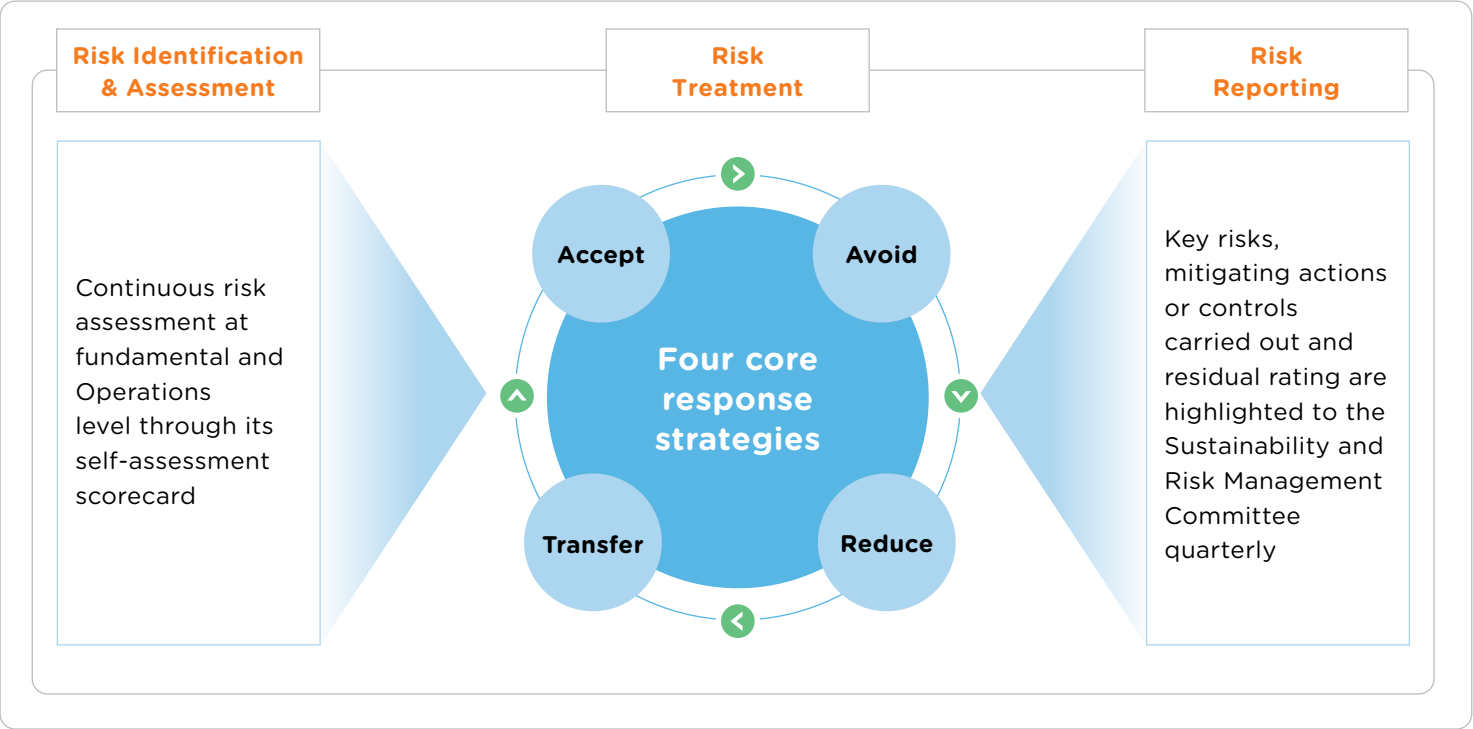
⁴ <https://focusmalaysia.my/not-so-great-resignation-59-of-workers-in-southeast-asia-not-quitting-without-job-offers/>

OUR RESPONSE



Key Risks and Mitigation

Snapshot of the Enterprise Risk Management Process Flow



Addressing Our Risks & Opportunities

Risk	Mitigation actions	Material Issue
Extreme weather events and other environmental concerns (Emerging Risk)		
Rising concerns associated with environmental impact such as extreme weather events, water-related risks, waste and pollution risks, and biodiversity loss.	At F&N, we recognise the role of business in protecting the environment. The transition to a circular economy offers opportunities to create business value as well as minimise environmental impacts. - We are guided by our Environmental, Safety and Health Policy, which ensures all major plants in the group are ISO 14001:2015 (environmental management system) certified. - Environmental, Social & Governance (ESG) elements are considered and integrated into our business strategies, including capital expenditure investment(s) to ensure business resiliency. - Various environmental-related sustainability targets and metrics have been established, monitored, tracked and reported on periodic basis. - We undertake Environmental Impact Assessments prior to any project. - We partner with local communities to protect and preserve the environment. - We strive for zero waste as well as zero pollution through continuous improvement of our environmental management system.	
Significant increase in commodity prices (Emerging Risk)		
Commodities and material prices are influenced by the global & local supply and demand, weather conditions as well as regulatory changes imposed by the government. As such, any significant increase in prices of commodities and materials could materially affect the cost and profitability of our products.	- Commodities and materials price risk is managed through forward purchase of key commodities, active monitoring of commodities price trends, and vigilant sales forecasting and production planning. - In addition, we also source from multiple suppliers and origin of commodities/ materials as listed in our approved vendors list to enable us to respond ably in the event of shortage in supply and/or increase in price. - We also hedge our purchases using our enlarged and collective purchasing capability. - Price adjustment would be considered as last resort to protect profitability of the products.	
Exposure to fluctuations in exchange rates		
In times of foreign currency market volatility, the Group is exposed to the risk of fluctuations in foreign exchange rates against the local currency due to: - Importation of materials for production; - Exports of goods are traded in foreign currency; and - Overseas operations are valued in foreign currencies.	- The Group is guided by the Group Treasury Policy which outlines the policy in hedging the identified and committed foreign exchange exposure. - Typically, at least 60 per cent of our forex requirements are hedged to manage fluctuating prices of commodities as well as forex movements. - Exports serve as additional natural hedge to cushion the impact of depreciating local currencies.	



Key Risks and Mitigation

1

2

3

Management Discussion & Analysis

4

5

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7

8

9



Risk	Mitigation actions	Material Issue
Product quality and standards		
As a player in the food & beverage industry, the Group is exposed to the risks associated with product quality and standards as product safety and quality are of paramount importance to the Group. The exposure in product quality and standards may bring serious ramifications in terms of financial impact as well as reputational impact.	- Quality assurance cycle begins with suppliers' pre-qualification and approval, source or origin of raw materials, manufacturing facilities and procedures, up to the distribution and storage of our products. - Comprehensive policies and procedures established on processing, packaging and storage, equipment and plant sanitisation as well as employee personal hygiene to prevent contamination. - Compliance with stringent quality systems in place such as ISO22000, Food Safety System Certification 22000 and HACCP Certification by Ministry of Health. - Contingency plans on product traceability and product recall/ withdrawal should such circumstances arise.	 
Ability to anticipate/ respond timely to changing consumer needs (Emerging Risk)		
Consumers are becoming more informed on nutritional facts of their diet and adoption of active/healthy lifestyles. This risk relates to the Group's ability to stay competitive and relevant to consumer needs by building competitive advantage through innovation. Should we fail to address the shift in the consumer trends nimbly and effectively, it may result in financial as well as reputational impact in the longer term.	- Prioritise Research & Development initiatives on developing new products and further improve our product offerings in food & beverages to meet consumers' demand for healthier choices which are in line with the rising health and wellness trend without compromising on taste. - Continuous improvement on the offerings of healthier choice products in our innovation roadmap with target to offer a healthy option in every product category that we are in. - Introduce new pack size as part of our portion control commitment. - Promote sports and active lifestyles through programs that target schools and communities.	 
Supply chain risks		
The Group is exposed to risks associated with anticipated or unanticipated disruption to the supply chain and normal operations of the Group which could be due to internal or external factors such as extreme weather events, infectious diseases, etc.	- Group Business Continuity Management Framework (BCMF) has been established which sets out the policies and procedures in relation to response, recovery and restoration of business in the event of a crisis or disaster. - Business Continuity Plans (BCP) are in place and being tested in accordance with the BCMF. - Regular engagement with internal and external stakeholders to ensure resilience in the supply of materials amidst supply chain disruptions. - Maintain healthy cashflow positions during crisis. - Ensure compliance with SOPs issued by government.	     

Risk	Mitigation actions	Material Issue
Cyber threats and data security risks		
Amid the evolving technology-reliant business environment, the Group is exposed to cyber security threats from cyber criminals which may compromise data integrity and even leakage of confidential and sensitive information which is valuable to the Group.	- The Group has developed Cybersecurity Framework to provide guidance to businesses on managing cyber security risks. - Regular trainings via e-Learning platform and constant updates related to cyber threats are provided to all employees to maintain awareness level. - Implementation of Data Leakage Protection solutions to mitigate cyber threats and data security risks.	
Managing stakeholders' expectations and perceptions		
Managing and balancing stakeholders' expectations/ perceptions in relation to environmental, social and governance (ESG) aspects such as human rights, Halal assurance, community development and inclusive growth have always been challenging as ESG topics have rapidly climbing on the ranking of top concerns amongst many leaders, investors, and other stakeholders.	- Proactive stakeholder engagements including shareholders & investors, customers, suppliers, regulators, communities, and employees. - Full commitment from our Board of Directors in implementing our strategic initiatives as well as sustainability priorities. - Policies and procedures are established, supported by dedicated resources to implement the framework, and uphold the various compliance standards, including Halal Governance and Assurance Framework. - Stringent compliance with various compliance standards along our entire value chain, from sourcing of raw materials to delivery of products. - Close monitoring of news published in the media and response procedures are in place to address circumstances should it occur.	      
Fraud and Corruption Risks		
The Group could be exposed to governance and ethics-related risks such as fraud and corruption practices involving employees and/or external stakeholders which eventually may result in financial losses and reputational repercussions.	- Top-level commitments from the Board and Senior Management on zero-tolerance towards unethical practices. - Awareness training programme for employees designed to enhance awareness in protecting the interest of the Group. - Whistleblowing channel is available for internal employees as well as the public to escalate concerns or report to the Receiving Officer should there be any incident detected.	





PASSION 2025 STRATEGIC DOMAINS



BUILD

Building new capabilities and business opportunities



FY2022 Key Highlights

- Successfully launched 14 new products in different product categories, with 6 healthier options without compromising taste and convenience.
- Strengthened our Halal packaged food pillar via the acquisition of Cocoland companies.
- Building new capabilities with integrated dairy farming & agriculture as the journey began with successful completion of Ladang Permai Damai land acquisition.
- Operating since October 2022, Wang Muang plant in the Saraburi province, Thailand is a liquid milk & plant-based beverages factory. It is a strategic shift for the Group to reduce reliance on condensed milk and enable us to grow our brand in the liquid milk segment.



Priorities for 2023

- Accelerate innovation across all facets of our businesses, from new product development, channels management to value chain activities to better serve the rapidly evolving consumer and stakeholders needs.
- Investment in sustainable farming and agriculture to support the National Food Security Agenda In Dairy & Beef.
- Leverage on combined strength with Sri Nona and Cocoland to expand growth in Halal packaged food business organically and beyond domestic market.



STRENGTHEN

Strengthening our core businesses for market leadership positions



FY2022 Key Highlights

- Defended market share leaderships in Malaysia and Thailand within our core categories while we continued expanding our reach in the existing markets.
- Our global footprint expanded to 89 countries despite the market uncertainties and challenges.
- Our continuous effort in marketplace, workplace and environment received external validation through numerous awards, recognitions and ratings, including:
 - **Top decile company in S&P Corporate Sustainability Assessment, ranking among the top 10 companies in the Beverages industry**
 - **97th Percentile Rank in the Global Food & Beverage Supersector, remaining a constituent of the FTSE4Good Bursa Malaysia Index (F4GBM) and FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index**
 - **Top 3 Performers in ASEAN and Gold Award for Consumer Goods & Services in the inaugural The Edge ESG Awards 2022**
- Supported local communities through strategic partnerships while we continue to strengthen our Halal leadership in the industry.



Priorities for 2023

- Defend our existing business leadership in our core categories through transformative projects to strengthen our brand portfolio management as we continue to expand our product portfolio.
- Continue to expand our reach by leveraging on digital and technologies in strengthening our route-to-market strategies while achieving cost effectiveness.
- Continue to drive operational efficiency, commercial excellence and fiscal discipline across our value chain from raw materials, production, marketing & sales, and post-consumption packaging management as we integrate ESG elements as part of strategic management, where applicable.



UNLOCK

Unlocking potentials of the Group to create maximum value



FY2022 Key Highlights

- Rooftop Solar Photovoltaic (PV) System in our manufacturing plants had begun generating renewable energy progressively to power the operations.
- Unlocking potentials among the existing talent pools in support of future business expansion to become a more efficient, agile and focused organisation.
- Strategic collaborations with key suppliers to achieve common partnership goals.
- Leveraged on sukuk financing to unlock future business growth as well as diversifying our business risks.



Priorities for 2023

- Transforming through disruption and building business resilience across different aspects of the Company.
- Unlock values from our assets and investments to drive stable and sustainable growth.
- Transitioning to next-level of strong governance company and establish programmes to improve operations, empower our employees, strengthen stakeholders' engagement and deliver business values.
- Create a smart hybrid workplace that facilitates greater integration and collaboration when our team are housed under one roof in Shah Alam.



Key Performance Indicators



HOW WE TRACK OUR PROGRESS

F&N is focused on building a stronger and more sustainable business for the future through continued focus on profitable growth, sustainable cost structure, and organisation excellence.

Here are several financial and operating metrics that help us to measure our effectiveness in creating value for our people and stakeholders while we expand our portfolio and reach.

SUSTAINABLE PRACTICES

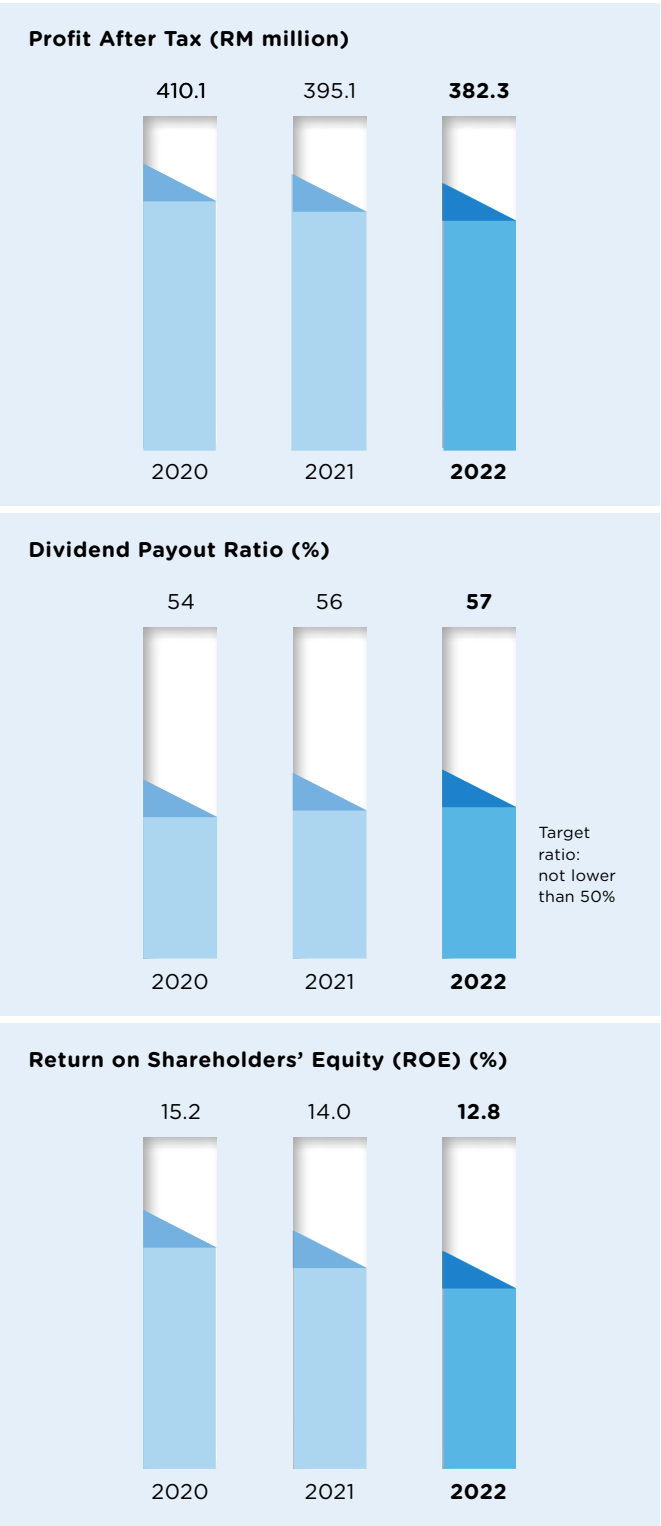
Complementing these metrics are 12 F&N Group Sustainability targets to be achieved by 2025 that track our ESG performance in three primary themes of sustainable value creation. These 2025 targets will drive our ambition for Better Business through responsible business fundamentals; a Better Society by caring for the well-being of people and communities; and a Better Planet through circularity & environmental protection initiatives.



Refer to pages 149 to 150 for a summary of the targets and progress to date

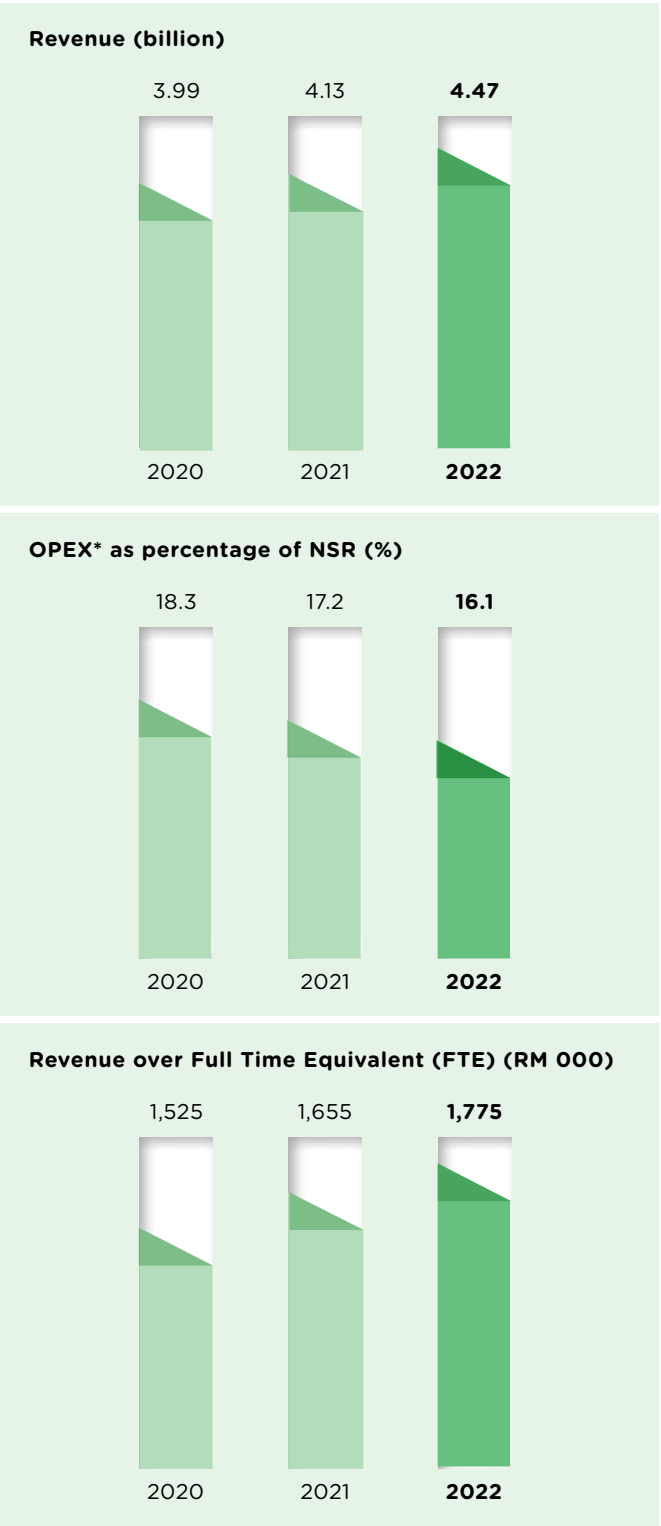
FINANCIAL INDICATORS

Objective:
Maximise value creation and provide good returns to shareholder.



OPERATIONAL EXCELLENCE

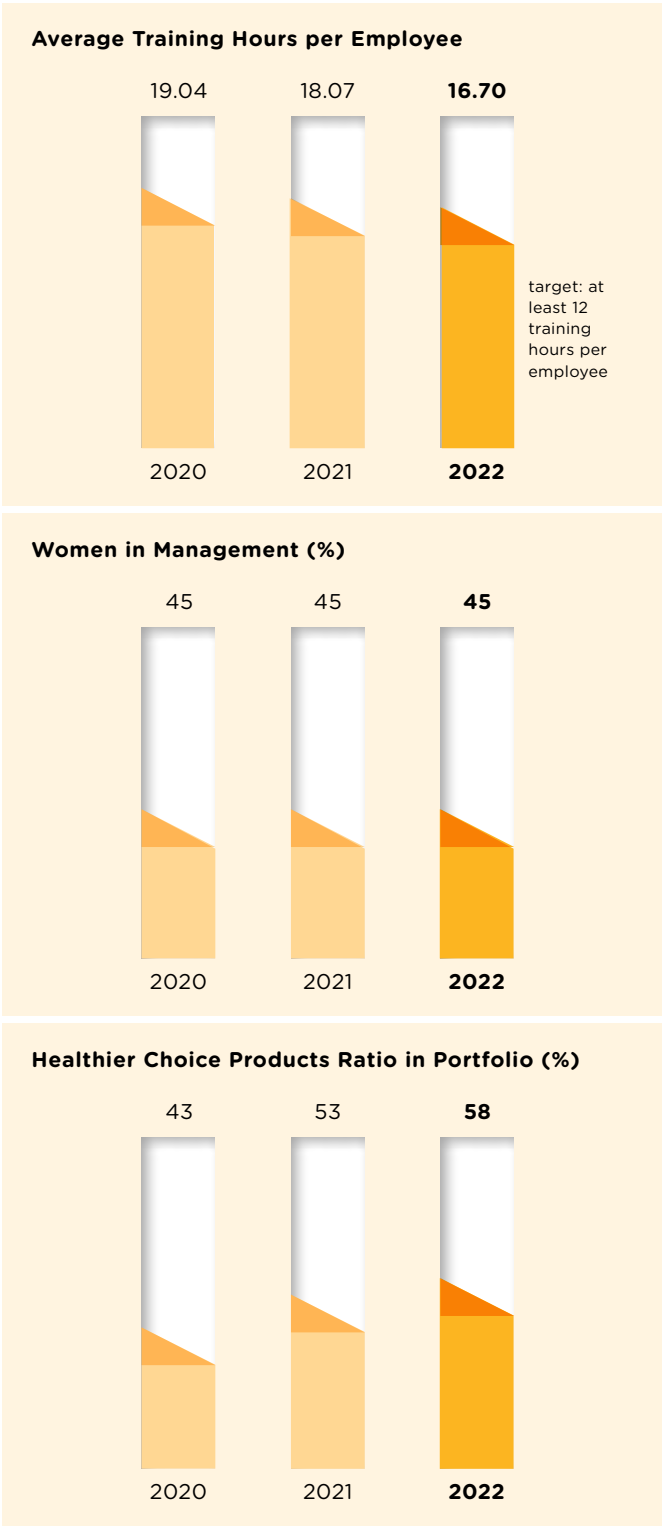
Objective:
Ensure sustainable revenue growth and increase the Company's efficiency and cost competitiveness.



* Comprise distribution, marketing and administrative expenses.

ORGANISATIONAL CAPABILITY

Objective:
Build capability of our talents and product innovation to maintain our competitive edge.





Strengthening our Halal Ecosystem

F&N IS COMMITTED TO BE A LEADING PRODUCER OF HALAL PRODUCTS.

HALAL POLICY AND RESOURCES MADE AVAILABLE TO ENSURE HIGHEST LEVEL OF INTEGRITY TO STAKEHOLDERS.

100% Halal- Certified Products



RECOGNITION TOWARDS OUR HALAL COMMITMENT



Fraser & Neave Holdings Bhd
Best Halal Achievement Awards
MIHAS Awards 2022



Fraser & Neave Holdings Bhd
A constituent of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index

01 ESTABLISHING GROUP HALAL COUNCIL (GHC)



F&NHB established a Group Halal Council in 2016 to embed the Halalan Toyyiban guidelines, extending it into our operations and our engagement with consumers and society.

The Group Halal Council is assisted by the Halal Affairs Department.

A dedicated Internal Halal Committee is set up in each of our manufacturing plants.

The Internal Halal Committee is responsible for all matters pertaining to Halal compliance in our supply chain, from material selection to the storage and transportation of our products

02 ENSURING HALAL COMPLIANCE & INTEGRITY ACROSS OUR VALUE CHAIN

- 100% of our products are Halal-certified by the relevant authorised certification bodies:
 - Department of Islamic Development Malaysia (JAKIM)
 - Majelis Ulama Indonesia (MUI)
 - Central Islamic Council of Thailand (CICOT)
- Our Shah Alam and Pulau Indah plant are awarded the Whitelist status by JAKIM, in which Halal applications and approval are fast tracked.
- Halal Assurance Management System (HAS) version 2020 is implemented to maintain and ensure the sustainability of Halal production processes.
 - A pool of qualified Halal Executives is maintained to implement a robust HAS
 - Internal Halal Audits are conducted for all of our plants.
- We perform porcine analysis for our products and ingredients as further assurance of Halal.
- Used equipment or machines brought into our factories underwent Shariah sertu cleansing to maintain Halal integrity of our products.
- Our Halal Risk Management plan for all plants is updated to meet Halal Assurance Management System (HAS) version 2020 requirements.
- To ensure Halal compliance downstream our supply chain, Halal awareness trainings are conducted for our key transporters and distributors.
 - We have conducted Halal audits on 100% of our transporters to ensure Halal compliance.
 - Halal audits are also conducted on our distributors to ensure Halal compliance further downstream our supply chain

03 CULTIVATING INTERNAL HALAL CULTURE

- We continuously strengthen of employee's Halal awareness and understanding through:
 - Regular Halal Awareness programme, including training, contests and quizzes
 - Regular training in Good Manufacturing Practices and Good Hygiene Practices
 - Prohibition of non-Halal foods and drinks within the factory premises, including office and canteen
- Various trainings were organised to expand internal capacity:
 - Mandatory Halal awareness training for all employees
 - Halal labelling training
 - Halal Competency training
- 100% of our employees, including newcomers in Malaysia undergo mandatory Halal awareness training while employees with a responsibility in Halal matters also attended a series of professional training related to Halal internal audits and assurance.

04 FACILITATING EXTERNAL ENGAGEMENT TO UPLIFT HALAL ECO-SYSTEM

- We facilitate positive collaborative engagement with Halal authorities such as JAKIM, Jabatan Agama Islam Selangor (JAIS) and Halal Development Corporation Berhad (HDC).
 - Partner with JAKIM and JAIS in community outreach programmes
- We are actively engaging with the Department of Malaysia standards through Federation of Malaysian Manufacturers (FMM) to provide our input towards developing Halal related standards to, such as:
 - Sertu standards
 - Malaysian Standard 1514 Good Manufacturing Practice (GMP for Food)
 - Halal Industrial Park - General Requirements and Guidelines
- To further propel the Halal eco-system, we partner HDC on the Halal Sourcing Partnership Programme, a capacity-building programme aimed at:
 - sharing Halal industry best practices
 - providing technical advice and knowledge transfer to small and medium enterprises (SMEs)
 - coaching the SMEs to elevate their capability to be qualified as Halal vendors for multi-national companies
- Through the programme, in 2021, we have successfully onboarded one SME as our ingredient supplier for F&N Kurma Madu Cordial. We are in the midst of developing more Halal SMEs to become our supplier.
- We also actively participate in knowledge sharing sessions such as:
 - 18th Malaysia International Halal Showcase (MIHAS)
 - World Halal Business Conference Australia 2022.
- We also support HRDCorp by providing our input towards the development of Industrial Skills Framework for Food & Beverages - Food Manufacturing, particularly in career development related to Halal Industry.





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Management Discussion & Analysis



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01

**SUCHIT
RIEWCHAROON**

Managing Director,
F&N Dairies (Thailand) Limited

02

**NG
ENG CHEANG**

Managing Director,
Commercial Operations
Malaysia

03

**GRAHAM
LIM**

Managing Director,
Commercial Operations
(East Malaysia & Borneo)

04

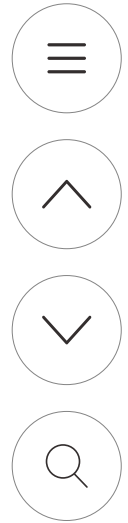
**LAI
MING KONG**

Managing Director,
International Markets
Development

05

**TONY CHAN
CHWEE WAN**

Managing Director,
Sri Nona





Thailand

THE YEAR CONTINUED TO BE VERY CHALLENGING FOR FOOD & BEVERAGES THAILAND (F&B THAILAND)

OUR THAI OPERATIONS, ESPECIALLY WITH THE ESCALATION IN COST OF COMMODITIES SUCH AS PALM OIL, MILK POWDER AND TIN CANS AND FREIGHT COSTS, TOGETHER WITH A DEPRECIATION OF THE THAI BAHT IN THE FACE OF THE STRONG US DOLLAR.

Despite the macro challenges, the recovery in out-of-home channels, new product innovations, effective loyalty campaigns and double-digit growth in exports to Cambodia contributed to revenue growth in F&B Thailand. This is further boosted by the progressive recovery in tourism and out-of-home consumption in Quarter 4.

During the year, our newly completed Rojana Distribution Centre (RDC) helped to create greater distribution and cost efficiencies as well as reducing carbon footprint for the Group. Our new plant in Wang Muang, which is fully operational since October 2022, will enable us expanding our presence in the liquid milk and building our brand in the plant-based beverages segment in Thailand.



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คลิกเลย! www.nomaroi.com



Key Focus Areas

- Manage the high-cost regime through increased operational and marketing efficiencies
- Grow the business through increased production capacity, a wider export market, and launch of an online platform, F&N Nom-Aroi
- Increase sales through product and packaging innovation, supported by effective promotions and campaigns
- Strengthen the supply chain through digital systems, and enhanced relationship with suppliers and business partners

Business Performance Review

Key Initiatives	Achievements
STRATEGIC OBJECTIVE 1: ENHANCE REVENUE	
Grow manufacturing capacity	Invested RM128 million in a new liquid milk and plant-based beverage manufacturing facility in Wang Muang.
Product re-engineering	- Introduced six new products: - TEAPOT Low Fat 25% Less Sucrose Sweetened Condensed Milk (SCM) Tube - TEAPOT Purple Sweet Potato Flavoured SCM Tube - TEAPOT Evaporated Milk Product for Cooking & Bakery - TEAPOT Sweetened Evaporated Milk (2-in-1) for Beverages Brik 1L - F&N Magnolia Ultra-High Temperature (UHT) Milk - F&N Magnolia Plus Milk with Vitamin ACD - Introduced a new, more convenient and hygienic packaging (1L paper carton) for TEAPOT Extra Prisma. - Retained its No.1 position in the total condensed milk category. - TEAPOT maintained its leadership position in the flavoured sweetened condensed milk segment. - Gained higher share in the liquid milk market with the launch of various F&N Magnolia UHT products.
Grow export markets	- Strong double-digit growth in exports to Cambodia, supported by marketing activation and visibility programmes, and expanded distribution network. - Expanded the Export network to China, Middle East and Central West Africa. - Strengthen TEAPOT's leadership as the No.1 brand in the sweetened milk segment in Cambodia and Laos, where TEAPOT is available at more than 10,000 outlets.
Enhance route-to-market strategy	- Continued to expand distribution network in Thailand and Indochina. - Launched e-commerce platform, F&N Nom-Aroi, in May 2022.





(F&B Thailand)

Food & Beverages Thailand

Business Performance Review

Key Initiatives	Achievements
STRATEGIC OBJECTIVE 2: ACHIEVE COST EFFICIENCIES & REDUCE CARBON FOOTPRINT	
 Logistics efficiencies	Started operations at RM52 million integrated RDC in Rojana, equipped with an Automated Storage and Retrieval System (ASRS), in January 2022.
 Energy efficiencies	The solar PV system in Rojana continues to provide savings from the generation of clean energy. This was particularly significant in FY2022, when the cost of electricity increased significantly.
STRATEGIC OBJECTIVE 3: BUILD STRATEGIC RELATIONSHIPS	
 Dairy Farmers	Under this programme, the team has been collaborating with local Thailand-based farmers in cooperatives since 2013 to help farmers increase productivity, lower cost, improve milk quality, and reduce waste.  Read more in F&NHB Sustainability Report 2022 in pages 74 to 75.
 Hawkers	- Despite a decline in total number of hawkers during the pandemic, F&B Thailand grew back its network of hawkers from 40,000 to 53,000 by being a true partner even in challenging times, as the No.1 most visible brand among hawkers in Thailand. - Building on the LINE account for hawkers - “TEAPOT Ying Chai Ying Dai”, the LINE app active membership increased by 15 per cent. - A nationwide Hawker Decoration Competition was organised to retain current hawker members and recruit new hawker members, in which it attracted over 14,000 participants.

Meeting Our Challenges

INFLATIONARY PRESSURE	
Mitigation Efforts - Continued focus on innovative products and packaging to meet customers’ and consumers’ need - Organised promotion activities, including thematic campaign and lucky draw, to secure sales volume and maintain brand awareness with optimal spend - Prioritised engagement with hawkers - Enhanced distribution to reach out to more customers	Results - Maintained market leadership in the condensed milk and evaporated milk market despite overall market decline. TEAPOT maintained the leadership position in Flavoured SCM Segment. - Maintained sales volume and increase brand awareness. - Hawker base increased by 32.5 per cent from 40,000 to 53,000. - Total customer network in Thailand, Laos and Cambodia grew by 7% to over 170,000.
INCREASED COST OF GOODS DUE TO COST OF COMMODITIES, ENERGY & FREIGHT	
Mitigation Efforts - Hedging policy to smooth out the impact of increase of raw material prices - Operationalisation of integrated RDC in Rojana - Adjusted the price of products to preserve	Results Achieved cost and operational efficiencies
CONTINUED SUPPLY CHAIN DISRUPTION	
Mitigation Efforts - Replaced affected materials and ingredients with alternatives - Sought alternative modes of transport to sea freight to overcome reduced availability of vessels and increased cost	Results - Secured 100 per cent of supply needs at competitive prices - Used land transport for exports to Singapore

PROSPECTS

Although costs in general are likely to remain high in FY2023, revival of tourism is very positive for F&B Thailand as it would greatly increase demand for dairy products. Based on this, the team expects revenue to grow sufficiently to also ensure operating profits for the year.

On the supply side, F&B Thailand will focus on ramping up production at the Wang Muang plant as it seeks to establish itself as a leading player in the liquid market. It will also continue to innovate on the development of more products and product packaging that cater to market demand in order to maintain brand competitiveness. Distribution-wise, F&B Thailand will optimise the new RDC for greater supply chain efficiencies, while exploring more Export markets and strengthening its footprint in Indochina. Meanwhile, as e-commerce becomes integral to Thais’ lifestyle, it will promote its new e-commerce platform more actively.



TEAPOT

TEAPOT FURTHER STRENGTHENED ITS DOMINANCE IN THE SWEETENED CONDENSED MILK MARKET WITH THE LAUNCH OF TWO NEW PRODUCTS



TEAPOT Low Fat 25% Less Sucrose SCM Tube

Introduced in January 2022, satisfies the health-conscious consumer's craving for condensed milk with less sugar, while being fortified with vitamins D and B1.

First made available at 7-Eleven outlets, the 170g tubes were rolled out nationwide in February 2022.



TEAPOT Purple Sweet Potato Flavoured SCM Tub

Launched in April 2022, pioneering a first as sweet potato has never been used to flavour condensed milk before. Leveraging its unique taste, the team partnered with local Chinese donut stores Pa-tong-go Café, Pa-thong-kho Station, Risa Cafe and Bistro to create awareness of the new offering. TEAPOT Purple Sweet Potato Flavoured SCM Tube comes in 150g tubes, making it perfect for small and frequent treats.



TEAPOT Evaporated Milk Product

In response to increased cooking at home during the new normal and resumed operations of restaurants, F&B Thailand launched TEAPOT Evaporated Milk Product for Cooking & Bakery in May 2022.

Formulated specifically to enhance the flavour of soups, cakes and desserts, the evaporated milk product also caters to restaurant owners, bakeries and dessert vendors.

The product is available in 385g cans, like other evaporated milk products.

SPECIFICALLY FOR BARISTAS AND OTHER DRINK MAKERS, THE TEAM LAUNCHED TEAPOT SWEETENED EVAPORATED MILK (2-IN-1) FOR BEVERAGES BRIK 1 LITRE, OFFERING THE IDEAL COMBINATION OF UNSWEETENED AND SWEETENED CONDENSED MILK FOR PERFECT DRINKS, EVERY TIME.

Meanwhile, for added convenience of F&B operators, TEAPOT launched TEAPOT Extra Prisma Briki 1 Litre, which is not only value for money – at THB59 – but is easy to use and store for F&B operators.

The new packaging was launched in July 2022 with online communications on YouTube, Facebook, Tik-Tok and Line, supported by product sampling and in-store media.



The new product was made available exclusively at Makro in September 2022 and will be rolled-out nationwide in December 2022 with marketing activities such as cooking workshops with top chefs, and content on social media such as YouTube, Facebook and Tik-Tok, as well as in-store activations.

As part of the continued engagement with hawker customers, two key campaigns were run to maintain brand awareness. The first campaign – “TEAPOT, the more you use, the more you get” – enabled hawkers to collect points and redeem prizes through the official LINE account “TEAPOT Ying Chai Ying

Dai”. Run from December 2021 to April 2022, it attracted more than 14,000 participants. The second campaign, from April to June 2022, sought to create more brand visibility by encouraging hawkers to decorate their shops with TEAPOT products to win various prizes.

In the year, TEAPOT rolled out a nationwide consumer programme “Enjoy the delicious TEAPOT and win grand prizes from TEAPOT – Year 2. To participate, consumers would need to submit the codes from their purchases to stand a chance to win weekly prizes of gold and motorcycles and a final grand prize of a “Pick-Up car”.



Run from January to May 2022, the campaign received close to 1.3 million codes.

F&N MAGNOLIA

F&B THAILAND ALSO EXPANDED ITS UHT PORTFOLIO TO GROW THE LIQUID MILK SEGMENT WITH TWO NEW PRODUCTS - F&N MAGNOLIA UHT MILK AND F&N MAGNOLIA PLUS MILK WITH VITAMIN ACD.

F&N Magnolia UHT Milk

Introduced in February 2022, F&N Magnolia UHT Milk offers a unique sweet milky taste combined with the goodness of milk fortified with vitamin D for stronger bones, teeth and immune systems. The product is available nationwide in 180ml plain and chocolate flavours. The launch was accompanied by TV commercials, online communication and in-store sampling.



F&N Magnolia Plus Milk with Vitamin ACD

F&N Magnolia Plus Milk with Vitamin ACD, launched in May 2022, contains all the goodness of milk plus added vitamins A, C and D which work together to protect health and skin. The fortified milk comes in two variants - Blackcurrant and Brown Sugar - and is available nationwide in 180ml beverage carton. Marketing was conducted online as well as in-store sampling, focusing on modern trade outlets. This has helped to double the market share of F&N Magnolia in the UHT milk segment.



CARNATION

To maintain its leadership in the condensed milk market in Thailand, Carnation ran a nationwide campaign from March to August 2022 to reward consumers and customers for making it the No.1 brand. Consumers and customers earned points with every Carnation purchase entitling them to redeem prizes instantly and stand the chance to win a lucky draw prize.

Meanwhile, to strengthen Carnation's leadership in the evaporated milk segment, the brand ran an online cooking campaign between January and March 2022. During these three months, well-known chefs, brand ambassador Nadech and dining guru M.L. Parsan Swasti demonstrated how Carnation can be used in various recipes, especially Thai curries.



BEAR BRAND

THROUGHOUT THE YEAR 2022, SAMPLING OF BEAR BRAND GOLD WAS ACCELERATED IN ALL SALES CHANNELS TO COMPENSATE FOR THE LOCKDOWNS IN 2021 WHEN BEAR BRAND GOLD ACEROLA CHERRY WAS LAUNCHED.

From February to May 2022, a "BEAR BRAND Drink Every Day for a Million Rewards" campaign was carried out to drive consumption of BEAR BRAND sterilised milk and BEAR BRAND Gold. TV commercials featuring brand ambassador Yaya were supported by online marketing, in-store visibility and campaign packaging.



As a result of the new product trials, **BEAR BRAND Gold** saw its market share increase by **2%**

Finally, BEAR BRAND sterilised Milk entrenched its position as the No. 1 sterilised milk by leveraging its "love, warm and care" tagline. Special packs were created for Songkran and Mother's Day to serve as a health gift for loved ones. The brand also promoted 150ml cans for out-of-home consumption among younger consumers via social media.





THE INCREASE IN COMMODITY COSTS COMBINED WITH LINGERING EFFECTS OF THE PANDEMIC – SUCH AS SUPPLY CHAIN DISRUPTIONS AND HEIGHTENED FREIGHT COSTS – LED TO ANOTHER YEAR OF CHALLENGES FOR BOTH OUR DOMESTIC AND EXPORT BUSINESSES.

YET, OUT-OF-HOME CONSUMPTION ROSE PROGRESSIVELY WITH THE END OF MOVEMENT CONTROL ORDER IN MALAYSIA. F&B MALAYSIA PULLED TOGETHER VERY STRONG TOP AND BOTTOM LINE PERFORMANCE.

This was the result of going back to basics and focusing on our fundamentals, such as good customer service, successful trade execution and ensuring we meet market demand. Our performance was also enhanced by teamwork and concerted efforts to work effectively as well as efficiently, supported by digital platforms and technology. This was also supported by contribution from Exports due to better region and product mix, as well as foreign exchange gain despite registering lower volume mainly to Greater China amidst COVID-19 restrictions, and price-sensitive markets this year.



Key Focus Areas

- Cost management to counter the increase in commodity and freight prices as well as devaluation of the ringgit
- Better customer experience to strengthen relationships, thus also sales
- Greater production capacity to support sustainable growth
- Enhanced in-house sufficiency to reduce reliance on third parties, as well as for better supply chain efficiencies and reduced expenses

Business Performance Review

Key Initiatives	Achievements
STRATEGIC OBJECTIVE 1: ENHANCE REVENUE	
Invest in strategic acquisitions	- Acquired 100 per cent equity interest in Ladang Permai Damai Sdn Bhd to embark on upstream fresh milk for downstream production and distribution of fresh milk. - Acquired remaining 72.38% equity interest in Cocoland Holdings Berhad, an established confectionary and snacks brand, to enhance our Halal packaged food portfolio, and also to serve as a platform to expand into more Halal food segments and to meet the rising demand for packaged food products.
Expand production capacity	- Completed the building and installation of RM20 million drinking water production plant at Kota Kinabalu Industrial Park, with the commercial run starting in November 2022. - Developing plant-based beverages capability in our Pulau Indah plant through an investment of RM20 million, scheduled to complete by end 2022.
Enhance the customer experience	- Increased engagement to motivate sales team with the aim of strengthening customer relationships, driving more ground activations, and rewarding customers/consumers. - Backend staff in East Malaysia were redeployed to customer-facing positions, and a dedicated marketing manager has been appointed to look after marketing, customer communication and activations.
Build existing brands	- Sri Nona underwent a rebranding, with new logo and packaging to reflect a more cosmopolitan Malay lifestyle brand. - Launched a total of 9 new products in Malaysia, including: - NONA Ketupat (Nasi Ayam and Nasi Lemak), NONA Kicap (Lemak Manis, Manis and Masin) and NONA Sup Uncang - Healthier options such as F&N 25% Reduced Sugar Sweetened Creamer, F&N Magnolia Pasteurised Full Cream Milk and F&N SEASONS Soya Rose - Introduced the Malaysian favourite drink Teh Tarik in can format. - Retained market leadership in isotonic segment, condensed milk category and evaporated milk category.
Retain brand loyalty	- Introduced value packs such as 1.75L carbonated soft drinks for the price of 1.5L; and Farmhouse Twin Packs at promo price. - Ran four-day Hari Hidrasi Sedunia 100PLUS carnival, reminding Malaysians of the superior rehydration properties of our No. 1 isotonic drink. - On-ground activations organised during festive seasons helped to maintain our market position.
Grow global footprint	- Continued to strengthen our exports to Halal markets. - Recalibrated our Export market and product mix to achieve higher profit. - Expanded to 4 new countries: Palestine, Bhutan, Suriname & Guyana. - Focused on strengthening our house brand footprint.



(F&B Malaysia)

Food & Beverages Malaysia

Business Performance Review

Key Initiatives	Achievements
STRATEGIC OBJECTIVE 2: INCREASE PRODUCTIVITY & PROFIT THROUGH DIGITALISATION	
 Digitalisation of operations	• Implementation of Microsoft Power BI to gather market insights. • Use of robotic arms in our plants to improve productivity.
 Building e-commerce platforms	• KPIs have been set to ensure customers/consumers receive their orders through F&N Life on time, while we are strengthening our partnerships with established e-commerce platforms such as Lazada, Shopee and Potboy (an e-groceries mart).
STRATEGIC OBJECTIVE 3: ACHIEVE COST EFFICIENCIES & REDUCE CARBON FOOTPRINT	
 Enhance route-to-market	• Warehouse in Kota Kinabalu Industrial Park (KKIP) was completed in the third quarter, reducing logistics costs. • Completed the integrated warehouse in Shah Alam, equipped with Automated Storage & Retrieval System (ASRS) and capacity to store over 50,000 pallets. Together with the RDC in Thailand, they are expected to deliver more than RM10 million annual savings in logistics cost, as well as shorten delivery lead-time to customers and reduce carbon footprint for the Group.
 Reduce carbon footprint	• Launched in-sourced transportation service in Malaysia with five new delivery trucks to better manage supply chain activities and have better control of the service quality and costs. • Installed solar PV panels on the roofs of Shah Alam, Pulau Indah and Bentong plants, which will reduce our carbon emissions by about 9,000 tonnes and save RM3 million - RM4 million annually.

Meeting Our Challenges

INCREASED COST OF GOODS DUE TO COST OF COMMODITIES & LOGISTICS	
Mitigation Efforts • Hedging policy to smooth out the impact of any increase of raw material prices • Export serves as the natural hedge to cushion forex impact • Use of Microsoft Power BI to gather market insights, including commodity price trends • Focused on customer service and on-ground activations to boost sales • Continued emphasis on automation, digitalisation and in-house capabilities to reduce costs	Results • Achieved cost and operational efficiencies.
FLOODS IN DECEMBER DAMAGED SHAH ALAM PLANT	
Mitigation Efforts • Quick response and collaboration between manufacturing and sales teams resulted in minimal disruption	Results • A three-line flood mitigation plan has been developed to prevent future occurrence.
CONTINUED SUPPLY CHAIN DISRUPTION	
Mitigation Efforts • Strengthening our relationship with suppliers through Halal Sourcing Partnership Programme and the F&N Business Partner Award Programme • Acquisition of Ladang Permai Damai to develop into a dairy farm	Results • On-boarded one new SME as a Halal-certified supplier for F&N Kurma Madu Cordial • Once the dairy farm is operationalised, we will be more self-sufficient in fresh milk supply

PROSPECTS

Although our operating environment will continue to be challenging with high costs and supply chain disruptions compounded by a weakening ringgit and inflation, F&B Malaysia remains optimistic of our immediate outlook.

We have already seen the effects of working more collaboratively and efficiently in terms of maintaining our productivity and market dominance. This will be further supported by the completion of various capex projects such as the drinking water production plant at KKIP and the plant-based beverages line in Pulau Indah. We can also look forward to significant savings and better environmental performance following the transition to solar energy at three plants in the country.





CELEBRATING INDEPENDENCE WITH JOM RONDA

THIS YEAR, F&NHB PARTNERED MEDIA PRIMA OMNIA'S JOM RONDA IN CELEBRATING THE COUNTRY'S 65TH ANNIVERSARY OF INDEPENDENCE.

For almost three weeks from 30 August until 18 September 2022, about 65,000 F&N products including 100PLUS Zero, 100PLUS ACTIVE, F&N Sarsi, F&N Ice Cream Soda and F&N Teh Tarik were distributed in selected locations throughout Klang Valley with the Jom Ronda crew and celebrities Aman Aziz, Fiza Thomas, Sharul Kamal, Nabil Aqil, Ahmad Adly and Afieq Shazwan. Jom Ronda was initiated in November 2021 to bring joy to Malaysians impacted by the pandemic.



A key event for Malaysia's No. 1 isotonic drink was World Hydration Day (Hari Hidrasi Sedunia 100PLUS), a first for the country in which Malaysians were reminded of the importance of being active and staying hydrated. 100PLUS organised a four-day fun-filled carnival held at the Pavilion Kuala Lumpur involving brand ambassadors such as Datuk Wira Dr. Lee Chong Wei, and celebrities such as Syafiq Kyle. The isotonic drink was also distributed to the public at LRT stations in the city and at Stadium Sultan Ibrahim, Iskandar Johor. In total, over 100,000 Malaysians were kept hydrated with 100PLUS during the event.

100PLUS was also distributed at various events organised during the holy month of Ramadan, to ensure Muslims kept optimally hydrated by including the isotonic drink in their iftar as well as sahur. 100PLUS partnered Persatuan Seniman Malaysia to distribute 100PLUS at more than 20 mosques across Klang Valley. It also collaborated with media partner, Media Prima OMNia, to spread the 100PLUS message through segment sponsorships on entertainment news show Melodi TV. The overall theme of the Ramadan campaign was "With 100PLUS, Ramadan ini, semua#DONE", i.e. that it is much easier for Muslims to carry out all their religious obligations by consuming the most effective hydrating drink.

The drink that has always championed sports this year made a comeback in sponsoring two prominent events that took a two-year break during the pandemic.

It was the official beverage sponsor of the Malaysia Open and Malaysia Masters badminton tournaments which played out at the Axiata Arena Bukit Jalil in late June. Meanwhile, to celebrate the historic win of doubles pair Aaron Chia and Soh Wooi Yik at the World Badminton Championships (WBC) held in Tokyo in late August 2022, 100PLUS awarded its brand ambassadors with RM100,000. It was definitely a moment of glory for 100PLUS and the country when the duo brought home the country's first trophy in the WBC's 45-year run.



In March 2022, the brand ran a thematic campaign, called JOM100, to inspire Malaysians to always give their best in everything they do. Various events were organised to demonstrate how important it is to remain hydrated in order to stay 100 per cent focused, 100 per cent energised and 100 per cent ready for everything and anything. In addition to creating awareness of the campaign on TV talk show Malaysia Hari Ini, radio stations HITZ FM, HotFM and ERA FM, and social media, 100PLUS ran an advertisement on a digital screen outside Pavilion Kuala Lumpur featuring brand ambassador Syafiq Kyle to drive home the campaign message.



Given the immense support lent to Malaysian sports and sporting personalities, as well as its enduring popularity among everyone who leads an active lifestyle, it came as no surprise when 100PLUS bagged its sixth Gold in the Non-Alcoholic Beverages category at the Putra Brand Awards 2021.



F&N SEASONS

Fans of rose-flavoured drinks were in for a treat when F&N SEASONS brought back its distinctive Soya Rose drink for a limited time during Ramadan. What is more, they were able to enjoy the delicious beverage secure in the knowledge that it was a healthier option, as endorsed by the Ministry of Health's Healthier Choice Logo (HCL).



F&N TEH TARIK

As if the F&N Teh Tarik wasn't already creating waves with consumers who can't have enough of Malaysia's most iconic drink, F&N stirred more hype with the launch of the drink in convenient-to-carry cans. In conjunction with the launch of F&N RTD Teh Tarik cans, a team of F&N Teh Tarik ORI Troopers went around Klang Valley from 1 July to 3 September 2022 distributing the product for all to try.

F&N MAGNOLIA

FRESH MILK IS QUICKLY GAINING POPULARITY IN THE COUNTRY; AND IN APRIL 2022, F&N MAGNOLIA MADE SURE MALAYSIANS WILL ALWAYS HAVE ACCESS TO THE WHOLESOME DRINK, WITH THE LAUNCH OF F&N MAGNOLIA PASTEURISED FULL CREAM MILK 1L. RICH IN CALCIUM AND VITAMIN D, WHICH MAXIMISES CALCIUM ABSORPTION AND RETENTION, THE MILK IS HCL CERTIFIED.



TEAPOT TEAPOT

TEAPOT achieved a milestone when it was named the Top Growing Brand in the Dairy Sector 2022 by Kantar. The brand had reached six million Consumer Reach Points, a 45 per cent increase from the previous year, based on Brand Footprint's Consumer Reach Points Measurement, monitored by Kantar Malaysia, Worldpanel Division.



F&N CONDENSED MILK



Ever conscious of the need to offer healthier choices to consumers, this year F&N launched the F&N 25% Reduced Sugar Sweetened Creamer allowing consumers to indulge in beverages that have just the right amount of creaminess and sweetness... all guilt-free. As a bonus, each 380g can offers the goodness of calcium and 4.3g of protein per 100g.

NONA

IT WAS A SIGNIFICANT YEAR FOR NONA, WHICH UNDERWENT A REBRAND COMPLETE WITH A NEW LOGO AND LOOK. CATERING TO THE COSMOPOLITAN HALAL COMMUNITY/ CONSUMERS WITH A CATCHY TAGLINE OF “NONA-KAN HARIMU”, NONA POSITIONS ITSELF TO ENABLING CONSUMERS TO SERVE UP A GREAT MEAL DESPITE A BUSY WORK SCHEDULE.

The rebrand was accompanied by a 360-degree marketing plan that included a music video launched on 8 July 2022, engagement with key opinion leaders, and a NONA-kan Harimu signature dance contest. To garner more interest, famous actress Lala Sharmila shared popular Malaysian recipes incorporating products from the NONA range. A recipe contest was also held via Tik Tok targeted at Glokal Halal consumers.



Along with its brand restage, NONA launched a number of new products during the year. These included three variants of NONA Kicap, offering the first press of soya using a traditional fermentation process – Kicap Lemak Manis, Kicap Manis and Kicap Masin; NONA Sup Uncang (Soup Spices); and two new flavours in the NONA Ketupat category - Ketupat Ala Nasi Ayam and Ketupat Ala Nasi Lemak.



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REVENUE (RM million)

FY18	3,871.0 ⁽ⁱ⁾
FY19	4,077.1
FY20	3,988.5
FY21	4,130.9
FY22	4,470.2

PROFIT BEFORE TAX (RM million)

FY18	424.1 ⁽ⁱ⁾
FY19	533.0
FY20	522.9
FY21	479.4
FY22	454.1

EBITDA (RM million)

FY18	515.6 ⁽ⁱ⁾
FY19	624.7
FY20	655.3
FY21	613.5
FY22	581.7

PROFIT FOR THE YEAR (RM million)

FY18	386.5 ⁽ⁱ⁾
FY19	410.2
FY20	410.1
FY21	395.1
FY22	382.3

Year ended 30 September

Results (RM million)

	2018	2019	2020	2021	2022
Revenue	3,871.0 ⁽ⁱ⁾	4,077.1	3,988.5	4,130.9	4,470.2
Profit before tax ("PBT")	424.1 ⁽ⁱ⁾	533.0	522.9	479.4	454.1
Adjusted PBT ^(iv)	402.5 ⁽ⁱ⁾	537.3	524.4	500.3	473.0
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	515.6 ⁽ⁱ⁾	624.7	655.3	613.5	581.7
Adjusted EBITDA ^(iv)	494.0 ⁽ⁱ⁾	629.0	656.8	634.4	600.6
Profit for the year	386.5 ⁽ⁱ⁾	410.2	410.1	395.1	382.3

Dividend per share

Earnings - basic	(sen)	105.3 ⁽ⁱ⁾	111.9	111.9	107.8	104.5
Earnings - diluted	(sen)	104.9 ⁽ⁱ⁾	111.6	111.7	107.6	104.3
Dividend - net	(sen)	57.5	60.0	60.0	60.0	60.0 ⁽ⁱⁱ⁾
Dividend - cover	(times)	1.8	1.9	1.9	1.8	1.7
Dividend - payout	(%)	55	54	54	56	57

Statement of Financial Position (RM million)

Share capital		816.8	816.8	816.8	816.8	816.8
Shareholders' equity		2,305.4 ⁽ⁱ⁾	2,529.3	2,690.6	2,819.0	2,982.5
Total assets		3,345.3	3,503.8	3,520.1	3,631.7	4,190.6
Total debts ⁽ⁱⁱⁱ⁾		335.5	123.3	116.4	66.0	310.1
Share capital	(number of shares)	366.8	366.8	366.8	366.8	366.8
Net assets per share	(RM)	6.29 ⁽ⁱ⁾	6.90	7.34	7.69	8.13

Ratio (%)

PBT on revenue	11.0 ⁽ⁱ⁾	13.1	13.1	11.6	10.2
Adjusted PBT on revenue ^(iv)	10.4 ⁽ⁱ⁾	13.2	13.1	12.1	10.6
Return on shareholders' equity	16.8 ⁽ⁱ⁾	16.2	15.2	14.0	12.8
Debt to equity ratio	14.6	4.9	4.3	2.3	10.4
Net debt to equity ratio	-	-	-	-	-

Notes:

- (i) Restated for adjustments pursuant to the adoption of MFRS 15, Revenue from Contracts with Customers.
- (ii) Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

(iii) Consist of borrowings and lease liabilities.

(iv) Excluding one-off non-operating items i.e. flood related expenses, insurance claim receivable and restructuring costs.

NET DIVIDEND PER SHARE (sen)

FY18	57.5
FY19	60.0
FY20	60.0
FY21	60.0
FY22	60.0 ⁽ⁱⁱ⁾

TOTAL ASSETS (RM million)

FY18	3,345.3
FY19	3,503.8
FY20	3,520.1
FY21	3,631.7
FY22	4,190.6

SHAREHOLDERS' EQUITY (RM million)

FY18	2,305.4 ⁽ⁱ⁾
FY19	2,529.3
FY20	2,690.6
FY21	2,819.0
FY22	2,982.5

NET ASSETS PER SHARE (RM)

FY18	6.29 ⁽ⁱ⁾
FY19	6.90
FY20	7.34
FY21	7.69
FY22	8.13



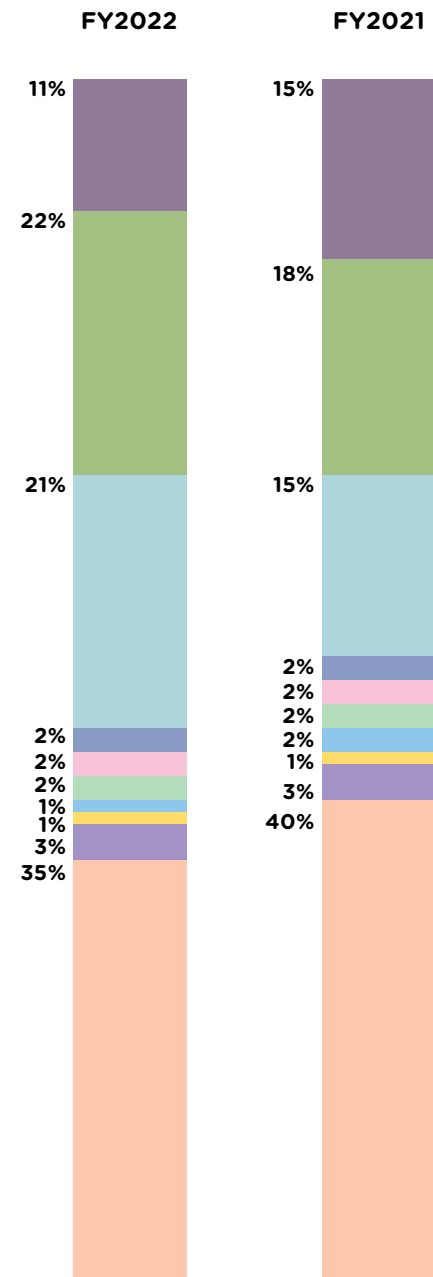
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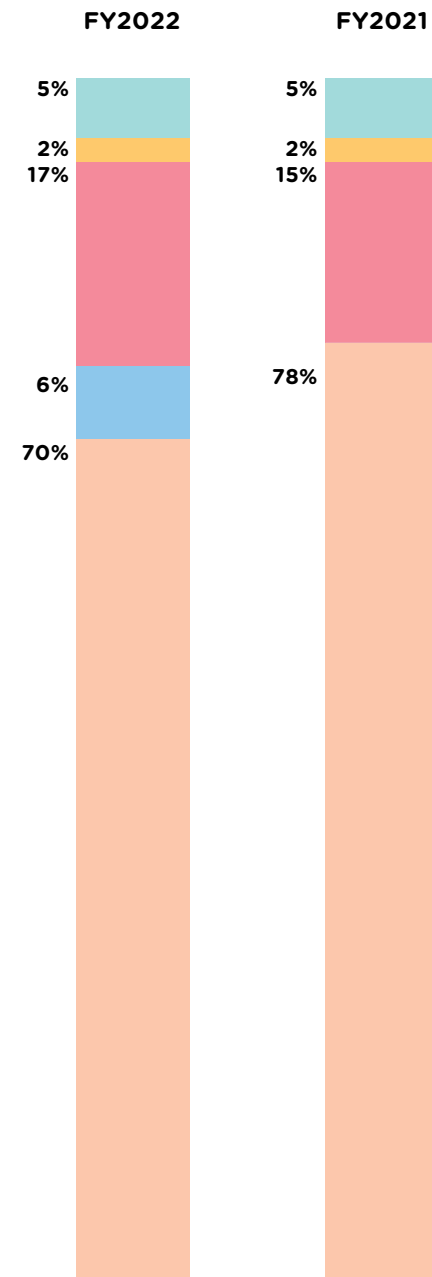


Simplified Group Statement of Financial Position

TOTAL ASSETS



TOTAL EQUITY AND LIABILITIES



Property, plant and equipment
Right-of-use assets
Investment properties
Properties held for development
Intangible assets
Investment in an associate
Investment in a joint venture
Trade and other receivables
Inventories
Cash and cash equivalents
Other assets ⁽ⁱ⁾

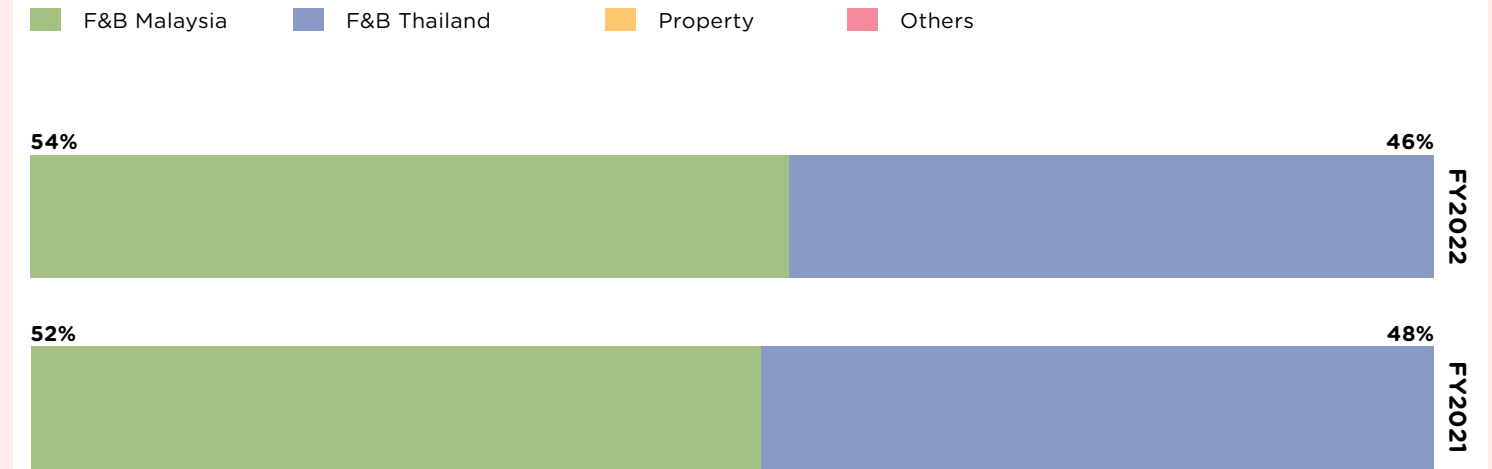
Total equity
Loans and borrowings
Trade and other payables
Contract liabilities
Other liabilities ⁽ⁱⁱ⁾

Notes:

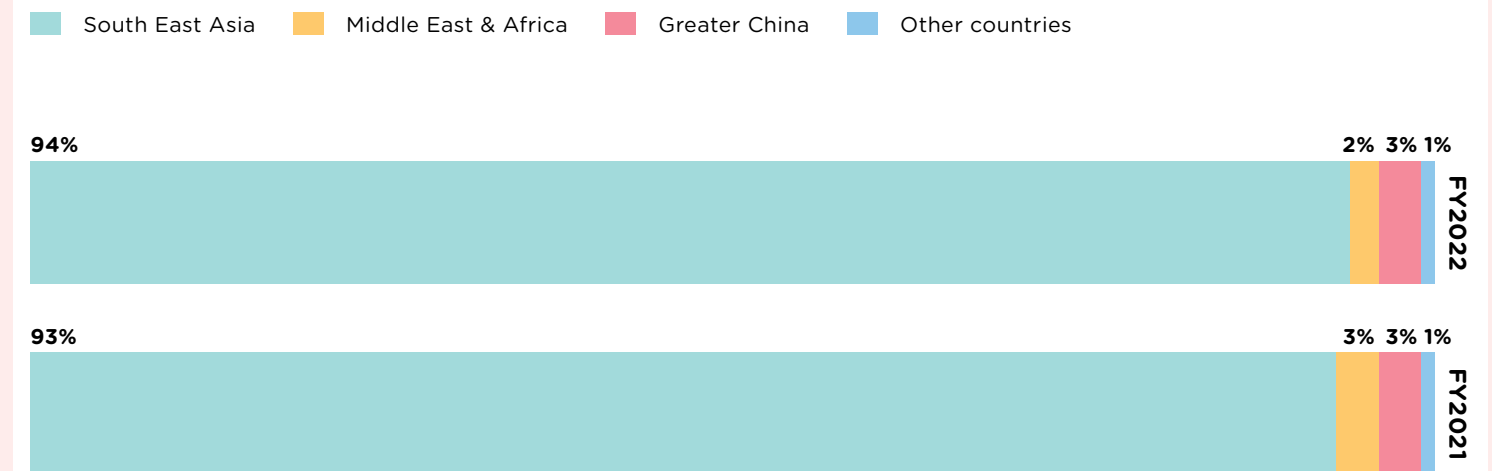
- (i) Comprise deferred tax assets, current tax assets and derivative financial assets.
(ii) Comprise lease liabilities, employee benefits, deferred tax liabilities, current tax liabilities and derivative financial liabilities.

Group Segmental Analysis

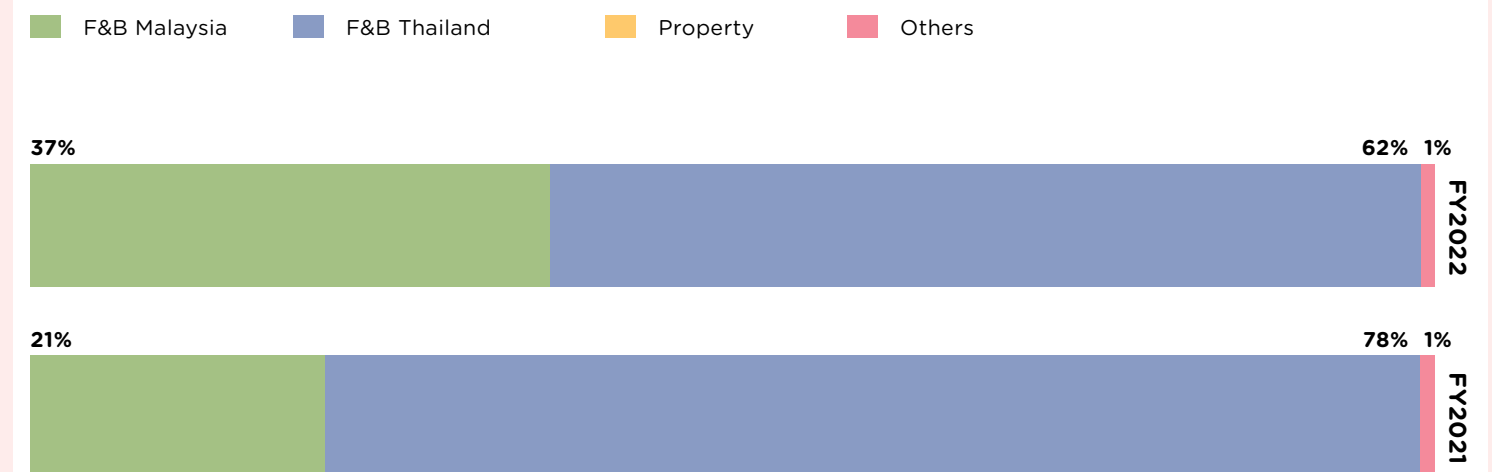
REVENUE - BY OPERATING SEGMENTS



REVENUE - BY GEOGRAPHICAL SEGMENTS



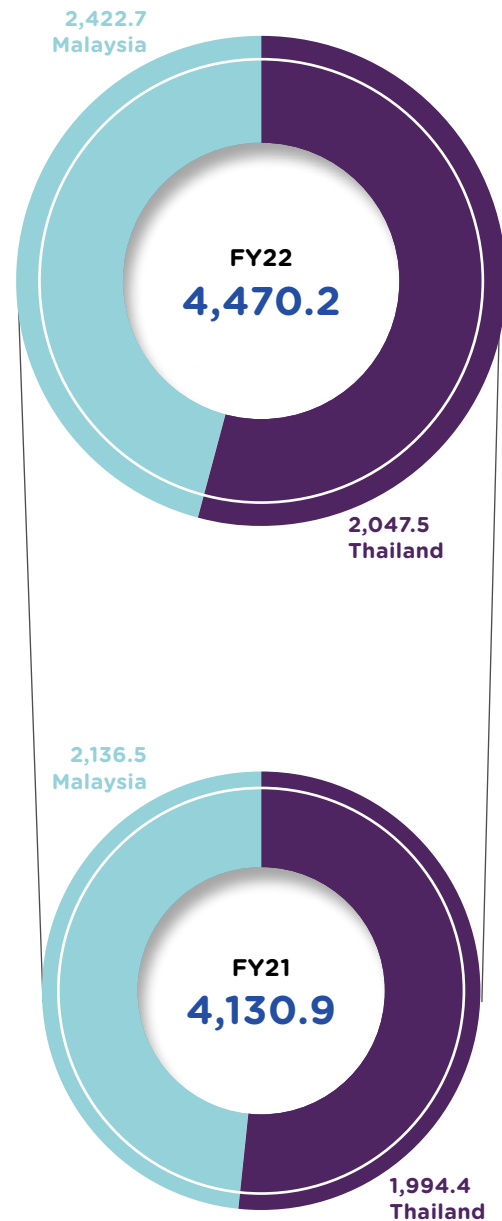
OPERATING PROFIT - BY OPERATING SEGMENTS





Statement of Value Added

REVENUE (RM million)



ANNUAL DIVIDENDS (RM million)



COST OF SALES (RM million)



EMPLOYEE BENEFIT EXPENSES (RM million)



INCOME TAX EXPENSES (RM million)

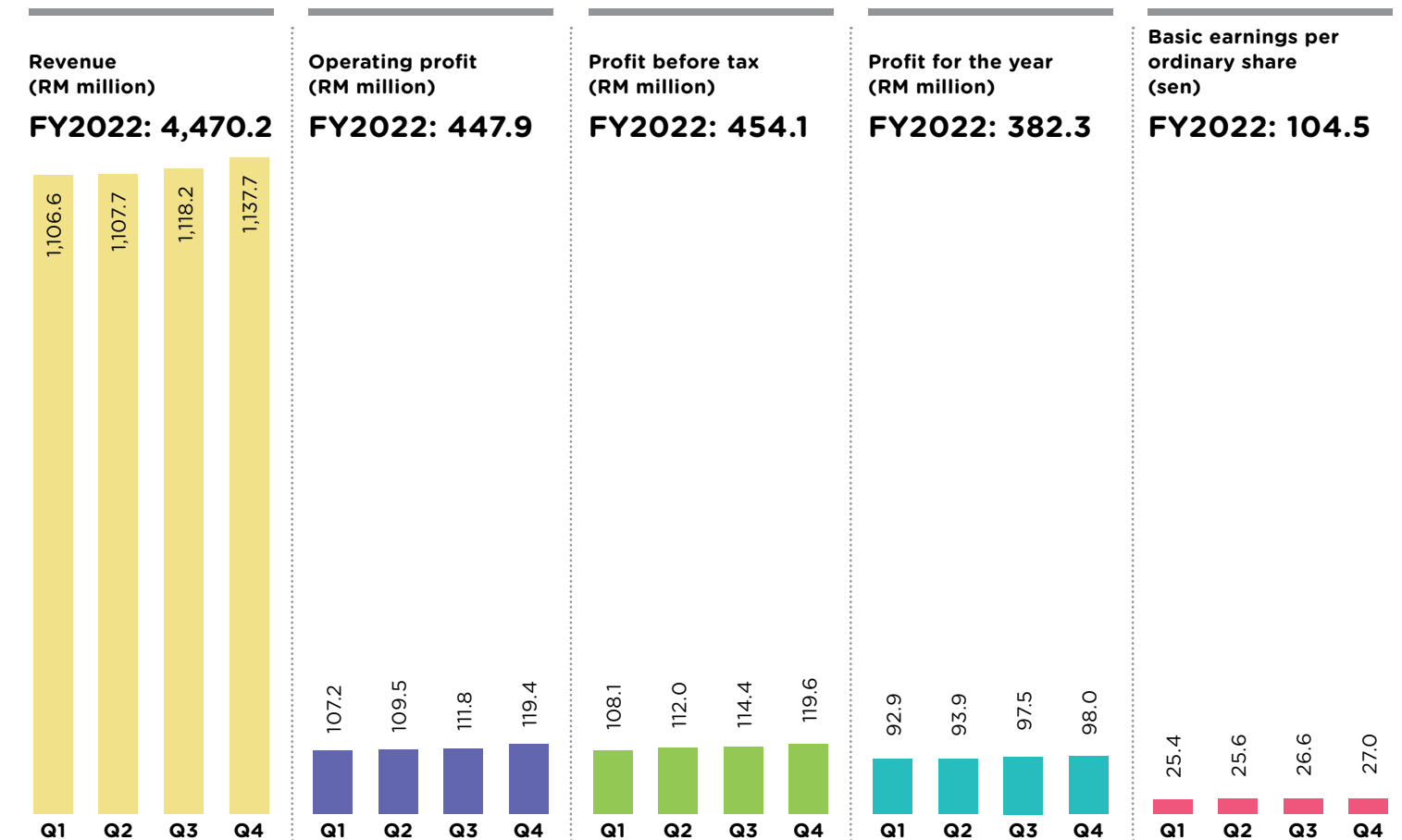


ECONOMIC VALUE RETAINED (RM million)



- Notes:**
- (i) Employee benefit expenses comprise wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense, one-off restructuring costs and other staff costs.
- (ii) Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (annual dividends, cost of sales, employee benefit expenses and income tax expenses). Community investments are not included.

Group Quarterly Financial Performance

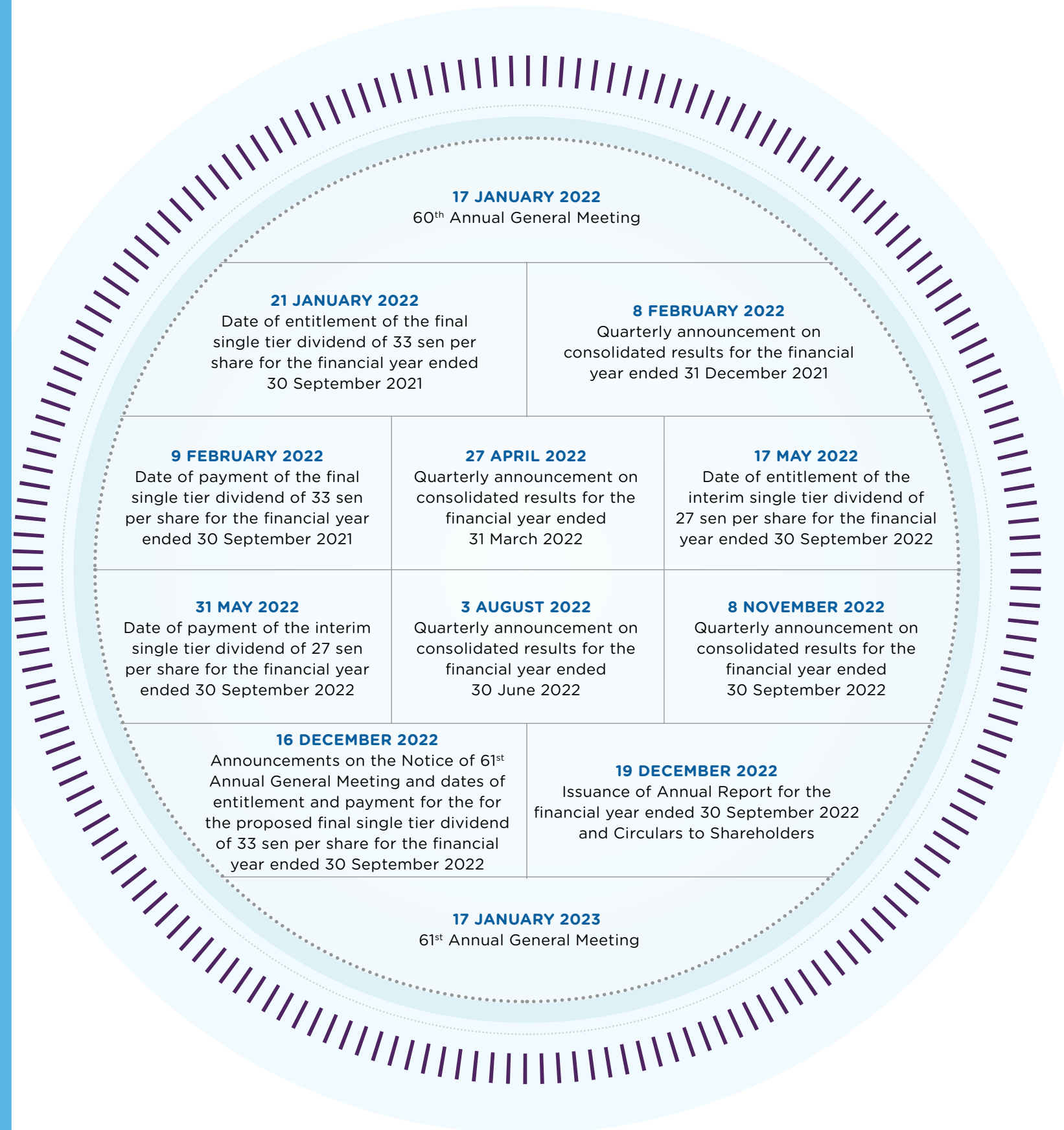


RM million	Q1	Q2	Q3	Q4	FY2022
Revenue	1,106.6	1,107.7	1,118.2	1,137.7	4,470.2
Operating profit	107.2	109.5	111.8	119.4	447.9
Adjusted operating profit ⁽ⁱ⁾	132.3	108.4	108.2	117.9	466.8
Profit before tax	108.1	112.0	114.4	119.6	454.1
Adjusted profit before tax ⁽ⁱ⁾	133.3	110.8	110.8	118.0	472.9
Profit for the year	92.9	93.9	97.5	98.0	382.3
Basic earnings per ordinary share (sen)	25.4	25.6	26.6	27.0	104.5

RM million	Q1	Q2	Q3	Q4	FY2021
Revenue	1,083.1	1,091.8	1,059.6	896.4	4,130.9
Operating profit	156.8	138.0	117.2	60.3	472.3
Adjusted operating profit ⁽ⁱ⁾	156.8	139.2	126.1	71.1	493.2
Profit before tax	158.9	139.3	119.2	62.0	479.4
Adjusted profit before tax ⁽ⁱ⁾	158.9	140.6	128.1	72.7	500.3
Profit for the year	136.8	103.5	96.1	58.7	395.1
Basic earnings per ordinary share (sen)	37.3	28.2	26.2	16.0	107.8

- Note:**
- (i) Excluding one-off non-operating items i.e. flood related expenses, insurance claim receivable and restructuring costs.





Investor Relations

as at 15 November 2022

Share Capital

■ RM816.8 million

No. of Shareholders

7,732

Total No. of Issued Shares

366,778,501

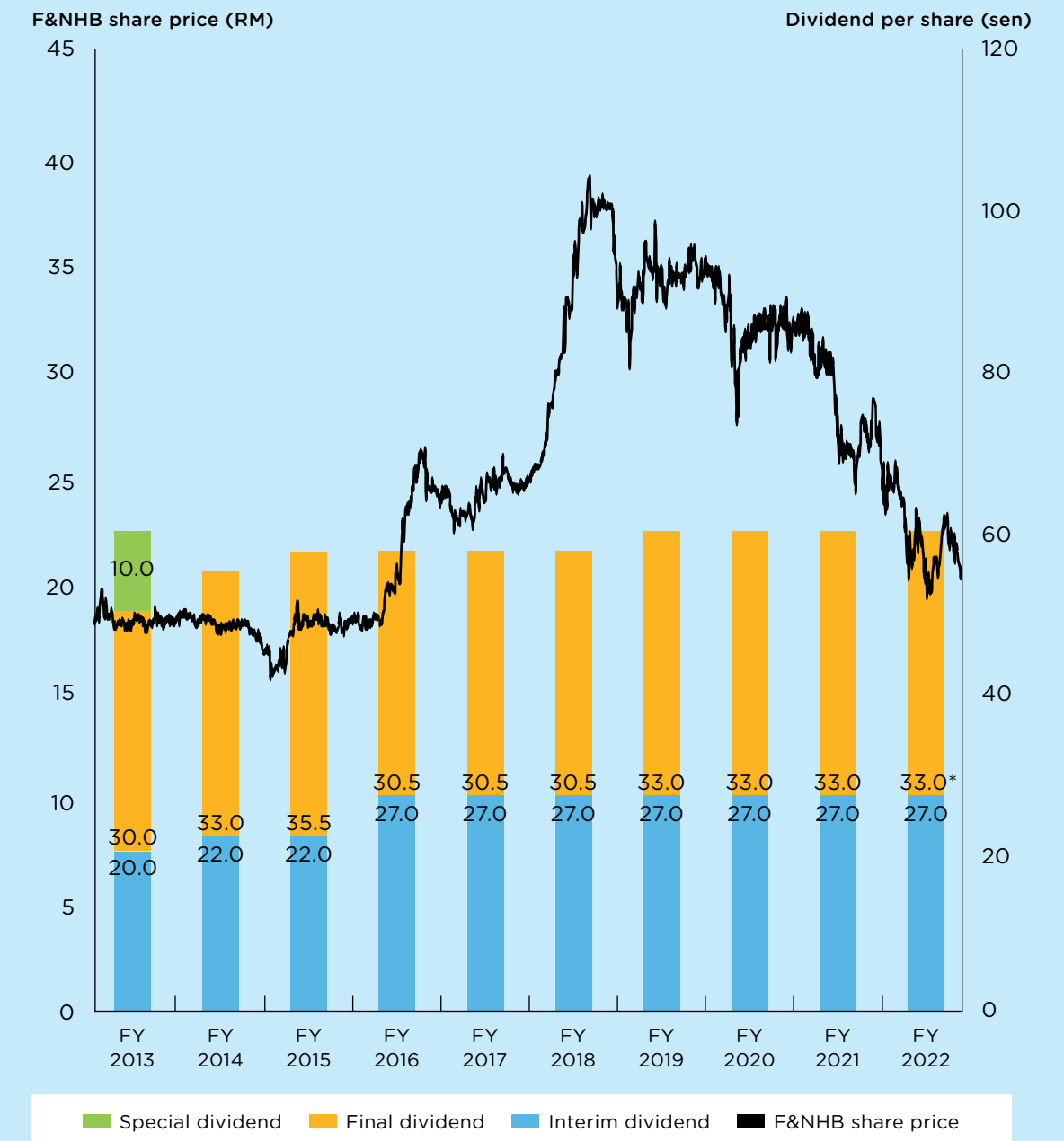
**Substantial
Shareholders**
76.235%

Fraser and
Neave, Limited
55.475%

Employees
Provident Fund
Board
13.242%

Amanahraya
Trustees Berhad
- Amanah Saham
Bumiputera
7.518%

SHAREHOLDER RETURN (FY2013 - FY2022)



* Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

OUR INVESTOR PORTAL

We communicate with our shareholders and general public via our corporate website, www.fn.com.my/investors/. This website is also a platform where we share our annual reports, financial results, financial briefing presentation decks, press releases and disclosures to Bursa Malaysia.

OUR INVESTOR CALENDAR

17 January 2022	60 th Annual General Meeting
28 April 2022	Half Year Results Briefing
9 November 2022	Full Year Results Briefing



Share Price Movements

1

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Management Discussion & Analysis

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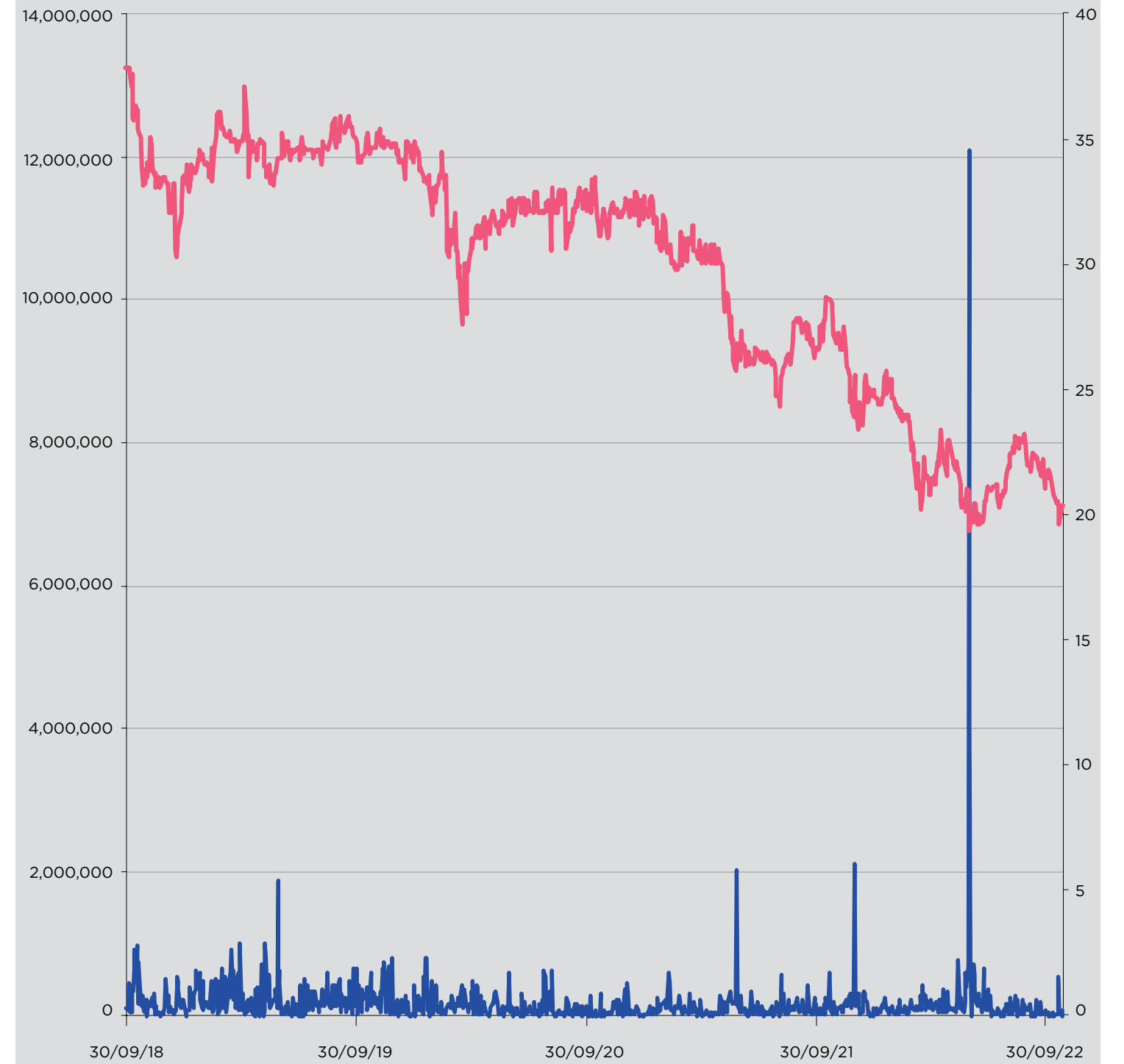


FRASER & NEAVE HOLDINGS BHD'S SHARE PRICE AND FTSE BURSA MALAYSIA KLCI INDEX ("FBM KLCI INDEX")



FBM KLCI index (%) F&N share price (%)

FRASER & NEAVE HOLDINGS BHD'S SHARE PRICE AND VOLUME TRADED



F&N volume traded F&N share price (RM)



92

93



Corporate Information

BOARD OF DIRECTORS

- Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail (*Chairman*)
- Mr. Hui Choon Kit
- Mr. David Siew Kah Toong
- Mdm. Tan Fong Sang
- Y.Bhg. Datuk Kamaruddin bin Taib
- Y.Bhg. Dato' Jorgen Bornhoft
- Puan Aida binti Md Daud
- Puan Faridah binti Abdul Kadir
- Y.Bhg. Datuk Mohd Anwar bin Yahya
- Y.Bhg. Dato' Ng Wan Peng
- Mr. Kosit Suksingha
- Mrs. Tongjai Thanachanan (*Alternate Director to Mr. Kosit Suksingha*)

COMPANY SECRETARY

- Mr. Timothy Ooi Aik Tuan
LS0010357
SSM PC No. 201908002732

GROUP EXECUTIVE COMMITTEE

- Chairman**
- Mr. Hui Choon Kit

- Members**
- Y.Bhg. Dato' Jorgen Bornhoft
 - Mdm. Tan Fong Sang
 - Mr. Kosit Suksingha (*Alternate Director: Mrs Tongjai Thanachanan*)

SUSTAINABILITY & RISK MANAGEMENT COMMITTEE

- Chairman**
- Mdm. Tan Fong Sang

- Members**
- Y.Bhg. Dato' Jorgen Bornhoft
 - Y.Bhg. Dato' Ng Wan Peng
 - Mr. Kosit Suksingha (*Alternate Director: Mrs Tongjai Thanachanan*)

AUDIT COMMITTEE

- Chairman**
- Mr. David Siew Kah Toong

- Members**
- Mr. Hui Choon Kit
 - Y.Bhg. Datuk Kamaruddin bin Taib
 - Y.Bhg. Datuk Mohd Anwar bin Yahya

NOMINATING COMMITTEE

- Chairman**
- Y.Bhg. Datuk Kamaruddin bin Taib

- Members**
- Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail
 - Mr. Hui Choon Kit
 - Mr. David Siew Kah Toong
 - Puan Faridah binti Abdul Kadir

REMUNERATION COMMITTEE

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

- Members**
- Mr. David Siew Kah Toong
 - Puan Aida binti Md Daud
 - Puan Faridah binti Abdul Kadir
 - Mr. Kosit Suksingha (*Alternate Director: Mrs Tongjai Thanachanan*)

SHARE BUY-BACK COMMITTEE

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

- Members**
- Puan Aida binti Md Daud
 - Y.Bhg. Datuk Mohd Anwar bin Yahya
 - Mdm. Tan Fong Sang

REGISTERED OFFICE

No. 1 Jalan Bukit Belimbing 26/38
Persiaran Kuala Selangor, Seksyen 26
40400 Shah Alam, Selangor, Malaysia
Telephone No.: 603-5101 4288

AUDITORS

KPMG PLT
Level 10, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Telephone No.: 603-2783 9299
Facsimile No.: 603-2783 9222
E-mail: is.enquiry@my.tricorglobal.com
Website : www.tricorglobal.com

Tricor Customer Service Centre:
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

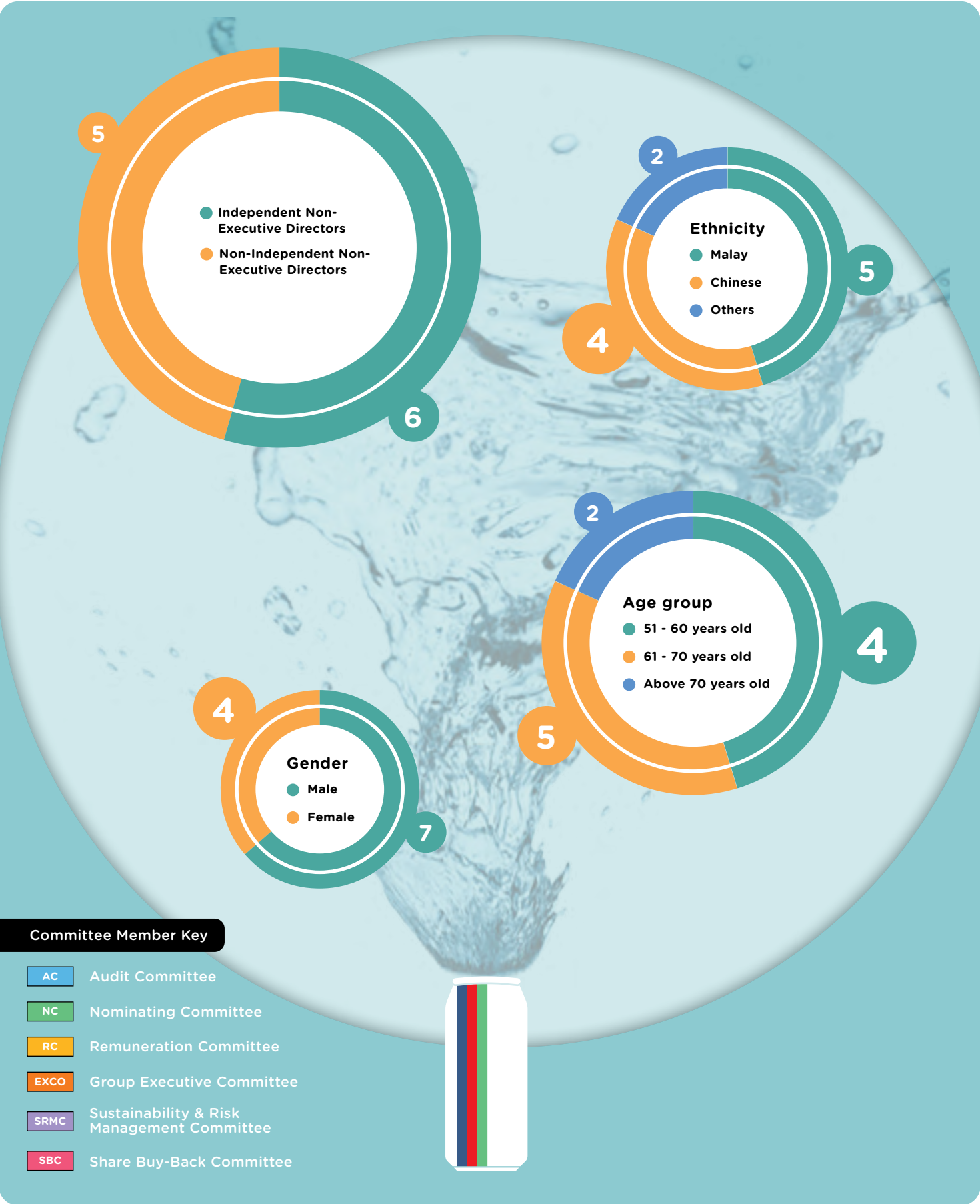
PRINCIPAL BANKERS

- OCBC Bank (Malaysia) Berhad
- CIMB Bank Berhad

STOCK EXCHANGE

Bursa Malaysia Securities Berhad:
Main Market
Stock Name : F&N
Stock Code : 3689
Stock Sector : Consumer Products & Services

Board Composition

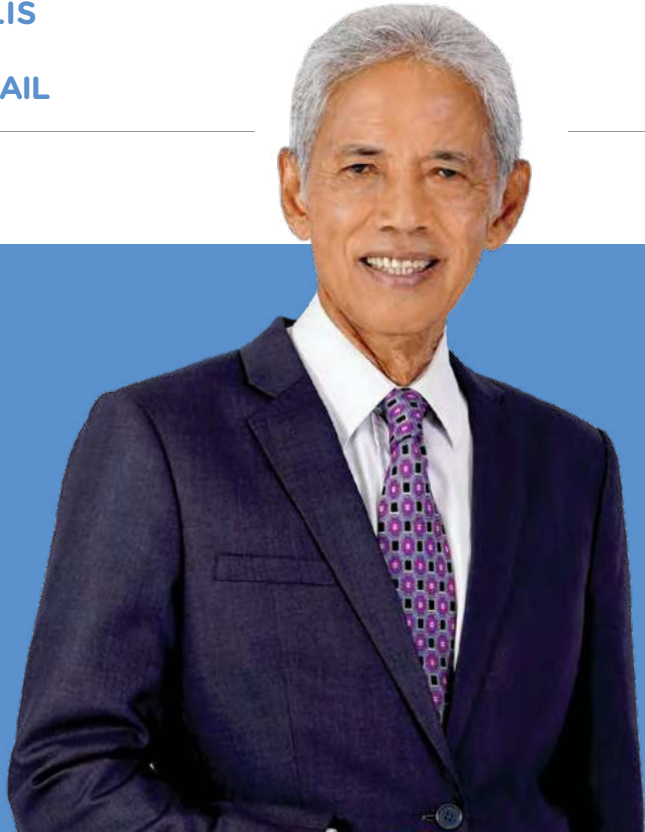
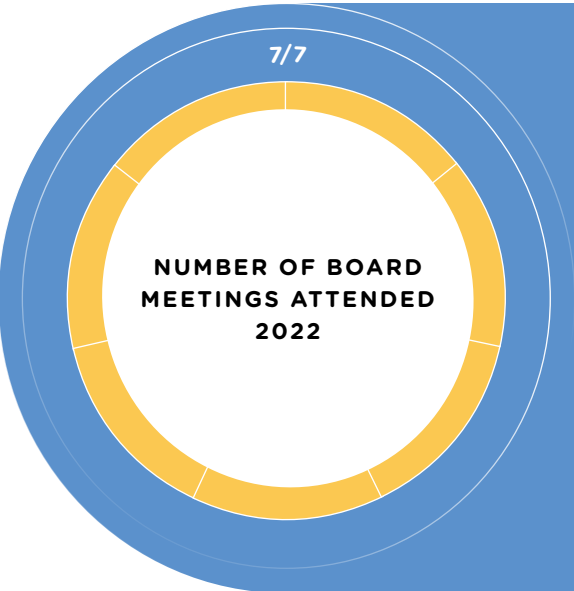




Profile of Board of Directors

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

Chairman of Board, Non-Independent
Non-Executive Director



DATE OF APPOINTMENT
24 February 1987

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
35 years 9 months

Age
77

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Master of Arts in Law & History, University of Cambridge, United Kingdom

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- None

Non-Listed

- None

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

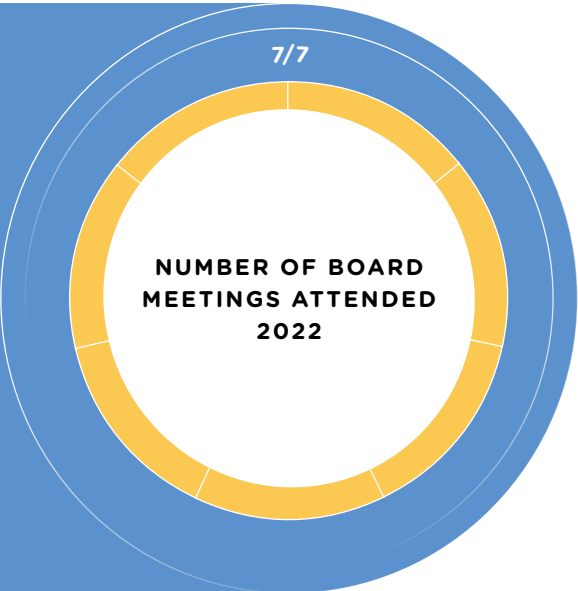
- Director, Fraser and Neave, Limited, Singapore
- Board member, Yayasan Tuanku Syed Putra, a charitable foundation
- President, Tuanku Syed Putra Dialysis Centre, Perlis
- Director, Besar Holdings Sdn Bhd
- Director, Mega SPJ Sdn Bhd

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Director, Hwang Capital (Malaysia) Berhad
- Director, Hwang-DBS Investment Bank Berhad
- Director, Hwang Investment Management Berhad
- Director, HDM Capital Sdn Bhd
- Director, Asian Islamic Investment Management Sdn Bhd

MR. HUI CHOON KIT

Non-Independent Non-Executive Director



DATE OF APPOINTMENT
6 August 2014

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
8 years 4 months

Age
58

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Master of Business Administration, Nanyang Technological University, Singapore
- Bachelor of Business, Curtin University, Australia
- Chartered Accountant, The Institute of Singapore Chartered Accountants

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- None

Non-Listed

- None

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

- Chief Executive Officer, Fraser and Neave, Limited (“FNL”) Group

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Chief Financial Officer and Company Secretary of FNL Group
- Senior leadership positions in Corporate Planning & Business Development, Corporate Communications & Special Projects and Group Finance of FNL Group.
- Corporate Finance Banker in Singapore and Thailand
- Accountant and Financial Consultant, Ernst & Young

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Leadership

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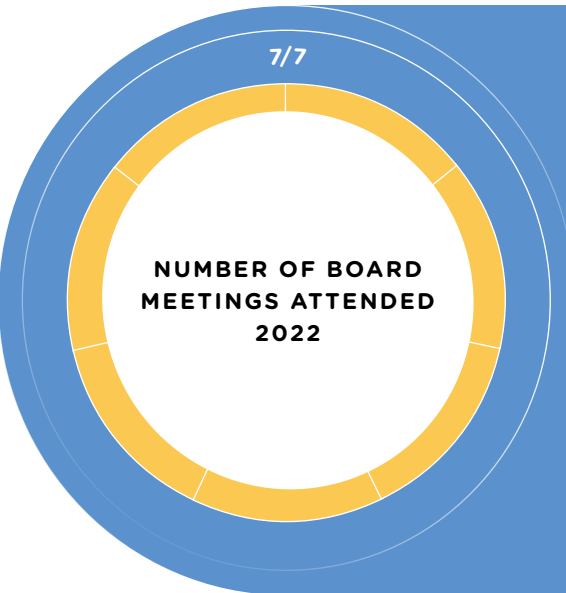
9



Profile of Board of Directors

MR. DAVID SIEW KAH TOONG

Independent Non-Executive Director



DATE OF APPOINTMENT
23 February 2016

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
6 years 9 months

Age
68

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Member, Malaysian Institute of Accountants ("MIA")
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")
- Member, CPA Australia.

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- None

Non-Listed

- Director and Chairman of Audit Committee, Great Eastern Life Assurance (Malaysia) Berhad

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

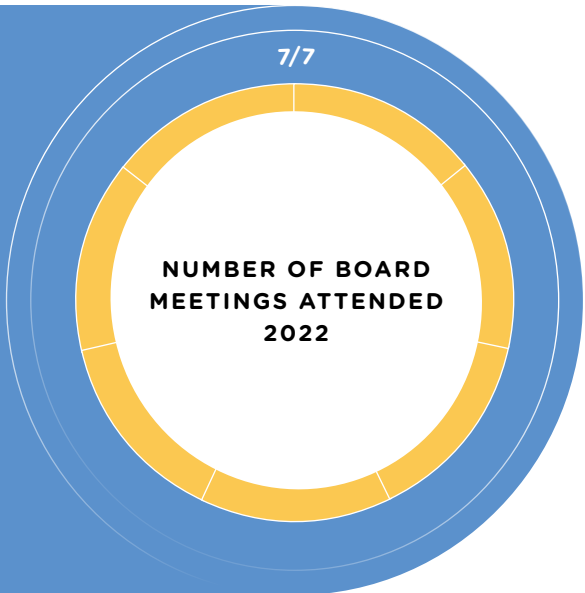
- Managing Partner, Messrs Sekhar & Tan, Chartered Accountants
- Member of the Public Practice Committee, MICPA

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Director, Chairman of Audit Committee and member of Remuneration Committee, Wing Tai Malaysia Berhad (now known as Wing Tai Malaysia Sdn Bhd)
- Director, Chairman of Audit Committee, member of the Risk Management and Sustainability Committee and Nominating and Remuneration Committee, Tan Chong Motor Holdings Berhad
- Finance Director, Malaysian Mosaics Berhad
- Board member, Financial Reporting Foundation
- Managing Partner, Messrs BDO
- Member, the Developing Nations Committee, International Federation of Accountants
- Member, the Practice Review Committee, MIA
- Member, the Auditing and Accounting Technical and Financial Statement Review Committees, MICPA
- Special Administrator for several public listed companies pursuant to the Pengurusan Danaharta Nasional Berhad Act 1998

MDM. TAN FONG SANG

Non-Independent Non-Executive Director



DATE OF APPOINTMENT
1 October 2020

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
2 years 2 months

Age
58

Gender
♀

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Member, Malaysian Institute of Accountants
- Bachelor Degree in Accounting, National University of Malaysia

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- None

Non-Listed

- Director, Great Eastern General Insurance (Malaysia) Berhad

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

- Director, Crystal Coastal Sdn Bhd

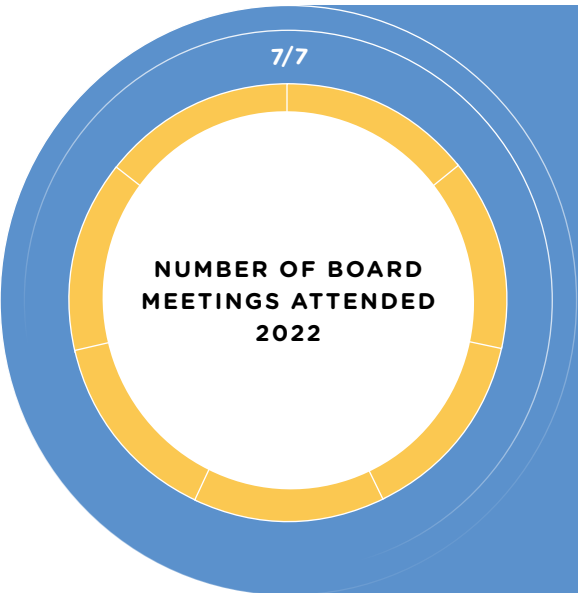
PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Director, Great Eastern Life Assurance (M) Berhad
- Director, e2 Power Sdn Bhd, OCBC Capital Sdn Bhd, OCBC Advisers (M) Sdn Bhd, OCBC Capital Corporation and OCBC Capital Corporation (2018), subsidiaries of Oversea-Chinese Banking Corporation Limited ("OCBC").
- Executive positions in OCBC Bank (Malaysia) Berhad including position of the Chief Financial Officer

Profile of Board of Directors

DATUK KAMARUDDIN BIN TAIB

Independent Non-Executive Director



DATE OF APPOINTMENT
8 November 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
3 years 11 months

Age
65

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Bachelor of Science in Mathematics, University of Salford, United Kingdom

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

- Listed**
- Director, Malaysia Smelting Corporation Berhad

- Non-Listed**
- Chairman, HSBC Bank Malaysia Berhad
 - Director, Great Eastern General Insurance (Malaysia) Berhad
 - Director, RAM Holdings Berhad

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

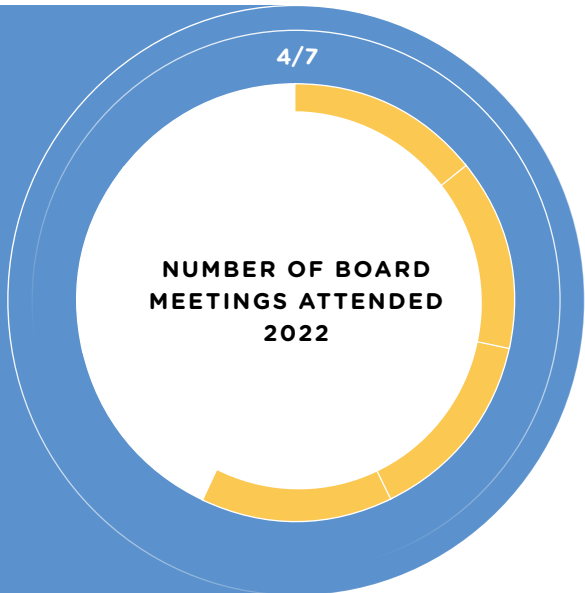
- Director, FIDE FORUM (Financial Institutions Directors Education FORUM)

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Chairman, Great Eastern Takaful Berhad
- Chairman, GHL Systems Berhad
- Chairman, HSBC Amanah Malaysia Berhad
- Executive Chairman, DNV GL Malaysia Sdn Bhd
- Director, BFC Exchange Sdn Bhd
- Director, I Great Capital Holdings Sdn Bhd
- Director and member of the Independent Review Panel, Great Eastern Life Assurance (Malaysia) Berhad
- Non-Independent Non-Executive Director, Boost Holdings Sdn Bhd
- Member, Internal Audit Sub-committee and Human Resource Sub-committee, The Royal Selangor Golf Club
- Trustee, the Malaysian Oil & Gas Services Council

DATO' JORGEN BORNHOFT

Non-Independent Non-Executive Director



DATE OF APPOINTMENT
7 May 2013

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
9 years 7 months

Age
80

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Degree in Accountancy and Finance (Bachelor of Commerce), Copenhagen Business School.

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

- Listed**
- None

- Non-Listed**
- None

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

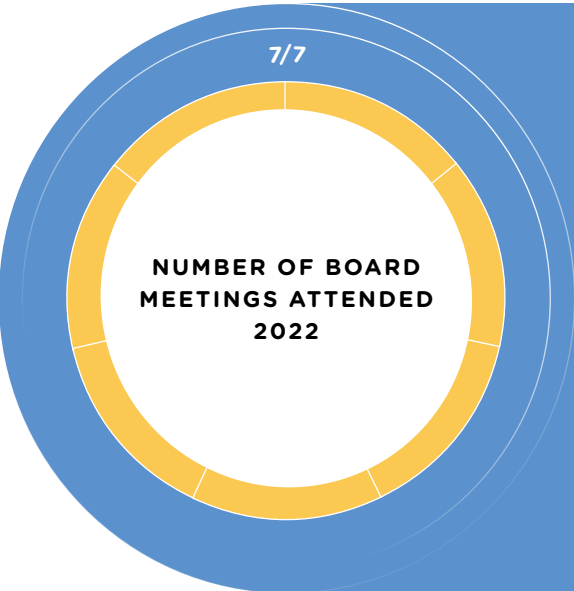
- Director, International Beverage Holdings Limited

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Chairman, Hap Seng Consolidated Berhad
- Director, Hap Seng Plantations Holdings Berhad
- Chairman, Managing Director, Director and Chief Executive Officer, Carlsberg Brewery Malaysia Berhad
- Director, Mega First Corporation Berhad
- Chief Executive Officer, Carlsberg Asia Pte Ltd, Singapore
- Vice-President, Carlsberg International A/S, Denmark
- President, Malaysian International Chamber of Commerce and Industry

PUAN AIDA BINTI MD DAUD

Independent Non-Executive Director



DATE OF APPOINTMENT
10 December 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
3 years 11 months

Age
62

Gender
♀

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Master in Business Administration, Strathclyde University, Scotland
- Bachelor of Science in Business Administration (Finance and Law), Portland State University, USA
- Senior Associate Member of the Financial Securities Institute, Australia
- Certified Member of Financial Planning Association, Malaysia
- Diploma in Public Administration, Institute Teknologi MARA, Malaysia

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

- Listed**
- Director, Amway (Malaysia) Holdings Berhad

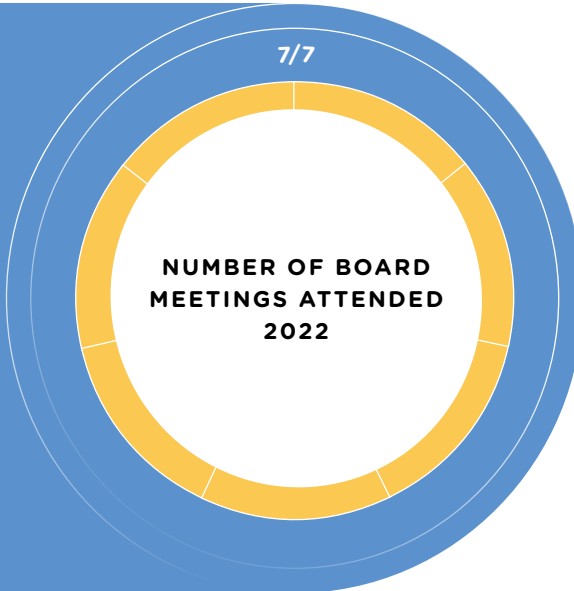
- Non-Listed**
- None

Legends:

Chairman Member

PUAN FARIDAH BINTI ABDUL KADIR

Independent Non-Executive Director



DATE OF APPOINTMENT
24 January 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
4 years 10 months

Age
62

Gender
♀

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Master of Business Administration, Cranfield School Management, United Kingdom
- Economics (Accounting & Finance) degree, London School of Economics, United Kingdom

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

- Listed**
- None

- Non-Listed**
- None

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

- Board member, Trustees of Yayasan Kadir & Fatimah
- Director, Fibertex Personal Care Sdn Bhd and Kay & Ef Sdn Bhd
- Vice President, Society for the Severely Mentally Handicapped Children Selangor

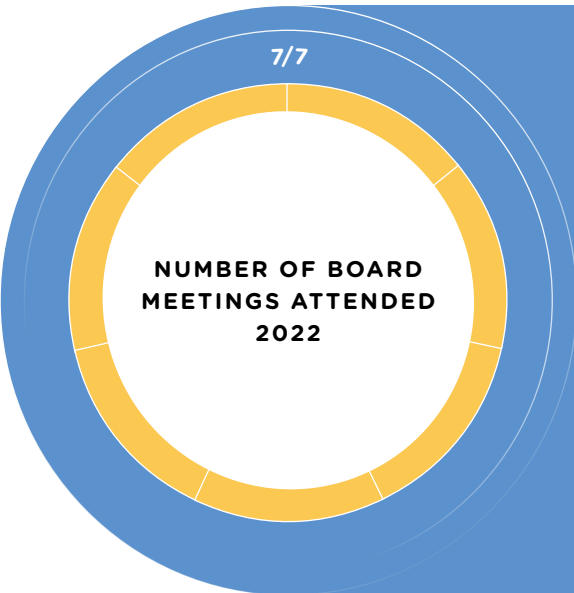
PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Director, Kay & Ef Trading Sdn Bhd and Fatimah Hashim Holdings Sdn Bhd
- Board member, Malaysian Danish Business Council, ISS Facility Services Sdn Bhd and Danfoss Industries Sdn Bhd
- Regional Representative, The Industrialisation Fund for Developing Countries, Denmark ("IFU")
- Advisor, IFU (Malaysian projects)
- Executive, Permata Chartered Merchant Bank

Profile of Board of Directors

DATUK MOHD ANWAR BIN YAHYA

Independent Non-Executive Director



DATE OF APPOINTMENT
24 January 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
4 years 10 months

Age
68

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES

AC SBC

QUALIFICATION(S)

- Bachelor of Science (Honours) degree in Economics and Accountancy, University of Hull, United Kingdom
- Chartered Accountant, Fellow of Institute of Chartered Accountant England & Wales
- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

- Listed**
- Director, Sime Darby Plantation Berhad

- Non-Listed**
- Director, Amanah Saham Nasional Berhad
 - Director, Maybank Islamic Berhad
 - Trustee, Padu Corporation

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

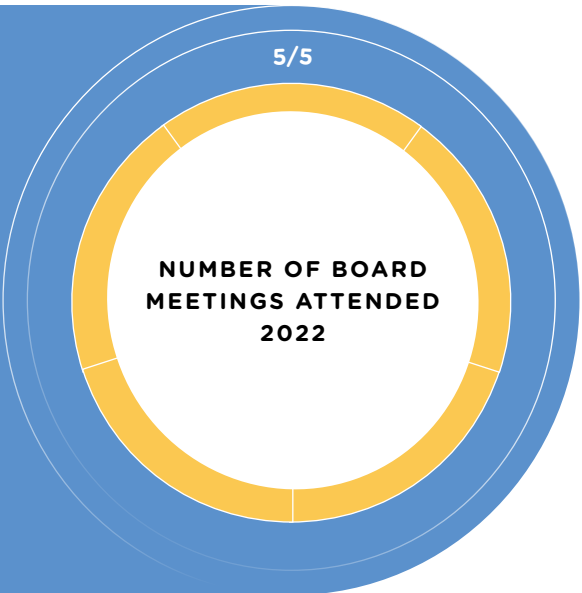
- Executive Director, Sage 3 Sdn Bhd
- Director, MRANTI Corporation Sdn Bhd
- Director, PT Minamas Gemilang and PT Anugerah Sumber Makmur

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Director, Usains Holdings Sdn Bhd
- Director, FGV Holdings Berhad
- Director, Pelaburan Hartanah Nasional Bhd
- Chief Executive Officer, Permodalan Kelantan Berhad
- Partner, Maybridge Consulting PLT
- Partner, PricewaterhouseCoopers
- Finance Manager, Lembaga Kemajuan Kelantan Selatan

DATO' NG WAN PENG

Independent Non-Executive Director



DATE OF APPOINTMENT
17 January 2022

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
10 months

Age
58

Gender
♀

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES

SRMC

QUALIFICATION(S)

- Bachelor degree in Computer Science, University of Science, Malaysia
- Senior Executive Leadership, Harvard Business School

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

- Listed**
- Director, Iris Corporation Berhad
 - Director, Securemetric Berhad

- Non-Listed**
- Director, Hong Leong Assurance Berhad

Legends:

Chairman Member

PRESENT APPOINTMENT(S)

- President, Big Bad Wolf Ventures Sdn Bhd

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

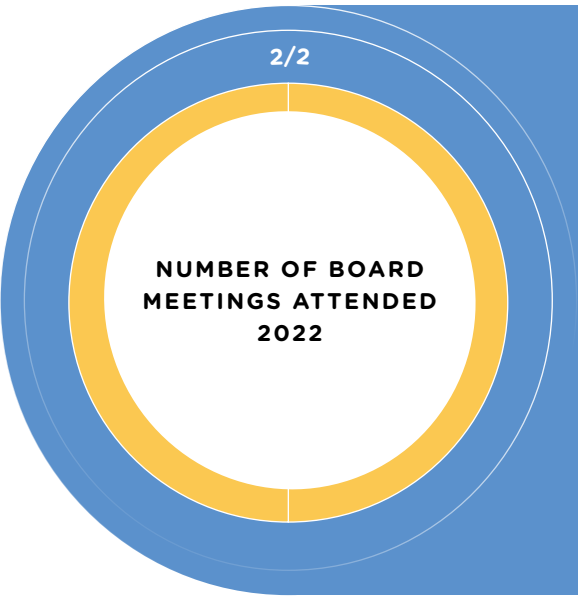
- Chief Operation Officer, Malaysia Digital Economy Corporation
- Vice President and Senior Manager, Multimedia Development Corporation
- Program Manager, Project Manager, Senior Systems Engineer, Sapura Advanced Systems
- Alternate Director, Commerce Dot Com Sdn Bhd
- Alternate Director, Cyberview Sdn Bhd
- Systems Engineer, Uniphone Sdn Bhd



Profile of Board of Directors

MR. KOSIT SUKSINGHA

Non-Independent Non-Executive Director



DATE OF APPOINTMENT
10 June 2022

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
5 months

Age
56

Gender
♂

Nationality

MEMBERSHIP(S) OF BOARD COMMITTEES



QUALIFICATION(S)

- Master of Business Administration (Honors), Oklahoma City University, USA
- Bachelor of Veterinary Science, Chulalongkorn University, Thailand
- LOGITECH – Program for Executives in Logistics & Technology, University of North Carolina, Chapel Hill, North Carolina, USA
- CEDI – Babson Entrepreneurial Leadership Program, Babson College, Massachusetts, USA
- Director Certification Program 2007, Thai Institute of Directors Association
- Listed Company Director Program (Module 3), Masterclass for Director (MCD 5), Singapore Institute of Directors

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed
• None

Non-Listed
• None

Legends:

Chairman Member

MRS. TONGJAI THANACHANAN

As Alternate Director to Mr. Kosit Suksingha
Non-Independent Non-Executive Director



DATE OF APPOINTMENT
10 June 2022

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2022)
5 months

Age
54

Gender
♀

Nationality

QUALIFICATION(S)

- Master of Management (MBA) in Finance and International Business, Kellogg Graduate School of Management, USA
- Bachelor of Arts (Magna Cum Laude) in Economics and East Asian Studies, Princeton, USA
- Director Certification Program 2014, Thai Institute of Directors Association

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed
• None

Non-Listed
• None

PRESENT APPOINTMENT(S)

- Director of C.A.I. Co. Ltd., Must Be Co., Ltd., Money Mine Co., Ltd. and Sermasuk Public Company Limited (listed on The Stock Exchange of Thailand)
- Director of Pracharath Rak Samakkee Social Enterprise (Thailand) Co. Ltd.
- Executive Vice President, Chief Sustainability & Strategy of Thai Beverage Public Company Limited
- Secretary of Foundation for the Institute of Social Enterprise Development

PAST DIRECTORSHIP(S) AND/OR PAST APPOINTMENT(S)

- Senior Advisor and Partner & Managing Director of The Boston Consulting Group (Thailand) Ltd.
- Advisor to Executive Committee, Mae Fah Luang Foundation Under Royal Patronage
- Advisor to Risk Management Committee Member, The Thai Red Cross Society

Note: None of the above Directors have any family relationship with any director and/ or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company save and except that Mr. Hui Choon Kit, Mdm. Tan Fong Sang, Dato' Jorgen Bornhoft, Mr. Kosit Suksingha and Mrs. Tongjai Thanachanan (Alternate Director to Mr. Kosit Suksingha) are nominee directors of Fraser and Neave, Limited, a major shareholder of the Company. They have had no conviction for offences within the past five years and have had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



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Management Team



LIM YEW HOE
Chief Executive Officer



TIONG YEAN YAU
Director, Group Finance



LAI MING KONG
Managing Director,
International Markets Development



SUCHIT RIEWCHAROON
Managing Director,
F&N Dairies (Thailand) Limited



BRYAN LEE CHEE KONG
Managing Director, CocoaLand Group
(effective 4 November 2022)



NG ENG CHEANG
Managing Director,
Commercial Operations Malaysia



DATO' RAFFIQ MD ARIFF
Managing Director, Government &
Industry Engagement



GRAHAM LIM
Managing Director, Commercial
Operations (East Malaysia & Borneo)



LEE LAY YEAP
Managing Director,
Agriculture & Dairy Farm



TONY CHAN CHWEE WAN
Managing Director, Sri Nona



DAVID HOONG CHEONG WAI
Senior Director, Human Capital



DR YAP PENG KANG
Senior Director, Projects Management
(Agriculture & Dairy Farm)



SOH SWEE HOCK
Senior Director, Business
Development & Special Projects



TIMOTHY OOI AIK TUAN
Director, Group Legal
Counsel & Company Secretary



JASMINE TEO GEOK LIN
Director, Digital Solutions & Technology



JORDAN NG BOON LEONG
Director, Manufacturing & Logistics



KAREN TAN CHUI CHUI
Director, Communications,
Corporate Affairs & Sustainability



KELLEIGH FOO CHOOI KIAN
Director, Risk Management
& Corporate Planning



LAU CHENG YEW
Director, Property & Integrated Projects



ALBERT LOH WEE HAN
Head, Internal Audit



ZAINAL ABIDIN MUSA
Senior Manager, Business
Development (Foods) & Innovation

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Leadership

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Profile of Chief Executive Officer

LIM
YEOW HOE

Chief Executive Officer



DATE OF APPOINTMENT
1 December 2014

Age Gender Nationality
56 Male Singapore

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration (Banking and Finance), Nanyang Technological University, Singapore
- Bachelor of Science (Estate Management), National University, Singapore

WORKING EXPERIENCE

- Joined Asia Pacific Breweries Limited (now known as Heineken Asia MTN Pte Ltd) in 1997 and has held various senior positions in Asia Pacific Breweries Limited Group, the last being Managing Director of Asia Pacific Brewery (Hanoi) Limited in 2014.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

Other than holding **35,000 shares** (as at 1 Dec 2022) in Fraser & Neave Holdings Bhd (“Company”), he does not hold any shares in the Company’s subsidiaries. He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Profile of Key Senior Management

TIONG
YEAN YAU

Director,
Group Finance



DATE OF APPOINTMENT
1 February 2022

Age Gender Nationality
49 Male Malaysia

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- The Chartered Institute of Management Accountants
 - Chartered Management Accountant
 - Chartered Global Management Accountant

WORKING EXPERIENCE

- Over 27 years of cross-industry experience in manufacturing, trading and hospitality industries in the field of sales planning, finance, accounting, tax and treasury, business planning and budgeting management.
- Prior to joining the Company, he held managerial and leadership roles in Cadbury Confectionery, Permanis Sandilands, Guinness Anchor Berhad, Hong Kong Sa Sa (Malaysia & Singapore) and the last being Director of FP&A at Amway Business Services for the Asia Pacific Region.
- Joined Fraser & Neave Holdings Bhd Group in 2019 as a Finance Director for Domestic Commercial Operations prior to assuming the current position.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

SUCHIT
RIEWCHAROON

Managing Director, F&N
Dairies (Thailand) Limited



DATE OF APPOINTMENT
1 April 2019

Age Gender Nationality
58 Male Thailand

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Master in Marketing, Thammasart University, Thailand
- Bachelor of Business Administration majoring in Marketing of Assumption University, Thailand

WORKING EXPERIENCE

- February 2007 to March 2019 - Head of Sales for Thailand and Indochina of F&N Dairies (Thailand) Limited
- 1988 to 2007 - held various managerial positions in Nestle (Thai) Limited, the last being Business Excellence and Training Manager.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil



Profile of Key Senior Management

NG ENG CHEANG

Managing Director,
Commercial Operations
Malaysia



DATE OF APPOINTMENT
1 December 2021

Age: 58
Gender: Male
Nationality: Malaysia

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Business in Business Administration (Distinction), RMIT Melbourne, Australia

WORKING EXPERIENCE

- 30 years of experience in fast-moving consumer goods across many MNCs namely Cadbury, Danone, Campbell Soups, Etika/Asahi and the last role in Bernas as the Group Managing Director for its Go to Market businesses.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

GRAHAM LIM

Managing Director,
Commercial Operations
(East Malaysia & Borneo)



DATE OF APPOINTMENT
1 July 2021

Age: 45
Gender: Male
Nationality: Singapore

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Business majoring in Marketing & Finance, University of Technology, Sydney, Australia

WORKING EXPERIENCE

- Positions held in Fraser and Neave, Limited Group:
 - July 2020 to March 2021 – General Manager, Warburg Vending Malaysia
 - September 2011 to June 2016 - Country Manager for F&N Foods Myanmar Branch Office.
 - February 2008 to August 2011 - Regional Marketing Manager, Sports Beverages.
 - October 2016 to March 2022 – Director, Marketing of Fraser & Neave Holdings Bhd Group prior to assuming the current position, a combined role of Domestic Commercial Operations and Marketing.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

LAI MING KONG

Managing Director,
International Markets
Development



DATE OF APPOINTMENT
1 April 2022

Age: 52
Gender: Male
Nationality: Malaysia

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor degree of Economics majoring in Business Administration, University Malaya, Malaysia

WORKING EXPERIENCE

- Over 27 years of experience in Sales & Marketing across fast-moving consumer goods industry, among which was a Vice President of Consumer Goods Division in DKSH Group.
- September 2018 till present - Managing Director for Emerging & New Market of Fraser and Neave, Limited. Assume added responsibility as the Acting Managing Director, International Markets Development effective 1 April 2022.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

BRYAN LEE CHEE KONG

Managing Director,
Cocoaland Group



DATE OF APPOINTMENT
4 November 2022

Age: 59
Gender: Male
Nationality: Malaysia

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Chartered Institute of Marketing, Berkshire, United Kingdom

WORKING EXPERIENCE

- With more than 30 years of experience at various multinational companies with solid range of experience not limited to Strategic Developments, Innovations & New Product Development, Brand and Trade Marketing. The last posting was in Myanmar heading the Commercial Division at a leading Beverage Company.
- December 2018 to June 2022 - Director, Domestic Commercial Operations (East Malaysia & Brunei) of Fraser & Neave Holdings Bhd Group Prior to assuming the current position.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

Profile of Key Senior Management

DATO' RAFFIQ BIN MD ARIFF

Managing Director,
Government & Industry
Engagement



DATE OF APPOINTMENT
1 November 2019

Age
52
Gender
 Nationality

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Accountancy, University Technology MARA, Malaysia
- ACCA (Partial), Emile Woolf College of Accountancy, United Kingdom

WORKING EXPERIENCE

- January 2017 - Senior Manager, International Markets Development of Fraser & Neave Holdings Bhd Group prior to assuming the current role.
- Began his career at a public accounting firm before assuming managerial positions in several multinational companies such as Samsung Malaysia.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

LEE LAY YEAN

Managing Director
(Agriculture & Dairy Farm)



DATE OF APPOINTMENT
15 July 2022

Age
47
Gender
 Nationality

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Commerce (Management & Marketing), Curtin University of Technology, Western Australia.

WORKING EXPERIENCE

- Over 24 years of experience in business analysis, planning and development across logistic industry and fast-moving consumer goods industry. Prior re-joining F&N in 2013, she held managerial roles in DHL Express (M) Sdn Bhd and Tetra Pak (M) Sdn Bhd.
- Positions held in Fraser & Neave Holdings Berhad Group:
 - 2015 to June 2022: Senior Manager, Business Capability & Strategy before assuming the current role.
 - 2013 - 2015: Corporate Planner
 - 1998 - 2003: Pricing, Business Analyst (Logistics), Key Account Manager

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

TONY CHAN CHWEE WAN

Managing Director,
Sri Nona



DATE OF APPOINTMENT
1 April 2021

Age
56
Gender
 Nationality

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Business (Marketing), Chrisholm Institute of Technology, Melbourne, Australia

WORKING EXPERIENCE

- More than 25 years experience in business development and sales and marketing covering fast-moving consumer goods industry (food and alcoholic beverages) and healthcare industry (Nephrology) in Vietnam, Philippines, Singapore, Nigeria, Cote d'Ivoire and Ghana.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

DAVID HOONG CHEONG WAI

Senior Director,
Human Capital



DATE OF APPOINTMENT
5 August 2013

Age
62
Gender
 Nationality

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor degree of Arts majoring in business administration and industry psychology, Wilfrid Laurier University, Waterloo Ontario, Canada

WORKING EXPERIENCE

- Over 35 years of human resource management experience in the manufacturing environment for large organisations of various industries.
- June 2006 to July 2013 - Vice President, Human Resource of Unisem (M) Berhad

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

Profile of Key Senior Management

DR. YAP PENG KANG

Senior Director,
Projects Management
(Agriculture
& Dairy Farm)



DATE OF APPOINTMENT
1 October 2018

Age
55

Gender
Male

Nationality
Singapore

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Doctorate of Philosophy (PhD) in Microbiology, National University of Singapore
- Bachelor of Science (Hons) in Microbiology, National University of Singapore

WORKING EXPERIENCE

- October 2017 to present - Head, Group Research & Development of Fraser and Neave, Limited prior to assuming the current role.
- Over 23 years of experience in the brewery industry and has held various senior positions in the Heineken Group of Companies.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

TIMOTHY OOI AIK TUAN

Director, Group Legal
Counsel & Company
Secretary



DATE OF APPOINTMENT
5 December 2018

Age
60

Gender
Male

Nationality
Malaysia

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- LL.B (Hons), University of London, United Kingdom
- Barrister-at-Law, Middle Temple
- Licensed Company Secretary

WORKING EXPERIENCE

- Over 31 years' experience as legal counsel, company secretary and compliance officer in various organisations in Hong Kong and Malaysia.
- 2012 - Head, Legal of Fraser & Neave Holdings Bhd Group
- 2018 - In addition to overseeing legal department, he is also responsible for the company secretarial services of Fraser & Neave Holdings Bhd Group

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

JASMINE TEO GEOK LIN

Director, Digital
Solutions & Technology



DATE OF APPOINTMENT
1 January 2020

Age
57

Gender
Female

Nationality
Singapore

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor degree of Science majoring in Mathematics, National University of Singapore

WORKING EXPERIENCE

- 33 years of IT experience working in both public and private sectors in Singapore, in the area of software design and development, SAP system support and cybersecurity. Prior to joining F&N, she spent 16 years as senior vice president in Sembcorp Industries, setting up and heading the global IT Shared Services function for the whole group.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil

Note: None of the above Key Senior Management members have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. They have had no conviction for offences within the past five years and have had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

KAREN TAN CHUI CHUI

Director,
Communications,
Corporate Affairs &
Sustainability



DATE OF APPOINTMENT
1 October 2015

Age
47

Gender
Female

Nationality
Malaysia

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Social Science (Hons) majoring in Economics, University of Science, Malaysia

WORKING EXPERIENCE

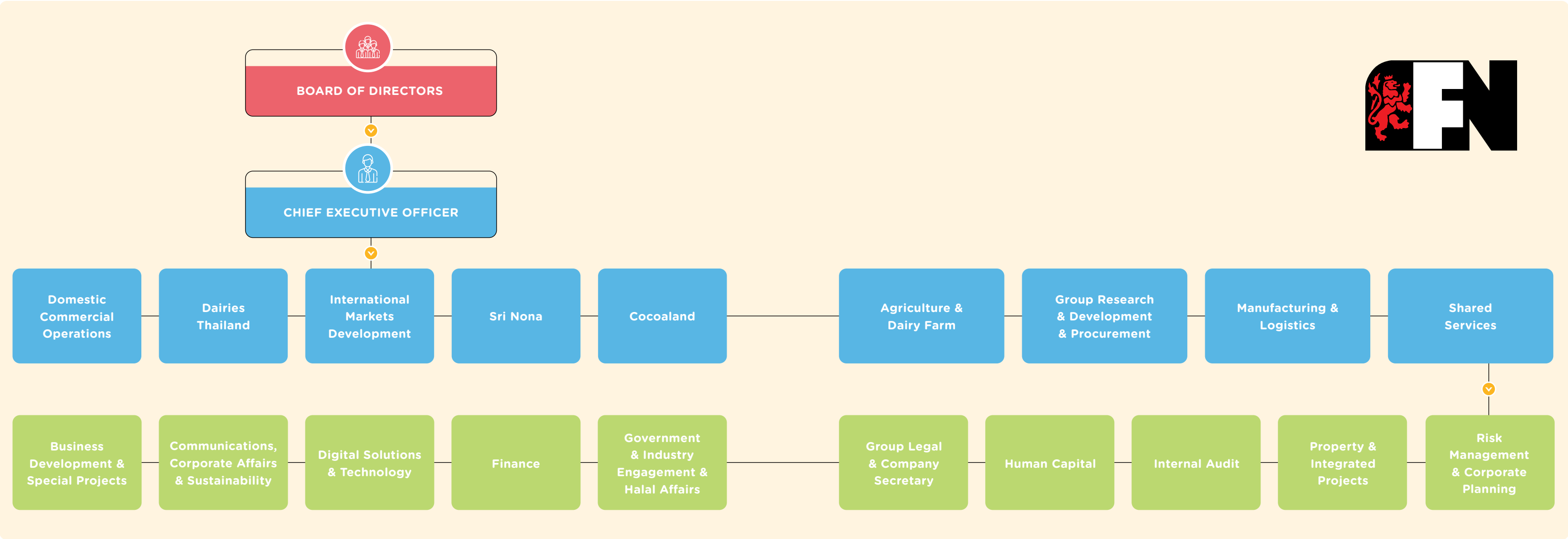
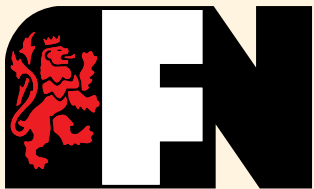
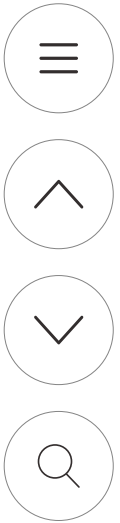
- Over 20 years' cross-industry experience in the area of Communications, Public Relations and Marketing in Malaysia and Singapore.
- October 2015 to September 2020: Head of Communications & Corporate Affairs before assuming the current role.
- November 2011: Group Corporate Affairs Manager, Fraser & Neave Holdings Bhd
- Prior to F&N, she held various managerial positions in Fuji Xerox Malaysia, Hewlett-Packard Malaysia, and the last being Southeast Asia Communications Specialist at DHL Express Singapore.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND LISTED ISSUER(S)

- Nil



Organisation Structure



Workforce

BY EMPLOYMENT STATUS



2,472

Permanent contract

47

Temporary contract

BY JOB CATEGORY



919

Executive

1,600

Non-executive

AVERAGE NUMBER OF TRAINING HOURS*

16.70

hours*

* Excluding Sri Nona's data

BY GENDER

775
30.8%

Total
2,519

1,744
69.2%

Male
Female



GOVERNANCE

GOVERNANCE

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- 144 Additional Compliance Information



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Corporate Governance Overview Statement

Chairman's Letter

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

Chairman



“

We continue to adopt an approach of strong governance with a focus on ethics. In this Corporate Governance Overview Statement, we provide an update on our activities during the financial year 2022.

”

DEAR SHAREHOLDERS,

I am pleased to present the Fraser & Neave Holdings Bhd (F&NHB) Corporate Governance Overview Statement for the financial year 2022.

Your Company has a clear sense of social purpose, existing to be ASEAN's provider of quality products that consumers choose and trust. With this clear sense of purpose also comes high standards of integrity, with a recognition that acting responsibly is the only way to build and manage a business over the long-term. The belief that businesses do well when they act well is ingrained in the Group and management is encouraged to take a long-term view and to invest in the future. From a strategic perspective, the Board considers recommendations from senior management of the businesses. They are the people closest to the risks and opportunities, as well as closest to those businesses' stakeholders, and therefore in the best position to make the right recommendations to mitigate those risks, exploit the opportunities and take stakeholder views into account. The senior management of the businesses are supported with resources and expertise from across the Group. The Board is kept informed and engaged through regular updates to the Chief Executive Officer by senior management and through periodical updates to the full Board, which gives opportunities to provide challenge.

CULTURE

Underpinning the Group's corporate governance are the values embedded at every level of the business of 'collaboration, creating values and caring for stakeholders'. This has continued to be the cornerstone of our leadership and of the Management Team, who work together to ensure this is reflected in our everyday business practices and our engagement with stakeholders.

We hold ourselves accountable to a similar high standard in our approach to governance, whereby we seek to comply with and exceed, to the extent reasonably possible and appropriate, new corporate governance standards in advance of their formal application to subsequent reporting years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, social and governance (ESG) considerations have consistently featured on the Board's and its Committees' agendas through the year and are built into the Company's strategy, planning and day-to-day business operations. We have responsibility for driving progress towards the Company's ESG initiatives and annual report sets out how the Company has addressed this key area during the financial year 2022 and our plans to continue doing so into the financial year 2023, benefiting from the learnings from our work in this area to date.

Board Diversity Gender



Male

64%



Female

36%

approximately

20.5 hours
for FY2022 Board
Meeting

CLIMATE CHANGE

We are all conscious that climate change has rightly received greater attention worldwide and that efforts continue to reduce the pace of that change. To that end, The Financial Stability Board, an international body that monitors and makes recommendations about the global financial system, created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. This reporting became a listing requirement for listed issuers for 2022 reporting and beyond. The Company's reporting in this area, including additional disclosures around risks and opportunities, is set out on pages 54 to 57, together with details as to how this reporting has been overseen by the Sustainability & Risk Management Committee.

COMPOSITION

The Nomination Committee continues to review the composition of the Board and the skills and diversity of the Directors, and will make further appointments where it considers them necessary, having particular regard to diversity. The Committee members endeavour to create a diverse pipeline for succession within the Group, including the Board and senior management positions.

CONCLUSION AND OUTLOOK

Your Board continues to be effective and to work well as a team, benefiting from the skills and knowledge brought to the table by all Directors during the financial year. I am confident that we continued to have the right balance of skills, expertise, experience and professionalism to continue to deliver strong governance, within our culture.

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

Chairman

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

The Board considers that the Company has applied the principles and complied with the provisions set out in the Malaysian Code on Corporate Governance 2021 ("CG Code"), except where stated in our Corporate Governance Report 2022 ("CG Report").

This Corporate Governance Overview Statement provides an overview of the Company's corporate governance practices throughout the financial year ended 30 September 2022 ("Financial Year 2022") with reference to the three key principles as set out in the CG Code. This statement is to be read together with the CG Report, which is available on the Company's website at <https://fn.com.my/investors/ar2022>. The CG Report describes how the Company has applied each practice of the CG Code, any departure thereof and alternative measures taken, where applicable during the financial year under review.



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Governance

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Corporate Governance Overview Statement

EFFECTIVE LEADERSHIP

Board

The Board is collectively responsible to the Company's shareholders for the direction and oversight of the Company to ensure its long-term success. The Board met regularly throughout the financial year, either in person or virtually, to approve the Group's strategic objectives, to lead the Group within a framework of effective controls which enable risks to be assessed and managed, and to ensure that sufficient resources are available to meet the objectives set. The Board is guided by a Board Charter to ensure orderly and effective discharge of its duties and responsibilities as set out in the Board Charter, which is available on the Company's website. There are a number of matters which are specifically reserved for the Board's approval. These are set out in the Board Chart of Authority and CG Report.

Audit Committee (AC)

- Overseeing accounting, financial reporting and internal control processes as well as the Group's internal audit function; and
- Ensuring the effectiveness and quality of the work produced by the Group's external auditors.

Nominating Committee (NC)

- Reviewing the structure, size, composition and performance of the Board and its Committees;
- Matching the skills, knowledge and experience of Directors to the Group's business strategy and requirements; and
- Considering succession planning and the development of a diverse pipeline for the Board and senior roles.

Remuneration Committee (RC)

- Making recommendations to the Board for the overall policy and framework for the remuneration of the Chairman, CEO and the Senior Management Team.

Group Executive Committee (EXCO)

- Formulating strategic direction and initiatives including mergers and acquisitions or disposal of businesses, investments and product portfolio, so that the Company can achieve its objective of delivering long-term shareholder value creation;
- Providing direction and guidance to management, and overseeing management's performance; and
- Facilitating faster decision-making relating to important strategic and major operational issues facing the Group.

Sustainability & Risk Management Committee (SRMC)

- Overseeing the Group's ESG strategy;
- Monitoring progress against ESG objectives and targets; and
- Continually assessing emerging, existing and changing risks as well as monitoring the effectiveness of corresponding controls.

OUR GOVERNANCE APPROACH

There is a clear and effective division of responsibilities between the Board and the Management Team which is a key foundation of the Company's strong governance. We believe that a successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for all of the company's stakeholders. To support this principle, the Board has established a framework of delegated financial, commercial and operational authorities, which defines the scope and powers of the Chief Executive Officer ("CEO") and the Management Team.

BOARD COMMITTEES

The written Terms of Reference for the respective Nominating, Audit, Remuneration, Sustainability & Risk Management, Group Executive and Share Buy-Back Committees are available on the Company's website, www.fn.com.my. Key functions of each of the Committees are found above.

ACCESS TO INFORMATION

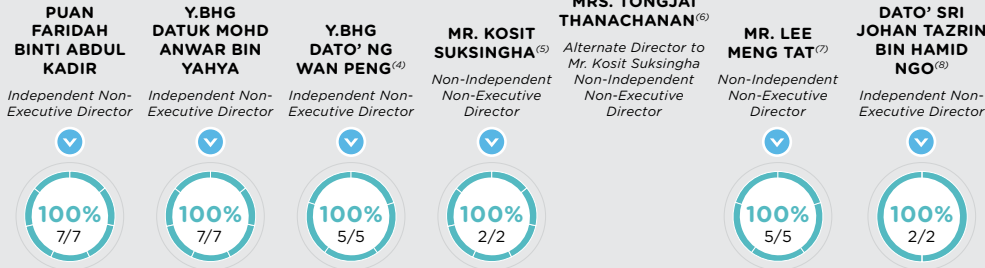
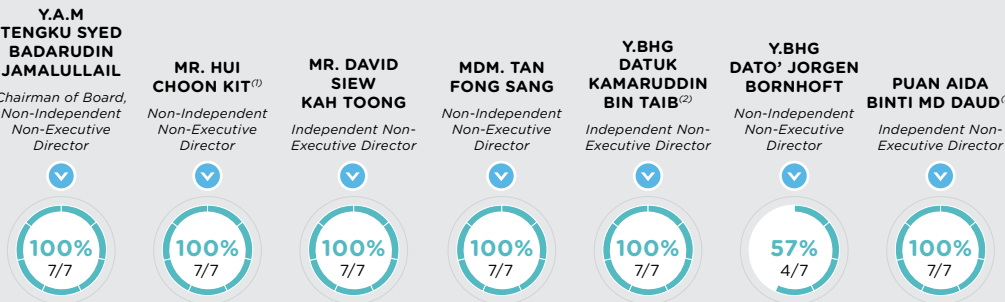
The Company Secretary manages the provision of information to the Board at appropriate times in consultation with the Chairman and ensures that the Board has the policies, processes, time and resources it needs in order to function effectively and efficiently. This includes the provision of corporate governance updates to all Board members in the Board pack for each meeting. The Chairman holds informal meetings or calls with Directors, without the presence of management, to discuss issues affecting the Group, when appropriate. Regular management updates are sent to the Board as appropriate to keep the Board informed of events throughout the Group between Board meetings and to ensure that the Board is advised of the latest issues affecting the Group.

BOARD DIVERSITY

The benefits of diversity and inclusion are well documented, and the Board is committed to increasing the diversity of the Group's workforce and of the Board itself. The gender diversity split of the Board during the financial year under review was 36% female and 64% male. 31% of employees in the Group are female within the range of management, 45% of managerial position are held by female employees.

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR Financial Year 2022

Board Of Directors



AC	NC	RC	EXCO	SRMC
Chairman MR. DAVID SIEW KAH TOONG Attendance (4/4) 100%	Chairman Y.BHG DATUK KAMARUDDIN BIN TAIB Attendance (2/2) 100%	Chairman Y.A.M TENGKU SYED BADARUDIN JAMALULLAIL Attendance (2/2) 100%	Chairman MR. HUI CHOON KIT Attendance (5/5) 100%	Chairman MDM. TAN FONG SANG Attendance (4/4) 100%
Members MR. HUI CHOON KIT Attendance (4/4) 100% Y.BHG DATUK KAMARUDDIN BIN TAIB Attendance (3/3) 100% Y.BHG DATUK MOHD ANWAR BIN YAHYA Attendance (4/4) 100% Y.BHG DATO' SRI JOHAN TAZRIN BIN HAMID NGO Attendance (1/1) 100%	Members Y.A.M TENGKU SYED BADARUDIN JAMALULLAIL Attendance (3/3) 100% MR. HUI CHOON KIT Attendance (1/1) 100% MR. DAVID SIEW KAH TOONG Attendance (3/3) 100% PUAN FARIDAH BINTI ABDUL KADIR Attendance (3/3) 100% MR. LEE MENG TAT Attendance (1/2) 50% Y.BHG DATO' SRI JOHAN TAZRIN BIN HAMID NGO Attendance (1/1) 100%	Members MR. DAVID SIEW KAH TOONG Attendance (2/2) 100% PUAN AIDA BINTI MD DAUD Attendance (1/1) 100% PUAN FARIDAH BINTI ABDUL KADIR Attendance (2/2) 100% MR. KOSIT SUKSINGHA Attendance (1/1) 100% MR. LEE MENG TAT Attendance (0/1) 0% Y.BHG DATO' SRI JOHAN TAZRIN BIN HAMID NGO Attendance (1/1) 100%	Members MDM. TAN FONG SANG Attendance (5/5) 100% Y.BHG DATUK KAMARUDDIN BIN TAIB Attendance (1/1) 100% Y.BHG DATO' JORGEN BORNHOFT Attendance (2/5) 40% MR. KOSIT SUKSINGHA Attendance (1/2) 50% MRS. TONGJAI THANACHANAN Alternate Director to Mr. Kosit Suksingha Attendance (1/1) 100% MR. LEE MENG TAT Attendance (2/3) 67%	Members MR. HUI CHOON KIT Attendance (3/3) 100% Y.BHG DATO' JORGEN BORNHOFT Attendance (2/4) 50% PUAN AIDA BINTI MD DAUD Attendance (1/1) 100% Y.BHG DATO' NG WAN PENG Attendance (3/3) 100% MR. KOSIT SUKSINGHA Attendance (1/1) 100%

ROLES AND RESPONSIBILITIES

Chairman and CEO

The positions of the Chairman of the Board and the CEO are held by different individuals and their roles are clearly defined in the Board Charter. Separation in the positions ensures a balance of power and authority while facilitating effective discharge of the distinct roles of the Chairman and CEO.

The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct by focusing on strategy, governance and compliance; promoting constructive and respectful relations between Directors, and between the Board and management; and ensuring a smooth, open and constructive dialogue between the Board and shareholders.

The CEO of the Company is responsible for the day-to-day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions. The CEO together with the management team manages the business of the Group in accordance with the Board's strategic plans, instructions and directions.

Non-Executive Directors

All non-executive Directors, in addition to their responsibilities for strategy and business results, play a key role in providing a solid foundation for good corporate governance and ensure that no individual or group dominates the Board's decision-making. They each occupy, or have occupied, senior positions in industries which, taken together, cover a broad range of jurisdictions, bringing valuable external perspectives to the Board's deliberations through their experience and insight from different sectors and geographies. This enables them to contribute significantly to Board decision-making by providing constructive challenge and holding to account both management and the CEO against agreed performance objectives.

Company Secretary

The Board is supported by a Company Secretary who has a legal qualification and is qualified to act as company secretary under the Companies Act 2016. The Company Secretary plays an important advisory role in advising the Board on statutory and regulatory requirements, particularly on corporate governance issues and ensuring compliance with the relevant acts, rules and regulations.

Notes:

⁽¹⁾ Re-designated as the Chairman of EXCO, appointed as a member of NC and ceased as a member of SRMC on 10 June 2022.

⁽²⁾ Appointed as the Chairman of NC and a member of AC and ceased as a member of EXCO on 17 January 2022.

⁽³⁾ Appointed as a member of RC and ceased as a member of SRMC on 17 January 2022.

⁽⁴⁾ Ceased as an Alternate Director to Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo, appointed as a Director and a member of SRMC on 17 January 2022.

⁽⁵⁾ Appointed as a Director and a member of RC, SRMC and EXCO on 10 June 2022.

⁽⁶⁾ Appointed as an Alternate Director to Mr. Kosit Suksingha on 10 June 2022.

⁽⁷⁾ Ceased as a Director, the Chairman of EXCO and a member of NC and RC on 10 June 2022.

⁽⁸⁾ Retired as a Director and ceased as the Chairman of NC and a member of RC and AC on 17 January 2022.

All Directors have complied with the minimum attendance as stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad, i.e. being present at not less than 50% of the Board meetings held during the Financial Year.



Corporate Governance Overview Statement

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, social and governance (ESG) has always been an important part of working for FNHB and our approach is set out on pages 146 to 155. The Board receives regular briefings and updates on the progress of the Group's ESG initiatives. These briefings allow the Board to assess the significant ESG risks to the Company's short- and long-term value. They also informed the Board as to the Company's compliance with the new requirements effective for this reporting year.

How progress is driven and performance overseen

In light of the increasing focus on ESG matters by stakeholders, and its importance in relation to Group strategy and operations, the Board delegates ESG oversight to the Sustainability & Risk Management Committee. The financial implications of ESG for the company are overseen by the Audit Committee as part of its review of the Company's annual financial statements. The implementation of ESG initiatives across the Group is led by the Management Team. Social and governance aspects of ESG are considered 'business as usual' and this is evident in our key performance indicators and stakeholder interaction.

Independent performance indicators

The Board is aware of the increasing level of investor interest in climate change risk and that consideration is being given when reassessing risk and asset values to reflect this in revised capital allocations. It is therefore pleasing to be able to report that the Company's commitment to ESG and progress, particularly in respect of our sustainability initiatives, is being recognised, as the Company:

- Is a constituent of FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index
- Is in the 94th Percentile (beverages industry) of the S&P Global Corporate Sustainability Assessment
- Is a winner of inaugural the Edge ESG Awards 2022 - Gold Award in Consumer Goods & Services, and Top 3 Performers in ASEAN.

In the Financial Year 2022, the Board carried out the following activities:

BOARD ACTIVITIES

STRATEGY

- Approved annual business plan, budget and major capital expenditure;
- Approved the Company's acquisition of the entire equity interest of Ladang Permai Damai Sdn Bhd by the Company's indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd; and
- Approved the Company's acquisition of the entire equity interest In Cocoaland Holdings Berhad not already owned by the Company.

SUSTAINABILITY

- Approved a Fit and Proper Policy, a Human Rights Policy and a Corporate Donation and Sponsorship Policy for the Group.

INVESTOR RELATIONS AND STAKEHOLDER ENGAGEMENT

- Approved press releases relating to financial results.

FINANCIAL AND OPERATIONAL PERFORMANCE

- Reviewed and approved the last quarter financial results and audited financial statements for the Financial Year 2021;
- Reviewed and approved quarterly financial results for the Financial Year 2022;
- Recommended a final dividend for shareholders' approval and approved an interim dividend;
- Received updates on operations and ongoing projects; and
- Received monthly treasury reports.

GOVERNANCE AND RISK

- Approved audit and non-audit fees;
- Reviewed and recommended the re-appointment of KPMG PLT as the auditors of the Company;
- Approved Audit Committee Report, Corporate Governance Overview Statement, Nominating Committee Report, Statement on Risk Management and Internal Control, Statement on Directors' responsibility for preparation of financial statements and Sustainability Report for disclosure in annual report;
- Approved circular to shareholders on recurrent related party transactions and statement on share buy-back;
- Reviewed and approved revisions to the Board Chart of Authority ("COA"), Management COA, Risk Appetite and Risk Tolerance Statements;
- Reviewed and approved revisions to the Board Charter, Terms of Reference of Board Committees and the Policy on Independence of Directors to align with the CG Code and the enhanced Listing Requirements of Bursa Malaysia Securities Berhad;
- Received minutes of Board Committee meetings on a quarterly basis;
- Reviewed evaluation results of the Board, Board Committees, the Board Chairman and individual Directors for the Financial Year 2022; and
- Received summaries of dealings in the Company's shares notified by principal officers of the Company and directors of the Company's major subsidiaries.

PEOPLE

- Recommended the appointment of Y.Bhg. Dato' Ng Wan Peng as a Director for shareholders' approval;
- Approved the appointments of Mr. Kosit Suksingha as a Director and Mrs. Tongjai Thanachanan as his Alternate Director; and
- Received quarterly updates on movement of staff in middle and senior management level.

BOARD INDUCTION

The Company provides all newly appointed Directors with a tailored and thorough programme of induction, which is facilitated by the Company Secretary. This typically includes training as well as site visits and meetings with management to get to know the businesses better.

BOARD TRAINING

During the Financial Year 2022, Directors attended various training programme covering mainly the areas below:



STRATEGY



FINANCIAL AND OPERATIONAL PERFORMANCE



GOVERNANCE AND RISK



SUSTAINABILITY



PEOPLE AND HUMAN RIGHTS

TRAINING AND DEVELOPMENT

The Nominating Committee assists the Board in ensuring that Directors receive suitable training to enable them to carry out their duties. Directors are also encouraged to personally identify any additional training requirements that would assist them in carrying out their roles. Training is provided to Directors through sharing briefing papers, such as regular updates covering developments in legal, regulatory and governance matters from the Company Secretary as part of the Board pack ahead of each meeting and by way of presentations and meetings with senior management or other external sources.

BOARD

- **Y.A.M. TENGKU SYED BADARUDIN JAMALULLAIL**
- **MR. HUI CHOON KIT**
- **MR. DAVID SIEW KAH TOONG**
- **MDM. TAN FONG SANG**
- **Y.BHG. DATUK KAMARUDDIN BIN TAIB**
- **Y.BHG. DATO' JORGEN BORNHOFT**
- **PUAN AIDA BINTI MD DAUD**
- **PUAN FARIDAH BINTI ABDUL KADIR**
- **Y.BHG. DATUK MOHD ANWAR BIN YAHYA**
- **Y.BHG. DATO' NG WAN PENG**
- **MR. KOSIT SUKSINGHA**
- **MRS. TONGJAI THANACHANAN**
(appointed as an Alternate Director to Mr. Kosit Suksingha on 10 June 2022)

BOARD EVALUATION

The objectives of Board evaluations are to assess all aspects of the effectiveness of the Board as a whole and its Committees, the Chairman and individual Directors. The evaluation of the Board, Board Committees, the Board Chairman, individual Directors and Independent Directors are facilitated by the Nominating Committee annually. An external consulting firm is engaged to carry out the evaluation to ensure that the process remains robust and thorough. Further details on Board evaluation are set out in the Nominating Committee Report.





Corporate Governance Overview Statement

REMUNERATION

FORMAL AND TRANSPARENT REMUNERATION POLICIES AND PROCEDURES FOR DIRECTOR

The Board has established the Remuneration Committee comprising five Non-Executive Directors, three of whom are Independent Directors, to assist the Board mainly in establishing formal and transparent remuneration policies and procedures to attract and retain Directors. The RemCom is also entrusted with the role of determining and recommending suitable policies in respect of salary packages for Executive Directors, CEO and senior executives. The current salary packages comprise a combination of basic salary and a variable performance incentive to attract and retain talent in a competitive environment. There was no change in the remuneration policies and practices during the Financial Year 2022.

The remuneration for Non-Executive Directors is based on a standard fixed fee, with the Chairman receiving a double amount in recognition of his additional responsibilities. An additional fee is also paid to Non-Executive Directors sitting on Board Committees. A meeting allowance is paid for attendance at meetings of the Board and Board Committees as well as general meetings. The Company has in force Directors and Officers insurance policy essentially covering the acts of Directors and Officers and personal accident insurance policy for Directors.

Fees and benefits payable to the Company's Directors are subject to yearly approval by shareholders at the Company's AGM.

Based on the Directors' Remuneration Policy, Directors' fees and meeting allowances are reviewed every two years.

The Directors' Remuneration Policy and Senior Management's Remuneration Policy are available on the Company's website.

DIRECTORS' REMUNERATION

The aggregate Directors' remuneration paid to the Directors of the Company for the Financial Year 2022 is disclosed in the financial statements.

Details of remuneration paid to Directors of the Company for the Financial Year 2022 are as follows:

Directors	Remuneration paid by the Company			
	Fees RM	Meeting Allowances RM	Benefits RM	Total RM
Y.A.M Tengku Syed Badarudin Jamalullail	162,000	31,000	28,480	221,480
Mr. Hui Choon Kit	101,388	27,000	600	128,988
Mr. David Siew Kah Toong	104,000	25,000	600	129,600
Mdm. Tan Fong Sang	97,500	25,000	600	123,100
Y.Bhg. Datuk Kamaruddin bin Taib	89,567	20,000	600	110,167
Y.Bhg. Dato' Jorgen Bornhoft	90,000	11,500	600	102,100
Puan Aida binti Md Daud	80,379	14,000	600	94,979
Puan Faridah binti Abdul Kadir	84,000	17,000	600	101,600
Y.Bhg. Datuk Mohd Anwar bin Yahya	85,000	16,000	600	101,600
Y.Bhg. Dato' Ng Wan Peng (appointed on 17 January 2022)	58,327	12,000	600	70,927
Mr. Kosit Suksingha (appointed on 10 June 2022)	29,137	6,000	300	35,437
Mrs. Tongjai Thanachanan (appointed as an Alternate Director to Mr. Kosit Suksingha on 10 June 2022)	0	1,000	300	1,300
Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo (retired on 17 January 2022)	28,421	7,000	300	35,721
Mr. Lee Meng Tat (ceased to be a director on 10 June 2022)	68,683	13,000	600	82,283
Total	1,078,402	225,500	35,380	1,339,282

EFFECTIVE AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibility for monitoring the Group's risk management and internal control systems to facilitate the identification, assessment and management of risk and the protection of shareholders' investments and the Group's assets.

Directors recognise that they are responsible for providing a return to shareholders, which is consistent with the responsible assessment and mitigation of risks. Directors confirm that there is a process for identifying, evaluating and managing the risks faced by the Group and the operational effectiveness of the related controls, which has been in place for the year under review and up to the date of approval of the annual report. They also confirm that they have been regularly monitoring the effectiveness of the risk management and internal control systems, which cover all material controls including financial, operational and compliance controls.

STANDARDS

There are guidelines on the minimum groupwide requirements for health and safety and environmental standards. There are also guidelines on the minimum level of internal control that each of the divisions should exercise over specified processes. Each business has developed and documented policies and procedures to comply with the minimum control standards established, including procedures for monitoring compliance and taking corrective action.

AUDIT, RISK AND INTERNAL CONTROL ECOSYSTEM

All businesses prepare annual operating plans and budgets which are updated regularly. Performance against budget is monitored at business unit level and centrally, with variances being reported promptly. The cash position at Group and business level is monitored constantly and variances from expected levels are investigated thoroughly.

Clearly defined guidelines have been established for capital expenditure and investment decisions. These include the preparation of budgets, appraisal and review procedures and delegated authority levels.

The Group's businesses employ internal auditors (both employees and resources provided by major accounting firms other than the firm involved in the audit of the Group (except where expressly permitted by the Audit Committee) with skills and experience relevant to the operation of each business.

All Group businesses are required to comply with the Group's financial control framework that sets out minimum control standards. A key function of the Group's internal audit resources is to undertake audits to ensure compliance with the financial control framework and make recommendations for improvement in controls where appropriate. Internal audit also conducts regular reviews to ensure that risk management procedures and controls are observed. The Audit Committee receives regular reports on the results of internal audit's work and monitors the status of recommendations arising. The Committee reviews annually the adequacy, qualifications and experience of the Group's internal audit resources and the nature and scope of internal audit activity in the overall context of the Group's risk management system.

HIGH-LEVEL CONTROLS

INTERNAL AUDIT

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Governance

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Corporate Governance Overview Statement

COMMUNICATION WITH STAKEHOLDERS

ENGAGEMENT WITH STAKEHOLDERS

STAKEHOLDERS

The Company engages regularly with its stakeholders at Group and/or business level, depending on the particular issue. At a Group level we engage with a variety of stakeholder groups including shareholders, governments, media and investors through a range of methods.

As part of daily business activities and through structured processes, our businesses routinely engage with customers, suppliers, regulators and industry bodies. Detailed information about our approach to stakeholder engagement and specific activities this year can be found on pages 48 to 49 of Sustainability Report.

SHAREHOLDERS

We have a number of individual shareholders. All shareholders are usually invited to attend the AGM in person (although this changed in respect of the 2021 and 2022 AGMs given the COVID-19 pandemic), have access to our website and receive electronic communications. The 2023 AGM is scheduled for 17 January 2023. It is intended that shareholders will have the opportunity to put their questions to the Board either at the meeting (if attending in person) or in advance of the meeting.

We have a dedicated in-house team to manage communications with our shareholders, making sure we respond directly, as appropriate, to any matters regarding their shareholdings. To improve security and efficiency of communications and to reduce the amount of paper we use, we seek to use e-communications to communicate with shareholders wherever possible.

INSTITUTIONAL INVESTORS

During the financial year, the Board has maintained an active programme of engagement with institutional investors, the purpose of which is both to develop shareholders' understanding of the Company's strategy, operations and performance and to provide the Board with an awareness of the views of significant shareholders. Directors are briefed on meetings with investors that have taken place and on feedback received, including any significant concerns raised.



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<https://fn.com.my/investors/ar2022#downloads>



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Corporate Affairs &
Sustainability Department
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Seksyen 26,
40400 Shah Alam,
Selangor, Malaysia



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ANNUAL REPORT

We publish a full annual report each year which contains, among others, strategic report, responsibility section, governance section and financial statements. The annual reports are available in paper format and on our website: www.fn.com.my.

INVESTOR RELATIONS PROGRAMME

The Company operates a structured investor relations programme, based around formal announcements and publications of the full year and half year results. The Board is kept regularly apprised on the investor relations programme.

WEBSITE

Our website is regularly updated and contains a comprehensive range of information on our Company. There is a section dedicated to investors, which includes our investor calendar, financial results, presentations, press releases and contact details. The area dedicated to individual shareholders is an essential communication method. It includes information on shareholder news, administrative services and contact information.

Nominating Committee Report

COMPOSITION

Chairman



Y.Bhg. Datuk Kamaruddin bin Taib
Independent Non-Executive Director

Members



Y.A.M. Tengku Syed Badarudin Jamalullail
Non-Independent Non-Executive Director



Mr. Hui Choon Kit
Non-Independent Non-Executive Director



Mr. David Siew Kah Toong
Independent Non-Executive Director



Puan Faridah binti Abdul Kadir
Independent Non-Executive Director

NOMINATION, ELECTION AND SELECTION OF DIRECTORS

Procedures relating to appointment and re-election of Directors are contained in the Company's Constitution and the Group's Fit and Proper Policy. When assessing the suitability of Directors for appointment or re-election to the Board, the Nominating Committee ("NomCom") will take into consideration the criteria set out in the Group's Fit and Proper Policy, including skills, knowledge, expertise and experience, professionalism, integrity, competencies, commitment, contribution, performance, gender, nationality and age of the candidates.

When a vacancy on the Board arises, the NomCom will meet to agree on the profile of the position to be filled and the search process, which includes soliciting recommendations from existing Directors and/or engaging external searches for candidates. The NomCom will then shortlist candidates and conduct interviews together with the other Directors. An invitation will be extended to the selected candidate to join the Board, and upon acceptance, the Board will approve the appointment and make the necessary announcement to Bursa Malaysia Securities Berhad. An induction programme will be organised for all newly appointed Directors which includes briefings and presentations by senior management, sharing of past minutes of meetings and company policies along with plant visits.

New Directors appointed by the Board are subject to re-election at the annual general meeting ("AGM") following their first appointment. In addition, one-third of the Directors are required by rotation to submit themselves for re-election by shareholders at every AGM of the Company.

EVALUATION OF BOARD, BOARD COMMITTEES, BOARD CHAIRMAN AND INDIVIDUAL DIRECTORS

The Board is kept abreast of developments in the area of Board performance assessment. A formal evaluation process is in place to assess the effectiveness of the Board as a whole. The evaluation of the Board, Board Committees, the Board Chairman, individual Directors and Independent Directors are facilitated by the NomCom annually. An external consulting firm is engaged to carry out the evaluation to ensure that the process remains robust and thorough.

The annual Board evaluation is based on (i) Board composition, (ii) Board processes, (iii) information management, (iv) managing company's performance, (v) Chief Executive Officer performance management and succession planning, (vi) Director development and management, (vii) sustainability/environment, social and governance, (viii) risk management and internal control. The Board Committees are assessed based on structure, responsibilities, right mix of capabilities, experience, skills and process. The individual Directors' self/peer assessments are based on contribution, objectivity, participation, independence, integrity, knowledge, abilities and commitment. Assessment of the Board Chairman covers provision of leadership for the Board in ensuring Board effectiveness and conduct of meetings of the Board and shareholders. The effectiveness of the Audit Committee ("AuditCom") and its members along with independence of Directors are also assessed.

Evaluation results of the Board and Board Committees are respectively presented to the NomCom and Board at meetings whereas evaluation results of the Directors are sent to the Board Chairman and the respective Directors. The NomCom reviews the evaluation results of the Directors who are due for retirement by rotation and casual vacancy before making recommendation to the Board for re-election.

In addition to the above, the NomCom also reviews the term of office and performance of the AuditCom and its members annually to determine that the AuditCom and its members have carried out their duties in accordance with the Terms of Reference of AuditCom.





Nominating Committee Report

SUMMARY OF THE COMMITTEE’S WORK DURING THE FINANCIAL YEAR

The NomCom held four meetings in the financial year ended 30 September 2022 (“Financial Year 2022”) and discussed inter-alia the following matters:

- (a) assessed the independence of Independent Directors, namely Mr. David Siew Kah Toong, Puan Aida binti Md Daud, Puan Faridah binti Abdul Kadir, Y.Bhg. Datuk Mohd Anwar bin Yahya, Y.Bhg. Datuk Kamaruddin bin Taib and Y.Bhg. Dato’ Ng Wan Peng and reviewed their yearly confirmation on independence; and is satisfied that they are able to exercise independent and objective judgement or act in the best interests of the Company;

(b) reviewed and recommended the appointments of Mr. Kosit Suksingha as a Non-Independent Non-Executive Director and Mrs. Tongjai Thanachanan as his Alternate Director;

(c) reviewed and recommended re-election of Directors who were due for retirement at the AGM held in January 2022 and appointment of Y.Bhg. Dato’ Ng Wan Peng as an Independent Non-Executive Director for shareholders’ approval at the AGM 2022;

(d) reviewed and recommended changes to composition of Board Committees as reflected in the Corporate Governance Overview Statement in the Annual Report 2022;

(e) reviewed and recommended the NomCom Report for the Financial Year 2021 for inclusion in the Annual Report 2021;

(f) reviewed and recommended a Fit and Proper Policy for the Group and proposed amendments to the NomCom’s Terms of Reference, Policy on Independence of Directors and Yearly Confirmation by Independent Director;
- (g) reviewed and approved the appointment of an external consulting firm, Aon Solutions Singapore Pte Ltd (“Aon Solutions”) to conduct a yearly evaluation of the Board, Board Committees, the Board Chairman, individual Directors and Independent Directors for the Financial Years 2022 to 2024;

(h) reviewed evaluation results of the Board, Board Committees and the Board Chairman for the Financial Year 2022 as presented by Aon Solutions and proposed action plans to be taken;

(i) reviewed the NomCom’s evaluation results for the Financial Year 2022;

(j) reviewed the terms of office and performance of the AuditCom and its members; and was satisfied with the performance of the AuditCom and its members;

(k) reviewed the required mix of skills, knowledge, experience and other qualities, which Directors bring to the Board and the Board diversity in terms of gender, nationality, age, culture, socio-economic background and tenure;

(l) evaluated training needs of Directors and noted the training programmes attended by Directors; and

(m) received feedback on the induction programme conducted for newly appointed Directors.

Audit Committee Report

The Board is pleased to present the following report on the Audit Committee and its activities for the financial year ended 30 September 2022.

AUDIT COMMITTEE COMPOSITION AND MEETINGS

The Audit Committee is chaired by Mr. David Siew Kah Toong. It comprises four Non-Executive Directors, a majority of whom are independent, which is in line with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

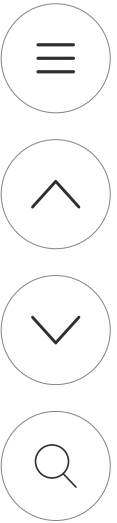
The names of the members of the Audit Committee and the record of their attendance at Audit Committee meetings during the financial year are as follows:-

Names	Date of Meeting			
	2.11.2021	8.2.2022	27.4.2022	2.8.2022
Independent and Non-Executive Director				
Mr. David Siew Kah Toong (Chairman)	✓	✓	✓	✓
Y. Bhg Dato’ Sri Johan Tazrin bin Hamid Ngo*	✓	-	-	-
Y. Bhg Datuk Mohd Anwar bin Yahya	✓	✓	✓	✓
Y. Bhg Datuk Kamaruddin bin Taib**	✓^	✓	✓	✓
Non-Independent and Non-Executive Director				
Mr. Hui Choon Kit	✓	✓	✓	✓

- ✓ Attendance at meetings
- * Ceased to be a member of the Audit Committee on 17 January 2022
- ** Appointed as a member of the Audit Committee on 17 January 2022
- ^ By invitation

At the invitation of the Audit Committee, the Chief Executive Officer, relevant Senior Management personnel, external and internal auditors attended the Audit Committee meetings and presented their reports on financial results, audit and other matters for the information and/or approval of the Audit Committee. The Chairman of the Audit Committee thereafter tabled the recommendations of the Audit Committee to the Board and apprised the Board of relevant issues.

Throughout the year, there was continuous engagement between members of the Audit Committee and Senior Management on matters impacting the Group. This included the conduct of quarterly pre-Audit Committee meetings chaired by the Audit Committee Chairman and attended by the external and internal auditors as well as the Chief Executive Officer and Chief Financial Officer focusing on items related to financial management and internal controls.





Audit Committee Report

TERMS OF REFERENCE

The Audit Committee is responsible among others, to review and monitor the integrity of the Group's reporting process, system of internal control, audit process as well as compliance with legal, regulatory and taxation matters for the Group. The Terms of Reference ("TOR") of the Audit Committee, which is annually reviewed, is made available on the Company's corporate website at www.fn.com.my.

SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee discharged its functions and carried out its duties as set out in its TOR. The summary of key activities undertaken by the Audit Committee during the financial year is provided below:

Financial reporting and compliance

The Audit Committee reviewed the quarterly and annual consolidated financial statements and announcements of the Group, before submission to the Board. In doing so, there was focus on changes in major accounting policies and practices as well as adjustments/issues affecting the audit to ascertain compliance with applicable financial reporting standards, the Bursa Securities Listing Requirements and other statutory requirements. The external auditors' annual audit reports and interim review reports as well as the accompanying management reports and responses by Management were also reviewed by the Audit Committee as part of their oversight over the accounting, auditing and financial reporting practices and procedures of the Group.

Internal control

Based on reports presented by the Management, external and internal auditors during the Audit Committee meetings, the Audit Committee assessed the adequacy of the internal control system of the Group.

External audit

At the Annual General Meeting held on 17 January 2022, the shareholders had approved the re-appointment of KPMG PLT as auditors of the Company.

The Audit Committee had conducted an evaluation of the external auditors, KPMG PLT for the financial year 2022, encompassing technical competencies, adequacy of specialist support and partners/director accessibility and time commitment, independence and objectivity, audit scope and planning, audit and non-audit fees and audit communications to the Audit Committee. On the basis of the evaluation by the Audit Committee, a recommendation was made to the Board to re-appoint KPMG PLT for the ensuing financial year. The re-appointment will be put to the shareholders for approval at the forthcoming Annual General Meeting.

Apart from conducting the annual statutory audit, the auditors were also appointed to review the Condensed Interim Financial Statements for each of the three quarters ended 30 June 2022 in accordance with the relevant Malaysian Financial Reporting Standards and Bursa Securities Listing Requirements.

Through the statutory audit and the quarterly reviews, the Audit Committee regularly engaged with the auditors, including at least one meeting without the presence of management, to ensure that the reviews and audits were robust, effective and consistent with professional auditing standards. During the financial year 2022, the Audit Committee had one meeting with the auditors without the presence of management. The Audit Committee reports that there was no significant matter of disagreement between the auditors and Management.

To reinforce the independence and objectivity of the auditors, the Audit Committee was apprised of all non-audit services that the auditors might be called upon to perform. This was so in those circumstances where the auditors were best qualified and suitable to provide the required services given their comprehensive knowledge of the Group's business operations, systems and processes. During the financial year, the amount incurred in respect of non-audit related fees amounted to RM 356,198 (FY2021 RM 439,629) and comprised of the following assignments:

- Quarterly Reviews;
- Review of Statement on Risk Management and Internal Control;
- Preparation of transfer pricing documentation; and
- Preparation and submission of income tax computation.

Other activities by the Audit Committee included a review and discussion of the annual audit plan to ensure that time allocated to audit the areas of high risks as highlighted in the Group's risk matrices were adequately dealt with and the level of resources and experiences assigned to the examination were appropriate.

Consistent with its examination, the external auditors performed review procedures to obtain reasonable assurance that the financial statements were free from material misstatement, whether caused by fraud or error. They reported that they did not note any instance indicating existence of fraud that might result in a material misstatement in the financial statements. The external auditors performed a limited assurance review of the Statement on Risk Management and Internal Control as required under the Bursa Securities Listing Requirements.

GROUP INTERNAL AUDIT

Group Internal Audit activities were performed by a team of six professional internal auditors, supervised by the Head, Internal Audit. The Head, Internal Audit was a Certified Practicing Accountant (CPA Australia) as well as a professional member of the Institute of Internal Auditors, Malaysia. Some of the internal audit staff were also members of the Institute of Internal Auditors, Malaysia.

In accordance with the FNHB IA Charter, Group Internal Audit has a reporting line direct to the Audit Committee enabling it to be independent of Management so as to ensure objectivity. The Head, Internal Audit reports functionally to the Chairman of the Audit Committee and administratively to the CEO, this further ensures impartiality and independence in execution of the role.

Group Internal Audit did not have any direct operational responsibility or authority over any of the activities it audited or had engaged in any activity that might impair the internal auditor's judgment. All the internal audit staff had confirmed via an annual declaration that they were free from any relationships or conflict of interests which could impair their objectivity and independence.

Group Internal Audit had adopted and complied with the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") issued by the International Internal Audit Standards Board. The Department maintained a quality assurance and improvement program to evaluate the internal audit activity's conformance with the IIA Standards and the Code of Ethics. The quality assurance and improvement program included both annual internal self-assessment and an external assessment conducted by a qualified independent consulting firm, appointed once in four years.

The Audit Committee continually evaluated the Group Internal Audit function to ensure its activities were performed independently and with impartiality and due professional care. The annual internal audit plan was approved by the Audit Committee to ascertain the extent of its scope and coverage of the Group's activities, including the adequacy of Group Internal Audit's staffing strategies in supporting the plan's completion. Following the completion of audit reviews conducted, the audit reports and the corresponding key findings, audit recommendations and agreed action plans taken by Management were deliberated upon during the Audit Committee meetings.

In accordance with the annual internal audit plan approved by the Audit Committee, Group Internal Audit conducted regular reviews of the governance and internal controls processes within the Group. The audits were performed using a risk-based approach and were consistent with the Group's established framework in designing, implementing and monitoring of its control systems. Group Internal Audit had regular interactions with the Chairman of the Audit Committee, Senior Management, Risk Management and, when necessary, the external auditors.

During the Financial Year 2022, the Audit Committee had, through an independent consultant, Ernst & Young, assessed the performance of the Group Internal Audit function via Quality Assurance Review. Based on the assessment findings, the internal audit activities had conformed to the IIA Standards and Code of Ethics. The Audit Committee had also assessed the performance of the Group Internal Audit function through an internal stakeholders' satisfaction survey conducted by the Group Human Capital Department and auditee surveys conducted by the Group Internal Audit function. Based on the survey findings, the Group Internal Audit function had been effective in performing its duties.

The ambit of the Group Internal Audit function is defined in the Internal Audit Charter which is reviewed by the Audit Committee annually. During the financial year, the key activities carried out by Group Internal Audit included the following:

- Performed periodic audits of key subsidiaries and regional office operations within the Group to test appropriateness of control design and implementation as well as compliance with existing policies and procedures. This included the conduct of the following audits:
 - sales activities covering order processing, cooler and chiller management, distributor management, market returns management, customer master file management, credit management and collections;
 - marketing activities encompassing marketing plans and sponsorships, appointment and performance evaluation of media/advertising agencies, budget planning and marketing spend, advertising and promotion stock, promotion programs and brand promoters;
 - plant operations covering raw, packaging and work-in-progress materials management, production and quality control management, repair and maintenance of plant facilities as well as plant safety and security;
 - logistics and distribution, covering finished goods management, transporters as well as warehouse security and safety;
 - human capital management covering human resources administration, payroll processing, segregation of duties, industrial relations and employee relations management, training and staff development as well as building facilities and security;



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Audit Committee Report

- procurement activities covering pre-qualification, sourcing, appointment, performance appraisal of suppliers, monitoring of purchase orders, contract management, vendor master file management and Capex projects;
 - information technology, covering access management, change management, IT operations (backup, disaster recovery, incident management), network security, cyber security, IT budget monitoring, project management and vendor management;
 - Anti-Corruption System; and
 - governance practices covering implementation of Group Policies, risk management process and legal documents management.
- Performed ad hoc audits to address specific management's concerns.
 - Collated the status of implementation of audit recommendations provided by responsible management teams for reporting to the Audit Committee on a quarterly basis.

The operational costs incurred by Group Internal Audit for the financial year 2022 amounted to about RM1.7 million (FY2021 was RM1.5 million). The higher operational costs were mainly attributable to increase in both staff cost and outsourced internal audit fees; as well as cost incurred for Quality Assurance Review conducted by Ernst & Young Consulting Sdn Bhd.

OTHER MATTERS

The related party transactions entered into by the Group were reviewed by the Audit Committee to ensure that they were conducted on the Group's normal commercial terms and adequate internal procedures had been deployed in the Group in relation to such transactions; for monitoring compliance with the Bursa Securities Listing Requirements and to ascertain that the transactions entered into were not prejudicial to the interest of the non-controlling shareholders. The Audit Committee was also apprised of recurrent related party transactions, particularly towards monitoring that amounts transacted were within the approved shareholders' mandate obtained. The Audit Committee was satisfied that during the financial year under review, the related party transactions were fairly concluded on prevailing market rates/ prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and were not detrimental to the interests of the Company and its minority shareholders.

As at the date of this report, the Audit Committee had also reviewed the "agreed-upon procedures" performed by Group Internal Audit in relation to the allocation of share grants under the Restricted Share Grant Plan at the end of the financial year. This was to ensure that the actual and target key performance indicators were computed accurately based on the audited and approved budget figures to support the allocation of share grants to employees.

The Statement on Corporate Governance, Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in this Annual Report were reviewed by the Audit Committee prior to Board's approval.

The Audit Committee also reviewed the declaration of interim dividend and recommendation of final dividend, the press release relating to financial results, its revised TOR and the guidelines on related party transactions prior to the respective Board and/ or shareholder approvals.

For the financial year 2022, the Audit Committee was of the view that the Company was in compliance with the Bursa Securities Listing Requirements and as such, the reporting to Bursa Securities under Paragraph 15.17 (Rights of the Audit Committee) of the Bursa Securities Listing Requirements was not required.

For the financial year under review, the Board assessed the performance of the Audit Committee through the annual evaluation exercise. The Board agreed that the Audit Committee had continued to support the Board in reviewing financial and audit matters, contributing to the overall effectiveness of the Board's decision-making process. The Board was satisfied that the Audit Committee had discharged its functions, duties and responsibilities in accordance with the Audit Committee's TOR.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control is intended to provide our stakeholders and readers of this Annual Report with sufficient and meaningful information about the adequacy and current state of Fraser & Neave Holdings Bhd ("F&NHB" or the "Group")'s system of risk management and internal control.

INTRODUCTION

This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers ("Guidelines"). The Guidelines provide guidance for companies complying with paragraph 15.26 (b) of the Listing Requirements of Bursa Securities and Principle B and Practice 9.1 and 9.2 of the Malaysian Code on Corporate Governance.

BOARD'S RESPONSIBILITY AND ACCOUNTABILITY

F&NHB recognises that effective risk management and a sound system of internal control are fundamental to good corporate governance. The objective of risk management is to create and protect value for the Group through improving performance, encouraging innovation and supporting the achievement of objectives. The Board of Directors ("Board") is committed to observing and maintaining highest standards of corporate governance throughout the Company and its subsidiaries (the "Group"). The commitment from the Board is built upon:

- a firm foundation of sound risk management and internal control systems; and
- corporate culture of consistent emphasis on fairness, transparency, accountability and continuous improvements to address all key risks which the Group considers relevant and material to its operations.

In supporting the Board's commitment, Management plays an integral role in assisting the design and implementation of the Board's policies on risk management and internal control.

The Board recognises that the systems of risk management and internal control are designed to manage and mitigate risks rather than eliminate risks which may hinder the achievement of the Group's objectives and would therefore provide only reasonable and not absolute assurances against material misstatements or losses.

For the purposes of this Statement, associated companies and joint ventures have been excluded from the Group.

THE GROUP'S RISK MANAGEMENT SYSTEM

The Group adopts the Enterprise-wide Risk Management Policy ("ERM Policy") which is designed to manage risks in an integrated, systematic and consistent manner. It establishes the overall risk management framework and processes in defining the strategy to identify and manage risks across the Group. During the year under review, the ERM policy was reviewed and updated to benchmark against the ISO31000:2018 Risk Management – Guidelines. In addition, ERM principles are embedded in the corporate culture, processes and structures of the Group. The main features of the Group's risk management system are described in the following sections.

ROLES AND RESPONSIBILITIES

The Board regards risk management as an integral part of the operations and processes of the Group is assisted by the Sustainability* and Risk Management Committee ("SRMC") which was established since 2013 to:

- provide oversight of the Group's significant risks;
- determine the nature and extent of significant risks, i.e. the risk appetite and risk tolerance level, which the Group is willing to take in achieving its strategic objectives;
- ensure the execution and implementation of our sustainability strategies while reducing our environmental and social footprint;

* For further details on sustainability related matters, refer to Sustainability Report.





Statement on Risk Management and Internal Control

- identify, assess and monitor key business risks faced by the Group; and
- ensure that Management maintains an effective system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The terms of reference ("TOR") of the SRMC states, amongst others, that the SRMC also maintains a close relationship with the Audit Committee to minimise and/or prevent any overlapping of functions with the Audit Committee, which is tasked to assist the Board in reviewing and monitoring the integrity of the Group's reporting process, the system of internal controls, audit process and compliance with legal and regulatory matters.

During the financial year, SRMC had held 4 meetings on a quarterly basis to:

- review the implementation of the risk management framework;
- deliberate on the key business risks and the mitigating controls to address the risks identified;
- provide oversight of the Group's insurance, cyber risk management, business continuity management ("BCM") programmes, Charts of Authority, anti-bribery and anti-corruption matters;
- oversee the execution and implementation of sustainability strategy, and monitor the progress of our sustainability initiatives against our targets; and
- recommend to the Board for endorsement or approval where necessary.

The responsibility for day to day risk management resides with the Management of each function/ business unit where they are the risk owners and are accountable for managing the risks identified and assessed. In managing the risks of the Group, Risk Management Department collaborates with the Management in reviewing and ensuring that there is on-going monitoring of risks, the adequacy and effectiveness of its related controls, and that action plans are developed and implemented to manage these risks within the acceptable level by the Group.

The Management Risk Committee, chaired by the Chief Executive Officer ("CEO") and supported by the Functional Heads, Business Unit Head, and the Head of Departments, meets on a quarterly basis to share emerging and significant risks faced by the business, and ensure that the mitigating controls and action plans are conducted within the boundaries set by the ERM Policy, prior to escalation to the SRMC.

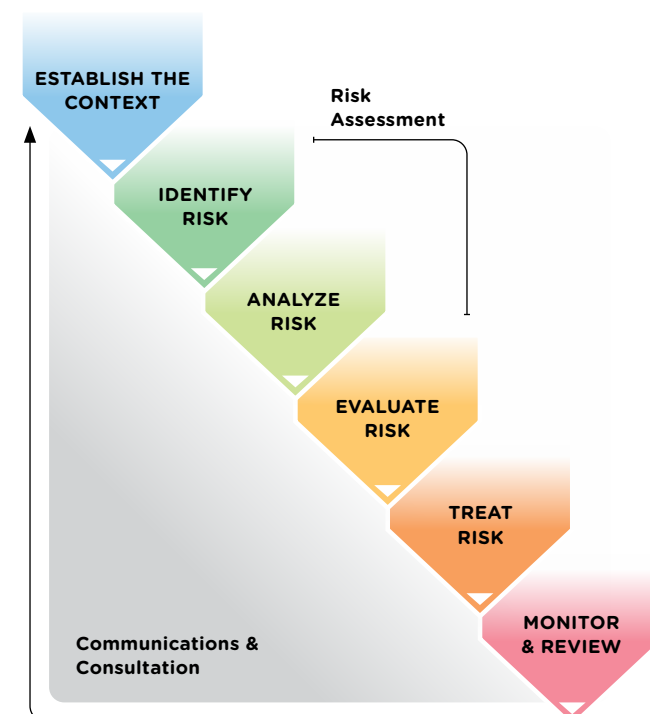
RISK MANAGEMENT STRUCTURE



The Enterprise Risk Management ("ERM") Process

The ERM process involves a systematic application of the risk management methodology to facilitate risk identification, assessment, reporting as well as monitoring and review as described below:

THE ERM PROCESS



RISK ASSESSMENT & RISK TREATMENT

- The ERM process begins with the business strategies and objectives setting and/or review prior to the commencement of every financial year, which is also aligned to the Group's vision and mission as well as our sustainability strategies. Subsequently, risks arising from the business strategies and objectives to be pursued, including emerging risks are identified.
- A consistent approach in determining the risk likelihood and risk impact is adopted across the Group to reflect the risk appetite approved by the Board.
- Risks identified are assessed to determine their likelihood of occurrence and potential impact on the relevant business strategies/ objectives. The outcome of the risk assessment process at respective functional or business unit levels will then be consolidated at the Group level in a Corporate Risk Scorecard which enables subsidiaries within the Group to report risks and risk status using a common platform.
- Risk treatments options to manage risks are Reduce, Accept, Transfer or Avoid. Once risk treatment options have been decided, action plans to manage residual risk would be developed. Progress of risk treatment plans shall be monitored once the plan is prepared and implemented.

RISK REPORTING AND REVIEW

Quarterly Review

- On a quarterly basis, the risk profiles of the key subsidiaries are tabled to the Management Risk Committee and the SRMC in a heat map, which sets out the priority and focus for risk mitigation strategies based on risk ratings at gross and net levels. The net risk level is determined after taken into consideration the effectiveness of existing controls and risk treatment plans. The risks identified and assessed are reported under the following categories:
 - Financial/ Economic
 - Strategic
 - Governance & Ethics
 - Reputational
 - Operational
- Key Risk Indicators ("KRIs"), presented in the form of Key Risk Dashboard, are also established to monitor risks and mitigating measures for risks that are material to the Group and included as part of the quarterly risk reporting.
- Changes to risk profiles and emerging risks are also identified and promptly brought to the attention of the Board and Board Committees.

Annual Review

- Risk appetite and risk tolerance statements, which set out the nature and extent of risks that the Group is willing to accept or retain in pursuit of its goals and objectives, are reviewed by the SRMC and approved by the Board annually.
- Impact parameters, upon which the risk ratings are measured against the likelihood, are reviewed and updated annually.



For discussion on assessment of key risk areas and the controls in place to mitigate or manage those risks, refer to Management Discussion & Analysis section of the Annual Report.

ASSURANCE RECEIVED FROM MANAGEMENT

At the end of the financial year, the Board receives assurance from the CEO, Director, Group Finance ("DGF") and key management personnel that the risk management and internal control system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations through ERM Validation Report and Comfort Matrix.

ERM Validation Report summarises the risk management activities conducted and implementation of ERM Policy during the financial year whilst the Comfort Matrix sets out the key and emerging risks of the Group and presented against how strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place, in addressing these risks.

Both ERM Validation Report and Comfort Matrix are tabled at the SRMC and Audit Committee meetings respectively prior to recommendations to the Board on an annual basis.

In addition, the risk management process in the Group is reviewed on a periodic basis by Internal Audit team, according to its annual audit plan approved by the Audit Committee.

INTERNAL CONTROL

The following areas of governance contained clearly defined corporate values, code of business ethics and conduct as well as comprehensive policies and procedures to assist Management in ensuring that a sound system of internal control is maintained in the Group.





Statement on Risk Management and Internal Control

Integrity and Ethical Values

- A framework which consists of Code of Business Ethics & Conduct, Whistleblowing Policy, Fraud Control Policy, Anti-Bribery and Anti-Corruption Policy and Code of Business Practices for Third Parties sets the expectation in upholding integrity and ethical values within the Group and they are made available to all staff in the Group's intranet and the Group's website.

Code of Business Ethics & Conduct

- Code of Business Ethics & Conduct ("the Code") prescribes the values and principles committed by F&NHB and expects employees in F&NHB to act with integrity, respect and excellence. It defines expected behaviour for employees in dealing with key stakeholders in the Company, workplace, marketplace, and external stakeholders such as customers and suppliers. Provisions in the Code include (but are not limited to) the following:
 - Protection of Company's assets.
 - Confidential information.
 - Accuracy and completeness of accounting records and reports.
 - Anti-discrimination and anti-harassment.
 - Product quality.
 - Anti-competitive behaviour.
 - Conflict of interest.

Fraud Control Policy

- Fraud Control Policy defines a process focussing on the prevention, detection and management of fraud and applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, external agencies and employees of such agencies, and/or any other parties with a business relationship with F&NHB. The Group adopts a "zero tolerance" stance towards fraud. Where fraud is suspected, investigations will be conducted and where fraud has been established, appropriate actions will be taken in line with existing policies and procedures.

Anti-Bribery and Anti-Corruption Policy and Code of Business Practices for Third Parties

- F&N has been governed by integrity, honesty, fair dealing and compliance with applicable laws and regulations. The Group adopts a "zero-tolerance" stance in all forms of bribery and corruption by its employees and business associates, and is committed to uphold all applicable

laws and regulations. In line with the foregoing, F&N implemented the Anti-Bribery and Anti-Corruption Policy and Code of Business Practices for Third Parties which prohibits all forms of bribery and corruption practices.

Adequate procedures system which is developed based on the principles of top level commitment, risk assessment, undertake control measures, systematic review, monitoring and enforcement, as well as training & communications had been put in place. Key activities under the system includes annual submission of integrity pledge by employees governed under the law, Conflict of Interest Declaration and continuous training through e-Learning platform are monitored and reported to the SRMC on a quarterly basis.

Whistleblowing Policy

Whistleblowing Policy enables the businesses within the Group to respond nimbly to concerns raised notwithstanding changes in the environment and to ensure that the corporate culture of integrity, transparency and accountability are upheld across the Group. The policy encourages and provides a channel to employees and members of the public to report in good faith and in confidence, without fear of reprisals, of concerns about possible improprieties. Allegations of improprieties which are reported via the whistle-blowing channel such as a dedicated hotline and email account are appropriately followed up and the outcome(s) will be reported at the Audit Committee meetings.

The above-mentioned policies/codes are available for reference at the Company's website at <https://www.fn.com.my/about-us/#our-codes-policies>.

Board and Board Committees

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference. Board and Board Committees provide oversight function and ascertain the adequacy of the internal control framework in the Group. Further details on the structures of the Board and its committees are provided under Corporate Information as well as the Corporate Governance Statement and Audit Committee Report.

Delegation of Authority

The authority limits aligned to the Group's organisational requirements in areas such as procurement, contracting, human resources and financial management are encapsulated in the Chart of Authority. The Chart of Authority provides guidance on the division of responsibilities between the Board and Management and is periodically reviewed and updated to reflect changes in the business, operational and organisational environment.

Annual Business Plans and Performance Monitoring

The Annual Business Plan sets the targets and objectives based on the strategic directions and initiatives of the Group and is supplemented by key performance indicators to monitor and track the actual achievement against the Group's targets and objectives. Frequent engagements between the Board and the CEO/ Management via Group Executive Committee meetings and management reports provide a platform for performance to be periodically monitored, followed up and/or adjusted where appropriate.

Policies, Guidelines and Procedures

The Group has set in place standard operating procedures covering critical and significant facets of the Group's business processes and are primarily geared towards the protection of assets and critical data as well as other major aspects of the Group's business operations. These areas include financial management, occupational safety procedures, information technology and cyber security, social media, human capital management, productivity benchmarks, product quality assurance, compliance with regulatory standards and disciplines, among other matters. Policies, standards and procedures that are available to enhance the Group's operational efficiency and internal controls include (but not limited to):

- Capital Expenditure & Acquisition Policy
- Credit Control Policy and Procedures
- Procurement Policy
- Supplier Code of Practices
- IT End User Policy
- Network Security Policy
- Third Party & Outsourcing Policy
- Executive Personnel Manual
- Human Rights Policy

Compliance with these policies and procedures is an essential element of the internal control framework. Policies and procedures are also subject to review as processes change or when new business requirements need to be met.

Human Capital

Talents play a pivotal role in achieving the business objectives as the Group strives for stronger growth through various transformation initiatives. Hence, processes have been put in place to assess talent for career development and succession planning. Roles and responsibilities are clearly defined in the job description for each position. In addition, continuous improvement approach is implemented in the areas of operational efficiencies as well as manpower productivity. To ensure the performance evaluation process is carried out in a systematic manner, Performance Management System which provides rating criteria for the assessment of employees' performance based on agreed Key Result Areas and operational Key Performance Indicators, sustainability targets as well as talent development targets is deployed.

Information and Communications Systems

The Group operates on an enterprise resource planning system which integrates various facets of the Group's operations. The system provides management with data, analysis, variations, exceptions and other input relevant to the Group's performance. Employees within the Group are guided by the Information Technology (IT) policies and procedures such as IT Security Policy, Network Security Policy, Access Management, Cyber Security Framework and End User Policy. As part of the measures to raise awareness, cyber security and ransomware awareness mandatory training are conducted to all employees through online learning platform.

Business Continuity Management

The Board is cognizant of the importance of business continuity management ("BCM") in strengthening the Group's resilience in response to the evolving business environment and enhancement of shareholders' values.

F&NHB has in place the following components within the BCM Framework to enable the Group's operations to be prepared in the event of emergencies:

- business impact analysis;
- development of BCM strategies and plans;
- business recovery procedures;
- business continuity testing and exercise; and
- monitoring and evaluation of the overall effectiveness of BCM.



Statement on Risk Management and Internal Control

The Group’s pandemic preparedness was further strengthened, as seen from the cohesive responses and excellent teamwork amidst reduced workforce, work-from-home arrangement as well as collaboration and coordination with our external stakeholders such as our customers and suppliers.

The Framework and the BCM plans developed are reviewed on an annual basis and tested periodically to ensure that it is up-to-date and relevant to the business environment. In addition, annual testing on Disaster Recovery which involves IT, vendors and respective department are conducted to ensure systems are able to recover in an organised, efficient and effective manner.

Audit Committee and Group Internal Audit

Group Internal Audit performs periodic audits of subsidiaries within the Group in accordance with an annual internal audit plan, which is formulated through a comprehensive risk-based methodology and approved by the Audit Committee. The audits are designed to test the appropriateness of control design and implementation as well as compliance with the existing policies and procedures. Based on the audits performed, areas of improvement on control design and implementation are highlighted, on a quarterly basis, to the Audit Committee and Management to implement internal audit recommendations. Status of implementation of agreed audit recommendations is tracked until completion and quarterly updates are provided to the Audit Committee and Management. Further details on the activities of the Audit Committee and Group Internal Audit are set out in the Audit Committee Report.

BOARD COMMENTARY AND OPINION

The Board, through the SRMC and Audit Committee, has undertaken review of the adequacy and effectiveness of risk management and internal control system in accordance with the Terms of Reference during the year under review. The Board is of the view that the Group’s overall risk management and internal control system is sound and adequate in all material aspects, and has received the same assurance from the CEO, DGF and key management personnel of the Group. The Board ensures that the risk management process in identifying, evaluating and managing significant risks is operating adequately and effectively throughout the financial year up to the date of approval of this Statement. It is in the Board’s opinion that the Group’s system of internal control during the year under review is adequate and effective to safeguard the Group’s assets and the interests of shareholders and stakeholders.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors, KPMG PLT had reviewed the Statement pursuant to the scope set out in the Audit and Assurance Practice Guide (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountant and have reported to the Board that nothing has come to their attention that has caused them to believe that the Statement has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers or is factually inaccurate.

This Statement is made in accordance with the resolution of the Board dated 8 November 2022.

Statement on Directors’ Responsibility

The Directors of the Company are required by the Companies Act 2016 in Malaysia (“the Act”) to ensure that the financial statements prepared for each financial year give a true and fair view of the financial position and the financial performance of the Group and of the Company.

Pursuant to paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors is required to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors, have through the Statement by Directors on page 281 of the Annual Report given their opinion that the financial statements have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In preparing these financial statements, the Directors ensured that:

- appropriate accounting policies have been adopted and applied consistently;
- the going concern basis used in preparation of the financial statements are appropriate; and
- where judgements and estimates are made, they are reasonable and prudent.

The Directors are also responsible for ensuring that proper accounting and other records are kept in accordance with the provisions of the Act to sufficiently explain the transactions and financial position of the Group and of the Company.

The Directors also have the responsibility to ensure that a system of internal control is in place to ensure that the assets of the Group are safeguarded against loss from unauthorised use or disposition and that transactions are properly authorised and recorded as necessary to enable the preparation of financial statements that are true and fair and are free from material misstatement.

This Statement is approved by the Board of Directors on 8 November 2022.





Additional Compliance Information

The following information is provided in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”):

1. Utilisation of Proceeds

Islamic Commercial Papers (“ICP”) and Islamic Medium Term Notes (“IMTN”) programmes of RM3,000,000,000

On 7 May 2021, F&N Capital Sdn Bhd (“the Issuer”), a wholly owned subsidiary of Fraser & Neave Holdings Bhd (“F&NHB” or “Company”) had established an Islamic Commercial Papers (“ICP”) Programme (“ICP Programme”) and an Islamic Medium Term Notes (“IMTN”) Programme (“IMTN Programme”) both based on the Shariah principle of Murabahah (via a Tawarruq arrangement) with a combined limit of up to RM3,000,000,000 in nominal value and guaranteed by the Company. The ICP Programme has a tenure of seven years from the first issue date whilst the tenure of the IMTN Programme is perpetual.

The proceeds from the ICP Programme and the IMTN Programme shall be advanced to companies within the F&NHB Group for Shariah-compliant general corporate purposes of the Group and the refinancing of any existing borrowings/ financings/corporate bonds/Sukuk issues and/or future Sukuk issues/Shariah-compliant financings of the Group. The utilisation of proceeds of these programmes shall at all times be for Shariah-compliant purposes.

To activate the Programmes, the Issuer had on 30 August 2021 issued the first tranche of IMTN amounting to RM1,000,000 with a tenure of one year from the issue date at a profit rate of 2.45% per annum. This IMTN was fully repaid during the financial year 2022.

On 3 August 2022, the Issuer issued the second tranche of IMTN amounting to RM110,000,000 with a tenure of three years from the issued date at a profit rate of 4.01% per annum. The proceeds from this IMTN were used to partially finance the acquisition of the entire equity interest in Ladang Permai Damai Sdn Bhd by the Company’s indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd. As at 30 September 2022, the IMTN of RM110,000,000 remained outstanding.

As at 30 September 2022, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,890,000,000 (2021: RM2,999,000,000).

On 5 October 2022, the Issuer issued the third and fourth tranche of IMTN of RM250,000,000 each with a tenure of three and five years from the issue date at profit rates of 4.21% and 4.68% per annum, respectively. The proceeds from issuance of the IMTNs were used to partially finance the acquisition of the entire equity interest in Cocoaland Holdings Berhad (“Cocoaland”) not already owned by the Company which was undertaken by way of a members’ scheme of arrangement under Section 366 of the Companies Act 2016 between Cocoaland and all its shareholders other than the Company and for working capital purposes.

2. Audit and Non-Audit Fees

The respective fees are disclosed in the Audit Committee Report and Audited Financial Statements set out in this Annual Report. Non-audit fees are disclosed in Audit Committee Report.

3. Material Contracts

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interest of Directors and major shareholders during the financial year 2022:

- (a)

A subscription agreement (“Subscription Agreement”) dated 20 April 2022 between the Company’s wholly-owned subsidiary, Usahaniaga Abadi Sdn Bhd (“UASB”), Dagang Permai Sdn Bhd (“DPSB”) and Dagang Sejahtera Sdn Bhd (“DSSB”), pursuant to which UASB subscribed for 5,570,000 ordinary shares representing 65% of the issued and paid-up share capital of DSSB at a total cash consideration of RM5,570,000. Following the share subscription, the equity interests of UASB and DPSB in DSSB are 65% and 35% respectively.
- (b)

A conditional share sale agreement (“Share Sale Agreement”) dated 25 April 2022 between the Company’s indirect 65%-owned subsidiary, DSSB and (i) Dupont & Leosk Enterprises Sdn Bhd (the “Vendor”) as beneficial owner of 25,000,000 ordinary shares of RM1.00 each in Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd) (“Ladang Permai Damai”) (the “Sale Shares”) and (ii) Malaysia Nominees (Tempatan) Sdn Bhd as registered owner of the Sale Shares and nominee company of OCBC Bank (Malaysia) Berhad holding the Sale Shares as nominee and chargee for the benefit of OCBC Bank (Malaysia) Berhad, to acquire the Sale Shares representing the Vendor’s 100% equity interest in Ladang Permai Damai for a total cash consideration of RM215,588,160.

Y.A.M. Tengku Syed Badarudin Jamalullail, the Chairman and a Director of the Company, is a brother of Y.A.M. Dato’ Seri DiRaja Syed Razlan ibni almarhum Tuanku Syed Putra Jamalullail, a director of DPSB and DSSB respectively and D.Y.M.M. Tuanku Syed Sirajuddin ibni almarhum Tuanku Syed Putra Jamalullail, Raja Perlis, the sole shareholder of DPSB. Hence, Y.A.M. Tengku Syed Badarudin Jamalullail was deemed interested in the Subscription Agreement and Share Sale Agreement.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

At the 60th Annual General Meeting of the Company held on 17 January 2022, the Company had obtained shareholders’ mandate to enter into recurrent related party transactions of a revenue or trading nature with the mandated related parties which are necessary for the day-to-day operations of the F&NHB Group.

Pursuant to the MMLR of Bursa Securities, details of the recurrent related party transactions entered into during the financial year 2022 are as follows:

Mandated Related Parties	Relationship	Type of Transaction	Actual Value Transacted RM’000
Fraser and Neave, Limited (“F&N Ltd”) Group	F&N Ltd is the holding company of F&NHB	Purchase of concentrates and/or raw materials from the F&N Ltd Group	182,042
		Purchase of finished products from the F&N Ltd Group	10,227
		Sale of finished products and/or raw materials to the F&N Ltd Group	279,720
		Payment of royalties to the F&N Ltd Group for the use of trademarks, trade names and brand names owned by the F&N Ltd Group	66,846
		Receipt of rental from the F&N Ltd Group	485
		Receipt of corporate services fees from the F&N Ltd Group	4,015
		Receipt of printing services from the F&N Ltd Group	659
Berli Jucker Public Company Limited (“BJC”) Group	BJC’s ultimate parent company is TCC Corporation Limited, which in turn is under the control of Y.Bhg. Tan Sri Charoen Sirivadhanabhakdi (“Tan Sri Charoen”) and Y.Bhg. Puan Sri Wanna Sirivadhanabhakdi (“Puan Sri Wanna”), the ultimate major shareholders of ThaiBev and the Company. Hence, the BJC Group is deemed a person connected to the said ultimate major shareholders	Purchase of packaging materials from the F&N Ltd Group	100
		Purchase of raw materials from the BJC Group	1,010
		Sale of finished products to the BJC Group	58,088
		Purchase of packaging materials from the BJC Group	2,034
Thai Beverage Public Company Limited (“ThaiBev”) Group	ThaiBev is deemed a major shareholder of the Company by virtue of its indirect substantial interest in F&N Ltd held through its indirect wholly owned subsidiary, InterBev Investment Limited	Purchase of raw materials from the ThaiBev Group	7,021
		Sale of finished products to the ThaiBev Group	4,242
		Receipt of co-packing services from the ThaiBev Group	2,003
		Purchase of raw materials from the ThaiBev Group	11,948
		Purchase of finished products from the ThaiBev Group	575
		Receipt of corporate services from the ThaiBev Group	1,948
		Sale of scrap to the ThaiBev Group	712
		Payment of royalties to the ThaiBev Group for the use of trademarks, trade names and brand names owned by the ThaiBev Group	14
		Provision of travel related services by the ThaiBev Group	44
		Receipt of corporate services fees from the ThaiBev Group	120
Fraser Property Limited (“FPL”) Group	FPL’s major shareholder is TCC Assets Limited, which in turn is under the control of Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the FPL Group is deemed a person connected to the said ultimate major shareholders	Payment of rental to the FPL Group	5,807
Thai Group Holdings Public Company Limited (“Thai Group Holdings”) Group	Thai Group Holdings’s major shareholders are Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the Thai Group Holdings Group is a person connected to the said ultimate major shareholders	Payment of insurance premium to the Thai Group Holdings Group	2,979
		Lease of assets from the Thai Group Holdings Group	113
TCC Corporation Limited (“TCC Corporation”) Group	TCC Corporation is under the control of Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the TCC Corporation Group is a person connected to the said ultimate major shareholders	Sale of finished products to the TCC Corporation Group	20
		Purchase of raw materials from the TCC Corporation Group	35,719
		Purchase of stationery and office supplies from the TCC Corporation Group	17
Asset World Corp Public Company Limited (“AWC”) Group	AWC’s major shareholders are TCC Business Management Co., Ltd. and TCC Group International Limited, which in turn are under the control of Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the AWC Group is a person connected to the said ultimate major shareholders	Sale of finished goods to the AWC Group	128



Sustainability Statement

In our continued efforts to provide ‘Pure Enjoyment. Pure Goodness’ to our stakeholders, we continue to sharpen our focus on creating value for our stakeholders by becoming a ‘better business’ and contributing to a ‘better planet’ and a ‘better society’.

In our 6th Sustainability Report, covering the period from 1st October 2021 to 30th September 2022 (FY2022), we communicate the importance of sustainability and each material topics to F&N, the progress of our goals, the existing and new initiatives that were implemented to meet our goals and commitment.

We continue to be guided by the GRI standards to ensure the relevance and completeness of the report. Additionally, selected Safety, Health and Environment (SHE) disclosure has been externally validated by Lloyds Register Quality Assurance (LRQA).

As an organisation whose core business revolves around raw materials, we are cognisant of the effect climate change has on our products and supply chain. F&N had begun a phased implementation of climate-related disclosures in relation to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations this year, ahead of Bursa Malaysia's stipulated timeline. This is part of our commitment to manage climate-related impacts and stay accountable to our stakeholders.

We will continue to evolve our sustainability strategy and action programs to create sustainable value for people, the planet and the future viability of our businesses. We look forward to another exciting year in which we continue to create value for our stakeholders and shareholders.



Achieved **94th** percentile in our second S&P Global Corporate Sustainability Assessment

Ranked **TOP 10** companies out of **89** assessed in the beverages industry
(Score date: Nov 18, 2022)

A constituent of the

• **FTSE4Good Bursa Malaysia (F4GBM) Index** for forth consecutive year

• **FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index** for second consecutive year

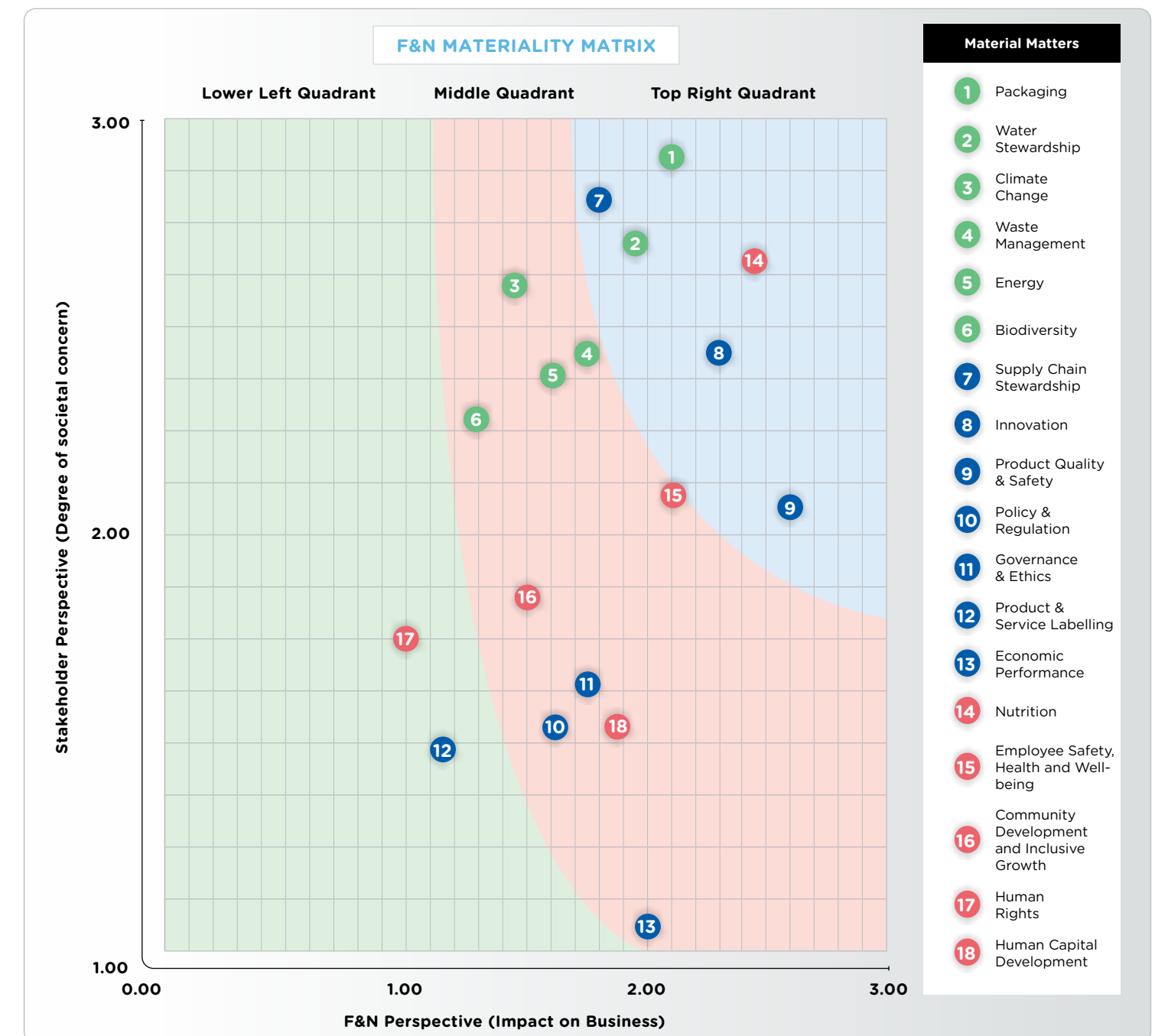


FTSE4Good

SUSTAINABILITY APPROACH

Understanding the priorities and evolving concerns of our stakeholders is important to us. In 2020, F&N overhauled our previous materiality matrix with an extensive materiality assessment – incorporating internal and external stakeholders in the process, supported by an external consultant.

This year, we reviewed our materiality matrix against the Sustainability Accounting Standards Board (SASB) for Food Retailers & Distributors, Singapore Exchange (SGX) Core ESG Metrics, S&P CSA Beverages, FTSE4Good, and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022. Human Rights, Product & Service Labelling, Governance & Ethics, Human Capital Development, and Employee Safety, Health and Well-being were shifted upward to reflect the increased importance to our stakeholders. We will continue to monitor sustainability trends and review our material issues annually.



Read more in "F&N Sustainability Priorities" in our 2022 Sustainability Report, in pages 28 to 32.



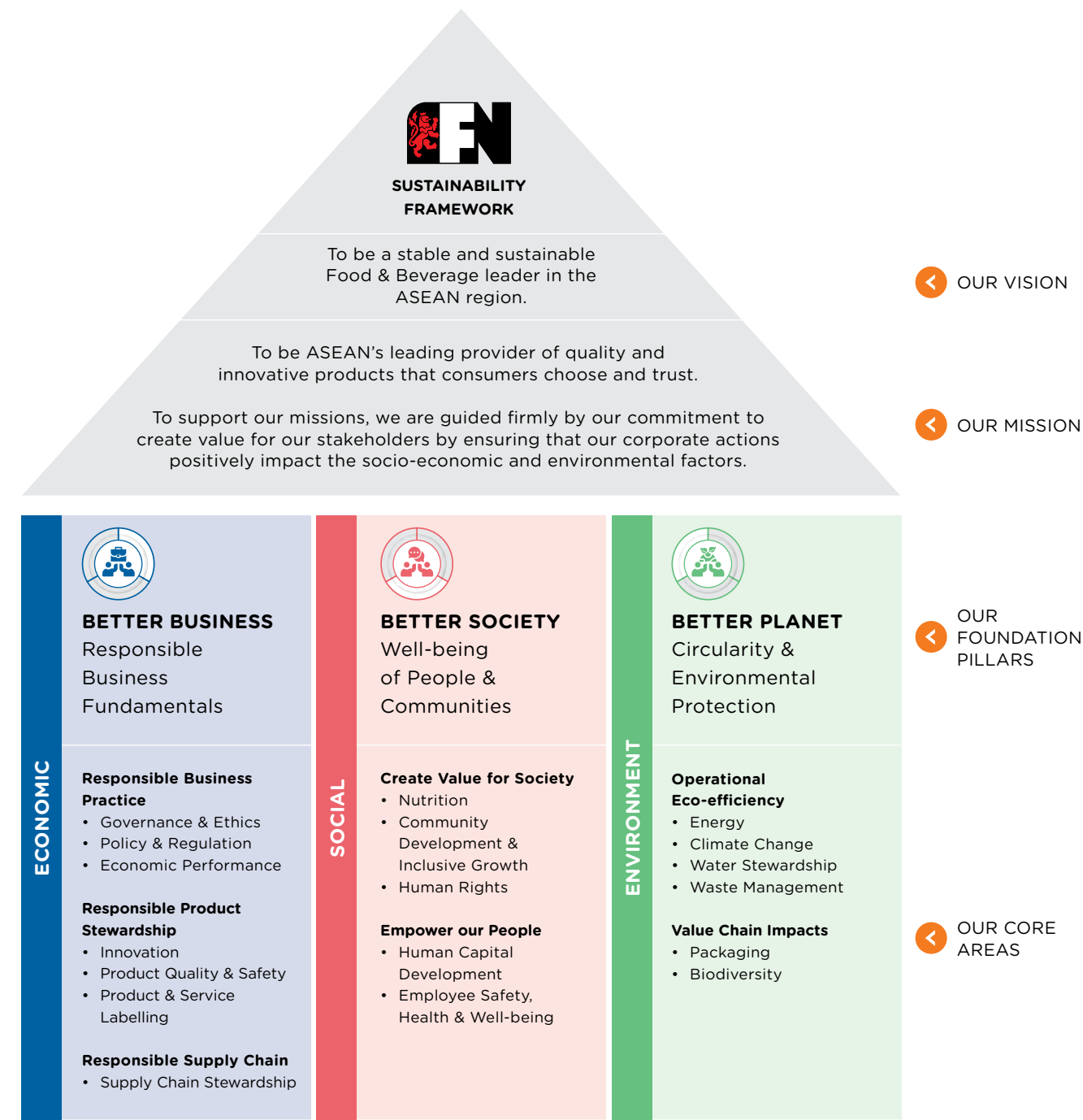


Sustainability Statement

F&N Sustainability Focus Areas & 2025 Targets

The 18 material issues have been mapped onto the seven core areas of our Sustainability Framework. Through this framework, we align our business and sustainability goals with a sharper focus on how we create value for each material issue.

F&N GROUP'S MATERIAL ISSUES MAPPED TO SUSTAINABILITY FRAMEWORK

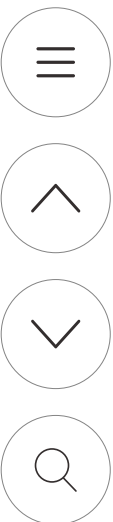


In 2020, we set ambitious sustainability performance targets to be achieved by 2025 for our 12 highest priority material issues. F&N 2025 goals enable our Group to monitor our actual sustainability performance across our economic performance, impact on the environment and people. These 2025 goals strengthen our commitment to creating long-term value for our stakeholders.

F&N's Material Issues

Material Issue	2025 Target	2022 Progress
 PRODUCT QUALITY & SAFETY	100% of our plants and production processes certified with the Food Safety System Certification scheme 22000 and Halal Standard (or equivalent)	100% of our plants and production processes are certified with Halal Standards. 50% of our plants and production processes are certified with Food Safety System Certification (FSSC) 22000.
 INNOVATION	10% product innovation for commercialised F&N products from a 2020 baseline	13% product innovation for commercialised F&N products
 SUPPLY CHAIN STEWARDSHIP	100% of active key suppliers accept and comply with F&N's Supplier Code of Practice (SCOP)	99% of our active key suppliers have accepted and complied with our SCOP, of which all our direct suppliers have accepted.
 NUTRITION	At least two third of beverage and dairy products ¹ comply with the Nutritional Guidelines	58% of our beverage and dairy products are endorsed with Healthier Choice Logo.
 COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH	10% increase in the number of community programmes offered from a 2020 baseline	11 community programmes conducted this year, with a 10% increase compared to FY2020 baseline.
 HUMAN CAPITAL DEVELOPMENT	Provide an average of at least 18 hours of training to executive level employees and 11 hours of training to non-executives	22.2 training hours per employee in the executive category and 13.1 training hours per employee in the non-executive category
 EMPLOYEE SAFETY, HEALTH & WELL-BEING	Reduce the Lost Time Injury Frequency Rate (LTIFR) to 0	Lost time injury rate was 1.28 in FY2022, due to 6 recordable injury cases at our plants in Malaysia and Thailand.

¹ based on formulation, excluding canned milk and cordials





Sustainability Statement

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Sustainability at F&N

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Material Issue	2025 Target	2022 Progress
 ENERGY	Reduce the Group's energy intensity ratio at our plants by 8% from a 2020 baseline	Group's energy intensity ratio has reduced by 1% to 860.29 (compared to FY2020 baseline at 868.56), contributed by the various energy improvement initiatives at our plants.
 CLIMATE CHANGE	Reduce the Group's greenhouse gas (GHG) emissions intensity ratio at our plants by 8% from a 2020 baseline	Group's GHG intensity ratio has reduced by 4% to 0.0633 (as compared to FY2020 baseline at 0.0661), contributed by the various energy improvement initiatives at our plants and the implementation of solar roofs at our plants in Malaysia and Thailand.
 WATER STEWARDSHIP	Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline	Group's water intensity ratio increased by 1% to 2.32 (as compared to FY2020 baseline at 2.29), due to lower production volume at our dairy plant.
 WASTE MANAGEMENT	Reduce the solid waste sent to landfill by 30% from a 2020 baseline	Our total solid waste sent to landfill increased 31% to 1,471 MT (as compared to FY2020 baseline at 1,122 MT), due to the additional sludge from the maintenance of our wastewater treatment plant at our Shah Alam plant.
 PRODUCT PACKAGING	Increase the recycled content in our beverage and dairy packaging to 25%	The average recycled content in our packaging is 25% this year, from 20% in FY2020.

STAKEHOLDER ENGAGEMENT

F&N's stakeholders include any individual or group who is impacted by or interested in our activities. Trust and respect are the foundation to maintaining strong relationships with our stakeholders. Engaging stakeholders is a critical part of our business planning and sustainability strategy.

We identify stakeholder groups with which to engage through consideration of individuals or groups which may have an interest in our business, and/ or have influence over the functioning of our business. We tailor our engagement approach depending on the stakeholder groups level of interest and influence

 Read more in "Stakeholder Engagement " in our Sustainability Report, in pages 48 to 49.

1 RESPONSIBLE BUSINESS PRACTICE

Our business is built on the foundation of upholding responsible business practices. We communicate our robust governance policies and standards of ethical behaviour transparently, to maintain trust with our stakeholders. These practices flow into every part of F&N, including our financial performance, risk management, and our interactions with suppliers and customers.

We are committed towards addressing ESG issues, therefore the ESG-related matters are integrated in our governance structure and decision-making process. Our Board has the ultimate oversight of all sustainability issues, and they are guided by sustainability principles when making decision for long-term strategy planning.

Meanwhile, F&NHB Sustainability & Risk Management Committee (SRMC) is the board level committee responsible in overseeing sustainability-related matters and approving all sustainability-related strategic initiatives and policies while considering the related risks and opportunities in the process.

 Read more in "Responsible Business Practice" in our Sustainability Report, in pages 54 to 61.

ZERO

incident of non-compliance with laws and resulting in a fine, penalty or warning



Over
1,200
employees attended
Halal-related training
this year

Currently, ESG issues are integrated into our overall risk management framework. Business operational risks and emerging risks which may impact the business over a mid-term or long-term basis are the key priorities of sustainability-related risks and opportunities that we consider during our strategic decision-making process.

As a leading manufacturer of Halal-compliant products, maintaining Halal compliance and Halal integrity through our supply chain is crucial in providing confidence and meeting the needs of our local and global Muslim consumers. We have gone beyond the compliance of laws and regulations.

2 RESPONSIBLE PRODUCT STEWARDSHIP

Our philosophy 'Pure Enjoyment. Pure Goodness' is our commitment to consumers in delivering quality products and adhere to all safety standards. We strive to put our customers first in our product stewardship approach, we are committing to provide product information viewed as important by our customers. We are also continuously investing in innovation to meet the changing needs and wants of our customers.

From boots to boardroom, we promote a culture for high product quality and safety standards. In our own operations, we comply with all health and safety regulations applicable to the F&B industry for the markets in which we operate. All our products are manufactured under stringent international quality and food safety standards, such as FSSC Scheme 22000, ISO 22000 and HACCP.

At F&N, we go beyond mandatory labelling requirements because we believe information provided to our customers should be comprehensive to provide



100%
of plants and production
processes are certified
with Halal Standard



13%
of product innovation
for commercialised F&N
products

THB 30 MILLION

annual cost avoidance through
employee-driven innovation
projects in 2022

clarity and transparency. We ensure that our marketing and advertising activities comply with relevant laws and regulations, and do not violate any ethical standards. We adhere to the Malaysian Code of Advertising Practice in Malaysia, and the Consumer Protection Act of B.E. 2522 (1979) and the FDA's Advertising Guidelines in Thailand, which sets out the principles in protecting consumer rights.

Innovation is crucial for long-term business success. It represents a response to growing concerns about social and environmental issues. We invest in product and process innovation to increase our product range and improve efficiency and productivity. We continuously evolve to deliver new and unique product offerings which cater to consumers' changing needs. Further guided by the 'circular economy' principle of decoupling our activities from the consumption of finite resources, we continuously innovate for longer shelf life and better recyclability of our product packaging.

 Read more in "Responsible Product Stewardship" in our Sustainability Report, in pages 62 to 69.



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3 RESPONSIBLE SUPPLY CHAIN

Affected by the Ukraine-Russia war, the global supply has faced massive disruptions. Other factors such as the changing weather and climate conditions, regulatory changes imposed by the Government and human rights risks, have also been identified as key supply chain risk factors. Having a resilient and sustainable supply chain means ability to manage the cost of raw materials and ensure sustainable sourcing, which have direct impacts on F&N operations and the bottom line of the business.

As a market-leading F&B company, we constantly work with the counterparts of our supply chain, including business partners, suppliers and vendors, to understand their needs, and deliver mutually sustainable solutions that create long lasting value. We encourage our stakeholders to improve their sustainability performance throughout the supply chain, where applicable, and lead by example. We source for raw materials that are certified with eco-credentials, including RSPO and FSC™ to ensure that they are produced in an environmentally and socially responsible manner.

To ensure standards and practices for food safety and the environment are maintained throughout the value chain, we have a systematic screening process, which also incorporates environmental and social criteria for all our new suppliers. We work closely with our suppliers and conduct regular audits.

Read more in "Responsible Supply Chain" in our Sustainability Report, in pages 70 to 77.

Engaged with
>2,300
global and local suppliers

Annual procurement spent of **RM3.75 million**

99%
of our active key suppliers
have accepted F&N Group's
Supplier Code of Practice.

Sustainable
Palm Oil



23%
physical RSPO
palm oil

77%
RSPO
credits

4 CREATE VALUE FOR SOCIETY

F&N's successes over the last 139 years were made possible through the commitment of our people, the contributions from our consumers, and the support of communities in which we operate. Continuing to build collaborative relationships with these stakeholders is crucial to us.

We do so by offering a strong portfolio of quality and nutritious products for consumers, providing vulnerable groups with the support they need, empowering our employees by providing tools for long-term growth and rewarding work environments, and respecting the human rights of all stakeholders.

Together with promoting an active lifestyle to our consumers, we also aim to offer products that will satisfy our consumers and enhance their health and well-being. Our increasing health and nutrition ambition focuses on reducing sugar level, developing products without partially hydrogenated oils (trans fatty acids), fortifying our products with micronutrients, catering to consumers with diverse dietary need and preference and promoting health and well-being through consumer education programme.

We also understand that the scale of our operations in the region goes beyond impacting only our consumers. We connect and support our local communities by maintaining positive relationships and strengthen these relationships between different cultures to promote social inclusion. We believe that social inclusion allows for businesses and societies to flourish together. In each market that we operate

in, we have undertaken several long and short-term programmes that serve to create greater social equity under five themes:

- Supporting Flood Relief
- Strengthening Vulnerable Groups
- Promoting Environmental Consciousness
- Spreading Festive Cheer
- Promoting Sports & Active Lifestyle

At the same time, respecting and advancing the human rights of our stakeholders is essential to us. We strive to consistently improve the health and wellbeing of our stakeholders and treat our stakeholders with dignity, respect, and equality. In previous year, F&N Group conducted a formal Human Rights Due Diligence for the first time, to understand the actual and potential human rights issues faced by our stakeholder groups. We are determined to conduct the human rights due diligence process regularly to identify, review and evaluate any risks and impacts relating to a violation of human rights caused by the Group's business operations and associated activities.

58%
of products are
in compliance
with national
nutritional
guidelines

>90%
of the Ready-
To-Drink (RTD)
beverages sold
are considered
as healthier
options with less
sugar

Restarted the annual
nationwide School
Recycling Programme
to promote 5R among
schoolchildren

- **5R**
- **Reduce**
- **Reuse**
- **Recycle**
- **Rethink**
- **Reinvent**

68 products certified
with Healthier Choice
Symbol/Logo

50% reduction of
sugar per ml of our total
beverages (2013-2022)

Spread hydration
message to over
100,000
Malaysians through
100PLUS World
Hydration Day

Read more in "Creating Value for Society" in our Sustainability Report, in pages 80 to 96.

5 EMPOWER OUR PEOPLE

At F&N, we value our people and believe they are key to our long-term success. Their dedication, knowledge and performance bring life to F&N's strategy and drive our business. Our holistic Human Capital Development roadmap and strategy aim to systematically support our people on their growth and well-being. F&N also strives to create a diverse, inclusive and safe work environment. F&N also strives to create a diverse, inclusive, and safe and healthy work environment, as we care for our employees.

Diversity and inclusion within our workforce is important to us because we serve different consumer groups and take actions that affect our stakeholders. This belief is ingrained in our F&N culture through the entire organisation. Our employment policies have included a Non-discrimination principle to create an equal opportunity without regard to race, religion, age, nationality, gender, political beliefs, marital status, disability, and any other unrelated criteria to employment requirement.

To ensure safety of our people, F&N also believes that working as a team is the only way, and those who work with us. We foster a proactive 'safety first' culture for employees to be aware of their responsibilities to themselves and their colleagues. To ensure our employees and contractors' employees are able to carry out their functions safely, we conduct various safety training programmes to remind people in our premises.

At F&N, safety is integrated across our operations through the implementation of SHE systems and monitoring processes. Our adherence to international standards, such as ISO 45001 at our major site demonstrates that our safety practices extend beyond compliance with national regulations. All employees, workers and activities are covered by our SHE systems, and all workers receive adequate training and safety equipment wherever appropriate.

Our strategic plan to be a preferred employer is guided by our seven "Modules for Strategic Human Capital Transformation" as below:



2,352
number of employees

30.1%
female representation in
total workforce
44.8%
female representation in
managerial positions

22.2
training hours per employee in
the executive category

13.1
training hours per employee in
the non-executive category

85%
of our employees underwent
ESG-related training in 2022
> 19,300 hours

71%
of employees participated in annual
safety, health and
well-being programmes
> 1,200
employees participating in
> 16,000 hours of
safety trainings

Maintained
0 high-consequence
work-related injury
0 work-related fatality
0 work-related illness

Read more in "Empowering Our People" in our Sustainability Report, in pages 97 to 109.





6 OPERATIONAL ECO-EFFICIENCY

F&N continues to work towards minimising environmental impacts by reducing the usage of finite resources by 2025, with set targets for our identified material topics. We are changing the way we work on energy and climate, water, and waste management. We promote circularity and environmental efficiency in our operations through management of energy, water, and waste.

ENERGY & CLIMATE CHANGE

GHG emissions from our business operations contribute to climate change. In turn, the effects of climate change also affect F&N. The ripple effects of climate change result in a strain on production and poses climate-related risks such as price fluctuations of raw material commodities, and the access to water resources, for F&N. At the same time, it also provides climate-related opportunities, such as cost savings, and alignment with consumer expectations.

Climate change results in physical environmental risks such as floods and drought that leads to price fluctuations of raw material commodities and impacts the access to water resources. This year, we have conducted our inaugural climate change risk assessment. We have also developed our first ever Task Force on Climate-related Financial Disclosures (TCFD) report, which present the findings of our climate-related risks, together with strategy and mitigation measures to manage the climate risks.

WATER STEWARDSHIP

Water is an important resource that is relied upon by all life forms. It invigorates communities and businesses. In F&N, the success to our business depends on a reliable supply of clean water and effective water management. Through our climate change risk assessment, F&N has identified key sites in Thailand and Malaysia with medium exposure to water-stress - where demand of clean water exceeds the availability. With climate change expected to intensify the severity of flooding and water-stress in the near future, we are committed to responsible water stewardship by managing our water use to safeguard the availability of clean water for the local communities, in the markets we operate.

Our water stewardship approach references F&N ESH Policy and the principles of the circular economy. We use various methods to identify and assess water-related risks in our operations and supply chain including partnering with our stakeholders to secure water supply. We are committed to responsible water stewardship and effective water management, to safeguard availability of clean water supply for local communities and our operations.

WASTE MANAGEMENT

The circular economy concept - we view waste as a resource that could regenerate value as an input for another process. Effectively managing our waste not only enhances our ability to achieve resource efficiency, by doing so, it translates to cost savings for the business. In F&N we focus on reducing and diverting our operational waste; and collaborating with stakeholders along the supply chain to identify circular and cost saving opportunities - through the efficient use of resources.

We apply strict standards to the quality of our effluent discharges from our manufacturing process, to adhere with our ESH Policy. We employ the principles of a circular economy as much as possible by continuously exploring alternate uses for the by-products from our operations. Our existing initiatives include "Zero Waste to Landfill", and "Prevention, Optimisation, Recycling and Recovery initiatives" to minimise food loss and food waste along our value chain. Additionally, we put the circular economy at the core of our environmental awareness programmes for our employees.

Read more in "Operational Eco-efficiency" in our Sustainability Report, in pages 112 to 124.

TCFD Conducted our first climate-related impact assessment

and begin phased implementation of TCFD recommendations



Our first year reporting
scope 3 emissions
in Sustainability Report



Solar PV systems at 3 plants
in Malaysia started to generate renewable energy progressively since August 2022

- Reduce the annual electricity usage from the grid by about 13.4 million kWh per year
- with an estimation annual reduction of around 9,000 MT CO_{2e} in GHG emissions



Invested a total of **RM232 million** in

- an integrated warehouse in Shah Alam, Malaysia
- a regional distribution centre in Rojana, Thailand

Read more in "Task Force on Climate-related Financial Disclosures & Climate Risk Management" in Our Sustainability Report, in pages 40 to 47.

7 VALUE CHAIN IMPACTS

The impacts of our products extend beyond our direct operations. The raw materials and ingredients we source for our products and the packaging used, are all associated impacts with our business. We look into ways to improve our packaging through innovation, and the raw material sources we use to produce our products.

PACKAGING

The sourcing of packaging materials and the management of post-consumer packaging are major societal concerns. The increasing awareness on the environmental impacts of single-use plastics is leading to consumers and stakeholders actively demanding for F&B companies to act. Companies are pressured from various stakeholders to innovate solutions that are holistic. Governments around the world have introduced environmental policies that are designed to encourage companies to change how their products are produced.

F&N applies the principles of the circular economy in our packaging strategy to our best abilities and designing packaging that will leave a minimum impact on the environment. At the same time, we continue to seek collaboration with our stakeholders in embracing the circular economy concepts within our business. We have set long-term goals to increase the percentage of recycled materials in our packaging and to ensure all our packaging is recyclable by 2025.

BIODIVERSITY

In recent decades, biodiversity loss and ecosystem degradation are occurring at an unprecedented pace with overexploitation of resources. Safeguarding biodiverse ecosystems will be challenged by intensifying climate change impacts, increasing demand, and technological advances in operations. F&N is dependent on the natural environment for raw materials such as palm oil, sugar, and paper. A declining biodiverse ecosystem would impact our business too, especially in the upstream of our supply chain.

We recognise the importance of acknowledging our biodiversity-related risks, to enable proper management of our operations. We foresee scaling up our efforts beyond sustainable sourcing, to protect biodiversity and promote natural ecosystems in areas where we operate; working with our suppliers to do so. Biodiversity management in F&NHB is guided by our biodiversity statement launched in 2021.

Read more in "Value Chain Impacts" in our Sustainability Report, in pages 125 to 129.



25%
recycled content in
beverage and dairy
packaging



99%
of packaging
is recyclable



Over
87%
solid waste reused,
recycled or recovered



100%
of industrial sludge from
dairy production,
545MT
converted to organic
fertiliser and distributed to
local farmers



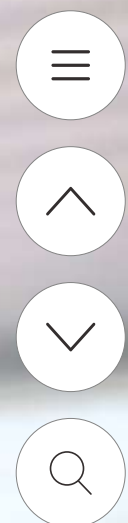


FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

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Directors' Report

for the financial year ended 30 September 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

HOLDING COMPANIES

Fraser and Neave, Limited (“F&NL”), a corporation incorporated in the Republic of Singapore is the immediate holding company whilst TCC Assets Limited, a corporation incorporated in the British Virgin Islands is regarded by the Directors as the Company’s ultimate holding company, during the financial year and until the date of this report.

SUBSIDIARIES

The details of the Company’s subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS

	Group RM’000	Company RM’000
Profit/(Loss) for the year attributable to:		
Owners of the Company	383,208	234,945
Non-controlling interests	(939)	-
	382,269	234,945

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the dividends paid by the Company were as follows:

- i) In respect of the financial year ended 30 September 2021 as reported in the Directors’ Report of that financial year:
 - a final ordinary dividend of 33.0 sen per ordinary share totalling RM121,037,000 declared on 16 December 2021 and paid on 9 February 2022.
- ii) In respect of the financial year ended 30 September 2022:
 - an interim ordinary dividend of 27.0 sen per ordinary share totalling RM99,030,000 declared on 27 April 2022 and paid on 31 May 2022.

DIVIDENDS (CONTINUED)

The final ordinary dividend recommended by the Directors in respect of the financial year ended 30 September 2022 is 33.0 sen per ordinary share totalling RM121,037,000, is subject to shareholders’ approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2023.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

- Tengku Syed Badarudin Jamalullail (Chairman)
- Hui Choon Kit
- David Siew Kah Toong
- Datuk Kamaruddin bin Taib
- Tan Fong Sang
- Dato’ Jorgen Bornhoft
- Aida binti Md Daud
- Faridah binti Abdul Kadir
- Datuk Mohd Anwar bin Yahya
- Dato’ Ng Wan Peng (ceased as Alternate Director to Dato’ Sri Johan Tazrin bin Hamid Ngo but appointed as Director on 17 January 2022)
- Kosit Suksingha (appointed on 10 June 2022)
- Tongjai Thanachanan (appointed as an Alternate Director to Kosit Suksingha on 10 June 2022)
- Dato’ Sri Johan Tazrin bin Hamid Ngo (retired on 17 January 2022)
- Lee Meng Tat (ceased on 10 June 2022)





Directors' Report

for the financial year ended 30 September 2022

DIRECTORS OF THE COMPANY (CONTINUED)

The Directors who held office in the subsidiaries of the Company during the financial year until the date of this report are:

Subsidiaries	Lim Yew Hoe	Tiong Yean Yau	Hui Choon Kit	Ng Eng Cheang	Lai Ming Kong	Suchit Riewcharoon	Yap Peng Kang	Lau Cheng Yew
Awana Citra Sdn Bhd								
Borneo Springs Sdn Bhd	✓							
Dagang Sejahtera Sdn Bhd								
Elsinburg Holdings Sdn Bhd	✓							
F&N AgriValley Sdn Bhd	✓ (xi)							
F&N Beverages Manufacturing Sdn Bhd	✓		✓					
F&N Beverages Marketing Sdn Bhd	✓	✓ (v)						
F&N Capital Sdn Bhd	✓							
F&N Dairies Distribution (Singapore) Pte Ltd	✓			✓ (iv)				
F&N Dairies (Malaysia) Sdn Bhd	✓	✓ (v)						
F&N Dairies Manufacturing Sdn Bhd	✓						✓	
F&N Dairies (Thailand) Limited	✓					✓		
F&N Marketing (B) Sdn Bhd	✓							
F&N Properties Sdn Bhd	✓							✓
Fraser & Neave (Malaya) Sdn Bhd	✓		✓					
Fraser and Neave MENA DWC-LLC	✓	✓ (vi)			✓ (vi)			
Greenclipper Corporation Sdn Bhd	✓							
Lee Shun Hing Sauce Industries Sdn Bhd								
Lettricia Corporation Sdn Bhd	✓							
Nuvak Company Sdn Bhd	✓							
Premier Milk (Malaya) Sdn Berhad	✓	✓ (v)						
Sri Nona Food Industries Sdn Bhd								
Sri Nona Industries Sdn Bhd								
Tropical League Sdn Bhd	✓							✓
Usahaniaga Abadi Sdn Bhd								
Utas Mutiara Sdn Bhd	✓							

Ooi Aik Tuan	Goh Teong Hoe	Aisha Alkaff	Dato' Raffiq bin Md Ariff	Zainal Abidin bin Musa @ Hussain	Dato' Seri DiRaja Syed Razlan Ibni Syed Putra Jamalutail	Lee Lay Yean	Tengku Syed Badarudin Jamalutail	Soh Swee Hock	Lai Kah Shen	Lim Siang Chin
			✓	✓						
✓										
			✓ (iii)		✓ (ii)	✓ (iii)				
✓										
✓			✓ (vii)			✓ (vii)	✓ (xi)			
✓										
✓									✓ (ix)	
✓										
✓										✓ (viii)
✓									✓ (ix)	
✓										
✓										
		✓								
✓										
								✓ (x)	✓ (x)	
✓										
			✓	✓						
✓	✓									
✓									✓ (ix)	
			✓	✓						
			✓	✓						
			✓ (i)			✓ (i)				
✓										



DIRECTORS OF THE COMPANY (CONTINUED)

The Directors who held office in the subsidiaries of the Company during the financial year until the date of this report are: (continued)

- | | |
|-----------------------------------|--------------------------------------|
| (i) appointed on 14 February 2022 | (vii) appointed on 13 September 2022 |
| (ii) appointed on 22 March 2022 | (viii) resigned on 20 April 2022 |
| (iii) appointed on 20 April 2022 | (ix) resigned on 24 May 2022 |
| (iv) appointed on 17 May 2022 | (x) resigned on 22 June 2022 |
| (v) appointed on 24 May 2022 | (xi) resigned on 13 September 2022 |
| (vi) appointed on 22 June 2022 | |

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in shares, Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

Companies in which Directors held interest	Number of ordinary shares			
	At 1.10.2021	Acquired	Disposed	At 30.9.2022
Fraser & Neave Holdings Bhd ("F&NHB")				
Tengku Syed Badarudin Jamalullail				
- direct interest	2,062,000	-	-	2,062,000
Faridah binti Abdul Kadir				
- direct interest	4,000	-	-	4,000
F&NL				
Hui Choon Kit				
- direct interest	626,607	80,692	-	707,299

Companies in which Directors held interest	Number of share grants				
	At 1.10.2021	Awarded	Achievement factor	Vested	At 30.9.2022
F&NL					
Hui Choon Kit					
- F&NL RSP - Year 9	12,425	-	-	(12,425)	-
- F&NL RSP - Year 10	34,200	-	-	(17,100)	17,100
- F&NL RSP 2019 - Year 1	30,400	-	-	(15,200)	15,200
- F&NL RSP 2019 - Year 2	78,500	-	(2,400)	(25,367)	50,733
- F&NL RSP 2019 - Year 3	-	83,000	-	-	83,000
- F&NL PSP - Year 10	20,000	-	(9,400)	(10,600)	-

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

- * The F&NL Remuneration Committee administers the F&NL's share-based remuneration incentive plans, namely, the F&NL RSP, F&NL PSP and the F&NL RSP 2019, (collectively, the "F&NL Share Plans"). The F&NL RSP and PSP expired on 21 January 2019, and were replaced by the F&NL RSP 2019. The expiry of the F&NL RSP and PSP does not affect awards granted prior to expiry of these share plans and which are pending final release. During the financial year, all pending awards under the F&NL PSP have been released. The final award under the F&NL RSP which is pending release is expected to be released by December 2022.

Under the F&NL Share Plans, F&NL grants a base number of conditional share awards (the "Base Awards") to eligible participants annually. The Base Awards represent the right to receive fully paid ordinary shares of F&NL, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods. The F&NL Remuneration Committee, as the administrator of the F&NL Share Plans, has absolute discretion in granting the Base Awards. The first grant of F&NL Base Awards pursuant to the F&NL RSP 2019 was made on 28 August 2020. The performance periods for the F&NL RSP and F&NL PSP are two and three years respectively. For the F&NL RSP 2019, the performance period is one year.

Depending on the level of achievement of the pre-determined targets over the respective performance periods for the F&NL RSP and F&NL PSP, an achievement factor will be applied to the relevant F&NL Base Awards to determine the final number of shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the F&NL RSP and F&NL RSP 2019, and 0% to 200% for the F&NL PSP. Accordingly, the actual number of shares to be awarded pursuant to the F&NL Share Plans will range from: 0% to 150% of the F&NL Base Awards for the F&NL RSP and F&NL RSP 2019, and from 0% to 200% of the F&NL Base Awards for the F&NL PSP (the "F&NL Final Awards").

In respect of the F&NL RSP, the first tranche at 50% of the relevant F&NL Final Awards will be vested to participants after the end of the two-year performance period and followed by the balance which will be vested in equal instalments over the next two years. In respect of the F&NL PSP, 100% of the relevant F&NL Final Awards will be vested to the participants after the end of the three-year performance period. In respect of the F&NL RSP 2019, F&NL Final Awards will be vested in three equal instalments over three years after the end of the one-year performance period.

None of the other Directors holding office at 30 September 2022 had any interest in shares, RSP and PSP of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 September 2022 are as follows:

	From the Company RM'000
Directors of the Company:	
- Fees	1,304
- Estimated monetary value of benefits-in-kind	35
	1,339



DIRECTORS' BENEFITS (CONTINUED)

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the share grants granted pursuant to the immediate holding company's RSP and PSP.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

F&NHB SHARE GRANT PLANS

The Company has in place share-based remuneration incentive plans, details of which are as follows:

- i) The F&NHB Share Grant Plan 2012 ("F&NHB SGP 2012") established and implemented on 15 March 2012, comprises the F&NHB Restricted Share Plan ("F&NHB RSP 2012") and Performance Share Plan ("F&NHB PSP"). F&NHB SGP 2012 expired on 14 March 2022 ("the Expiry Date").

To date, there were no grants made under the F&NHB PSP.

- ii) The F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021") was approved by shareholders of the Company at the Extraordinary General Meeting held on 19 January 2021 and was implemented on 11 February 2021. The F&NHB SGP 2021 is valid for 10 years from 11 February 2021 to 10 February 2031.

Details of the shares awarded under the F&NHB SGP 2012 and F&NHB SGP 2021 are as follows:

	Number of share grants				Vesting period
	At 1.10.2021	Achievement factor	Vested	Lapsed *	At 30.9.2022
F&NHB SGP 2012					
F&NHB RSP Year 7 (22.12.2017)	54,125	-	(52,525)	(1,600)	-
F&NHB RSP Year 8 (22.12.2018)	64,000	-	(31,250)	(3,100)	29,650
F&NHB RSP Year 9 (23.12.2019)	194,750	(6,050)	(94,350)	(5,900)	88,450
F&NHB SGP 2021					
F&NHB RSP Year 10 (15.02.2021)	321,800	-	-	(33,800)	288,000
F&NHB RSP Year 11 (16.02.2022)	437,400	-	-	(21,800)	415,600
	1,072,075	(6,050)	(178,125)	(66,200)	821,700

* Share grants lapsed upon cessation of employment.

The main features of the Company's SGP 2012 and SGP 2021 are disclosed in Note 16(c) to the financial statements.

The Directors do not participate in the F&NHB share grant plans.

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Group were covered by Directors' and Officers' liability insurance for any liability incurred in discharging their duties in their respective capacity, subject to the terms of the insurance policy. The premium paid in respect of the Directors' and Officers' liability insurance for the Directors and Officers of the Group amounted to RM23,860. The policy has an indemnity coverage of RM20,000,000.

There were no indemnity insurance and insurance costs effected for auditors of the Group during the financial year.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' report on the audited financial statements of the Company's subsidiaries did not contain any qualification or any adverse comments.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.



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Directors' Report

for the financial year ended 30 September 2022

OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 September 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, KPMG PLT have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM801,000 and RM294,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tengku Syed Badarudin Jamalullail
Director
Kuala Lumpur, Malaysia

.....
Hui Choon Kit
Director
Singapore

Date: 8 November 2022

Statements of Financial Position

as at 30 September 2022

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Note					
ASSETS					
Property, plant and equipment	3	1,458,344	1,372,249	-	-
Right-of-use assets	4	122,133	125,367	-	-
Investment properties	5	47,569	47,569	-	-
Properties held for development	6	54,933	54,933	-	-
Intangible assets	7	91,925	88,319	-	-
Investments in subsidiaries	8	-	-	1,193,787	1,254,833
Investment in an associate	9	93,465	85,687	68,727	68,727
Investment in a joint venture	10	87,362	87,555	166,114	166,114
Deferred tax assets	11	5,178	5,240	-	-
Total non-current assets		1,960,909	1,866,919	1,428,628	1,489,674
Trade and other receivables	12	866,369	545,932	257,657	229,195
Inventories	13	901,377	659,745	-	-
Current tax assets		-	3,770	-	204
Derivative financial assets	14	88	-	-	-
Cash and cash equivalents	15	461,887	555,380	33,370	69,192
Total current assets		2,229,721	1,764,827	291,027	298,591
Total assets		4,190,630	3,631,746	1,719,655	1,788,265
EQUITY					
Share capital		816,770	816,770	816,770	816,770
Shares held by SGP Trust		(6,387)	(4,626)	(6,387)	(4,626)
Reserves		2,172,140	2,006,821	907,464	889,676
Equity attributable to owners of the Company	16	2,982,523	2,818,965	1,717,847	1,701,820
Non-controlling interests		1,866	(195)	-	-
Total equity		2,984,389	2,818,770	1,717,847	1,701,820



Statements of Financial Position

as at 30 September 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
LIABILITIES					
Loans and borrowings	17	210,000	-	-	-
Lease liabilities		53,021	53,904	-	-
Employee benefits	18	35,696	43,440	-	-
Deferred tax liabilities	11	74,180	59,754	-	-
Total non-current liabilities		372,897	157,098	-	-
Trade and other payables	19	693,017	558,253	1,547	86,445
Contract liabilities	20	66,996	55,815	-	-
Loans and borrowings	17	36,833	1,000	-	-
Lease liabilities		10,270	10,143	-	-
Current tax liabilities		26,164	30,501	261	-
Derivative financial liabilities	14	64	166	-	-
Total current liabilities		833,344	655,878	1,808	86,445
Total liabilities		1,206,241	812,976	1,808	86,445
Total equity and liabilities		4,190,630	3,631,746	1,719,655	1,788,265

Statements of Profit or Loss

for the financial year ended 30 September 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	21	4,470,163	4,130,872	217,611	240,707
Cost of sales		(3,296,071)	(2,936,714)	-	-
Gross profit		1,174,092	1,194,158	217,611	240,707
Other income		20,894	17,988	15,496	182
Distribution expenses		(342,976)	(338,451)	-	-
Marketing expenses		(245,448)	(251,517)	-	-
Administrative expenses		(131,478)	(119,437)	(4,980)	(2,951)
Net loss on impairment of financial instruments	30(d)	(2,400)	(1,138)	-	-
Other expenses		(24,743)	(29,317)	-	(41)
Results from operating activities		447,941	472,286	228,127	237,897
Finance income	22	4,327	4,970	8,900	11,039
Finance costs	23	(5,803)	(3,179)	(486)	(1,317)
Net finance (costs)/income		(1,476)	1,791	8,414	9,722
Share of profit of equity-accounted associate, net of tax	9	7,778	5,624	-	-
Share of loss of equity-accounted joint venture, net of tax	10	(193)	(290)	-	-
Profit before tax		454,050	479,411	236,541	247,619
Tax expense	24	(71,781)	(84,281)	(1,596)	(21,994)
Profit for the year	25	382,269	395,130	234,945	225,625
Profit/(Loss) for the year attributable to:					
Owners of the Company		383,208	395,164	234,945	225,625
Non-controlling interests		(939)	(34)	-	-
		382,269	395,130	234,945	225,625
Basic earnings per ordinary share (sen)	27(a)	104.5	107.8		
Diluted earnings per ordinary share (sen)	27(b)	104.3	107.6		



Statements of Other Comprehensive Income

for the financial year ended 30 September 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the year		382,269	395,130	234,945	225,625
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability	26	5,705	2,537	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	26	(6,437)	(46,282)	-	-
Other comprehensive expense for the year, net of tax		(732)	(43,745)	-	-
Total comprehensive income for the year		381,537	351,385	234,945	225,625
Total comprehensive income/(expense) attributable to:					
Owners of the Company		382,476	351,419	234,945	225,625
Non-controlling interests		(939)	(34)	-	-
		381,537	351,385	234,945	225,625

Statements of Changes in Equity

for the financial year ended 30 September 2022

Group	Note	Attributable to owners of the Company									
		Share capital (Note 16(a)) RM'000	Shares held by SGP Trust (Note 16(b)) RM'000	Loss on purchase of shares for SGP (Note 16(d)) RM'000	Translation reserve RM'000	Share-based payment reserve RM'000	Legal reserve (Note 16(e)) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 October 2021		816,770	(4,626)	(9,275)	48,002	12,926	9,934	1,945,234	2,818,965	(195)	2,818,770
Remeasurement of defined benefit liability	26	-	-	-	-	-	-	5,705	5,705	-	5,705
Foreign currency translation differences for foreign operations	26	-	-	-	(6,437)	-	-	-	(6,437)	-	(6,437)
Total other comprehensive (expense)/income for the year		-	-	-	(6,437)	-	-	5,705	(732)	-	(732)
Profit/(Loss) for the year		-	-	-	-	-	-	383,208	383,208	(939)	(382,269)
Total comprehensive (expense)/income for the year		-	-	-	(6,437)	-	-	388,913	382,476	(939)	381,537
<i>Contributions by and distributions to owners of the Company</i>											
- Employee share-based expense		-	-	-	-	7,893	-	-	7,893	-	7,893
- Shares vested under SGP		-	4,983	297	-	(5,280)	-	-	-	-	-
- Issue of shares by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	3,000	3,000
- Purchase of shares by SGP Trust		-	(6,744)	-	-	-	-	-	(6,744)	-	(6,744)
- Dividends to owners of the Company	28	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners of the Company		-	(1,761)	297	-	2,613	-	(220,067)	(218,918)	3,000	(215,918)
At 30 September 2022		816,770	(6,387)	(8,978)	41,565	15,539	9,934	2,114,080	2,982,523	1,866	2,984,389

The notes on pages 177 to 280 are an integral part of these financial statements.



Statements of Changes in Equity

for the financial year ended 30 September 2022

← Attributable to owners of the Company → ← Non-distributable → Distributable											
		Share capital (Note 16(a)) RM'000	Shares held by SGP Trust (Note 16(b)) RM'000	Loss on purchase of shares for SGP (Note 16(d)) RM'000	Translation reserve RM'000	Share-based payment reserve RM'000	Legal reserve (Note 16(e)) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group	Note										
At 1 October 2020		816,770	(4,688)	(7,733)	94,284	14,434	9,934	1,767,600	2,690,601	(161)	2,690,440
Remeasurement of defined benefit liability	26	-	-	-	-	-	-	2,537	2,537	-	2,537
Foreign currency translation differences for foreign operations	26	-	-	-	(46,282)	-	-	-	(46,282)	-	(46,282)
Total other comprehensive (expense)/income for the year		-	-	-	(46,282)	-	-	2,537	(43,745)	-	(43,745)
Profit/(Loss) for the year		-	-	-	-	-	-	395,164	395,164	(34)	395,130
Total comprehensive (expense)/income for the year		-	-	-	(46,282)	-	-	397,701	351,419	(34)	351,385
<i>Contributions by and distributions to owners of the Company</i>											
- Employee share-based expense		-	-	-	-	3,577	-	-	3,577	-	3,577
- Shares vested under SGP		-	6,627	(1,542)	-	(5,085)	-	-	-	-	-
- Purchase of shares by SGP Trust		-	(6,565)	-	-	-	-	-	(6,565)	-	(6,565)
- Dividends to owners of the Company	28	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners of the Company		-	62	(1,542)	-	(1,508)	-	(220,067)	(223,055)	-	(223,055)
At 30 September 2021		816,770	(4,626)	(9,275)	48,002	12,926	9,934	1,945,234	2,818,965	(195)	2,818,770

		Attributable to owners of the Company					
		Non-distributable			Distributable		
Company	Note	Share capital (Note 16(a)) RM'000	Shares held by SGP Trust (Note 16(b)) RM'000	Loss on purchase of shares for SGP (Note 16(d)) RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 October 2021		816,770	(4,626)	(9,275)	12,926	886,025	1,701,820
Profit and total comprehensive income for the year		-	-	-	-	234,945	234,945
Contributions by and distributions to owners of the Company							
- Employee share-based expense		-	-	-	7,893	-	7,893
- Shares vested under SGP		-	4,983	297	(5,280)	-	-
- Purchase of shares by SGP Trust		-	(6,744)	-	-	-	(6,744)
- Dividends to owners of the Company	28	-	-	-	-	(220,067)	(220,067)
Total transactions with owners of the Company		-	(1,761)	297	2,613	(220,067)	(218,918)
At 30 September 2022		816,770	(6,387)	(8,978)	15,539	900,903	1,717,847
At 1 October 2020		816,770	(4,688)	(7,733)	14,434	880,467	1,699,250
Profit and total comprehensive income for the year		-	-	-	-	225,625	225,625
Contributions by and distributions to owners of the Company							
- Employee share-based expense		-	-	-	3,577	-	3,577
- Shares vested under SGP		-	6,627	(1,542)	(5,085)	-	-
- Purchase of shares by SGP Trust		-	(6,565)	-	-	-	(6,565)
- Dividends to owners of the Company	28	-	-	-	-	(220,067)	(220,067)
Total transactions with owners of the Company		-	62	(1,542)	(1,508)	(220,067)	(223,055)
At 30 September 2021		816,770	(4,626)	(9,275)	12,926	886,025	1,701,820

The notes on pages 177 to 280 are an integral part of these financial statements.





Statements of Cash Flows

for the financial year ended 30 September 2022

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Note					
Cash flows from operating activities					
		454,050	479,411	236,541	247,619
<i>Adjustments for:</i>					
Amortisation of intangible assets	7	2,833	2,084	-	-
Bad debts recovered	25	(54)	(31)	-	-
Depreciation of property, plant and equipment	3	104,007	108,677	-	-
Depreciation of right-of-use assets	4	19,317	25,094	-	-
Dividend income	21	-	-	(217,611)	(240,707)
Employee benefits expense	18	3,643	2,709	-	-
Finance income	22	(4,327)	(4,970)	(8,900)	(11,039)
Finance costs	23	5,803	3,179	486	1,317
Gain on liquidation of a subsidiary	8	-	-	(14,396)	-
Gain on lease termination/modification		(45)	(56)	-	-
Impairment loss:					
- Intangible assets	7	294	-	-	-
- Plant and equipment	3	3,185	3,043	-	-
Net loss on disposal of plant and equipment	25	92	46	-	-
Plant and equipment written off	25	681	373	-	-
Property development costs written off	6	-	25	-	-
Reversal of impairment loss on plant and equipment	3	(3,553)	(666)	-	-
Employee share-based expense	25	8,085	4,062	-	-
Share of profit of equity-accounted associate, net of tax	9	(7,778)	(5,624)	-	-
Share of loss of equity-accounted joint venture, net of tax	10	193	290	-	-
Operating profit/(loss) before changes in working capital		586,426	617,646	(3,880)	(2,810)
<i>Changes in working capital:</i>					
Changes in inventories		(241,632)	4,358	-	-
Changes in contract liabilities		10,958	(1,972)	-	-
Changes in trade and other payables		133,897	33,933	(85,384)	(4,188)
Changes in trade and other receivables		(320,186)	53,813	(20,568)	322,109
Cash generated from/(used in) operations		169,463	707,778	(109,832)	315,111
Employee benefits paid	18	(3,724)	(6,212)	-	-
Tax paid		(62,991)	(84,964)	(1,369)	(22,595)
Tax refunded		4,261	495	237	72
Net cash from/(used in) operating activities		107,009	617,097	(110,964)	292,588

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from investing activities					
Acquisition of intangible assets	7	(2,459)	(2,162)	-	-
Acquisition of property, plant and equipment	3	(197,697)	(145,188)	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	8	-	(49,868)	-	-
Dividends received		-	11,198	217,611	240,707
Interest received		4,164	5,004	8,900	11,039
Investment in subsidiaries		-	-	(12,900)	(334,790)
Proceeds from liquidation of a subsidiary	8	-	-	14,738	-
Proceeds from redemption of preference share capital by a subsidiary		-	-	73,604	-
Proceeds from disposal of plant and equipment		887	299	-	-
Net cash (used in)/from investing activities		(195,105)	(180,717)	301,953	(83,044)
Cash flows from financing activities					
Dividends paid to owners of the Company	28	(220,067)	(220,067)	(220,067)	(220,067)
Drawdown of loans and borrowings		326,639	1,000	-	-
Interest paid		(5,602)	(4,081)	-	-
Payment of lease liabilities		(16,610)	(23,134)	-	-
Proceeds from issuance of shares by a subsidiary to a non-controlling interest		3,000	-	-	-
Purchase of shares by SGP Trust	16(b)	(6,744)	(6,565)	(6,744)	(6,565)
Repayment of loans and borrowings		(80,806)	(86,582)	-	-
Net cash used in financing activities		(190)	(339,429)	(226,811)	(226,632)
Net (decrease)/increase in cash and cash equivalents		(88,286)	96,951	(35,822)	(17,088)
Effects of exchange rate fluctuations on cash and cash equivalents		(5,207)	(35,186)	-	-
Cash and cash equivalents at 1 October 2021/2020		555,380	493,615	69,192	86,280
Cash and cash equivalents at 30 September	15	461,887	555,380	33,370	69,192

CASH OUTFLOWS FOR LEASES AS A LESSEE

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	25	3,323	1,712	-	-
Payment relating to leases of low-value assets	25	1,634	1,420	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	25	9,435	13,879	-	-
Included in net cash from financing activities					
Payment of lease liabilities		16,610	23,134	-	-
Interest paid in relation to lease liabilities	23	3,714	1,648	-	-
Total cash outflows for leases		34,716	41,793	-	-



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Statements of Cash Flows

for the financial year ended 30 September 2022

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 October 2020	Net changes from financing cash flows	Acquisition of new lease	Acquisition through business combinations	Foreign exchange movement	* Other changes	At 30 September 2021/ 2021	Net changes from financing cash flows	Acquisition of new lease	Foreign exchange movement	* Other changes	At 30 September 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	24,457	(24,782)	65,213	2,152	(495)	(2,498)	64,047	(20,324)	18,774	(416)	1,210	63,291
Islamic Medium Term Notes	-	1,000	-	-	-	-	1,000	109,000	-	-	-	110,000
Term loans	91,868	(86,582)	-	-	(5,286)	-	-	136,833	-	-	-	136,833
	116,325	(110,364)	65,213	2,152	(5,781)	(2,498)	65,047	225,509	18,774	(416)	1,210	310,124

* Comprise interest expenses and termination of leases.

Notes to the Financial Statements

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Level 3A, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park
Off Jalan Yew
55100 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associate and joint venture.

The Company is principally engaged in investment holding activities while the other Group entities are primarily engaged in the manufacture and sale of soft drinks, dairy and food products, property development activities and the provision of management services. There has been no significant change in the nature of these principal activities during the financial year. Information on the Group’s structure is provided in Notes 8, 9 and 10. Information on other related party relationships of the Group is provided in Note 33.

The immediate holding company is Fraser and Neave, Limited (“F&NL”), which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange. The ultimate holding company is TCC Assets Limited, which is incorporated in the British Virgin Islands.

These financial statements were authorised for issue by the Board of Directors on 8 November 2022.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

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The notes on pages 177 to 280 are an integral part of these financial statements.



1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

- MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022**
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
 - Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
 - Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
 - Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
 - Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
 - Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
 - Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

- MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023**
- MFRS 17, *Insurance Contracts*
 - Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
 - Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
 - Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
 - Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

- MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024**
- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*

- MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

- The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:
- from the annual period beginning on 1 October 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 and MFRS 141 which are not applicable to the Group and the Company.
 - from the annual period beginning on 1 October 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company.
 - from the annual period beginning on 1 October 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- (i) Note 4 - extension options and incremental borrowing rate in relation to leases
- (ii) Note 5 - valuation of investment properties
- (iii) Note 7 - intangible assets
- (iv) Note 16(c) - share-based payments
- (v) Note 18 - employee benefits
- (vi) Note 20 - contract liabilities

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.





Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Associate

An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses of an associate equals or exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the associate are prepared as of a different reporting date from that of the Group. The share of results of an associate refers to Cocoland Holdings Berhad and is derived from the sum total of its unaudited quarterly results recognised by the Group for the four quarters ended 30 June 2022. Where necessary, adjustments are made to bring the accounting policies of the associate in line with those of the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vi) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investment in a joint venture is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the joint venture, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses of a joint venture equals or exceeds its interest in a joint venture, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the joint venture are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies of the joint venture in line with those of the Group.

When the Group ceases to have joint control over a joint venture, any retained interest in the former joint venture at the date when joint control is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

Investment in a joint venture is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

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Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associate and joint venture are eliminated against the investment to the extent of the Group’s interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve (“FCTR”) in equity.

(ii) Operations denominated in functional currencies other than RM

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

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Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

- buildings 10 - 60 years
- plant and machinery 3 - 15 years
- others * 2 - 12 years

* Comprise motor vehicles, postmix, coolers, vending machines, furniture, fittings, office equipment and computer equipment.

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted prospectively as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.





Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities’ incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(f) Intangible assets

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associate and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associate and joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (continued)

(ii) Brand

Brand was stated at cost less any accumulated impairment losses. The useful life of the brand was estimated to be indefinite because based on the current market share of the brand, management believed there was no foreseeable limit to the period over which the brand was expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Gains or losses arising from derecognition of a brand were measured as the difference between the net disposal proceeds and the carrying amount of the brand and were recognised in the profit or loss when the brand was derecognised. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

(iii) Computer software

Customised computer software and computer software license that is not integral to the functionality of the related equipment is recognised as an intangible asset, stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Goodwill and brand with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Computer software and computer software license are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives of computer software and computer software license for the current and comparative periods are between 2 to 10 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment properties

(i) Investment property carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Properties held for development

Properties held for development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Properties held for development are classified within non-current assets and are stated at lower of cost less any accumulated impairment losses and net realisable value.

Properties held for development are reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with acquisition of land includes the purchases price of land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.





Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience and adjusted for forward-looking factors specific to the trade receivables and the economic environment.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

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Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Treasury shares

When share capital recognised as equity was repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, was recognised as a deduction from equity. Repurchased shares that were not subsequently cancelled were classified as treasury shares in the statement of changes in equity.

When treasury shares were sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares was recognised in equity.

(iii) Shares held by Share Grant Plan (“SGP”) Trust

The Company has established a trust for its SGP and is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase the Company’s shares from the open market for the purposes of this trust.

The shares purchased are measured and carried at the cost of purchase on initial recognition and subsequently maintained on the same basis. The SGP Trust is included in the Group’s and the Company’s financial statements as a deduction from equity and classified as “Shares held by SGP Trust”.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group’s contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

Certain subsidiaries of the Group operate unfunded defined benefit plans for its employees. The plans pay a lump sum amount (instead of a pension) at retirement. The schemes do not hold any physical assets but instead the Group makes provision to cover the estimated retirement benefit liabilities.

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.





Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (continued)

(iv) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

The fair value of share awards granted to employees of subsidiaries are recharged by the Company to the subsidiaries.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Contract liabilities

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers. Contract liabilities also include trade incentives yet to be paid to customers.

(i) Sale of goods with variable consideration

Some contracts for the sale of goods provide customers with trade incentives. Trade incentives give rise to variable consideration.

Trade incentives

The Group provides incentives to certain customers based on the achievement of the performance criteria stated in the signed incentive guide. Incentives are credited to the customer's account and available for purchase of products. Trade incentives give rise to variable consideration. To estimate the variable consideration for the expected future incentives, the Group applies the maximum achievement criteria of set targets. The sales thresholds contained in the signed incentive guide primarily drive the selected method that best predicts the amount of variable consideration. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future incentives.

(ii) Advances received from customers

Certain customers pay purchase consideration to the Group before the transfer of goods to the customer. The Group concluded that contract liability should be recognised for amount received as advances from customer for which goods are yet to be transferred.



Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as reduction of rental income, over the term of the lease on a straight-line basis. Rental income from sub-leased property is recognised as other income.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.





Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share grants granted pursuant to SGP and shares held by SGP Trust.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. Operating segment results are reviewed regularly by the chief operating decision maker (“CODM”), which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

For management purposes, the Group’s operating businesses are organised according to products and services, namely Food & Beverages (“F&B”) Malaysia, F&B Thailand, Property, and others which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
Cost							
At 1 October 2020		96,911	596,283	1,251,640	202,450	280,049	2,427,333
Additions		-	57	3,021	132,779	9,331	145,188
Acquisition through business combination	8	-	-	366	-	685	1,051
Transfer to intangible assets	7	-	-	-	(176)	-	(176)
Disposals		-	-	(591)	-	(10,819)	(11,410)
Written off		-	-	(1,565)	-	(3,687)	(5,252)
Reclassifications		-	1,953	46,546	(49,695)	1,196	-
Effect of movements in exchange rates		(1,280)	(11,257)	(21,389)	(4,150)	(2,319)	(40,395)
At 30 September 2021/ 1 October 2021		95,631	587,036	1,278,028	281,208	274,436	2,516,339
Additions		-	31	5,595	185,733	6,338	197,697
Transfer to intangible assets	7	-	-	-	(4,274)	-	(4,274)
Disposals		-	(1,519)	(1,565)	-	(18,949)	(22,033)
Written off		-	(266)	(788)	(208)	(3,451)	(4,713)
Reclassifications		-	100,559	155,864	(274,017)	17,594	-
Adjustments		(2,216)	(336)	(10,755)	(352)	(105)	(13,764)
Effect of movements in exchange rates		(155)	(1,363)	(2,581)	(496)	(214)	(4,809)
At 30 September 2022		93,260	684,142	1,423,798	187,594	275,649	2,664,443

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
Accumulated depreciation							
At 1 October 2020		-	(143,346)	(680,656)	-	(233,222)	(1,057,224)
Depreciation for the year	25	-	(14,030)	(77,135)	-	(17,512)	(108,677)
Disposals		-	-	571	-	10,494	11,065
Written off		-	-	1,419	-	3,460	4,879
Effect of movements in exchange rates		-	2,859	13,592	-	1,925	18,376
At 30 September 2021/ 1 October 2021		-	(154,517)	(742,209)	-	(234,855)	(1,131,581)
Depreciation for the year	25	-	(14,079)	(75,649)	-	(14,279)	(104,007)
Disposals		-	1,517	1,391	-	18,146	21,054
Written off		-	46	732	-	3,254	4,032
Reclassification		-	-	(1,119)	-	1,119	-
Adjustments		-	439	5,420	-	(2)	5,857
Effect of movements in exchange rates		-	449	2,059	-	263	2,771
At 30 September 2022		-	(166,145)	(809,375)	-	(226,354)	(1,201,874)

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3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
Accumulated impairment loss							
At 1 October 2020		(2,216)	(1,463)	(6,136)	-	(401)	(10,216)
Impairment loss	25	-	-	(2,664)	-	(379)	(3,043)
Reversal of impairment loss	25	-	-	272	-	394	666
Effect of movements in exchange rates		-	73	11	-	-	84
At 30 September 2021/ 1 October 2021		(2,216)	(1,390)	(8,517)	-	(386)	(12,509)
Impairment loss	25	-	-	(2,654)	-	(531)	(3,185)
Reversal of impairment loss	25	-	-	3,143	-	410	3,553
Adjustments		2,216	190	5,501	-	-	7,907
Effect of movements in exchange rates		-	9	-	-	-	9
At 30 September 2022		-	(1,191)	(2,527)	-	(507)	(4,225)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
Carrying amount						
At 1 October 2020	94,695	451,474	564,848	202,450	46,426	1,359,893
At 30 September 2021	93,415	431,129	527,302	281,208	39,195	1,372,249
At 30 September 2022	93,260	516,806	611,896	187,594	48,788	1,458,344

* Comprise motor vehicles, postmix, coolers, vending machines, furniture, fittings, office equipment and computer equipment.

3.1 An impairment loss of RM3,185,000 (2021: RM3,043,000), representing the write-down of plant and equipment to its recoverable amount, was recognised in "other expenses" line item of the profit or loss for the financial year ended 30 September 2022. The reversal of the impairment loss in respect of the plant and equipment of RM3,553,000 (2021: RM666,000) was made during the financial year as those plant and equipment were repaired and refurbished. The carrying amount of the plant and equipment was increased to its recoverable amount of RM3,553,000 (2021: RM666,000).

3.2 Assets under construction are mainly relating to buildings, plant and machinery.



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4. RIGHT-OF-USE ASSETS

Group	Note	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	* Others RM'000	Total RM'000
At 1 October 2020		63,902	11,538	166	11,577	87,183
Additions		1,350	62,567	429	867	65,213
Acquisition through business combination	8	-	2,084	-	-	2,084
Depreciation for the year	25	(1,175)	(19,363)	(476)	(4,080)	(25,094)
Terminations/Modifications		(14)	(3,942)	(13)	(121)	(4,090)
Effect of movement in exchange rates		(43)	160	-	(46)	71
At 30 September 2021/1 October 2021		64,020	53,044	106	8,197	125,367
Additions		-	12,236	618	5,920	18,774
Depreciation for the year	25	(1,191)	(13,507)	(444)	(4,175)	(19,317)
Terminations/Modifications		(18)	(2,316)	-	(126)	(2,460)
Effect of movement in exchange rates		(13)	(230)	-	12	(231)
At 30 September 2022		62,798	49,227	280	9,828	122,133

* Comprise motor vehicles and forklifts.

Leasehold land relates to the lease of land with lease terms of eighteen to ninety-nine years (2021: eighteen to ninety-nine years) for the Group's factory buildings, office buildings and warehouses.

The Group leases various warehouses, office buildings, plant and machinery, and motor vehicles. Rental contracts are typically made for fixed periods of one to ten years with an option to renew the lease after that date. Lease terms are negotiated on an individual basis with different terms and conditions.

4. RIGHT-OF-USE ASSETS (CONTINUED)

4.1 Extension options

Some leases of office buildings contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Group	Lease liabilities recognised (discounted)	
	2022 RM'000	2021 RM'000
Leasehold land	1,829	1,854
Buildings	49,649	52,212
	51,478	54,066

4.2 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.



Notes to the Financial Statements

5. INVESTMENT PROPERTIES

	Group	
	2022 RM'000	2021 RM'000
At fair value - Buildings	47,569	47,569
At 30 September	47,569	47,569

Investment properties comprise commercial property and car park that are leased to third parties. Each of the lease contains an initial non-cancellable period of two to three years and subsequent renewals are negotiated with the lessee. No contingent rents are charged. The Group does not charge variable lease payments that do not depend on an index or rate.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2022 RM'000	2021 RM'000
Lease income	220	146
Direct operating expenses		
- income generating investment properties	(429)	(738)
- non-income generating investment properties	(310)	(527)

Fair value information

Fair values of investment properties are categorised as follows:

	Group	
	2022 Level 3 RM'000	2021 Level 3 RM'000
Buildings	47,569	47,569

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Properties	Valuation technique	Significant unobservable inputs	Range and rate	
			2022	2021
Commercial property	Investment approach : The valuation method considers the present value of net cash flows to be generated from the property, taking into account estimated rental value per square feet per month, capitalisation rate, void factor, capital expenditure reserve per square feet, discount factor, market interruption (if any) and other costs not paid by tenants.	Estimated rental value per square feet per month (RM)	3.20 - 4.20	4.00 - 5.50
		Capitalisation rate		
		- 1 st to 5 th year	7.25%	-
		- 6 th year onwards	7.25%	7.25%
		Void factor		
		- 1 st to 5 th year	0%	50%
		- 6 th year onwards	0%	12.50%
		Capital expenditure reserve per square feet (RM)	1.00	1.00
		Discount factor		
		- 1 st to 5 th year	7.25%	7.00%
Car park	Direct comparison approach : The valuation method considers the sales of comparable or substitute properties are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	- 6 th year onwards	7.25%	7.25%
		Market interruption	0%	20.00%
		Value per car park bay	RM30,000	RM30,000

Increase/(Decrease) in estimated rental value would result in higher/(lower) fair value of the investment properties assuming if all other assumptions were held constant. Increases/(Decreases) in the capitalisation rate, void factor, capital expenditure reserve, discount factor and market interruption would result in lower/(higher) fair value assuming if all other assumptions were held constant.

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5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

Valuation processes applied by the Group for Level 3 fair value

The fair values of investment properties are based on valuation performed by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining valuation report from the valuation company.

Highest and best use

The Group's investment properties comprise office building and car park which represented the highest and best use of the properties as they are on prime land in the city centre.

6. PROPERTIES HELD FOR DEVELOPMENT

	Group	
	2022 RM'000	2021 RM'000
At cost		
At 1 October 2021/2020	54,933	54,958
Property development cost written off	-	(25)
As at 30 September	54,933	54,933
Properties held for development comprise:		
- Freehold land	49,783	49,783
- Development costs	5,150	5,150
	54,933	54,933

7. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
Cost					
At 1 October 2020		45,929	-	31,414	77,343
Additions		-	-	2,162	2,162
Acquisition through business combination	8	27,042	15,102	-	42,144
Transfer from property, plant and equipment	3	-	-	176	176
At 30 September 2021/1 October 2021		72,971	15,102	33,752	121,825
Additions		-	-	2,459	2,459
Transfer from property, plant and equipment	3	-	-	4,274	4,274
At 30 September 2022		72,971	15,102	40,485	128,558

Accumulated amortisation and impairment loss

At 1 October 2020

Accumulated amortisation	-	-	(26,030)	(26,030)
Accumulated impairment loss	(5,392)	-	-	(5,392)
	(5,392)	-	(26,030)	(31,422)
Amortisation for the year	25	-	(2,084)	(2,084)

At 30 September 2021/1 October 2021

Accumulated amortisation	-	-	(28,114)	(28,114)
Accumulated impairment loss	(5,392)	-	-	(5,392)
	(5,392)	-	(28,114)	(33,506)
Amortisation for the year	25	-	(2,833)	(2,833)
Impairment loss for the year	-	-	(294)	(294)

At 30 September 2022

Accumulated amortisation	-	-	(30,947)	(30,947)
Accumulated impairment loss	(5,392)	-	(294)	(5,686)
	(5,392)	-	(31,241)	(36,633)

Carrying amount

At 1 October 2020	40,537	-	5,384	45,921
At 30 September 2021/1 October 2021	67,579	15,102	5,638	88,319
At 30 September 2022	67,579	15,102	9,244	91,925



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7. INTANGIBLE ASSETS (CONTINUED)

- 7.1 An impairment loss of RM294,000 (2021: RM nil), representing the write-down of a software subscription to its recoverable amount was recognised in “other expenses” line item of the profit or loss for the financial year ended 30 September 2022.

(a) Allocation of goodwill, brand and computer software

Goodwill, brand and computer software have been allocated to the Group's cash-generating units (“CGUs”) as identified according to country of operation and business segment as follows:

Group	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
At 30 September 2022				
F&B Malaysia				
- Soft drinks and dairy products	39,538	-	5,346	44,884
- Food products	27,042	15,102	-	42,144
F&B Thailand	999	-	-	999
Property and Others	-	-	3,898	3,898
	67,579	15,102	9,244	91,925
At 30 September 2021				
F&B Malaysia				
- Soft drinks and dairy products	39,538	-	1,700	41,238
- Food products	27,042	15,102	-	42,144
F&B Thailand	999	-	-	999
Property and Others	-	-	3,938	3,938
	67,579	15,102	5,638	88,319

(b) Key assumptions used in value in use calculations

(i) Goodwill

No impairment loss is required for the goodwill assessed in the current financial year as their recoverable values are in excess of their carrying values.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. The value in use calculations apply a discounted cash flows model using cash flow projections based on financial budgets approved by management covering three-year period.

The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the respective CGUs.

The terminal growth rate used does not exceed the long-term average growth rate of the respective industry and country in which the entity operates.

7. INTANGIBLE ASSETS (CONTINUED)

(b) Key assumptions used in value in use calculations (continued)

(i) Goodwill (continued)

Cash flows beyond these periods (i.e. three-year) are extrapolated using the estimated growth rate stated in the table below:

	Terminal growth rate	Average annual growth rate	Pre-tax discount rate
At 30 September 2022			
Dairy products	1.0%	11.3%	7.2%
Soft drinks	0.0%	6.4%	8.3%
Food products	0.0%	20.9%	8.3%
At 30 September 2021			
Dairy products	1.0%	10.0%	7.2%
Soft drinks	0.0%	8.2%	8.1%
Food products	0.0%	21.0%	8.1%

(ii) Brand

The brand comprises “Nona” and “Lee Shun Hing” arose from the acquisition of Sri Nona Companies.

The value in use calculations applied a discounted cash flows model using cash flow projections based on business plan covering three-year period.

The discount rates applied to the cash flow projections were derived from the cost of capital plus a reasonable risk premium.

	Terminal growth rate	Average annual growth rate	Pre-tax discount rate
At 30 September 2022	0.0%	20.9%	8.3%
At 30 September 2021	0.0%	21.0%	8.1%

The key assumptions represented management's assessment of future trends in food industry and were based on both external sources and internal sources (historical data).

(c) Sensitivity to changes in assumptions

With regard to the assessment of value in use of these CGUs, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these CGUs to differ materially from their recoverable amounts except for the changes in the prevailing operating environment, the impact of which is not expected to be significant.



8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
At cost		
Unquoted shares:		
- Ordinary shares	710,549	697,991
- Redeemable non-cumulative convertible preference shares ("RNCCPS")	491,800	565,404
	1,202,349	1,263,395
Less: Impairment loss	(8,562)	(8,562)
	1,193,787	1,254,833

The Company subscribed the RNCCPS in the following subsidiaries:

	Issue price RM	Number of shares '000	2022 RM'000	2021 RM'000
F&N Dairies Manufacturing Sdn Bhd	1,000	382.0	382,000	382,000
F&N Properties Sdn Bhd	1,000	57.0	57,000	57,000
Greenclipper Corporation Sdn Bhd	1,000	7.0	7,000	7,000
Nuvak Company Sdn Bhd	1,000	28.1	28,100	28,100
Utas Mutiara Sdn Bhd	1,000	17.7	17,700	17,700
Lion Share Management Limited	-	-	-	73,604
		491.8	491,800	565,404

During the financial year,

- (a) The Company incorporated a wholly-owned subsidiary, Usahaniaga Abadi Sdn Bhd ("UASB") with a paid-up share capital of RM10,000 comprising 10,000 ordinary shares. UASB was set up as an investment holding company. During the year, the Company subscribed for additional 6,990,000 ordinary shares in UASB at RM1.00 each.

UASB subscribed for 5,570,000 ordinary shares at RM1.00 each representing 65% of the issued share capital of Dagang Sejahtera Sdn Bhd ("DSSB"). DSSB was set up as an investment holding company.

- (b) The Company subscribed for additional 4,999,998 ordinary shares at RM1.00 each in its wholly-owned subsidiary, F&N Properties Sdn Bhd.
- (c) The Company subscribed for additional 499,998 ordinary shares at RM1.00 each in its wholly-owned subsidiary, Greenclipper Corporation Sdn Bhd.

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year, (continued)

- (d) The Company subscribed for additional 150,000 ordinary shares at RM1.00 each in its wholly-owned subsidiary, Nuvak Company Sdn Bhd.
- (e) The Company subscribed for additional 249,998 ordinary shares at RM1.00 each in its wholly-owned subsidiary, Tropical League Sdn Bhd.
- (f) A wholly-owned subsidiary, Lion Share Management Limited ("LSM") was dissolved in accordance with Section 208(3) of the BVI Business Companies Act 2004. Upon the completion of the dissolution, a gain of RM14,396,000 was recognised in "other income" line item of the profit or loss for the financial year ended 30 September 2022. LSM redeemed its RNCCPS amounting to RM73,604,000 during the financial year prior to its liquidation.

In the previous financial year,

- (a) The Company subscribed additional issued and paid-up share capital of RM273,000,000 and RM790,000 respectively in its wholly-owned subsidiaries, F&N Beverages Manufacturing Sdn Bhd and Nuvak Company Sdn Bhd for total cash consideration of RM273,000,000 and RM790,000 comprising 273,000,000 and 790,000 ordinary shares respectively.
- (b) The Company incorporated a wholly-owned subsidiary, Awana Citra Sdn Bhd ("ACSB") with a paid-up share capital of RM61,000,000 comprising 61,000,000 ordinary shares. ACSB was set up as an investment holding company.
- (c) Purchase price allocation ("PPA") arising from acquisition of Sri Nona Companies

On 15 January 2021, ACSB acquired the entire equity interest in Sri Nona Food Industries Sdn Bhd, Sri Nona Industries Sdn Bhd and Lee Shun Hing Sauce Industries Sdn Bhd (collectively referred to as, the "Sri Nona Companies") for a total cash consideration for RM59,498,000. The principal activities of Sri Nona Companies were the manufacture, distribution and sale of, among others, rice cakes and condiments. The acquisition of Sri Nona Companies had further helped the Group establish Halal Food Pillar as a new pillar of growth. These subsidiaries were included in the F&B Malaysia segment. The contribution of Sri Nona Companies to Group revenue and profit was not material.

The following summarised the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities determined at the acquisition date:

	RM'000
Fair value of consideration transferred	
Cash and cash equivalents	59,498

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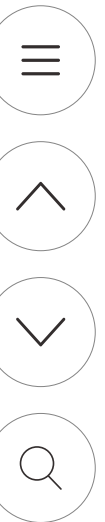
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8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In the previous financial year, (continued)

(c) Purchase price allocation (“PPA”) arising from acquisition of Sri Nona Companies (continued)

	Note	RM'000
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	3	1,051
Right-of-use assets	4	2,084
Intangible assets	7	15,102
Inventories		8,122
Trade and other receivables		10,083
Current tax asset		233
Cash and cash equivalents		9,630
Trade and other payables		(7,882)
Lease liabilities		(2,152)
Current tax liability		(137)
Deferred taxation	11	(3,678)
Total identifiable net assets		32,456

Fair value measurements

Assets acquired	Valuation technique
Intangible assets	Discounted cash flow: The valuation model considered expected net cash flow using risk-adjusted discount rate.

Net cash outflow arising from acquisition of subsidiaries

	RM'000
Purchase consideration settled in cash and cash equivalents	59,498
Cash and cash equivalents acquired	(9,630)
	49,868

Goodwill

Goodwill was determined as a result of the acquisition as follows:

	Note	RM'000
Total consideration transferred		59,498
Fair value of identifiable net assets		(32,456)
Goodwill	7	27,042

The goodwill was attributable mainly to the skills and technical talent of Sri Nona Companies work force, and the synergies expected to be achieved from integrating the company into the Group's existing halal business. None of the goodwill recognised was expected to be deductible for income tax purposes.

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In the previous financial year, (continued)

(c) Purchase price allocation (“PPA”) arising from acquisition of Sri Nona Companies (continued)

Acquisition-related costs

The Group incurred acquisition-related costs of RM516,000 related to external legal fees and due diligence costs. The legal fees and due diligence costs had been included in administrative expenses in the Group's consolidated statement of profit or loss.

Details of subsidiaries are as follows:

Name of company	Country of incorporation and place of business	Principal activities	Effective ownership and voting interest (%)	
			2022	2021
Subsidiaries of Fraser & Neave Holdings Bhd				
F&N Beverages Marketing Sdn Bhd	Malaysia	Distribution and sale of soft drinks, dairy and food products	100	100
F&N Beverages Manufacturing Sdn Bhd	Malaysia	Manufacturing and sale of soft drinks	100	100
F&N Dairies Manufacturing Sdn Bhd	Malaysia	Manufacturing and sale of dairy products	100	100
F&N Dairies (Thailand) Limited ⁽ⁱ⁾	Thailand	Manufacturing, distribution and sale of dairy products	100	100
F&N Dairies Distribution (Singapore) Pte Ltd ⁽ⁱ⁾	Republic of Singapore	Distribution of dairy products	100	100
F&N Marketing (B) Sdn Bhd ⁽ⁱ⁾	Brunei Darussalam	Sale of soft drinks and dairy products	100	100
Fraser & Neave (Malaya) Sdn Bhd	Malaysia	Sale of soft drinks and dairy products, provision of management service and property investment holdings	100	100



8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows: (continued)

Name of company	Country of incorporation and place of business	Principal activities	Effective ownership and voting interest (%)	
			2022	2021
Subsidiaries of Fraser & Neave Holdings Bhd (continued)				
Awana Citra Sdn Bhd	Malaysia	Investment holding	100	100
Usahaniaga Abadi Sdn Bhd	Malaysia	Investment holding	100	-
F&N Capital Sdn Bhd	Malaysia	Provision of financial and treasury services	100	100
F&N Properties Sdn Bhd	Malaysia	Provision of property management services	100	100
Greenclipper Corporation Sdn Bhd	Malaysia	Property development	100	100
Lettricia Corporation Sdn Bhd	Malaysia	Property development	70	70
Tropical League Sdn Bhd	Malaysia	Property development	100	100
Nuvak Company Sdn Bhd	Malaysia	Property development	100	100
Utas Mutiara Sdn Bhd	Malaysia	Property investment holding	100	100
Elsinburg Holdings Sdn Bhd	Malaysia	Inactive	100	100
F&N AgriValley Sdn Bhd	Malaysia	Inactive	100	100
F&N Dairies (Malaysia) Sdn Bhd	Malaysia	Inactive	100	100
Lion Share Management Limited ⁽ⁱⁱⁱ⁾	British Virgin Islands	Inactive	-	100
Premier Milk (Malaya) Sdn Berhad	Malaysia	Inactive	100	100

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows: (continued)

Name of company	Country of incorporation and place of business	Principal activities	Effective ownership and voting interest (%)	
			2022	2021
Subsidiary of F&N Beverages Manufacturing Sdn Bhd				
Borneo Springs Sdn Bhd	Malaysia	Manufacturing and sale of mineral water, drinking water and rental of dispensers	100	100
Subsidiary of Fraser & Neave (Malaya) Sdn Bhd				
Fraser and Neave MENA DWC-LLC ⁽ⁱⁱ⁾	United Arab Emirates	Trading of food & beverages and dairy products	100	100
Subsidiaries of Awana Citra Sdn Bhd				
Sri Nona Food Industries Sdn Bhd	Malaysia	Manufacturing and sale of food products	100	100
Sri Nona Industries Sdn Bhd	Malaysia	Sale and distribution of food products	100	100
Lee Shun Hing Sauce Industries Sdn Bhd	Malaysia	Sale and distribution of food products	100	100
Subsidiary of Usahaniaga Abadi Sdn Bhd				
Dagang Sejahtera Sdn Bhd	Malaysia	Investment holding	65	-

(i) Audited by other member firms of KPMG PLT.
(ii) Not audited by KPMG PLT.
(iii) Dissolved in accordance with Section 208(3) of the BVI Business Companies Act 2004.

The Group concluded that Lettricia Corporation Sdn Bhd and Dagang Sejahtera Sdn Bhd, the subsidiaries with non-controlling interest, are not material to the Group.



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9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At cost				
Quoted shares	68,727	68,727	68,727	68,727
Share of post-acquisition reserves	86,521	78,743	-	-
Dividends received	(61,783)	(61,783)	-	-
	93,465	85,687	68,727	68,727

	Group and Company	
	2022 RM'000	2021 RM'000
Market value		
Quoted shares	184,146	120,068

The associate is incorporated in Malaysia and the details are as follows:

Name of associate	Principal activity/Nature of relationship	Effective ownership and voting interest (%)	
		2022	2021
Cocoaland Holdings Berhad ("Cocoaland") (Financial year end: 31 December)	Investment holding company, manufacturing, trading and marketing of processed and preserved foods and fruits of all kinds/ Strategic supplier of the Group	27.62	27.19

The share of results of an associate is derived from the sum total of its unaudited quarterly results recognised by the Group for the four quarters ended 30 June 2022. It is impracticable to use the financial results of the associate at the same reporting date of the Group because the associate is a public listed company and its financial results has not been announced to the public.

9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The following table summarises the information of Cocoaland, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in Cocoaland, which is accounted for using the equity method.

	Group	
	2022 RM'000	2021 RM'000
Summarised financial information		
As at 30 June		
Non-current assets	114,861	118,997
Current assets	194,143	155,313
Non-current liabilities	(3,745)	(4,240)
Current liabilities	(32,990)	(21,712)
Net assets	272,269	248,358
Year ended 30 June		
Revenue	230,918	208,199
Profit for the year	28,122	20,685
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	75,307	67,529
Goodwill	18,158	18,158
Carrying amount in the statement of financial position	93,465	85,687
Group's share of profit for the year	7,778	5,624

Please see Note 34(c) for disclosures on significant and subsequent events on the investment in Cocoaland.

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10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At cost				
Unquoted shares	127,820	127,820	127,820	127,820
Share of post-acquisition reserves	(23,460)	(23,267)	-	-
	104,360	104,553	127,820	127,820
Interest on shareholder's loan	38,294	38,294	38,294	38,294
	142,654	142,847	166,114	166,114
Less: Unrealised profit	(55,292)	(55,292)	-	-
	87,362	87,555	166,114	166,114

The joint venture is incorporated in Malaysia and the details are as follows:

Name of joint venture	Principal activity/ Nature of relationship	Effective ownership and voting interest (%)	
		2022	2021
Vacaron Company Sdn Bhd ("VCSB") (Financial year end: 30 September)	Property development/ Strategic to the property development activities of the Group	50	50

The following table summarises the information of VCSB, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in VCSB, which is accounted for using the equity method.

	Group	
	2022 RM'000	2021 RM'000
Summarised financial information		
As at 30 September		
Non-current assets	5	7
Current assets	285,679	286,020
Current liabilities	(76,982)	(76,939)
Year ended 30 September		
Revenue	-	-
Loss for the year	(386)	(580)

10. INVESTMENT IN A JOINT VENTURE (CONTINUED)

	Group	
	2022 RM'000	2021 RM'000
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	104,351	104,544
Goodwill	9	9
Interest on shareholder's loan	38,294	38,294
Elimination of unrealised profit	(55,292)	(55,292)
Carrying amount in the statement of financial position	87,362	87,555
Group's share of loss for the year	(193)	(290)

The joint venture had no other contingent liabilities or capital commitments as at 30 September 2022 and 2021. VCSB cannot distribute its profits without the consent from the two venture partners.

Shareholder's loan

On 11 November 2011, the Company entered into a conditional subscription cum shareholders' agreement ("SSA") with Frasers Property Holdings (Malaysia) Pte. Ltd. ("FPHM") to form a joint venture, via VCSB for the purpose of carrying out a proposed mixed development on the land held under PN 3679 for Lot No. 35 and PN 3681 for Lot No. 37, Seksyen 13, Bandar Petaling Jaya ("PJ"), Daerah Petaling, Selangor ("Land").

The Company and FPHM had both granted shareholders' loans to VCSB pursuant to the SSA. The loans were unsecured, borne interest at KLIBOR + 1.25% per annum and were denominated in RM.

On 2 October 2019, the shareholder's loan was converted to 126,820 RNCCPS at issue price of RM1,000 each.

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10. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Shareholder's loan (continued)

RNCCPS have the following salient terms:

- (i) Non-cumulative preferential dividend, the quantum of which will be at the discretion of the joint venture subject to the applicable laws and regulations governing the joint venture.
- (ii) The RNCCPS shall rank pari passu as between themselves and prior to the ordinary shares and all other classes of shares, if any, for the time being of the joint venture.
- (iii) Each RNCCPS is transferable subject to the Articles of Association and any applicable laws.
- (iv) The registered RNCCPS holder would not have the right to vote at any general meeting of the joint venture.
- (v) Subject to the applicable laws and regulations governing the joint venture, the RNCCPS is redeemable at the discretion of the joint venture.
- (vi) The RNCCPS are convertible into ordinary shares at the option of the joint venture.

Unrealised profit

On 18 January 2012, VCSB issued new ordinary shares of 499,998 and 500,000 to the Company and FPHM respectively. Consequent thereupon, the Company and FPHM each holds 50% equity interest in VCSB. With the announcement of the completion of the transaction in the financial year ended 30 September 2012, the Company had effectively divested 50% of its interest in the development land in PJ Section 13 and recognised a gain of approximately RM55,292,000. The remaining 50% unrealised profit of RM55,292,000 will be realised upon the disposal of the land by the joint venture or the date on which the Group ceases to have joint control over the joint venture.

11. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment	5	4	(110,834)	(94,441)	(110,829)	(94,437)
Right-of-use assets	-	-	(12,306)	(12,683)	(12,306)	(12,683)
Investment properties	127	127	(651)	(651)	(524)	(524)
Intangible assets	-	-	(3,624)	(3,624)	(3,624)	(3,624)
Employee benefit plans	6,412	8,882	-	-	6,412	8,882
Tax loss carry-forwards and unutilised capital allowances	5,965	4,435	-	-	5,965	4,435
Unutilised tax incentives	25,134	25,648	-	-	25,134	25,648
Lease liabilities	13,116	13,243	-	-	13,116	13,243
Provisions, contract liabilities and others	7,654	4,546	-	-	7,654	4,546
Tax assets/(liabilities)	58,413	56,885	(127,415)	(111,399)	(69,002)	(54,514)
Set off of tax	(53,235)	(51,645)	53,235	51,645	-	-
Net tax assets/(liabilities)	5,178	5,240	(74,180)	(59,754)	(69,002)	(54,514)



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11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2022 RM'000	2021 RM'000
Unutilised reinvestment allowances	110,167	110,167
Unutilised green investment tax allowance	7,150	-
Unutilised capital allowances	6,220	6,220
Tax loss carry-forwards	3,251	3,251
	126,788	119,638

Deferred tax assets have not been recognised in respect of these temporary differences because it is not probable that future taxable profit will be available against which subsidiaries of the Group can utilise the benefits therefrom.

The unutilised reinvestment allowance can only be carried forward for up to seven consecutive years of assessment.

The unutilised investment tax allowance and capital allowance do not expire under current tax legislation. The unutilised tax losses can be carried forward up to ten (2021: seven) consecutive years of assessment.

The unrecognised deferred tax assets of the Group which are available for offsetting against future taxable profits of these subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority are as follows:

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets (continued)

	2022 RM	2021 RM
Utilisation period		
Expire in Year of Assessment ("YA") 2025	79,926	79,926
Expire in YA 2027	20,946	20,946
Expire in YA 2028	9,295	9,295
Expire in YA 2029	3,251	3,251
Unlimited	13,370	6,220
	126,788	119,638

Movement in temporary differences during the financial year

Group	At 1 October 2021 RM'000	Recognised in profit or loss (Note 24) RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 30 September 2022 RM'000
Property, plant and equipment	(94,437)	(16,392)	-	-	(110,829)
Right-of-use assets	(12,683)	144	-	233	(12,306)
Investment properties	(524)	-	-	-	(524)
Intangible assets	(3,624)	-	-	-	(3,624)
Employee benefit plans	8,882	(781)	(1,547)	(142)	6,412
Tax loss carry-forwards and unutilised capital allowances	4,435	1,530	-	-	5,965
Unutilised tax incentives	25,648	(514)	-	-	25,134
Lease liabilities	13,243	(30)	-	(97)	13,116
Provisions, contract liabilities and others	4,546	3,158	-	(50)	7,654
	(54,514)	(12,885)	(1,547)	(56)	(69,002)

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11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the financial year (continued)

Group (continued)	At 1 October 2020 RM'000	Recognised in profit or loss (Note 24) RM'000	Recognised in other comprehensive income RM'000	Acquisition through business combination (Note 8) RM'000	Exchange differences RM'000	At 30 September 2021 RM'000
Property, plant and equipment	(84,800)	(9,568)	-	(69)	-	(94,437)
Right-of-use assets	(5,475)	(7,322)	-	(501)	615	(12,683)
Investment properties	(524)	-	-	-	-	(524)
Intangible assets	-	-	-	(3,624)	-	(3,624)
Employee benefit plans	10,253	(383)	(801)	-	(187)	8,882
Tax loss carry-forwards and unutilised capital allowances	5,782	(1,347)	-	-	-	4,435
Unutilised tax incentives	23,220	2,428	-	-	-	25,648
Lease liabilities	5,556	7,812	-	516	(641)	13,243
Provisions, contract liabilities and others	3,885	761	-	-	(100)	4,546
	(42,103)	(7,619)	(801)	(3,678)	(313)	(54,514)

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current					
Trade receivables from contracts with customers		528,974	418,962	-	-
Less: Allowance for impairment losses		(5,899)	(3,570)	-	-
		523,075	415,392	-	-
Other receivables					
- Prepayments	12.1	223,286	8,787	-	-
- Deposits		4,431	4,164	-	-
- Staff loans		650	950	-	-
- Sundry debtors	12.2	16,479	33,767	-	-
- Other tax recoverable		4,685	12,268	-	-
- Interest		159	150	8	2
- Insurance claim receivables	34(a)	18,002	-	-	-
- Other receivables		3,290	484	887	8
		270,982	60,570	895	10
Amounts due from related parties					
- Subsidiaries	12.3	-	-	256,762	229,185
- Related companies	12.4	63,479	55,466	-	-
- Related parties	12.5	8,822	14,492	-	-
- Joint venture	12.6	11	12	-	-
		72,312	69,970	256,762	229,185
		866,369	545,932	257,657	229,195

12.1 Included in prepayments is mainly prepayment for the acquisition of Ladang Permai Damai Sdn. Bhd. of RM215,588,160 (2021: RM nil) (Note 34 (b)).

12.2 Included in sundry debtors is mainly downpayment to suppliers of RM16,186,000 (2021: RM33,385,000).

12.3 The amounts due from subsidiaries are non-trade in nature, unsecured, receivable on demand and interest free, except for loan portion of RM254,049,000 (2021: RM227,557,000) which bears interest at KLIBOR + 1.25% (2021: KLIBOR + 1.25%) per annum.

12.4 The amounts due from related companies are trade in nature, except for non-trade portion of RM24,362,000 (2021: RM13,933,000). Non-trade amounts are unsecured, receivable on demand and interest free. Related companies refer to the subsidiaries of Fraser and Neave, Limited.



Notes to the Financial Statements

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

12.5 The amounts due from related parties are trade in nature, except for non-trade portion of RM64,000 (2021: RM32,000). Non-trade amounts are unsecured, receivable on demand and interest free. Related parties refer to Thai Beverage Public Company Limited, Berli Jucker Public Company Limited ("BJC"), Frasers Property Limited, TCC Corporation Limited and Asset World Corp Public Company Limited.

12.6 The amounts due from a joint venture are trade in nature, unsecured, interest free and subject to negotiated trade term.

13. INVENTORIES

	Note	Group	
		2022 RM'000	2021 RM'000
Finished goods		278,794	239,011
Raw materials		486,131	326,243
Packaging materials		106,028	62,703
Other inventories	13.1	30,424	31,788
		901,377	659,745
Recognised in profit or loss			
Inventories recognised as cost of sales		2,887,339	2,551,588
Inventories written off			
- due to flood	25	20,607	-
- others	25	6,356	4,641
Inventories written down	25	7,716	5,721
Reversal of inventories written down	25	(5,355)	(1,577)

13.1 Other inventories comprise engineering spares and machine consumables.

14. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	2022			2021		
	Nominal value '000	Assets RM'000	Liabilities RM'000	Nominal value '000	Assets RM'000	Liabilities RM'000
Forward foreign exchange contracts (less than 1 year)						
- USD	246	88	(27)	-	-	-
- AUD	928	-	(37)	2,356	-	(166)
		88	(64)		-	(166)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the financial year. Where necessary, the forward contracts are rolled over at maturity.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	367,365	389,913	10,370	45,325
Short-term deposits	94,522	165,467	23,000	23,867
	461,887	555,380	33,370	69,192



16. CAPITAL AND RESERVES

(A) SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	366,779	816,770	366,779	816,770

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

(B) SHARES HELD BY SGP TRUST

	Group and Company			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At 1 October 2021/2020	164	4,626	140	4,688
Acquired	301	6,744	226	6,565
Reissued pursuant to SGP	(178)	(4,983)	(202)	(6,627)
At 30 September	287	6,387	164	4,626

The Company established a trust ("SGP Trust") for its eligible executives pursuant to the SGP.

The SGP Trust is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of SGP holders are recorded as "Shares held by SGP Trust" in the Group's and the Company's financial statements as a deduction in arriving at the shareholders' equity.

Details of the shares acquired during the current and previous financial year are as follows:

	Share price (RM)			Number of shares '000	Total consideration RM'000
	Lowest	Highest	Average		
2022	20.58	26.68	22.25	301	6,744
2021	25.89	32.46	29.11	226	6,565

16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS

The Company has in place share-based remuneration incentive plans, details of which are as follows:

- (i) The F&NHB Share Grant Plan 2012 ("F&NHB SGP 2012") established and implemented on 15 March 2012, comprises the F&NHB Restricted Share Plan ("F&NHB RSP 2012") and Performance Share Plan ("F&NHB PSP").

Under F&NHB SGP 2012, the Company grants a base number of conditional share awards (the "F&NHB Base Awards") to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods.

The Remuneration Committee, as the administrator of F&NHB SGP 2012, has absolute discretion in granting the F&NHB Base Awards. Under F&NHB SGP 2012, the Remuneration Committee has determined the performance period to be two years and the vesting period to be over three years.

Depending on the level of achievement of the pre-determined targets over the two-year performance period, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of shares to be awarded at the end of the performance period (the "F&NHB Final Awards").

The first tranche at 50% of the relevant F&NHB Final Awards will be vested to eligible participants after the end of the two-year performance period. The balance will be vested in equal instalments over the next two years.

The achievement factor ranges from 0% to 150% for F&NHB RSP 2012. Accordingly, the actual number of shares to be awarded could range from 0% to 150% of the initial grant of the F&NHB Base Awards.

F&NHB SGP 2012 expired on 14 March 2022 (the "Expiry Date"), whereupon any F&NHB Final Awards which have not vested (whether fully or partially) were deemed cancelled and became null and void on the Expiry Date. The expiry of F&NHB SGP 2012, however, did not affect F&NHB Final Awards in respect of shares which were capable of being vested prior and up to 14 March 2022.





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16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS (CONTINUED)

The Company has in place share-based remuneration incentive plans, details of which are as follows: (continued)

(i) (continued)

F&NHB RSP Year 8 Award

As the 3rd tranche of the F&NHB Final Awards of F&NHB RSP Year 8 Award (“F&NHB RSP Year 8 Final Awards”) will only be released at the end of 2022 after the expiry of F&NHB SGP 2012, shares to be released under F&NHB RSP Year 8 Final Awards were deemed cancelled and became null and void on the Expiry Date.

In December 2021, the Company awarded shares under F&NHB SGP 2021 to eligible participants equivalent to the number of shares that they would have been entitled to receive had F&NHB SGP 2012 not expired. Shares will be released in accordance with the original vesting schedule at the end of 2022 and will not be subject to any performance period nor any achievement targets.

F&NHB RSP Year 9 Award

As the 2nd and 3rd tranches of the F&NHB Final Awards of F&NHB RSP Year 9 Award (“F&NHB RSP Year 9 Final Awards”) will only be released at the end of 2022 and end of 2023 respectively after the expiry of F&NHB SGP 2012, shares to be released under F&NHB RSP Year 9 Final Awards were deemed cancelled and became null and void on the Expiry Date.

In December 2021, the Company awarded shares under F&NHB SGP 2021 to eligible participants equivalent to the number of shares that they would have been entitled to receive had F&NHB SGP 2012 not expired. Shares will be released in accordance with the original vesting schedule at the end of 2022 and end of 2023 respectively and will not be subject to any performance period nor any achievement targets.

F&NHB RSP Year 10 Award

F&NHB RSP Year 10 Award was not granted at the end of 2020 because the two-year performance period will traverse the expiry of F&NHB SGP 2012 and further, no shares can be released or vested after the two-year performance period as they would have been deemed cancelled. The Company had deferred the grant of F&NHB RSP Year 10 Award from end 2020 to 15 February 2021 post approval of the new F&NHB Share Grant Plan 2021 (as defined in Note (ii) below) by shareholders of the Company.

The Remuneration Committee has determined that the performance period for F&NHB RSP Year 10 shall remain at two years. The first tranche of F&NHB shares pursuant to this grant (being 50% of the relevant F&NHB Final Awards) will be vested to eligible participants after the end of the two-year performance period. The balance 50% will be vested in two equal instalments over the following two years.

F&NHB PSP

To date, there were no grants made under the F&NHB PSP.

16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS (CONTINUED)

The Company has in place share-based remuneration incentive plans, details of which are as follows: (continued)

(ii) The F&NHB Share Grant Plan 2021 (“F&NHB SGP 2021”) was approved by shareholders of the Company at the Extraordinary General Meeting held on 19 January 2021 and was implemented on 11 February 2021. The F&NHB SGP 2021 is valid for 10 years from 11 February 2021 to 10 February 2031.

Under F&NHB SGP 2021, the Company grants a base number of conditional share awards (the “F&NHB Base Awards”) to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods.

The Remuneration Committee, as the administrator of F&NHB SGP 2021, has absolute discretion in granting the F&NHB Base Awards and determining the performance period and the vesting period. Under F&NHB SGP 2021, the Remuneration Committee has determined the performance period of F&NHB RSP Year 11 onwards to be one year and the vesting period to be over three years.

Depending on the level of achievement of the pre-determined targets over the one-year performance period, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the F&NHB Final Awards.

The F&NHB Final Awards will be vested to eligible participants in three equal instalments over the next three years after the end of the one-year performance period.

The achievement factor ranges from 0% to 150% for F&NHB SGP 2021. Accordingly, the actual number of shares to be awarded could range from 0% to 150% of the initial grant of the F&NHB Base Awards.

16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS (CONTINUED)

The details of the shares awarded under F&NHB SGP 2012 and F&NHB SGP 2021 in aggregate are as follows:

	Number of share grants					Vesting period
	At 1.10.2021/ grant date	Achievement factor	Vested	Lapsed *	At 30.9.2022	
F&NHB SGP 2012						
F&NHB RSP Year 7 (22.12.2017)	54,125	-	(52,525)	(1,600)	-	31.12.2019 - 31.12.2021
F&NHB RSP Year 8 (22.12.2018)	64,000	-	(31,250)	(3,100)	29,650	31.12.2020 - 31.12.2022
F&NHB RSP Year 9 (23.12.2019)	194,750	(6,050)	(94,350)	(5,900)	88,450	31.12.2021 - 31.12.2023
F&NHB SGP 2021						
F&NHB RSP Year 10 ** (15.02.2021)	321,800	-	-	(33,800)	288,000	31.12.2022 - 31.12.2024
F&NHB RSP Year 11 (16.02.2022)	437,400	-	-	(21,800)	415,600	31.12.2022 - 31.12.2024
	1,072,075	(6,050)	(178,125)	(66,200)	821,700	

* Share grants lapsed upon cessation of employment.

** The performance period for F&NHB RSP Year 10 remains at two years. The first tranche of F&NHB shares pursuant to this grant (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the following two years.

16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS (CONTINUED)

The Directors do not participate in the F&NHB share grant plans.

The details of the shares awarded under F&NHB SGP 2012 and F&NHB SGP 2021 in aggregate are as follows:

The estimated fair value of shares granted during the financial year ranged from RM21.82 to RM23.20. The fair value of equity-settled contingent award of shares are determined using the Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	RSP			
	2022	2021	2020	2019
Dividend yield (%)	3.09	2.24	2.33	2.34
Expected volatility (%)	13.95	12.83	13.30	16.35
Risk-free interest rate (%)	2.27 - 2.97	1.88 - 2.09	2.95 - 3.14	3.56 - 3.80
Expected term (years)	0.87 - 2.87	1.87 - 3.87	2.02 - 4.02	2.03 - 4.03
Share price at date of grant (RM)	23.84	30.08	34.66	31.34

(D) LOSS ON PURCHASE OF SHARES FOR SGP

Upon vesting of share awards, there will be a difference between total purchase price paid by SGP Trust (Note 16(b)) to acquire the shares from the open market and the fair value of the share awards granted to employees of subsidiaries. This difference will be included in the Group's and the Company's financial statements as a deduction from equity and classified as "Loss on purchase of shares for SGP".

(E) LEGAL RESERVE

Non-distributable legal reserve amounting to RM9,934,000 (2021: RM9,934,000) relates to a subsidiary in Thailand. Under the provision of Thailand Civil and Commercial Code, the subsidiary is required to set aside at least 5% of its net income after accumulated deficit (if any) as a legal reserve until the reserve is not less than 10% of the registered share capital. This reserve is non-distributable as dividends.



17. LOANS AND BORROWINGS

			Group	
			2022 RM'000	2021 RM'000
Currency	Note			
Non-current				
IMTN - unsecured	Malaysian Ringgit ("MYR")	17.1	110,000	-
Term loan - unsecured	MYR	17.3	100,000	-
			210,000	-
Current				
IMTN - unsecured	MYR	17.1	-	1,000
Term loans - unsecured	Thai Baht ("THB")	17.2	36,833	-
			36,833	1,000
			246,833	1,000

17.1 ISLAMIC COMMERCIAL PAPERS ("ICP") AND ISLAMIC MEDIUM TERM NOTES ("IMTN") PROGRAMMES OF RM3,000,000,000

On 7 May 2021, a subsidiary of the Company, F&N Capital Sdn Bhd ("the Issuer"), had established an Islamic Commercial Papers ("ICP") Programme ("ICP Programme") and an Islamic Medium Term Notes ("IMTN") Programme ("IMTN Programme") both based on the Shariah principle of Murabahah (via a Tawarruq arrangement) with a combined limit of up to RM3,000,000,000 in nominal value and guaranteed by the Company. The ICP Programme has a tenure of seven years from the first issue date whilst the tenure of the IMTN Programme is perpetual.

The proceeds from the ICP Programme and the IMTN Programme shall be advanced to companies within the F&NHB Group for Shariah-compliant general corporate purposes of the Group and the refinancing of any existing borrowings/financings/corporate bonds/Sukuk issues and/or future Sukuk issues/Shariah-compliant financings of the Group. The utilisation of proceeds of these programmes shall at all times be for Shariah-compliant purposes.

To activate the Programmes, the Issuer had on 30 August 2021 issued the first tranche of IMTN amounting to RM1,000,000 with a tenure of one year from the issued date and a profit rate of 2.45% per annum. This IMTN was fully repaid during the financial year.

On 3 August 2022, the Issuer had issued the second tranche of IMTN amounting to RM110,000,000 with a tenure of three years from the issued date and a profit rate of 4.01% per annum. The proceeds from this IMTN are used to partially finance the acquisition of the entire equity interest in Ladang Permai Damai Sdn Bhd (Note 34 (b)). As at 30 September 2022, the IMTN of RM110,000,000 remained outstanding.

As at 30 September 2022, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,890,000,000 (2021: RM2,999,000,000).

On 5 October 2022, the Issuer had issued the third and fourth tranche of IMTN of RM250,000,000 each with a tenure of three and five years from the issued date and profit rates of 4.21% and 4.68% per annum, respectively. The proceeds from issuance of the IMTNs are used to partially finance the acquisition of remaining Cocoaland Shares held by the Scheme Shareholders (Note 34 (c)) and for working capital purposes.

17. LOANS AND BORROWINGS (CONTINUED)

17.2 TERM LOANS OF THB950,000,000

On 24 June 2022, a subsidiary of the Company, F&N Dairies (Thailand) Limited was granted term loans amounting to THB950,000,000 in total with tenures of three months and six months from the issued date. The interest rates of the term loans ranged from 1.25% to 1.50% per annum. As at 30 September 2022, the outstanding balance for the term loans is THB300,000,000.

17.3 TERM LOAN OF RM100,000,000

On 25 July 2022, a subsidiary of the Company, Dagang Sejahtera Sdn Bhd ("DSSB") was granted a term loan of RM100,000,000 with a tenure of up to seven years from the date of the first drawdown of the facility. DSSB had made full drawdown of the term loan on 22 August 2022 at floating interest rate of 3.95% per annum. The proceeds from this term loan are used to partially finance the acquisition of Ladang Permai Damai Sdn Bhd (Note 34 (b)). As at 30 September 2022, the RM100,000,000 term loan remained outstanding.

18. EMPLOYEE BENEFITS

Certain subsidiaries of the Group operate unfunded defined benefit plan for its employees. The plan pays a lump sum amount (instead of a pension) at retirement. The schemes do not hold any physical assets but instead the Group makes provision to cover the estimated retirement benefits liabilities. The provisions are determined and assessed based on actuarial valuations using the Projected Unit Credit Method.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk.



Notes to the Financial Statements

18. EMPLOYEE BENEFITS (CONTINUED)

MOVEMENT IN THE NET DEFINED BENEFIT LIABILITY

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

	Note	Group	
		2022 RM'000	2021 RM'000
Balance at 1 October 2021/2020		43,440	51,304
Included in profit or loss			
Current service cost		3,081	3,479
Past service credit		(731)	(237)
Gain on settlements		-	(1,838)
Interest cost		1,293	1,305
	25	3,643	2,709
Included in other comprehensive income			
Remeasurement gain			
- Actuarial gain arising from:			
- demographic assumptions		(584)	-
- financial assumptions		(4,972)	(2,398)
- experience adjustments		(1,696)	(940)
Effect of movements in exchange rates		(163)	(1,023)
		(7,415)	(4,361)
Others			
Benefits paid		(3,724)	(6,212)
Transfer		(248)	-
		(3,972)	(6,212)
Balance at 30 September		35,696	43,440
Principal actuarial assumptions used			
Discount rate (%)		1.11 - 5.96	1.34 - 4.50
Rate of increase in salaries (%)		3.00 - 6.00	4.00 - 7.00
Mortality rate (%)		0.02 - 3.00	0.02 - 0.44
Disability rate (%)		0.00 - 0.04	0.00 - 0.04
Retirement age (years)			
- Malaysia		60	60
- Thailand		60	60

The average duration of the defined benefit plan obligation at the end of the financial year is 11 years (2021: 10 years).

18. EMPLOYEE BENEFITS (CONTINUED)

SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Group	Discount rate		Rate of change in salaries	
	1% increase RM'000	1% decrease RM'000	1% increase RM'000	1% decrease RM'000
2022				
(Decrease)/Increase in defined benefit obligation	(2,866)	3,298	3,132	(2,780)
2021				
(Decrease)/Increase in defined benefit obligation	(3,662)	4,740	4,815	(3,777)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current					
Trade payables		320,335	267,445	-	-
Other payables					
- Accrued expenses		70,725	45,583	1,384	979
- Advertising and promotion		26,898	42,530	-	-
- Deposits	19.1	23,925	22,637	-	-
- Distributor incentives, discounts and rebates		54,486	33,998	-	-
- Interest		2,165	225	-	-
- Staff costs		49,715	34,837	6	6
- Sundry creditors		45,578	40,150	71	47
- Others		53,146	36,440	-	195
		326,638	256,400	1,461	1,227
Amounts due to related parties					
- Subsidiaries	19.2	-	-	46	85,201
- Related companies	19.3	39,664	25,238	30	17
- Related parties	19.4	6,380	9,170	10	-
		46,044	34,408	86	85,218
		693,017	558,253	1,547	86,445

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19. TRADE AND OTHER PAYABLES (CONTINUED)

- 19.1 Included in deposits are amounts received from dealers amounting to RM13,800,000 (2021: RM13,046,000) which bear interest rates ranging from 1.75% to 2.50% (2021: 1.75%) per annum.
- 19.2 The amounts due to subsidiaries are non-trade in nature, unsecured, repayable on demand and interest free. During the financial year, Lion Share Management Limited, a wholly-owned subsidiary redeemed its RNCCPS against the amount due from the Company amounting to RM73,604,000 (2021: RM nil).
- 19.3 The amounts due to related companies are trade in nature, except for non-trade portion for the Group and the Company amounting to RM19,280,000 (2021: RM13,948,000) and RM30,000 (2021: RM17,000) respectively. Non-trade amounts are unsecured, repayable on demand and interest free. Related companies refer to the subsidiaries of Fraser and Neave, Limited.
- 19.4 The amounts due to related parties are trade in nature, except for non-trade portion for the Group and the Company amounting to RM2,210,000 (2021: RM3,526,000) and RM10,000 (2021: RM nil) respectively. Non-trade amounts are unsecured, repayable on demand and interest free. Related parties refer to Thai Beverage Public Company Limited, BJC, Frasers Property Limited, Thai Group Holdings Public Company Limited and TCC Corporation Limited.

20. CONTRACT LIABILITIES

Certain liabilities arose as a result of the Group's contracts with the customers as analysed below.

	Group	
	2022 RM'000	2021 RM'000
Trade incentives	60,117	47,010
Customers' down payments	6,879	8,805
	66,996	55,815

21. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers	4,469,484	4,130,268	-	-
Other revenue				
Rental income	679	604	-	-
Dividend income				
- from subsidiaries	-	-	217,611	229,509
- from an associate	-	-	-	11,198
	679	604	217,611	240,707
Total revenue	4,470,163	4,130,872	217,611	240,707

21. REVENUE (CONTINUED)

(A) DISAGGREGATION OF REVENUE

Group	F&B Malaysia		F&B Thailand		Property		Others		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Primary geographical markets										
South East Asia	2,214,999	1,860,695	2,010,313	1,964,813	120	120	3,746	5,337	4,229,178	3,830,965
Middle East and Africa	81,638	137,085	4,690	3,463	-	-	-	-	86,328	140,548
Greater China	87,108	104,693	27,138	21,500	-	-	-	-	114,246	126,193
Other countries	34,340	27,982	5,392	4,580	-	-	-	-	39,732	32,562
	2,418,085	2,130,455	2,047,533	1,994,356	120	120	3,746	5,337	4,469,484	4,130,268
Timing and recognition										
At a point in time	2,418,085	2,130,455	2,047,533	1,994,356	120	120	3,746	5,337	4,469,484	4,130,268
Revenue from contracts with customers										
	2,418,085	2,130,455	2,047,533	1,994,356	120	120	3,746	5,337	4,469,484	4,130,268
Other revenue	-	-	-	-	554	473	125	131	679	604
Total revenue	2,418,085	2,130,455	2,047,533	1,994,356	674	593	3,871	5,468	4,470,163	4,130,872



Notes to the Financial Statements

21. REVENUE (CONTINUED)

(B) NATURE OF GOODS AND SERVICES

The following information reflects the typical transactions of the Group and the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration
Food and beverages	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period ranging from 30 to 60 days from invoice date.	Trade incentives, discounts, returns and other rebates are awarded to customers as contracted and where relevant, subject to certain terms and conditions.
Dividend income	Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.	Not applicable.	Not applicable.

(C) SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS ARISING FROM REVENUE RECOGNITION

The Group estimates the variable consideration for expected future incentives based on maximum achievement criteria of set targets.

22. FINANCE INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	4,327	4,970	7,457	10,492
- other finance income	-	-	1,443	547
	4,327	4,970	8,900	11,039
Recognised in profit or loss	4,327	4,970	8,900	11,039

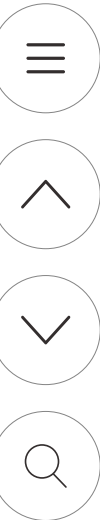
23. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- bank borrowings	1,824	1,432	-	-
Interest expense on lease liabilities	3,714	1,648	-	-
Other finance costs	265	99	486	1,317
	5,803	3,179	486	1,317
Recognised in profit or loss	5,803	3,179	486	1,317

24. TAX EXPENSE

Recognised in profit or loss

Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense				
Current year	59,366	77,432	1,599	22,271
Prior years	(470)	(770)	(3)	(277)
	58,896	76,662	1,596	21,994
Deferred tax expense				
Origination of temporary differences	20,054	14,166	-	-
Over provision in prior year	(7,169)	(6,547)	-	-
11	12,885	7,619	-	-
Total income tax expense	71,781	84,281	1,596	21,994



24. TAX EXPENSE (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Reconciliation of tax expense				
Profit before tax	454,050	479,411	236,541	247,619
Income tax calculated using Malaysian tax rate of 24% (2021: 24%)	108,972	115,059	56,770	59,429
Effect of tax rates in foreign jurisdictions	(11,113)	(15,800)	-	-
Tax exempt income	(20,725)	(29,853)	(55,957)	(57,771)
Non-deductible expenses	2,944	2,080	786	207
Over provision in prior year	(7,639)	(7,317)	(3)	(277)
Foreign withholding tax	1,165	21,392	-	20,406
Others	(1,823)	(1,280)	-	-
Total income tax expense	71,781	84,281	1,596	21,994
Effective income tax rate	16%	18%	1%	9%

PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520 in Thailand, the Company's wholly-owned subsidiary, F&N Dairies (Thailand) Limited has been granted privileges by the Thailand Board of Investment relating to the manufacture of products from fresh milk, which consist of sweetened beverage creamer, sweetened condensed milk, sweetened condensed product and milk tablet, pursuant to the promotion certificate No. 61-0607-1-00-1-0 issued on 25 May 2018 and pasteurised milk, sweetened beverage creamer, sweetened condensed milk and soy milk, pursuant to the promotion certificate No. 64-0391-1-00-1-0 issued on 7 April 2021. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Thailand Board of Investment.
- (b) exemption from payment of income tax for certain operations, capped of 100% of the investment, for a period of six years for the promotion certificate No. 61-0607-1-00-1-0 from the date on which the income is first derived from such operations.
- (c) exemption from payment of income tax for certain operations, capped of 100% of the investment, for a period of five years for the promotion certificate No. 64-0391-1-00-1-0 from the date on which the income is first derived from such operations.

25. PROFIT FOR THE YEAR

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the year is arrived at after charging/(crediting):					
Auditors' remunerations					
Audit fees:					
- KPMG PLT		607	660	100	90
- Overseas affiliates of KPMG PLT		251	259	-	-
- Other auditors		24	20	-	-
Non-audit fees:					
- KPMG PLT		194	254	194	234
- Local affiliates of KPMG PLT		115	130	-	-
- Overseas affiliates of KPMG PLT		47	56	-	-
Material expenses/(income)					
Advertising and promotion expenses		152,400	172,732	-	-
Amortisation of intangible assets	7	2,833	2,084	-	-
Bad debts recovered		(54)	(31)	-	-
Depreciation of property, plant and equipment	3	104,007	108,677	-	-
Depreciation of right-of-use assets	4	19,317	25,094	-	-
Distributor incentives, discounts and rebates		711,609	669,895	-	-
Impairment loss on plant and equipment	3	3,185	3,043	-	-
Insurance claim receivables	34(a)	(18,002)	-	-	-
Inventories written down	13	7,716	5,721	-	-
Inventories written off				-	-
- due to flood	13	20,607	-	-	-
- others	13	6,356	4,641	-	-
Gain on liquidation of a subsidiary	8	-	-	(14,396)	-
Net fair value gain on derivatives		(190)	(197)	-	-
Net loss on disposal of plant and equipment		92	46	-	-
Net realised foreign exchange (gain)/loss		(5,855)	(4,820)	45	47
Net unrealised foreign exchange gain		(4,358)	(1,471)	(1,053)	(5)
Plant and equipment written off		681	373	-	-
Rental income from premises		(510)	(744)	-	-



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25. PROFIT FOR THE YEAR (CONTINUED)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Material expenses/(income) (continued)					
Reversal of impairment loss on plant and equipment	3	(3,553)	(666)	-	-
Reversal of inventories written down	13	(5,355)	(1,577)	-	-
Royalties:					
- Related companies		66,849	58,126	-	-
- Related parties		15	-	-	-
- Third parties		90,031	91,570	-	-
Personnel expenses (including compensation of key management personnel)					
- Contributions to state plans		25,634	25,890	-	-
- Expenses related to defined benefit plans	18	3,643	2,709	-	-
- Employee share-based expense		8,085	4,062	-	-
- Wages, salaries and others		254,784	236,192	-	-
- Restructuring costs		1,953	20,884	-	-
Expenses arising from leases:					
Expenses relating to short-term leases	a	3,323	1,712	-	-
Expenses relating to leases of low-value assets	a	1,634	1,420	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		9,435	13,879	-	-

Note a

The Group leases photocopier and others with contract terms of 1 to 5 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

26. OTHER COMPREHENSIVE INCOME

Group	2022			2021		
	Before tax RM'000	Tax benefit RM'000	Net of tax RM'000	Before tax RM'000	Tax benefit RM'000	Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	7,252	(1,547)	5,705	3,338	(801)	2,537
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	(6,437)	-	(6,437)	(46,282)	-	(46,282)

27. EARNINGS PER ORDINARY SHARE

(A) BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 30 September 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit for the year attributable to owners of the Company	383,208	395,164
	2022 '000	2021 '000
Weighted average number of ordinary shares net of shares held by SGP Trust	366,652	366,738
Basic earnings per ordinary share (sen)	104.5	107.8

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27. EARNINGS PER ORDINARY SHARE (CONTINUED)

(B) DILUTED EARNINGS PER ORDINARY SHARE

The calculation of diluted earnings per ordinary share at 30 September 2022 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit for the year attributable to owners of the Company	383,208	395,164
	2022 '000	2021 '000
Weighted average number of ordinary shares net of shares held by SGP Trust	366,652	366,738
Adjustment for dilutive potential shares under SGP plan	822	635
Adjusted weighted average number of ordinary shares net of shares held by SGP Trust	367,474	367,373
Diluted earnings per ordinary share (sen)	104.3	107.6

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2022			
Final 2021 ordinary	33.0	121,037	9 February 2022
Interim 2022 ordinary	27.0	99,030	31 May 2022
		220,067	
2021			
Final 2020 ordinary	33.0	121,037	5 February 2021
Interim 2021 ordinary	27.0	99,030	16 June 2021
		220,067	

After the end of the financial year, the following dividends were proposed by the Directors. This dividend will be recognised in subsequent financial year upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final 2022 ordinary	33.0	121,037

29. OPERATING SEGMENTS

The Group's operating businesses are recognised according to products and services, namely F&B Malaysia, F&B Thailand, Property and others which are the Group's strategic business units. For each of the strategic business unit, the CODM (i.e. the Group's Chief Executive Officer) reviews internal management reports at least on a quarterly basis.

Segment performance is evaluated based on operating profit as included in the internal management reports that are reviewed by the CODM.



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29. OPERATING SEGMENTS (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating businesses:

Financial year ended 30 September 2022	Note	F&B Malaysia RM'000	F&B Thailand RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue		2,418,085	2,067,983	3,397	73,367	4,562,832
Inter-segment		-	(20,450)	(2,723)	(69,496)	(92,669)
External		2,418,085	2,047,533	674	3,871	4,470,163
Results						
Operating profit		168,000	275,951	444	3,546	447,941
Finance income	29.1	-	-	-	-	4,327
Finance costs	29.1	-	-	-	-	(5,803)
Share of profit of equity-accounted associate, net of tax		-	-	-	7,778	7,778
Share of loss of equity-accounted joint venture, net of tax		-	-	(193)	-	(193)
Income tax expense		(33,370)	(34,436)	(187)	(3,788)	(71,781)
Profit for the year						382,269
Other information						
Segment assets		2,136,711	1,068,365	113,349	224,313	3,542,738
Investment in an associate		-	-	-	93,465	93,465
Investment in a joint venture		-	-	87,362	-	87,362
Deferred tax assets		-	5,046	132	-	5,178
Cash and cash equivalents	29.1	-	-	-	-	461,887
Total assets						4,190,630
Segment liabilities		469,927	383,173	1,056	4,908	859,064
Loans and borrowings	29.1	-	-	-	-	246,833
Deferred tax liabilities		72,246	-	651	1,283	74,180
Current tax liabilities		13,572	11,954	(21)	659	26,164
Total liabilities						1,206,241
Others						
Purchase of property, plant and equipment and intangible assets		101,386	98,321	-	449	200,156
Depreciation of property, plant and equipment and amortisation of intangible assets		76,872	29,229	278	461	106,840
Purchase of right-of-use assets		11,519	7,255	-	-	18,774
Depreciation of right-of-use assets		12,769	6,477	-	71	19,317

29. OPERATING SEGMENTS (CONTINUED)

Financial year ended 30 September 2021	Note	F&B Malaysia RM'000	F&B Thailand RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue		2,130,455	2,034,707	3,118	71,108	4,239,388
Inter-segment		-	(40,351)	(2,525)	(65,640)	(108,516)
External		2,130,455	1,994,356	593	5,468	4,130,872
Results						
Operating profit		97,733	369,433	65	5,055	472,286
Finance income	29.1	-	-	-	-	4,970
Finance costs	29.1	-	-	-	-	(3,179)
Share of profit of equity-accounted associate, net of tax		-	-	-	-	5,624
Share of loss of equity-accounted joint venture, net of tax		-	-	(290)	-	(290)
Income tax expense		(12,105)	(48,007)	(133)	(24,036)	(84,281)
Profit for the year						395,130
Other information						
Segment assets		1,845,267	926,752	113,822	8,273	2,894,114
Investment in an associate		-	-	-	85,687	85,687
Investment in a joint venture		-	-	87,555	-	87,555
Deferred tax assets		-	5,109	131	-	5,240
Current tax assets		3,538	-	28	204	3,770
Cash and cash equivalents	29.1	-	-	-	-	555,380
Total assets						3,631,746
Segment liabilities		339,228	378,565	1,330	2,598	721,721
Loans and borrowings	29.1	-	-	-	-	1,000
Deferred tax liabilities		58,732	-	651	371	59,754
Current tax liabilities		10,189	19,699	4	609	30,501
Total liabilities						812,976
Others						
Purchase of property, plant and equipment and intangible assets		89,537	57,506	-	307	147,350
Depreciation of property, plant and equipment and amortisation of intangible assets		78,092	32,036	281	352	110,761
Purchase of right-of-use assets		9,117	56,096	-	-	65,213
Depreciation of right-of-use assets		15,733	9,289	-	72	25,094

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Notes to the Financial Statements

29. OPERATING SEGMENTS (CONTINUED)

29.1 Group financing (including finance costs), cash and cash equivalents and loans and borrowings are managed on a group basis and are not allocated to operating segments.

GEOGRAPHICAL SEGMENTS

The Group operates significantly in South East Asia region.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on the geographical location of the assets and excluded investment in an associate, investment in a joint venture and deferred tax assets.

GEOGRAPHICAL INFORMATION

	Revenue		Non-current assets	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
South East Asia	4,229,857	3,831,569	1,774,765	1,688,070
Middle East & Africa	86,328	140,548	139	367
Greater China	114,246	126,193	-	-
Other countries	39,732	32,562	-	-
	4,470,163	4,130,872	1,774,904	1,688,437

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Group	
	2022 RM'000	2021 RM'000
Property, plant and equipment	1,458,344	1,372,249
Right-of-use assets	122,133	125,367
Investment properties	47,569	47,569
Properties held for development	54,933	54,933
Intangible assets	91,925	88,319
	1,774,904	1,688,437

The Group has a large and diversified customer base which consists of individuals and corporations. Except as mentioned below, there were no other major customers with revenue equal or more than 10% of the Group's total revenue.

MAJOR CUSTOMER

The following is a major customer with revenue equal or more than 10% of the Group's total revenue:

	Segment	Group	
		2022 RM'000	2021 RM'000
Customer A	F&B Thailand	471,270	438,446

30. Financial instruments

(a) Categories of financial instruments

The table below provides an analysis of financial instruments as follows:

- (i) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9; and

- (ii) Amortised cost ("AC").

2022	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000
Financial assets				
Group				
Trade and other receivables	30.1	620,866	-	620,866
Derivative financial assets	14	88	88	-
Cash and cash equivalents	15	461,887	-	461,887
		1,082,841	88	1,082,753
Company				
Other receivables	12	257,657	-	257,657
Cash and cash equivalents	15	33,370	-	33,370
		291,027	-	291,027
Financial liabilities				
Group				
Trade and other payables	30.2	672,926	-	672,926
Derivative financial liabilities	14	64	64	-
Loans and borrowings	17	246,833	-	246,833
		919,823	64	919,759
Company				
Other payables	19	1,547	-	1,547

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30. Financial instruments (continued)

(a) Categories of financial instruments (continued)

2021	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000
Financial assets				
Group				
Trade and other receivables	30.1	520,713	-	520,713
Cash and cash equivalents	15	555,380	-	555,380
		1,076,093	-	1,076,093
Company				
Other receivables	12	229,195	-	229,195
Cash and cash equivalents	15	69,192	-	69,192
		298,387	-	298,387
Financial liabilities				
Group				
Trade and other payables	30.2	537,744	-	537,744
Derivative financial liabilities	14	166	166	-
Loans and borrowings	17	1,000	-	1,000
		538,910	166	538,744
Company				
Other payables	19	86,445	-	86,445

30.1 Trade and other receivables amounting to RM245,503,000 (2021: RM25,219,000) are not regarded as financial assets. These include prepayments, deposits paid and other tax recoverable.

30.2 Trade and other payables amounting to RM20,091,000 (2021: RM2,345,000) are not regarded as financial liabilities. These include provision for unconsumed annual leave and other tax payable.

30. Financial instruments (continued)

(b) Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net gains/(losses) on:				
Fair value through profit or loss				
- Mandatorily required by MFRS 9	190	197	-	-
Financial assets at amortised cost	7,782	8,649	8,855	10,992
Financial liabilities at amortised cost	(2,089)	(1,531)	486	1,317
	5,883	7,315	9,341	12,309

(c) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(d) Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to certain subsidiaries of the Company. There are no significant changes as compared to previous financial year.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Certain customers are required to have collateral in the form of financial assets and/or bank guarantees.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.



30. Financial instruments (continued)

(d) Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. At the end of the financial year, financial guarantees received by the Group amounted to RM153,332,000 (2021: RM141,383,000) in respect of RM523,075,000 (2021: RM415,392,000) trade receivables. The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

- a) Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit management team; and
- b) Above 90 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

30. Financial instruments (continued)

(d) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the financial year which are grouped together as they are expected to have similar risk nature.

Group	2022			2021		
	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Current (not past due)	438,700	(502)	438,198	347,178	(399)	346,779
1-30 days past due	81,244	(571)	80,673	62,554	(647)	61,907
31-60 days past due	1,840	(161)	1,679	4,964	(527)	4,437
61-90 days past due	1,054	(162)	892	1,015	(419)	596
	522,838	(1,396)	521,442	415,711	(1,992)	413,719
Credit impaired						
More than 90 days past due	3,434	(1,801)	1,633	2,481	(808)	1,673
Individually impaired	2,702	(2,702)	-	770	(770)	-
	528,974	(5,899)	523,075	418,962	(3,570)	415,392

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by collateral such as bank guarantees, properties and other credit enhancement in managing exposure to credit risk.

30. Financial instruments (continued)

(d) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

Group	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 October 2020	2,003	619	2,622
Amount written off	-	(312)	(312)
Net remeasurement of loss allowance	797	341	1,138
Acquisition through business combination	-	122	122
Balance at 30 September 2021/ 1 October 2021	2,800	770	3,570
Amount written off	-	(47)	(47)
Net remeasurement of loss allowance	397	2,003	2,400
Effect of movements in exchange rates	-	(24)	(24)
Balance at 30 September 2022	3,197	2,702	5,899

As at 30 September 2022, RM47,000 (2021: RM312,000) of trade receivables were written off but they are still subject to enforcement activity.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

30. Financial instruments (continued)

(d) Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM290,859,000 (2021: RM1,024,000) representing the outstanding banking facilities of the subsidiary as at end of the financial year.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans.

Recognition and measurement of impairment loss

As at the end of the financial year, there was no indication that any subsidiary would default on repayment.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

As at the end of the financial year, there was no indication that the loans and advances to the subsidiaries are not recoverable.



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30. Financial instruments (continued)

(e) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on undiscounted contractual payments:

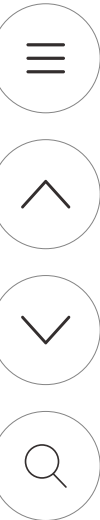
	Note	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2022							
Group							
Interest-bearing borrowings	17	246,833	1.30 - 4.84	290,859	46,323	152,732	91,804
Financial guarantees		-	-	17,007	17,007	-	-
Trade and other payables		659,126	-	659,126	659,126	-	-
Other payables - interest-bearing deposits	30(f)(ii)	13,800	1.75 - 2.50	14,067	14,067	-	-
Lease liabilities		63,291	3.80 - 6.27	96,236	18,412	21,550	56,274
		983,050		1,077,295	754,395	174,282	148,078
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	14	64	-	7,480	7,480	-	-
Inflow		-	-	(7,416)	(7,416)	-	-
		983,114		1,077,359	754,999	174,282	148,078

30. Financial instruments (continued)

(e) Liquidity risk (continued)

Maturity analysis (continued)

	Note	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2022							
Company							
Financial guarantees		-	-	290,859	290,859	-	-
Other payables	19	1,547	-	1,547	1,547	-	-
		1,547		292,406	292,406	-	-
2021							
Group							
Interest-bearing borrowings	17	1,000	2.45	1,024	1,024	-	-
Financial guarantees		-	-	14,775	14,775	-	-
Trade and other payables		542,862	-	542,862	542,862	-	-
Other payables - interest-bearing deposits	30(f)(ii)	13,046	1.75	13,274	13,274	-	-
Lease liabilities		64,047	3.25 - 5.32	100,244	13,404	26,759	60,082
		620,955		672,179	585,338	26,759	60,082
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	14	166	-	7,298	7,298	-	-
Inflow		-	-	(7,132)	(7,132)	-	-
		621,121	-	672,345	585,504	26,759	60,082
Company							
Financial guarantees		-	-	1,024	1,024	-	-
Other payables	19	86,445	-	86,445	86,445	-	-
		86,445		87,469	87,469	-	-



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30. Financial instruments (continued)

(f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(f)(i) Currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents, sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Australian Dollar ("AUD").

Risk management objectives, policies and processes for managing the risk

The Group hedges a portion of its foreign currency denominated trade payables. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the financial year. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year was:

Group	Denominated in		
	USD RM'000	SGD RM'000	AUD RM'000
2022			
Balances recognised in the statement of financial position			
Cash and cash equivalents	24,490	-	-
Receivables	52,153	3,372	-
Payables	(34,358)	(773)	(907)
	42,285	2,599	(907)
Forecast transactions			
Forecast purchases	(9,194)	-	(2,830)
Forward exchange contract on forecast purchases	(60)	-	36
	(9,254)	-	(2,794)
Net exposure	33,031	2,599	(3,701)
2021			
Balances recognised in the statement of financial position			
Cash and cash equivalents	22,299	-	-
Receivables	82,702	4	-
Payables	(21,350)	(761)	(322)
	83,651	(757)	(322)

30. Financial instruments (continued)

(f) Market risk (continued)

(f)(i) Currency risk (continued)

Exposure to foreign currency risk (continued)

Group	Denominated in		
	USD RM'000	SGD RM'000	AUD RM'000
2021 (continued)			
Forecast transactions			
Forecast purchases	-	-	(7,298)
Forward exchange contract on forecast purchases	-	-	166
	-	-	(7,132)
Net exposure	83,651	(757)	(7,454)

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2021: 10%) strengthening of the following currencies against RM at the end of the financial year would have increased or decreased, respectively pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Group	
	2022 RM'000	2021 RM'000
USD	3,303	8,365
SGD	260	(76)
AUD	(370)	(745)

A 10% (2021: 10%) weakening of the above currencies against RM at the end of the reporting financial year would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(f)(ii) Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.



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30. Financial instruments (continued)

(f) Market risk (continued)

(f)(ii) Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Note					
Fixed rate instruments					
Short-term deposits	15	94,522	165,467	23,000	23,867
Cash and bank balances	15	604	-	-	-
Loans and borrowings	17	(146,833)	(1,000)	-	-
Other payables - interest-bearing deposits	30(e)	(13,800)	(13,046)	-	-
		(65,507)	151,421	23,000	23,867
Floating rate instruments					
Loan to a subsidiary	12.2	-	-	254,049	227,557
Cash and bank balances	15	164,543	-	-	-
Loans and borrowings	17	(100,000)	-	-	-
		64,543	-	254,049	227,557

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change in 100 basis points in interest rates would have decreased or increased pre-tax profit or loss of the Group and Company by the amounts shown below.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Floating rate instruments	645	-	2,540	2,276

30. Financial instruments (continued)

(g) Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables, and short-term loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying amount of floating long-term loans and borrowings approximate their fair value as these are floating rate instruments that are re-priced to market interest rates on or near the reporting date. The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with fair values and carrying amounts shown in the statements of financial position.

Group	Note	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2022											
Financial liability											
Derivative financial assets	14	-	88	-	88	-	-	-	-	88	88
Financial liabilities											
Derivative financial liabilities	14	-	64	-	64	-	-	-	-	64	64
Fixed-rate loans and borrowings	17	-	-	-	-	-	-	108,719	108,719	108,719	110,000
		-	64	-	64	-	-	108,719	108,719	108,783	110,064
2021											
Financial liability											
Derivative financial liabilities	14	-	166	-	166	-	-	-	-	166	166

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30. Financial instruments (continued)

(g) Fair value information (continued)

Level 2 fair value

Derivatives

The fair value of a forward exchange contract is estimated by taking the difference of the future cash flows arising from the derivative financial instrument, each discounted by their respective risk-free rate (based on government bonds) to the measurement date based on residual maturity of the foreign exchange contract.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2021: no transfer in either directions).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Loans and borrowings	Discounted cash flows method using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework with respect to the measurement of fair values of financial instruments. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the management. The finance team regularly reviews significant unobservable inputs and valuation adjustments.

31. Capital management

The Group’s objectives when managing capital is to maintain a strong capital base and safeguard the Group’s ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain consolidated shareholders’ equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders’ equity is not less than minimum issued and paid-up capital.

The Group has complied with this requirement.

The Group and the Company monitor and maintain a prudent level of total debt to total equity attributable to owners of the Company ratio to optimise shareholders’ value and to ensure compliance with covenants under debt agreements. The debt to equity ratio of the Group is as follows:

	Note	Group	
		2022 RM’000	2021 RM’000
Total loans and borrowings	17	246,833	1,000
Total lease liabilities		63,291	64,047
Total debts		310,124	65,047
Equity attributable to owners of the Company		2,982,523	2,818,965
Debt to equity ratio		10%	2%

Notes to the Financial Statements

32. Capital and other commitments

Capital expenditure commitments

	Group	
	2022 RM'000	2021 RM'000
Property, plant and equipment		
Contracted but not provided for	83,468	175,991

33. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entities that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its holding companies, significant investors, subsidiaries, associate, joint venture and key management personnel.

Significant related party transactions

Related party transactions had been entered into in the normal course of business under negotiated trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 12 and 19.

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
A. F&NL Group					
Sales of goods		279,718	266,543	-	-
Purchases of goods		(192,677)	(154,513)	-	-
Royalties paid		(66,849)	(58,126)	-	-
Receipt of corporate service fees		4,015	5,912	-	-

33. Related parties (continued)

Significant related party transactions (continued)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
B. Subsidiaries					
Dividend income	21	-	-	217,611	229,509
Finance income		-	-	7,457	10,492
C. Coccoland Group					
Dividend income		-	11,198	-	11,198
D. Thai Beverage Public Company Limited Group	33.1				
Sales of goods		7,020	5,080	-	-
Purchases of goods		(6,820)	(5,219)	-	-
Marketing expenses		(11,948)	(17,926)	-	-
Corporate service fees paid		(1,948)	(2,273)	-	-
Purchase of plant and machinery		(4,081)	(2,801)	-	-
E. BJC Group	33.1				
Sales of goods		58,088	65,843	-	-
Purchases of goods		(5,172)	(5,607)	-	-
Other expenses		-	(7,299)	-	-
F. Frasers Property Limited Group					
Rental expenses		(5,807)	(1,159)	-	-
G. Other related parties of TCC Group	33.1				
Purchases of goods		(35,719)	(61,850)	-	-
Insurance premium paid		(3,050)	(3,337)	-	-
Other expenses		(1,119)	(176)	-	-



33. Related parties (continued)

Significant related party transactions (continued)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
H. Key management personnel					
Non-Executive Directors					
Fees		1,304	1,307	1,304	1,307
Estimated monetary value of benefits-in-kind		35	31	35	31
		1,339	1,338	1,339	1,338
Other key management personnel					
Remuneration		13,073	12,322	-	-
Contributions to defined contribution plan		1,030	789	-	-
Share-based payments		1,448	1,067	-	-
		15,551	14,178	-	-
		16,890	15,516	1,339	1,338

33.1 These refer to companies and entities which are jointly controlled by Tan Sri Charoen Sirivadhanabhakdi and his spouse, Puan Sri Wanna Sirivadhanabhakdi, who have a deemed indirect interest in the Company, held through F&NL pursuant to Section 8 of the Companies Act 2016.

The number of Directors of the Company whose total remuneration during the current and previous financial year within the following bands is analysed below:

Remuneration (RM)	Non-Executive Directors	
	2022	2021
0 - 50,000	3	1
50,001 - 100,000	3	2
100,001 - 150,000	7	8
150,001 - 200,000	-	-
200,001 - 250,000	1	1

34. Significant and subsequent events

Significant and subsequent events during the financial year are as follows:

- (a) The operations at Shah Alam plant were adversely affected by the flash floods from 18 to 19 December 2021. The Group has in place property damage and business interruption insurance cover in respect of the operations affected by flood.

Based on management's assessment to-date, the estimated costs and losses amounted to RM34,937,000, covering inventories and property damage, repairs, and other flood related costs are recognised as part of "other expenses" in statement of profit or loss.

The Group has preliminarily recognised RM18,002,000 as interim insurance claim receivable for finished goods, raw material, and packaging materials (Note 12 and Note 25). The Group will continue to engage its insurers to ascertain the quantum of damages and to expedite the processing of insurance claims.

- (b) On 25 April 2022, its indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd ("DSSB" or the "Purchaser"), entered into a conditional share sale agreement (the "Share Sale Agreement") with:

- (i) Dupont & Leosk Enterprises Sdn Bhd ("Dupont & Leosk" or the "Vendor") as beneficial owner of 25,000,000 ordinary shares of RM1.00 each in Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd) ("Ladang Permai Damai") (the "Sale Shares") and
- (ii) Malaysia Nominees (Tempatan) Sdn Bhd as registered owner of the Sale Shares and nominee company of OCBC Bank (Malaysia) Berhad holding the Sale Shares as nominee and chargee for the benefit of OCBC Bank (Malaysia) Berhad,

to acquire the Sale Shares representing the Vendor's 100% equity interest in Ladang Permai Damai for a total cash consideration of RM215,588,160 (the "Purchase Price") (the "Acquisition").

35% of the issued share capital of DSSB is owned by Dagang Permai Sdn Bhd, a company which is wholly-owned by D.Y.M.M. Tuanku Syed Sirajuddin ibni Almarhum Tuanku Syed Putra Jamalullail, Raja Perlis ("DYMM Tuanku Raja Perlis").

The Acquisition is deemed a related party transaction by virtue of the Chairman and Non-Independent Non-Executive Director of F&NHB Y.A.M. Tengku Syed Badarudin Jamalullail, being the brother of DYMM Tuanku Raja Perlis and Y.A.M. Dato' Seri DiRaja Syed Razlan ibni Almarhum Tuanku Syed Putra Jamalullail, who is a director of DSSB.

The transactions contemplated under the Share Sale Agreement was completed on 11 October 2022. The Acquisition was financed via internal funds and bank borrowings (Note 17.1 and Note 17.3).





Notes to the Financial Statements

34. Significant and subsequent events (continued)

- (c) On 3 June 2022, F&NHB submitted a formal proposal to the Board of Cocoaland Holdings Berhad (“Cocoaland”) in respect of the proposed acquisition of the entire equity interest in Cocoaland not already owned by F&NHB to be undertaken by Cocoaland by way of members’ scheme of arrangement pursuant to Section 366 of the Companies Act, 2016 (“the Scheme”) (the “Privatisation”), at a consideration of RM1.50 for each ordinary share in Cocoaland (“Cocoaland shares”) not already owned by F&NHB (“the Scheme Shares”).

The Privatisation was approved at a court convened general meeting of all shareholders of Cocoaland other than F&NHB (the “Scheme Shareholders”) held on 18 August 2022.

The total consideration paid for the acquisition of the Scheme Shares which amounted to RM489,194,802, was satisfied in cash on 4 November 2022. The acquisition was financed via the Group’s internal funds and bank borrowings (Note 17.1).

Pursuant to the Scheme, F&NHB nominated its wholly-owned subsidiary, Awana Citra Sdn Bhd to receive the transfer of 326,129,868 Cocoaland Shares held by the Scheme Shareholders.

All ordinary shares in Cocoaland are to be de-listed from the Main Market of Bursa Malaysia Securities Berhad accordingly.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 167 to 280 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tengku Syed Badarudin Jamalullail
Director
Kuala Lumpur, Malaysia

.....
Hui Choon Kit
Director
Singapore

Date: 8 November 2022





Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Tiong Yean Yau**, the Director, Group Finance primarily responsible for the financial management of Fraser & Neave Holdings Bhd, do solemnly and sincerely declare that the financial statements set out on pages 167 to 280 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Tiong Yean Yau, I/C No: 731203-08-5577, at Kuala Lumpur, Malaysia on 8 November 2022.

.....
Tiong Yean Yau

Before me:

Commissioner of Oaths
Malaysia

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Independent Auditors’ Report

TO THE MEMBERS OF FRASER & NEAVE HOLDINGS BHD
(Registration No. 196101000155 (4205-V))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fraser & Neave Holdings Bhd, which comprise the statements of financial position as at 30 September 2022 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 167 to 280.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities* for the *Audit of the Financial Statements* section of our auditors’ report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Advertising and promotion expenses, and distributor incentives, discounts and rebates

Refer to Note 19 – Trade and other payables, Note 20 – Contract liabilities and Note 25 – Profit for the year of the financial statements.

The key audit matter

During the financial year, the Group incurred advertising and promotion expenses, and distributor incentives, discounts and rebates of RM152.4 million and RM711.6 million respectively. A total of RM81.4 million and RM60.1 million of these expenses were included in accruals and contract liabilities respectively as at financial year end. The advertising and promotion expenses, and distributor incentives, discounts and rebates are relating to food and beverages business, to support, promote and develop the Group’s brands.

This was one of the areas that our audit focused on because of the high volume of transactions incurred during the financial year and estimation involved in determining the appropriate amount of accruals and contract liabilities as at financial year end and especially in relation to those promotion and brand support campaigns that were still ongoing subsequent to financial year end.



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Independent Auditors’ Report

TO THE MEMBERS OF FRASER & NEAVE HOLDINGS BHD
(Registration No. 196101000155 (4205-V))
(Incorporated in Malaysia)

Key Audit Matters (continued)

Advertising and promotion expenses, and distributor incentives, discounts and rebates (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the process, evaluated the design and implementation and tested the operating effectiveness of controls over the accruals and payment process;
- We performed substantive procedures and checked samples of expenses to supplier’s and customer’s claim;
- We checked accruals and contract liabilities to samples of supporting contracts and documents with the suppliers and customers to assess adequacy of the accruals and contract liabilities;
- We evaluated purchase transactions either side of the reporting date as well as debit notes issued after reporting date are recognised in the correct period; and
- We evaluated advertising and promotion expenses, and distributor incentives, discounts and rebates spend against approved budgets.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors’ report.

Information Other than the Financial Statements and Auditors’ Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors’ Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors’ report thereon), which we obtained prior to the date of this auditors’ report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.





Independent Auditors’ Report

TO THE MEMBERS OF FRASER & NEAVE HOLDINGS BHD
(Registration No. 196101000155 (4205-V))
(Incorporated in Malaysia)

Auditors’ Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matter. We describe this matter in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors’ report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 8 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 8 November 2022

Chong Dee Shiang
Approval Number: 02782/09/2024 J
Chartered Accountant

Shareholdings Statistics

as at 15 November 2022

Total number of issued shares : 366,778,501
Class of share : Ordinary shares
Voting rights : One vote for each ordinary share held

ORDINARY SHARES DISTRIBUTION SCHEDULE

Size of Shareholdings	No. of Shareholders	%	No. of Voting Shares	%
Less than 100	716	9.260	6,785	0.001
100 to 1,000 shares	4,179	54.048	2,185,513	0.595
1,001 to 10,000 shares	2,295	29.681	8,036,249	2.191
10,001 to 100,000 shares	430	5.561	12,219,211	3.331
100,001 to less than 5% of issued shares	109	1.409	69,856,949	19.046
5% and above of issued shares	3	0.038	274,473,794	74.833
	7,732	100.000	366,778,501	100.000

DIRECTORS’ SHAREHOLDINGS (as per Register of Directors’ Shareholdings)

No.	Name of Director	Direct Shareholding		Indirect Shareholding	
		No. of Voting Shares Held	%	No. of Voting Shares Held	%
1	Y.A.M. Tengku Syed Badarudin Jamalullail	2,062,000	0.562	-	-
2	Faridah binti Abdul Kadir	4,000	0.001	-	-

None of the Directors of the Company holds any share either directly or indirectly in its subsidiaries and associated companies save and except for the interest held through the Company.

CHIEF EXECUTIVE OFFICER’S SHAREHOLDING

The interest of the Chief Executive Officer in the shares of the Company is as follows:

Name	Direct Shareholding		Indirect Shareholding	
	No. of Voting Shares Held	%	No. of Voting Shares Held	%
Lim Yew Hoe	15,000	0.004	-	-



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Shareholdings Statistics

as at 15 November 2022

SUBSTANTIAL SHAREHOLDERS
(as per Register of Substantial Shareholders)

No.	Name of Shareholders	Direct Shareholding		Indirect Shareholding	
		No. of Voting Shares Held	%	No. of Voting Shares Held	%
1	Fraser and Neave, Limited	203,470,910	55.475	-	-
2	InterBev Investment Limited	-	-	203,470,910	55.475*
3	International Beverage Holdings Limited	-	-	203,470,910	55.475*
4	Thai Beverage Public Company Limited	-	-	203,470,910	55.475*
5	Siriwana Company Limited	-	-	203,470,910	55.475*
6	Shiny Treasure Holdings Limited	-	-	203,470,910	55.475*
7	Tan Sri Charoen Sirivadhanabhakdi	-	-	203,470,910	55.475*
8	Puan Sri Wanna Sirivadhanabhakdi	-	-	203,470,910	55.475*
9	TCC Assets Limited	-	-	203,470,910	55.475*
10	Employees Provident Fund Board	48,570,330	13.242	-	-
11	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	27,576,000	7.518	-	-
		279,617,240	76.235		

* Indirect interest in the Company is held through Fraser and Neave, Limited pursuant to Section 8 of the Companies Act, 2016.

No.	Name of Shareholders	Shareholdings	% of Voting Shares
1.	Fraser and Neave, Limited	203,470,910	55.475
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	43,426,884	11.840
3.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	27,576,000	7.518
4.	Kumpulan Wang Persaraan (Diperbadankan)	9,471,900	2.582
5.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd.	4,421,100	1.205
6.	Amanahraya Trustees Berhad - Amanah Saham Malaysia	3,598,600	0.981
7.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	3,415,000	0.931
8.	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	2,203,500	0.600
9.	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	2,198,600	0.599
10.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Syed Badarudin Jamalullail (PB)	2,062,000	0.562
11.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Affin-Hwg)	2,035,800	0.555
12.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	2,024,900	0.552
13.	Permodalan Nasional Berhad	1,867,200	0.509
14.	Amanahraya Trustees Berhad - Public Islamic Equity Fund	1,830,600	0.499
15.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (West CLT OD67)	1,551,200	0.422
16.	HSBC Nominees (Asing) Sdn Bhd - JPMCB Na for Vanguard Emerging Markets Stock Index Fund	1,474,400	0.401
17.	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	1,441,400	0.392
18.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AsianIslamic)	1,306,500	0.356
19.	HSBC Nominees (Asing) Sdn Bhd - JPMCB Na for Vanguard Total International Stock Index Fund	1,273,008	0.347
20.	Cartaban Nominees (Asing) Sdn Bhd - BCSL Client AC PB Cayman Clients	927,540	0.252
21.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	925,700	0.252
22.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (CGS CIMB)	916,946	0.249
23.	HSBC Nominees (Asing) Sdn Bhd - JPMSE Lux for Robeco Capital Growth Funds	774,900	0.211
24.	Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	750,000	0.204
25.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Norges Bank (FI 17)	746,973	0.203
26.	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	735,700	0.200
27.	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	730,000	0.199
28.	Cartaban Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	649,700	0.177
29.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (Norges Bank 19)	648,833	0.176
30.	Key Development Sdn. Berhad	600,000	0.163
Total		325,055,794	88.624



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Additional Information



Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Net book value as at 30 September 2022 RM'000	Date of last revaluation/ acquisition
JOHOR						
Lot 6, Jalan Tampoi 81200 Johor Bahru Johor	59,895	Detached house/ Vacant	Freehold	55	1,166	February 1990
Batu 4¾, Jalan Tampoi 81200 Johor Bahru Johor	241,022	Industrial/ Warehouse and office	Freehold	55	10,031	February 1990
Lot 47261, Jalan Balau 1 Jalan Dato Sulaiman Jalan Tebrau Mukim Bandar Johor Bahru Johor	137,337	For development of commercial property	Freehold	-	19,599	2005
PERAK						
No. 217, Jalan Lahat 30200 Ipoh, Perak	287,738	Industrial/ Warehouse and office	Freehold	53	5,651	October 1995
No. 79 & 81, Jalan Tun Perak 30100 Ipoh, Perak	51,828	Industrial/ Leased premises	Freehold/ Leasehold expiring 2066 and 2118	116	464	October 1995
PULAU PINANG						
No. 3724, Jalan Sungai Nyior 12100 Butterworth Pulau Pinang	138,848	Industrial/ Warehouse and office	Freehold	68	3,895	October 1995
No. 3725 & 3726 (Lot 3633) Jalan Sungai Nyior 12100 Butterworth Pulau Pinang	106,450	Detached house/ Warehouse and office	Freehold	67	2,250	October 1995
KELANTAN						
Lot 9 & 10, Pengkalan Chepa Industrial Estate 16100 Kota Bahru, Kelantan	203,861	Industrial/ Warehouse and office	Leasehold expiring 2043	42	583	October 1995
PAHANG						
Lot 85, Mar Lodge, Tanah Rata 39000 Brinchang Cameron Highland, Pahang	90,931	Detached house/ Holiday bungalow	Leasehold expiring 2037	55	459	October 1995
Lot 7399 & 8081 Jalan Mempaga, Mukim Sabai 28600 Karak, Pahang	217,065	Industrial/ Factory	Freehold	15	14,111	2007

Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Net book value as at 30 September 2022 RM'000	Date of last revaluation/ acquisition
KUALA LUMPUR						
No. 3, Jalan Metro Pudu 1 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	7,208	Office	Freehold	15	10,775	2007
Kompleks Metro Pudu No. 1, Jalan Metro Pudu 2 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	87,847	Office	Freehold	13	58,072	2020
Lot 682 Seksyen 92 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	40,763	Leased premise	Freehold	-	5,598	2018
MELAKA						
No. 10, Jalan Bukit Gedong 75050 Melaka	104,000	Industrial/ Warehouse and office	Freehold/ Leasehold expiring 2023	97	570	October 1995
SELANGOR						
No. 1, Jalan Bukit Belimbing 26/38 Persiaran Kuala Selangor Section 26, 40400 Shah Alam Selangor	1,373,447	Industrial/ Factory and office	Freehold	25	186,702	October 1995
Lot 3-2 (PT 16869) Lion Industrial Park Shah Alam, Selangor	558,875	Industrial/ Partially used for warehouse and carpark	Freehold	-	11,679	October 1995
Lot 56, Jalan Sungai Pinang 4/5 Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2, 42920 Pulau Indah Selangor	1,629,042	Industrial/ Factory	Leasehold expiring 2097	14	177,861	2008
Lot 609, Mukim Hulu Semenyih District of Hulu Langat Selangor	2,025,573	For the development of residential property	Freehold	-	17,824	2006
Lot 1954, Mukim Hulu Semenyih District of Hulu Langat Selangor	614,678	For the development of residential property	Freehold	-	6,762	2006



List of Properties

Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Net book value as at 30 September 2022 RM'000	Date of last revaluation/ acquisition
SARAWAK						
No. 94, Batu 11, Jalan Matang 93050 Kuching, Sarawak	118,776	Industrial/ Factory	Freehold	16	5,480	2006
Lot 1581, Block 4 Matang Land District 93050 Kuching, Sarawak	261,338	Commercial	Leasehold expiring 2071	16	8,069	2006
3½ Mile, Jalan Penrissen 93250 Kuching, Sarawak	308,709	Industrial/ Factory	Leasehold expiring 2074	-	23,472	October 1995
Lot 142, Lorong Abang Abdul Rahim 5A 93450 Kuching, Sarawak	1,540	Shop office/ Vacant	Leasehold expiring 2784	16	350	2006
SABAH						
5½ Mile, Jalan Tuaran 88818 Kota Kinabalu, Sabah	142,140	Industrial/ Vacant	Leasehold expiring 2062	12	1,167	October 1995
5½ Mile, Jalan Tuaran Inanam, 88818 Kota Kinabalu Sabah	142,578	Industrial/ Factory	Leasehold expiring 2062	51	4,787	October 1995
Lot 808 Kota Kinabalu Industrial Park Sabah	929,135	Industrial Park Land/ Warehouse and office	Leasehold expiring 2096	-	35,178	2017
THAILAND						
90 Moo 8 Mittraparp Road Phayayen District, Amphur Pakchong Nakornratchasima Province 30320 Thailand	125,857	Industrial/ Factory	Leasehold expiring 2037	15	2,682	2007
668 Moo 4 Rojana Industrial Park Zone 2 U-thai, Phra Nakhon Si Ayutthaya 13210 Thailand	990,280	Industrial/ Factory	Freehold	13	148,912	2010
Total					764,149	

Corporate Directory

HEADQUARTERS	PLANTS	
Fraser & Neave Holdings Bhd No. 1 Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia Phone : +603 5101 4288	F&N Beverages Manufacturing Sdn Bhd (Shah Alam) No. 1 Jalan Bukit Belimbing 26/38 Persiaran Kuala Selangor Section 26, 40400 Shah Alam Selangor, Malaysia Phone : +603 5101 4800	Borneo Springs Sdn Bhd (Matang) No. 94, Batu 11, Jalan Matang 93050 Kuching Sarawak, Malaysia Phone : +6082 464 410, +6082 463 930 Fax : +6082 462 410
CORPORATE OFFICES		
F&N Dairies (Thailand) Limited The PARQ Building, 8 th Floor Unit 8W01-08, 88 Ratchadaphisek Road Klongtoei, Bangkok 10110 Thailand Phone : +66(0) 2821 6988 Fax : +66(0) 2821 6989	F&N Beverages Manufacturing Sdn Bhd (Kuching) 3½ Mile Jalan Penrissen 93250 Kuching, Sarawak, Malaysia Phone : +6082 451 411 Fax : +6082 452 488	Borneo Springs Sdn Bhd (Bentong) Lot 7399, Jalan Mempaga Mukim Sabai, 28600 Karak Pahang, Malaysia Phone : +6010 820 7013
F&N Marketing (B) Sdn Bhd Lot 1, Tapak Perindustrian Lambak Kanan Barat FASA II Mukim Berakas A, B.S.B. BB1714 Brunei Darussalam Phone : +673 239 2663 Fax : +673 239 2663	F&N Beverages Manufacturing Sdn Bhd (Kota Kinabalu) 5½ Mile, Jalan Tuaran, Inanam P.O. Box 11679 88818 Kota Kinabalu, Sabah, Malaysia Phone : +6088 421 101 Fax : +6088 425 495	F&N Dairies (Thailand) Limited (Rojana) 668 Moo 4 Rojana Industrial Park Zone 2 U-thai, Phra Nakhon Si Ayutthaya 13210 Thailand Phone : +66(0) 3574 6822 Fax : +66(0) 3574 6820
Sri Nona Industries Sdn Bhd Lot 36, Jalan E1/4 Taman Ehsan Industrial Park 52100 Kepong Selangor Darul Ehsan, Malaysia Phone : +603 6274 9700 Fax : +603 6274 9989	F&N Dairies Manufacturing Sdn Bhd (Pulau Indah) Lot 56, Jalan Sungai Pinang 4/5 Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2 42920 Pulau Indah Selangor, Malaysia Phone : +603 3377 2000 Fax : +603 3101 2399	F&N Dairies (Thailand) Limited (Wang Muang) 888 Moo 1, Salaeng Phan Wang Muang, Saraburi 18220 Thailand Phone : +66(0) 2821 6388 Fax : +66(0) 2821 6386, +66(0) 2821 6387
SALES OFFICES		
F&N Beverages Marketing Sdn Bhd (Kuala Lumpur) Kompleks Metro Pudu No. 1, Jalan Metro Pudu 2 Fraser Business Park off Jalan Yew 55100 Kuala Lumpur, Malaysia Phone : +603 9232 9000 Fax : +603 9232 9005, +603 9232 9230	F&N Beverages Marketing Sdn Bhd (Seremban) 156-1, Lorong Haruan 5/5 Oakland Commerce Square 70300 Seremban Negeri Sembilan, Malaysia Phone : +606 631 8588, +606 631 8589	F&N Beverages Marketing Sdn Bhd (Batu Pahat) Lot 729, Lorong Bintang Mukim Perserai 80300 Batu Pahat, Johor, Malaysia Phone : +607 413 8232 Fax : +607 413 7000
	F&N Beverages Marketing Sdn Bhd (Johor) Batu 4½, Jalan Tampoi 81200 Johor Bahru Johor, Malaysia Phone : +607 332 2433 Fax : +607 332 8018	F&N Beverages Marketing Sdn Bhd (Kluang) No. 11, Jalan 2 Taman Perindustrian Sinaran 86000 Kluang, Johor, Malaysia Phone : +607 787 9919 Fax : +607 787 9639





SALES OFFICES

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No. 10, Jalan Bukit Gedong
75050 Melaka, Malaysia
Phone : +606 282 8011
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F&N Beverages Marketing Sdn Bhd (Butterworth)

No. 3724, Jalan Sungai Nyior
12100 Butterworth Pulau Pinang, Malaysia
Phone : +604 314 8600
Fax : +604 331 0427

F&N Beverages Marketing Sdn Bhd (Ipoh)

No. 217, Jalan Lahat
30200 Ipoh, Perak, Malaysia
Phone : +605 254 9461
Fax : +605 253 2091,
+605 254 2520

F&N Beverages Marketing Sdn Bhd (Alor Setar)

No. 111, Taman Saga, Tingkat Bawah
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05350 Alor Setar, Kedah, Malaysia
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Fax : +604 731 6723

F&N Beverages Marketing Sdn Bhd (Kuantan)

Block A, Lot 95
Kawasan Perindustrian Semambu
25350 Kuantan, Pahang, Malaysia
Phone : +609 560 1880
Fax : +609 568 4712,
+609 566 4197

F&N Beverages Marketing Sdn Bhd (Kota Bharu)

Lot 9 & 10, Pengkalan Chepa
Industrial Estate, 16100 Kota Bharu
Kelantan, Malaysia
Phone : +609 771 5643,
+609 771 5641
Fax : +609 771 5652

F&N Beverages Marketing Sdn Bhd (Kuala Terengganu)

Lot PT 7012K
Kawasan Perindustrian Gong Badak
21300 Kuala Terengganu
Terengganu, Malaysia
Phone : +609 667 0007,
+609 667 0008

F&N Beverages Marketing Sdn Bhd (Mentakab)

No. 27, Jalan Angsana, Taman Rimba
28400 Mentakab Pahang, Malaysia
Phone : +609 277 6100
Fax : +609 277 6200

F&N Beverages Marketing Sdn Bhd (Kuching)

3½ Mile Jalan Penrissen
93250 Kuching Sarawak, Malaysia
Phone : +6082 451 411
Fax : +6082 452 488

F&N Beverages Marketing Sdn Bhd (Sibu)

No. 28, Lorong Lanang Barat 20-B
Jalan Upper Lanang, 96008 Sibu
Sarawak, Malaysia
Phone : +6084 215 112
Fax : +6084 213 611

F&N Beverages Marketing Sdn Bhd (Bintulu)

No. 55, BBC Workshop
(Light Industrial Estate)
Lot 214 & 217, Block 22
Kemena Land District
5½ Miles Jalan Bintulu Sibu
97000 Bintulu Sarawak, Malaysia
Phone : +6086 338 706
Fax : +6086 336 706

F&N Beverages Marketing Sdn Bhd (Miri)

Lot 1830, Jalan Prunus 6
Piasau Jaya Industrial Estate
98000 Miri
Sarawak, Malaysia
Phone : +6085 491 002,
+6085 491 642
Fax : +6085 491 094

F&N Beverages Marketing Sdn Bhd (Kota Kinabalu)

5½ Mile, Jalan Tuaran, Inanam
P.O. Box 11679
88818 Kota Kinabalu, Sabah, Malaysia
Phone : +6088 421 101
Fax : +6088 425 495

F&N Beverages Marketing Sdn Bhd (Sandakan)

Ground & Mezzanine Floor
Block B, Lot 8, Phase IIA
Taman Grandview, 90000 Sandakan
Sabah, Malaysia
Phone : +6089 227 035
Fax : +6089 225 500

F&N Beverages Marketing Sdn Bhd (Tawau)

Lot No. 12200, Taman Megah Jaya
KM 8, Off Jalan Tiku
91000 Tawau Sabah, Malaysia
Phone : +6089 769 008
Fax : +6089 749 008

INTERNATIONAL OFFICE

Fraser and Neave MENA DWC-LLC
Office 138, Building A3, Business Park
Dubai World Central
Dubai, United Arab Emirates
Phone : +971 5250 17582

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 61st Annual General Meeting of Fraser & Neave Holdings Bhd (“Company”) will be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 17 January 2023 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESS

1.

To receive the Audited Financial Statements for the financial year ended 30 September 2022 together with the Reports of the Directors and Auditors thereon.

Refer to Explanatory Note (i)
2.

To approve the payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2022.

Resolution 1
3.

To re-elect the following Directors who retire in accordance with Clause 100 of the Company’s Constitution, as Directors:

(i) Y.A.M. Tengku Syed Badarudin Jamalullail
(ii) Mr. Hui Choon Kit

Resolution 2
Resolution 3

Note: Y.Bhg. Dato’ Jorgen Bornhoft who also retires in accordance with Clause 100 of the Company’s Constitution, has expressed his intention not to seek re-election.
4.

To re-elect Mr. Kosit Suksingha who retires in accordance with Clause 106 of the Company’s Constitution, as a Director.

Resolution 4
5.

To appoint the following Director:

“**THAT** Mr. Michael Chye Hin Fah, who has consented to act as a Director and made a declaration that he is not disqualified from being appointed or holding office as a Director pursuant to Section 201 of the Companies Act 2016, be and is hereby appointed as a Director of the Company and designated as Non-Independent Non-Executive Director with effect from the conclusion of the 61st Annual General Meeting on 17 January 2023.”

Resolution 5
6.

To approve the payment of Directors’ fees and benefits of up to RM1,810,000 for the period from 18 January 2023 until the next annual general meeting (“AGM”) of the Company (2022 AGM: up to RM1,500,000), payable monthly in arrears after each month of completed service of the Directors.

Resolution 6
7.

To re-appoint Messrs KPMG PLT, the retiring auditors, as the auditors of the Company for the financial year ending 30 September 2023 and to authorise the Directors to fix their remuneration.

Resolution 7

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Notice of Annual General Meeting

SPECIAL BUSINESS

8. ORDINARY RESOLUTION
- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 8

“**THAT** subject always to the Companies Act 2016 (“Act”), the provisions of the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant authorities, the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to the extent permitted by the law, to make purchases of ordinary shares in the Company’s issued shares (“F&N Shares”) from time to time through Bursa Securities, subject further to the following:

- (i) the maximum number of ordinary shares which may be purchased and held by the Company does not exceed ten per centum (10%) of the total issued shares of the Company at any point in time (“Proposed Share Buy-Back”);
- (ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company’s total retained profits at the time of purchase of the Proposed Share Buy-Back;
- (iii) the approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company, following the passing of this resolution or the expiration of the period within which the next annual general meeting is required by law to be held unless earlier revoked or varied by ordinary resolution passed by shareholders of the Company at a general meeting but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority; and
- (iv) upon completion of the purchase(s) of the F&N Shares or any part thereof by the Company, the Directors be and are hereby authorised to cancel all the F&N Shares so purchased, retain all the F&N Shares as treasury shares for future re-sale or retain part thereof as treasury shares and cancel the balance or distribute all or part of the F&N Shares as dividends to shareholders, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of MMLR and any other relevant authority for the time being in force.

AND THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought back) in accordance with the Act, the provisions of the Constitution of the Company, the MMLR and all other relevant governmental and/or regulatory authorities.”

SPECIAL BUSINESS (CONTINUED)

9. ORDINARY RESOLUTION
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Resolution 9

“**THAT** approval be and is hereby given for the Company and/or its subsidiaries (“F&N Group”) to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions set out in Sections 2.4.1 and 2.4.2, Part B of the Statement/Circular to Shareholders dated 19 December 2022 with the related parties mentioned therein, provided that such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group’s normal business practices and policies, and on terms not more favourable to the related parties than those extended to the other customers of the F&N Group, and not to the detriment of the minority shareholders **AND THAT** such approval shall be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by the Company in a general meeting,

whichever is the earlier **AND THAT** the Directors of the Company and each of them be authorised to do all such acts and things (including, without limitation, to execute all such documents) as they may consider necessary, expedient or in the interests of the Company to give effect to this resolution.”

10. To transact any other business of which due notice shall have been given.

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Notice of Annual General Meeting

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the 61st Annual General Meeting of the Company, the proposed payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2022 will be paid to shareholders on 10 February 2023. The entitlement date for the proposed dividend shall be on 20 January 2023.

A depositor shall qualify for the entitlement to the dividend only in respect of:

- Shares transferred to the depositor's securities account before 4:30 p.m. on 20 January 2023 in respect of ordinary transfer; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TIMOTHY OOI AIK TUAN

(LS0010357/SSM PC NO. 201908002732)
Company Secretary

Kuala Lumpur, Malaysia
19 December 2022

NOTES:

Appointment of Proxy

- A member entitled to attend, speak and vote at the above annual general meeting ("AGM") may appoint a proxy or proxies (but not more than two) to attend, speak and vote on his/her behalf and such proxy or proxies need not be a member or members of the Company.
- Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.
- In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of proxy by an exempt authorised nominee shall be by a separate instrument of proxy which shall specify the proportion of shareholding to be represented by each proxy.

- The instrument appointing a proxy or proxies must be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> ("eProxy Lodgement") not less than 48 hours before the meeting. Please refer to the Administrative Details for the 61st AGM for the steps on the eProxy Lodgement.

Members Entitled to Attend the AGM

- For the purpose of determining a member who shall be entitled to attend the 61st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 65(6) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at Monday, 9 January 2023. Only a depositor whose name appears on the Record of Depositors as at Monday, 9 January 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

EXPLANATORY NOTES:

A. FOR ORDINARY BUSINESS

(i) Audited Financial Statements

Item 1 of the agenda is intended for discussion only as under Section 340(1) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of shareholders. As such, this item will not be put forward for voting.

(ii) Re-election of Directors (Resolutions 2, 3 and 4)

Through the Directors' self/peer assessment for the financial year 2022, the Nominating Committee ("NomCom") has assessed individual Directors except for Mr. Kosit Suksingha and his alternate, Mrs. Tongjai Thanachanan, who were appointed to the Board on 10 June 2022.

The NomCom has also assessed the retiring Directors in terms of character and integrity, competency, commitment, contribution and ability to act in the best interests of the Company based on the criteria set out in the Group's Fit and Proper Policy ("Fit and Proper Criteria").

The Board and the NomCom are satisfied that the retiring Directors meet the Fit and Proper Criteria for re-election to the Board and can continuously discharge their duties diligently as Directors.

The Board recommends that shareholders approve the re-election of the retiring Directors, who have offered themselves for re-election at the 61st AGM. The retiring Directors have abstained from deliberations and decisions on their re-election at the relevant meetings of the Board and the NomCom.

The profiles of the retiring Directors are set out in the Profile of Board of Directors in the Annual Report 2022.

(iii) Appointment of Director (Resolution 5)

To fill the casual vacancy arising from the decision of Y.Bhg. Dato' Jorgen Bornhoft not to seek re-election as a Director upon the conclusion of the 61st AGM, the Board has through the NomCom

reviewed and evaluated the proposed appointment of Mr. Michael Chye Hin Fah ("Mr. Michael Chye") based on the Fit and Proper Criteria.

The Board and the NomCom are satisfied that Mr. Michael Chye meets the Fit and Proper criteria for appointment to the Board. The Board recommends that shareholders approve the appointment of Mr. Michael Chye.

The profile of Mr. Michael Chye is set out in the Statement Accompanying Notice of AGM. The notice of nomination from Fraser and Neave, Limited, a major shareholder of the Company for the proposed appointment of Mr. Michael Chye is attached hereto as Appendix I.

(iv) Directors' Fees and Benefits (Resolution 6)

Section 230(1) of the Companies Act 2016 provides that fees of directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or of a listed company and its subsidiaries shall be approved at a general meeting.

At the Company's AGM held on 17 January 2022, shareholders approved the payment of Directors' fees and benefits ("Directors' Remuneration") of up to RM1,500,000 for the period from 18 January 2022 until 17 January 2023. Total Directors' Remuneration paid for the financial year ended 30 September 2022 amounted to RM1,339,282 as detailed in the Corporate Governance Overview Statement.

Based on the Directors' Remuneration Policy of the Company, Directors' fees and meeting allowances are reviewed every two years. The last review of Directors' Remuneration was conducted by an independent consultant, Aon Malaysia Sdn Bhd ("AON") in October 2018. Following shareholders' approval at the Company's AGM in 2019, Directors' fees and meeting allowances were increased and adjusted by taking into account the prevalent market rates and the duties, responsibilities and commitment of the respective Board Committees and Chairmen of Board Committees. The subsequent review of Directors' Remuneration has been deferred since 2020 considering the economic uncertainties and ongoing efforts of the Group to manage its operational costs.



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Notice of Annual General Meeting

In October 2022, AON was engaged to conduct the review of Directors' Remuneration. AON has benchmarked the Directors' Remuneration for the financial year 2022 against 36 listed companies with similar size and/or operating environment as the Company. Based on AON's recommendation and to enhance competitiveness of the Company's remuneration plan, the Board is seeking an increase in the Directors' Remuneration as follows:

- aligning the Company's projected average Directors' Remuneration for the financial year 2023 with the prevalent market rate while capping the increase in the Company's

projected total Directors' Remuneration for the financial year 2023 to approximately 27%;

- increasing base retainer fee by RM20,000 and maintaining the current retainer ratios for the Board and Board Committees; and
- increasing meeting allowances by RM500 for members of the Board and Board Committees and for the Chairman of Share Buy-Back ("SBB") Committee.

The tables below set out the proposed increases in Directors' fees and adjustments to meeting allowances:

		Directors' Fees Per Annum			
		Current Fees (RM)	Current Retainer Ratios (Note)	Proposed Increase in Fees RM'000	Revised Fees (RM)
Board	Chairman	150,000	2.00	40,000	190,000
	Member	75,000*	1.00	20,000	95,000
Audit Committee	Chairman	20,000	0.27	5,650	25,650
	Member	10,000	0.13	2,350	12,350
Group Executive Committee	Chairman	15,000	0.20	4,000	19,000
	Member	7,500	0.10	2,000	9,500
Sustainability & Risk Management Committee	Chairman	15,000	0.20	4,000	19,000
	Member	7,500	0.10	2,000	9,500
Nominating Committee	Chairman	7,500	0.10	2,000	9,500
	Member	4,500	0.06	1,200	5,700
Remuneration Committee	Chairman	7,500	0.10	2,000	9,500
	Member	4,500	0.06	1,200	5,700
SBB Committee	Chairman	Nil	Not applicable	Nil	Nil
	Member	Nil	Not applicable	Nil	Nil

Note:

$$\text{Current Retainer Ratio} = \frac{\text{Current Fee}}{\text{* Base Retainer Fee}}$$

		Meeting Allowances Per Attendance (RM)		
		Current Meeting Allowances	Proposed Increase in Meeting Allowances	Revised Meeting Allowances
Board	Chairman	3,000	Nil	3,000
	Member	1,500	500	2,000
All the aforesaid Board Committees Other than SBB Committee	Chairman	2,000	Nil	2,000
	Member	1,000	500	1,500
SBB Committee	Chairman	1,000	500	1,500
	Member	1,000	500	1,500

EXPLANATORY NOTES: (CONTINUED)

A. FOR ORDINARY BUSINESS (continued)

(iv) Directors' Fees and Benefits (Resolution 6) (continued)

The Company is therefore seeking shareholders' approval for payment of Directors' fees and benefits of up to RM1,810,000 for the period from 18 January 2023 until the next AGM of the Company to be held in January 2024, which have been estimated by taking into account:

- the proposed increase in Directors' fees and adjustment to Directors' meeting allowances as set out in the tables above;
- the number of scheduled and ad-hoc meetings of the Board and Board Committees and the annual general meeting; and
- benefits including personal accident insurance premium for all Directors.

Resolution 6, if passed, will facilitate the payment of Directors' fees and remuneration on a monthly basis and/or as and when required. The Board is of the view that Directors should be paid such fees and meeting allowances upon them discharging their responsibilities and rendering their services to the Company.

B. FOR SPECIAL BUSINESS

(i) Proposed Renewal of Share Buy-Back Authority (Resolution 8)

Resolution 8, if passed, will provide the Company with the authority to buy-back its shares and will allow the Company a further option to utilise its financial resources more efficiently. Additionally, it is intended to stabilise the supply and demand as well as the price of the Company's shares. Please refer to Part A of the Statement/Circular to Shareholders dated 19 December 2022 for more details.

(ii) Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 9)

Resolution 9, if passed, will enable the Company and/or its subsidiaries ("F&N Group") to enter into recurrent transactions with the related parties provided that such transactions are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group's normal business practices and policies and on terms not more favourable to the related parties than those extended to the other customers of the F&N Group, and not to the detriment of the minority shareholders. Please refer to Part B of the Statement/Circular to Shareholders dated 19 December 2022 for more details.

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Statement Accompanying Notice of Annual General Meeting

MR. MICHAEL CHYE HIN FAH

Singaporean, Age 63
Non-Independent Non-Executive Director

QUALIFICATION(S)

- Bachelor of Business Studies with First Class Honours in Accounting and Finance, Massey University, New Zealand
- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Fellow of the Institute of Singapore Chartered Accountants
- Associate Member of the Institute of Chartered Secretaries & Administrators
- Member of the Singapore Institute of Directors
- Associate Member of Chartered Secretaries Institute of Singapore

PRESENT DIRECTORSHIP(S)

Listed Companies

- Fraser and Neave, Limited (incorporated in Singapore, listed on Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) – Alternate Director
- Saigon Beer-Alcohol-Beverage Corporation (incorporated in Vietnam, listed on Ho Chi Minh Stock Exchange (“**HSX**”))
- Vietnam Dairy Products Joint Stock Company (incorporated in Vietnam, listed on HSX)

Non-Listed Companies

- Alliance Asia Investment Private Limited (incorporated in Singapore)
- Alliance Strategic Investments Pte. Ltd. (incorporated in Singapore)
- Asia Breweries Limited (incorporated in Singapore)
- ASM International Limited (incorporated in Hong Kong (“**HK**”))
- Beer Chang International Limited (incorporated in Singapore)
- BeerCo Limited (incorporated in HK)
- BeerCo Limited (incorporated in Singapore)
- BeerCo (Cambodia) Limited (incorporated in Cambodia) - Chairman
- BevCo Limited (incorporated in HK)
- BevCo Limited (incorporated in Thailand)
- Chang Beer Company Limited (incorporated in Thailand)
- Chang Beer UK Limited (incorporated in United Kingdom (“**UK**”))
- Chang Corporation Co., Ltd. (incorporated in Thailand)
- Chang Holding Co., Ltd. (incorporated in Thailand)
- Chang International Co., Ltd. (incorporated in Thailand)
- DECCO 235 (incorporated in New Zealand)
- F&N Retail Connection Co., Ltd. (incorporated in Thailand)
- Grand Royal Group International Company Limited (formerly known as Myanmar Distillery Company Limited, incorporated in Myanmar)
- Havi Food Distribution (Thailand) Co., Ltd. (incorporated in Thailand)
- Havi Logistics (Thailand) Limited (incorporated in Thailand)
- Heritas Capital Management Pte. Ltd. (incorporated in Singapore)
- IMC Pan Asia Alliance Corporation (incorporated in British Virgin Islands)
- InterBev (Singapore) Limited (incorporated in Singapore)
- InterBev (Singapore) 2019 Limited (incorporated in Singapore)

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed Issuer(s)

- None

Non-Listed Issuer(s)

- None

- InterF&B Pte. Ltd. (incorporated in Singapore)
- International Beverage Holdings Limited (incorporated in HK)
- International Beverage Holdings (Singapore) Pte. Limited (incorporated in Singapore)
- International Beverage Holdings (UK) Limited (incorporated in UK)
- International Beverage Trading (Hong Kong) Limited (incorporated in HK)
- International Breweries Limited (incorporated in HK)
- Inver House Distillers Limited (incorporated in UK)
- Inver House Distillers (ROI) Limited (incorporated in Republic of Ireland)
- Marketing Magic Pte. Ltd. (incorporated in Singapore)
- Max Asia Food and Beverage (Thailand) Co., Ltd. (incorporated in Thailand)
- Myanmar Supply Chain and Marketing Services Company Limited (incorporated in Myanmar)
- Prudence Holdings Limited (incorporated in Cook Islands)
- SEA Logistics & Technology Pte. Ltd. (incorporated in Singapore)
- Siam Breweries Limited (incorporated in Singapore)
- So Water Company Limited (incorporated in Thailand)
- South East Asia Logistics Pte. Ltd. (incorporated in Singapore)
- Super Beer Brands Limited (formerly known as Beer Super Brands Limited, incorporated in Singapore)
- Super Brands Company Pte. Ltd. (incorporated in Singapore)
- Super Food Brands Company Pte. Ltd. (incorporated in Singapore)
- Thai Breweries Limited (incorporated in Singapore)
- VietBev Company Limited (incorporated in Vietnam)
- Vietnam Beverage Company Limited (formerly known as Nga Son Beverage Joint Stock Company, incorporated in Vietnam)
- Vietnam F&B Alliance Investment Joint Stock Company (formerly known as Nga Son Investment Joint Stock Company, incorporated in Vietnam)
- Vietnam Logistics and Supply Chain Company Limited (incorporated in Vietnam)
- Wellwater Limited (incorporated in HK)

PRESENT APPOINTMENTS:

Listed Companies

- Thai Beverage Public Company Limited (incorporated in Thailand, listed on SGX-ST) – Chief Beer Product Group

Unlisted Companies

- BeerCo Limited (incorporated in Singapore) – Chief Executive Officer
- Vietnam Beverage Company Limited (formerly known as Nga Son Beverage Joint Stock Company, incorporated in Vietnam) – Legal Representative
- Vietnam F&B Alliance Investment Joint Stock Company (formerly known as Nga Son Investment Joint Stock Company, incorporated in Vietnam) – Legal Representative/Chairman of Board of Management

PAST DIRECTORSHIP(S)

Listed Companies

- Sermasuk Public Company Limited (incorporated in Thailand, listed on Stock Exchange of Thailand)

Unlisted Companies

- C A C Co., Ltd. (incorporated in Thailand)
- International Beverage Trading Limited (incorporated in Bermuda)
- Sermasuk Beverage Co., Ltd. (incorporated in Thailand)
- Sermasuk Holdings Co., Ltd. (incorporated in Thailand)
- Wrangyer Beverage (2008) Co., Ltd. (incorporated in Thailand)

PAST APPOINTMENT(S)

Listed Companies

- Thai Beverage Public Company Limited – Executive Vice-President, Finance and Accounting Group, Deputy Group CFO and Chief Finance Officer - International Business

Unlisted Companies

- International Beverage Holdings Limited – Group Chief Financial Officer
- Super Brands Company Pte. Ltd. – Executive Director
- InterBev (Singapore) Limited – Executive Director

Mr. Michael Chye Hin Fah does not hold any shares in Fraser & Neave Holdings Bhd (“Company”) and its subsidiaries. He does not have any family relationship with any director and/or major shareholder of the Company nor any personal interest in any business arrangement involving the Company, save and except that he is a nominee director of Fraser and Neave, Limited – a major shareholder of the Company. Mr Chye has not been convicted of any offence in the past five years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 September 2022, which would have required disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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Additional Information





Letter of Nomination

APPENDIX I



FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R
Incorporated in Singapore

438 Alexandra Road
#20-00 Alexandra Point
Singapore 119958

Tel : (65) 6318 9393
Fax : (65) 6271 0811
Website: www.fraserandneave.com

15 November 2022

Fraser & Neave Holdings Bhd (“F&NHB”)
Level 3A, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park, Off Jalan Yew
55100 Kuala Lumpur, Malaysia

No. of page(s): 1

Attention: Mr. Timothy Ooi, Director, Group Legal Counsel and Company Secretary

Dear Sirs

Notice of Nomination of Director for Appointment to the Board of Directors of F&NHB

- On behalf of Fraser and Neave, Limited (“F&NL”), we hereby give notice of our intention to nominate Mr Michael Chye Hin Fah for appointment to the Board of F&NHB, to be designated as a non-independent and non-executive director.
- Subject to the approval of shareholders of F&NHB at the upcoming Annual General Meeting of F&NHB on 17 January 2023 (“AGM”), we propose that Mr Chye’s appointment take effect immediately after the conclusion of the AGM.
- Kindly arrange for this notice to be circulated to the shareholders of F&NHB and to seek their approval at the AGM.

Thank you.

Yours faithfully,

Samuel Lee
Company Secretary

Administrative Details

for the 61st Annual General Meeting of Fraser & Neave Holdings Bhd

TO BE HELD AT BALLROOM 3, FIRST FLOOR, SIME DARBY CONVENTION CENTRE, 1A, JALAN BUKIT KIARA 1, 60000 KUALA LUMPUR ON TUESDAY, 17 JANUARY 2023 AT 10:00 A.M.

REGISTRATION

- Registration will start at 8:00 a.m. and will remain open until the conclusion of the annual general meeting (“AGM”) or such time as may be determined by the Chairman of the meeting.
- Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration. Only original MyKad/ Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MyKad/Identification Card or passport thereafter.
- No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.
- Upon verification and registration:
 - please sign the Attendance List and an identification wristband will be provided at the registration counter;
 - A special QR code will be generated for shareholders to scan and access the e-polling system using his/her own smartphone/tablet;
 - if you are attending the AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband; and
 - no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/ misplace the identification wristband.
- After registration, please vacate the registration area immediately and proceed to the meeting hall.
- The registration counter will only handle verification of identity and registration of attendance.
- Help desk support is available for any other enquiries/ assistance/revocation of proxy’s appointment.

DOOR GIFT

One (1) door gift will be given for one (1) attendee only, regardless of the number of shareholders you are representing as a proxy, and whether you are attending both as proxy and shareholder.

PARKING

Parking is free at Sime Darby Convention Centre.

LODGE MENT OF PROXY FORM

- If you are unable to attend the AGM in person and wish to appoint the Chairman of the AGM as your proxy to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:
 - In hard copy form
Please deposit your proxy form at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd (“Boardroom”) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Sunday, 15 January 2023 at 10.00 a.m. Any alteration to the Form of Proxy must be initialled.
 - By electronic means (following the steps below)
 - Log in to <https://investor.boardroomlimited.com>
 - Select FRASER & NEAVE HOLDINGS BHD (61ST ANNUAL GENERAL MEETING) from the list of Meeting Events and click “Enter”
 - Click “Submit eProxy Form”.
 - Read and accept the General Terms and Conditions. Enter your CDS account number and number of securities held. Select your proxy - either Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
 - Indicate your voting instruction - FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY.

eProxy Form to be lodged not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Sunday, 15 January 2023 at 10.00 a.m.

- If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you**



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Administrative Details

for the 61st Annual General Meeting of Fraser & Neave Holdings Bhd

REVOCATION OF PROXY

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM or proceed to the Help desk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

COVID-19 PREVENTION MEASURES

- Attendees are highly encouraged to perform self-test for Covid-19 at home a day before the meeting.
- A shareholder/ proxy who has symptoms of being unwell or showing any symptoms of Covid-19 is advised not to attend the AGM.
- Wear a face mask throughout the meeting and clean your hands frequently with alcohol-based hand rub or soap and water.

DIGITAL COPIES OF AGM DOCUMENTS

As part of our commitment to environmentally sustainable practices by reducing paper usage, the following documents can be accessed from our website at <https://fn.com.my/investors/ar2022/>:

- Annual Report 2022
- Notice of the 61st AGM and Proxy Form
- Sustainability Report 2022
- Circular in relation to the Share Buy-Back Statement and the Proposed Shareholders' Mandate for Recurrent Related Party Transactions
- Corporate Governance Report 2022

VOTING AT MEETING

- Voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Asia Securities Sdn Berhad as Independent Scrutineer to verify the poll results.
- e-Voting for all the resolutions set out in the Notice of AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.

- Please vote using your smartphone/ tablet with the special QR code which generated during the registration upon the Chairman opens the poll.

ENQUIRY

For enquiries and administrative details relating to the meeting, please contact Boardroom during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.), details as follows:

Boardroom Share Registrars Sdn. Bhd.

Address : 11th Floor, Menara Symphony
No. 5 Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

General Line : 603-7890 4700 (Helpdesk)

Fax Number : 603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

PERSONAL DATA POLICY

By registering for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by F&NHB (or its agents) for the following purposes:

- for registration;
- communicate with the shareholders and proxy holders who participate at the AGM for redemption of door gift;
- respond to shareholders' and proxy holders' enquiries;
- for internal record keeping;
- send promotional materials, advertisement for marketing purposes;
- publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
- for processing and administration by the Company (or its agents); and
- comply with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

Proxy Form



FRASER & NEAVE
HOLDINGS BHD
196101000155 (4205-V)

I/We _____ (full name in block letters) NRIC/ Company No. _____
of _____ (full address)

Tel. No. _____ Email address _____

being a member/members of Fraser & Neave Holdings Bhd, hereby appoint the following person(s):

Full name in block letters	NRIC/Passport No.	Proportion of shareholding to be represented	
		No. of shares	Percentage
Address:			
Tel. No.:			
Email address:			

and/or (delete if inapplicable)

Full name in block letters	NRIC/Passport No.	Proportion of shareholding to be represented	
		No. of shares	Percentage (%)
Address:			
Tel. No.:			
Email address:			

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us on my/our behalf as indicated below, at the 61st Annual General Meeting of the Company to be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on **Tuesday, 17 January 2023 at 10:00 a.m.** or at any adjournment thereof:

Ordinary Resolutions:	No.	For	Against
To approve the payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2022.	1		
To re-elect Y.A.M Tengku Syed Badarudin Jamalullail who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	2		
To re-elect Mr Hui Choon Kit who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	3		
To appoint Mr Kosit Suksingha who retires in accordance with Clause 106 of the Company's Constitution, as a Director.	4		
To appoint Mr Michael Chye Hin Fah as a Director, to be designated as Non-Independent Non-Executive Director.	5		
To approve the payment of Directors' fees and benefits of up to RM1,810,000 for the period from 18 January 2023 until the next annual general meeting ("AGM") of the Company (2022 AGM: up to RM1,500,000), payable monthly in arrears after each month of completed service of the Directors.	6		
To re-appoint Messrs KPMG PLT, the retiring auditors, as the auditors of the Company for the financial year ending 30 September 2023 and to authorise the Directors to fix their remuneration.	7		
To approve the Proposed Renewal of Share Buy-Back Authority.	8		
To approve the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.	9		

Please indicate with an "X" in the spaces above how you wish your vote(s) to be cast. If no specific direction as to voting is given, your proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____, 20____

Number of shares held:	
CDS Account No.:	

Signature(s)/Common Seal of Shareholder(s)

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Additional Information



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AFFIX
STAMP

THE COMPANY SECRETARY
FRASER & NEAVE HOLDINGS BHD
(Registration No.: 196101000155 (4205-V))
c/o BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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Notes:

Appointment of Proxy

- (1) A member entitled to attend, speak and vote at the above annual general meeting (“AGM”) may appoint a proxy or proxies (but not more than two) to attend, speak and vote on his/her behalf and such proxy or proxies need not be a member or members of the Company.

(2) Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.

(3) In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.

(4) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of proxy by an exempt authorised nominee shall be by a separate instrument of proxy which shall specify the proportion of shareholding to be represented by each proxy.

(5) The instrument appointing a proxy or proxies may be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> (“eProxy Lodgement”) not less than 48 hours before the meeting. Please refer to the Administrative Details for the 61st AGM for the steps on the eProxy Lodgement.
- Members Entitled to Attend the AGM**

(6) For the purpose of determining a member who shall be entitled to attend the 61st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 65(6) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at Monday, 9 January 2023. Only a depositor whose name appears on the Record of Depositors as at Monday, 9 January 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.



www.fn.com.my



FRASER & NEAVE HOLDINGS BHD

No. 1 Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26,
40400 Shah Alam, Selangor, Malaysia

Telephone No.: 603-5101 4288

