



**FRASER & NEAVE
HOLDINGS BHD**

196101000155 (4205-V)

FORWARD TOGETHER



ANNUAL REPORT 2023

RE-ENERGISING CORE BUSINESS FOR GROWTH AND EXPANSION

As we build new businesses and look into integration for further efficiencies, we continue to stay focused in providing Pure Enjoyment, Pure Goodness through our core business of beverages by innovating our product portfolio, delivering new and unique offerings that cater to ever-changing needs, to ensure continuous growth and relevance.



FULFILLING THE NEED FOR INNOVATIVE DAIRY PRODUCTS

F&N is committed to continue serving our customers with better value-add and nutritious products, as we strengthen our portfolio of dairy products by expanding into upstream production of fresh milk and building capabilities of farmers to meet the demands of our consumers.



FOSTERING THE GROWTH OF OUR HALAL FOOD PILLAR

To achieve our ambition of becoming a leading food and beverage company in the region, we will strengthen our Halal food pillar and maximise the synergies between our traditional beverage and food businesses, creating a fuller food and beverages portfolio and enhancing the Group's foray into overseas markets.



CULTIVATING INNOVATIVE SUSTAINABILITY IN AGRICULTURE

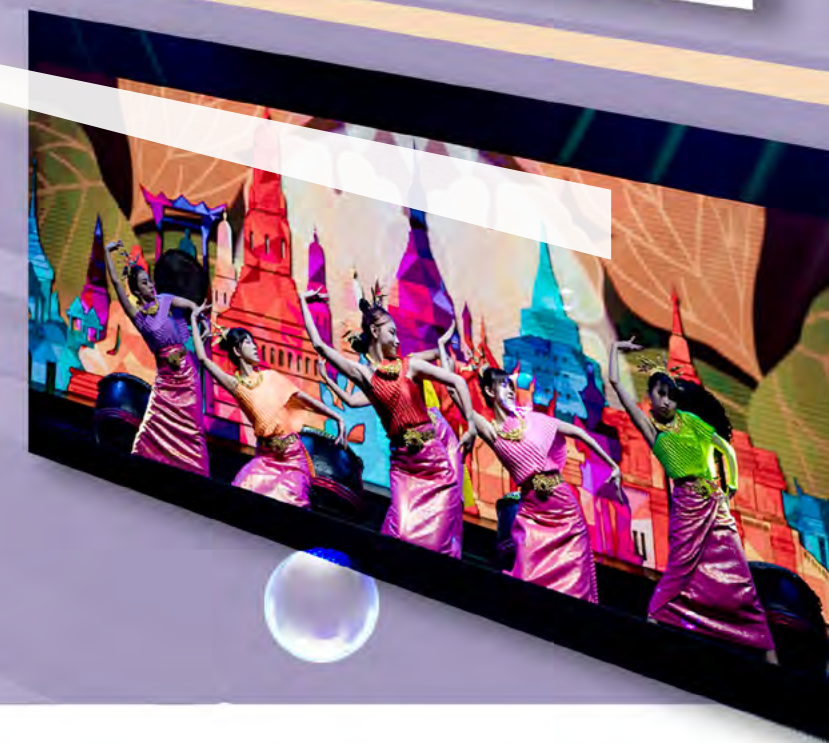
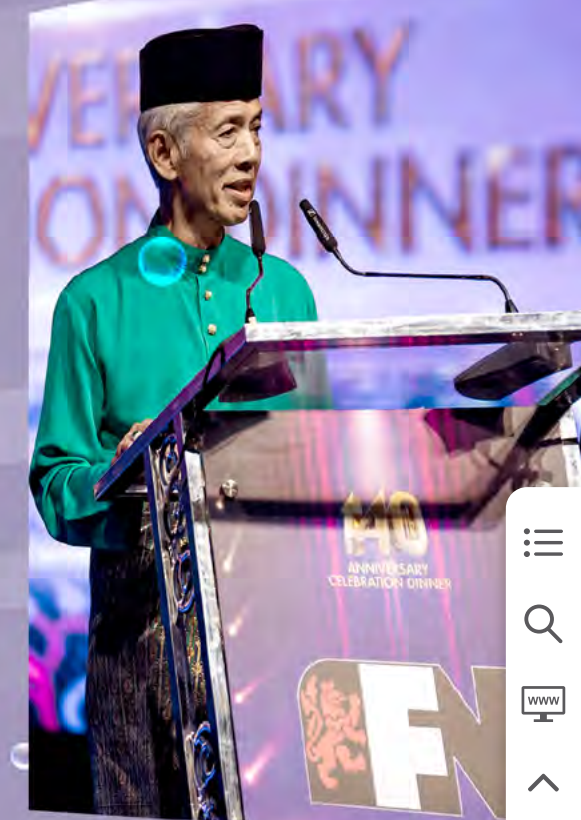
F&N's goal for an integrated dairy farm goes beyond a resilient supply chain; it signifies our commitment to long-term business stability. Our vision is to bring fresh milk to every Malaysian home in the most sustainable manner while catalysing growth in the dairy and agriculture sectors. Our focus on sustainable agriculture isn't just strategic; it's our contribution to Malaysia's journey towards a more resilient and sustainable food supply.





140TH CELEBRATION

In commemorating F&NHB's 140th anniversary, we extend our celebration to include the heartbeat of our success – our consumers, customers, and dedicated employees across Peninsular and East Malaysia. This milestone is a celebration of resilience and a reaffirmation of our unwavering commitment to delivering Pure Enjoyment, Pure Goodness, ensuring that the legacy we build today resonates with generations for years to come. As we move forward together, sustainability remains at the core of our journey, not just in business but as contributors to greater social and environmental well-being.





- 14 Basis of This Report
- 16 About F&NHB
- 17 Vision | Mission | Global Values

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

Content List Link

Previous Page Next Page

- OVERVIEW OF F&N
- 18 F&N At A Glance
- 20 Group Financial Highlights FY2023
- 22 Awards & Recognitions
- 23 Corporate Structure
- 24 Our Global Presence
- 26 Our Brands and Product Categories
- 28 Our Market-Leading Positions and New Product Universe
- 30 Our Value Chain
- 32 Key Milestones

- KEY MESSAGES
- 34 Chairman's Message
- 42 Chief Executive Officer's Statement
- VALUE CREATION AT F&N
- 56 Value Creation Business Model

- MANAGEMENT DISCUSSION AND ANALYSIS
- A. Strategic Review
- 58 Market Review
- 60 Key Risks and Mitigation
- 64 Strategic Performance Review
- 66 Strengthening our Halal Ecosystem
- B. Business Review
- 70 Food & Beverages Thailand
- 76 Food & Beverages Malaysia
- C. Financial Review
- 88 5-Year Group Financial Summary and Highlights
- 90 Simplified Group Statement of Financial Position
- 91 Group Segmental Analysis
- 92 Statement of Value Added
- 93 Group Quarterly Financial Performance
- 94 Financial Calendar
- 95 Investor Relations
- 96 Share Price Movement

- LEADERSHIP
- 98 Corporate Information
- 99 Board Composition
- 100 Profile of Board of Directors
- 112 Management Team
- 114 Profile of Key Senior Management
- 122 Organisation Structure



THIS REPORT

Cover Rationale

In our "Forward Together" theme, we celebrate 140 years of diversity, collaboration, and innovation. Central to the design are four distinctively coloured circles, interlocking to form an unbreakable bond. This symbolises the different business pillars within the Group and unity and teamwork that have propelled our company's success over a century and a half. By visually interconnecting the circles, we emphasise the importance of teamwork and showcase the collective effort that goes into moving the Company forward together. As we continue to move forward together, we do so with a deep sense of responsibility and a commitment to positively impacting the world, honouring our rich history while forging a sustainable and innovative path for the future.

Read the full version of F&NHB Annual Report 2023 and Sustainability Report 2023 here

- GOVERNANCE
- 126 Corporate Governance Overview Statement
- 137 Nominating Committee Report
- 139 Audit Committee Report
- 143 Statement on Risk Management and Internal Control
- 149 Statement on Directors' Responsibility
- 150 Additional Compliance Information

- SUSTAINABILITY AT F&N
- 153 Sustainability Statement
- FINANCIAL STATEMENTS
- 168 Directors' Report
- 178 Statements of Financial Position
- 180 Statements of Profit or Loss
- 181 Statements of Other Comprehensive Income
- 182 Statements of Changes in Equity
- 185 Statements of Cash Flows
- 189 Notes to the Financial Statements
- 278 Statement by Directors
- 279 Statutory Declaration
- 280 Independent Auditors' Report

- ADDITIONAL INFORMATION
- 285 Shareholdings Statistics
- 288 List of Properties
- 292 Corporate Directory
- 294 Notice of Annual General Meeting
- 298 Administrative Details
- Proxy Form

BASIS OF THIS REPORT

Welcome to Fraser & Neave Holdings Bhd's Annual Report for the financial year 2023.

For this financial year 2023, 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.

Annual Report 2023

Annual Report provides a comprehensive assessment of the Group's performance and financial statements for FY2023.

Sustainability Report 2023

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.



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

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 2023.

OUR STAKEHOLDERS

- S&I** Shareholders and Investors
- Emp** Employees
- D&T** Distributors and Trade Customers
- Con** Consumers
- Com** Communities
- Reg** Regulators
- Sup** Suppliers

CROSS REFERENCES

 Indicates where more details can be accessed elsewhere in this report

We Create Value Through 6 Capitals



ABOUT F&NHB

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 RM5 billion from its core businesses in the manufacture, sales and marketing of beverage, dairy and food products. With a rich heritage spanning 140 years, F&NHB is today synonymous with quality and Halal products that are trusted by generations.

F&NHB boasts a portfolio of more than 30 brands that are leaders in many segments. The brands include 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, adding a range of established Malaysian confectionery and snack brands to the Group's portfolio.

With the 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 3,800 people across its operations in Malaysia, Brunei, Thailand and Indochina.



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.

GLOBAL 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.

F&N AT A GLANCE

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

over
RM5 billion
Annual Turnover

Trusted by generations for

F&N
140
years
of enjoyment & goodness

100%
Halal-certified products



>30
Brands in
14
categories



Export market
93
countries
worldwide



workforce
>3,800
people



13
cutting-edge plants



Beverage

- Shah Alam
- Kuching
- Kota Kinabalu (2 sites)



Mineral Water

- Bentong
- Matang



Dairy

- Pulau Indah
- Rojana
- Wang Muang



Food

- Rawang (4 sites)

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



GLOBAL TOP 6 COMPANIES



among Beverages sector in S&P Global ESG Score 2022

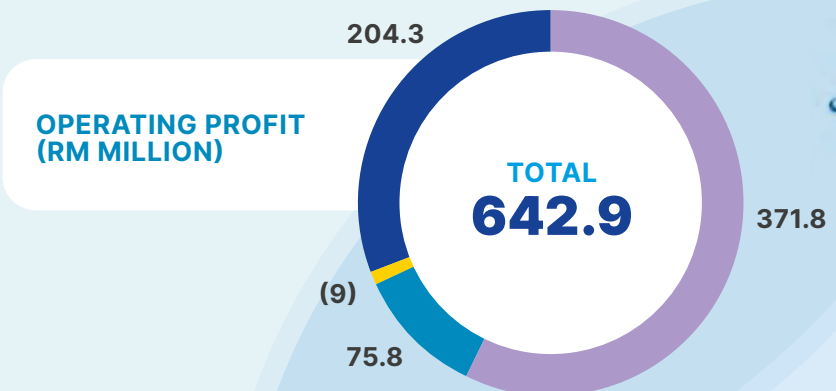
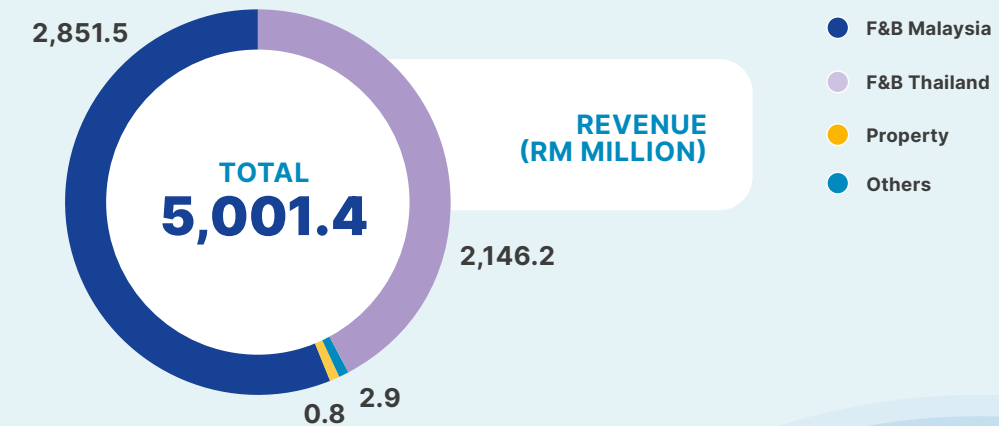
FTSE4GOOD BURSA MALAYSIA

4.6 out of 5 rating



Top 1
percent in the Global Food & Beverage Supersector

GROUP FINANCIAL HIGHLIGHTS FY2023



BY OPERATING SEGMENTS



Food & Beverages
Malaysia

REVENUE
RM2.85
billion

OPERATING PROFIT
RM204.3
million



Food & Beverages
Thailand

REVENUE
RM2.15
billion

OPERATING PROFIT
RM371.8
million

* Included proposed final dividend of 33.0 sen per share and special dividend of 17.0 sen per share, which will only be recognised in the financial statements upon shareholders' approval.

AWARDS AND RECOGNITIONS

MARKETPLACE

FRASER & NEAVE HOLDINGS BHD

The Edge ESG Awards 2023

- Gold Award for Consumer Goods & Services Sector

National Annual Corporate Report Awards (NACRA 2022)

- Platinum Award for Best Sustainability Reporting

World Halal Excellence Award 2022 (WHEA 2022)

- Halal Innovation Excellence Award

2021 Asean Corporate Governance Scorecard Award (ACGS)

- ASEAN Asset Class PLCs

100PLUS

Putra Brand Awards

- Beverage – Non Alcoholic (Platinum Winner)

Kantar Worldpanel's Brand Footprint Award for 2023

- Top Growing Brand in 2022

F&N DAIRIES (THAILAND) LIMITED

Thailand Kaizen Award 2023

- Genba Kaizen Golden Award

WORKPLACE

FRASER & NEAVE HOLDINGS BHD

HR Excellence Awards 2022 Malaysia

- Bronze Award for Excellence in HR Communication Strategy

Graduates' Choice Award 2023 (GCA)

- Top 5 Graduates' Choice of Employer to Work For

Employee Experience Awards

- Gold Award for Best HR Digital Transformation Strategy
- Silver Award for Best Onboarding Experience

F&N DAIRIES (THAILAND) LIMITED

CSR-DIW Continuous Award 2023

- Ministry of Industry Thailand

Thailand's National Safety Award 2023

- Ministry of Labour Thailand

Thailand Labour Management Excellence Award 2023

- Ministry of Labour Thailand

ESG INDICES & RATINGS

FTSE4Good

A Proud Constituent of FTSE4Good Bursa Malaysia Index

(5th consecutive year)

ESG Rating 4.6 out of 5.0.

Top 1% within the global FTSE F&B Supersector

(Consumer Goods, Foods & Beverage)

FTSEGood Bursa Malaysia Shariah Index

(3rd consecutive year)

FRASER & NEAVE HOLDINGS BHD

Beverages

S&P Global CSA Score 2022

A key component of the S&P Global ESG Score

74

/100

As of April 22, 2023.

The S&P Global Corporate Sustainability Accessibility (CSA) Score is the S&P Global ESG Score without the inclusion of any materiality approaches. Company scores can be compared to their peers in the same industry. Learn more at [sustainability.spglobal.com](#)

S&P Global

Sustainable 1

95th Percentile in the Beverages Industry

S&P Global Corporate Sustainability Assessment 2022

(Score Date: April 21, 2023)

CORPORATE STRUCTURE

as at 15 November 2023

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%[®]

 Cocoland Holdings Berhad
 - 100%

 Sri Nona Food Manufacturing Sdn Bhd (formerly known as Cocoland Industry Sdn Bhd)
 - 100%

 CCL Food & Beverage Sdn Bhd
 - 100%

 Sri Nona Foods Sdn Bhd (formerly known as L.B. Food Sdn Bhd)
 - 10%

 PT Cocoland Indonesia
 - 100%

 乐一百贸易 (深圳) 有限公司 Lot 100 Food Co. Ltd.
 - 90%

 PT Cocoland Indonesia

27.62%[®] Cocoland 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

Note:

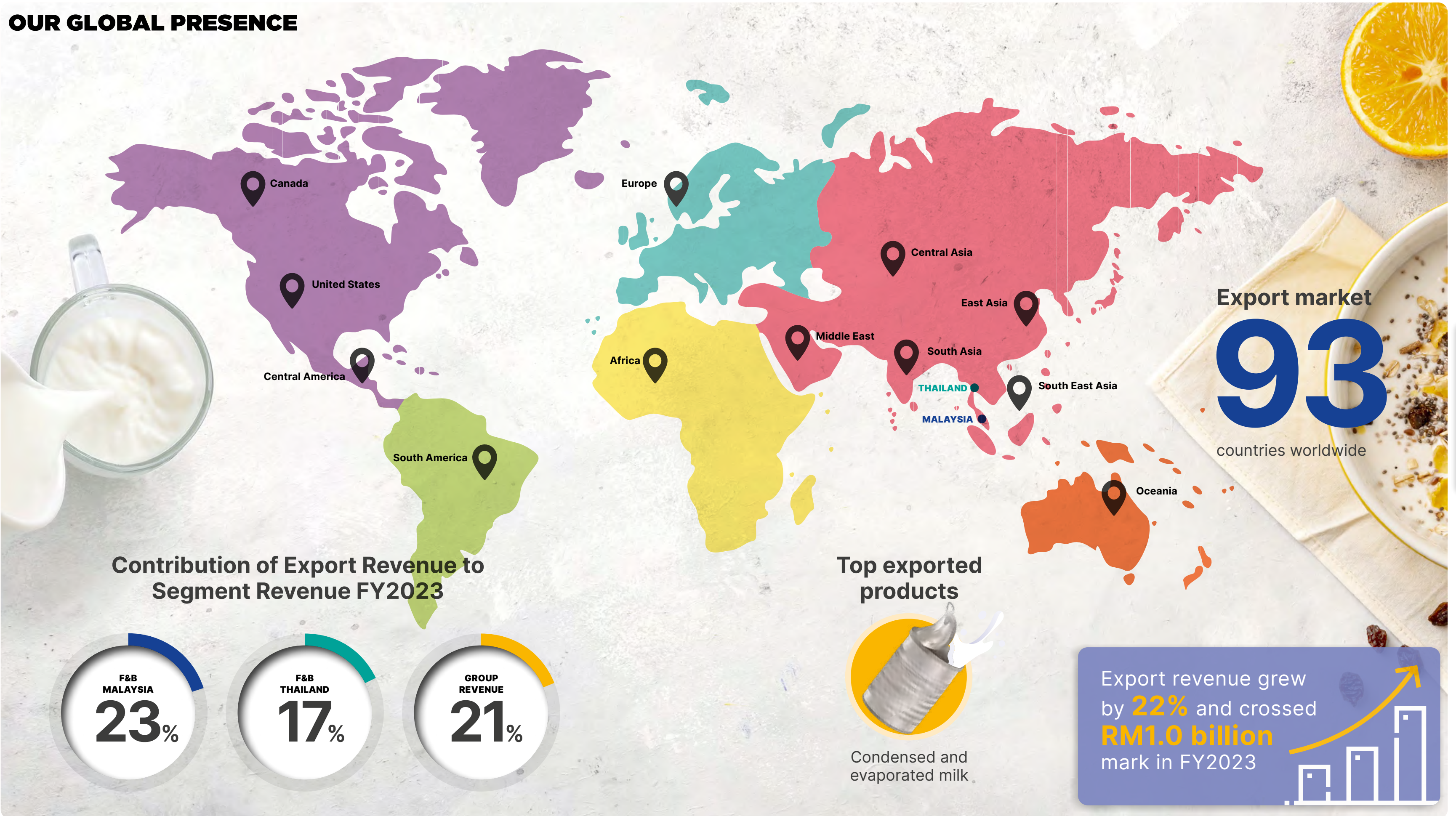
* Classified under Food & Beverages Malaysia and Others segments.

[®] Effective equity interest owned by the Group is 100%; with 27.62% held by F&NHB and the balance 72.38% held by Awana Citra Sdn Bhd

22

23

OUR GLOBAL PRESENCE



OUR BRANDS AND PRODUCT CATEGORIES

Pure Enjoyment, Pure Goodness

F&N's products make the perfect accompaniment to any occasion, be it a session at the gym or a glamorous celebration.

Our
Online
Store



<https://nomaroi.com/>



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



Isotonic



Liquid Milk



Juice



Carbonated
Soft Drinks



Tea



Soya



Water & Energy



Asian Drinks



Cordial



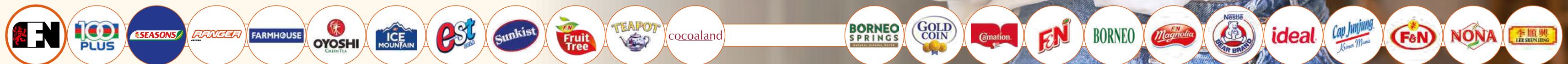
Milk Tablets



Packaged Food



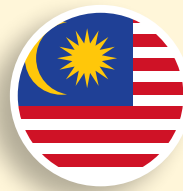
Condensed &
Evaporated Milk



OUR MARKET-LEADING POSITIONS AND NEW PRODUCT UNIVERSE

NEW

Products and Packaging Formats launched in...



MALAYSIA



100PLUS ZERO – 1.75L

100PLUS PRO
High Protein
– 500ml

TEAPOT UHT
Evaporated Creamer
– 1L



Ketupat Wangi
NONA
– 400g, 780g



LOT 100 Kurma
Gummy Raya Edition
– 125g



THAILAND



TEAPOT Sweetened
Condensed Milk
Nom Yen Flavoured
– 150g

Our Market-
Leading
Positions



MALAYSIA

NUMBER ONE *

Ready-to-drink Tea



Carbonated Soft Drinks



Evaporated Milk



Sweetened Condensed Milk



* Based on Retail Index Service for the 52-weeks period ending 30th July 2023 in Total Malaysia Market. (© 2023, NielsenIQ)



THAILAND

NUMBER ONE

Condensed Milk ^



Evaporated Milk ^



Sterilised Milk ^^



^ F&N Dairies (Thailand) Limited's calculation based in part on data reported by NielsenIQ through its Retail Index Service for the Condensed Milk Category for the period from August 1, 2020 to July 31, 2023 for Total Thailand market. (Copyright © 2023, NielsenIQ (Thailand) Limited.)

^^ F&N Dairies (Thailand) Limited's calculation based in part on data reported by NielsenIQ through its Retail Index Service for the Liquid Milk Category for the period from August 1, 2020 to July 31, 2023 for Total Thailand market. (Copyright © 2023, NielsenIQ (Thailand) Limited.)

OUR VALUE CHAIN

The preparation, production, and packaging of our products require a range of raw materials, equipment, and other goods and services. In FY2023, we engaged with over 2,000 global and local suppliers across our supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers. We spent a total of RM3.17 billion on procuring products and services.



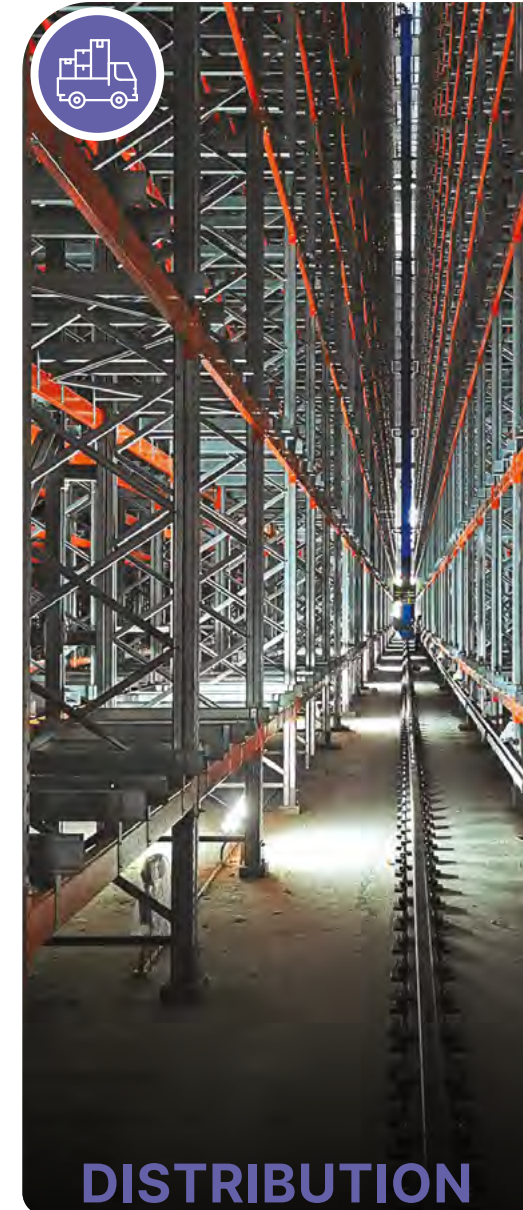
SOURCING

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

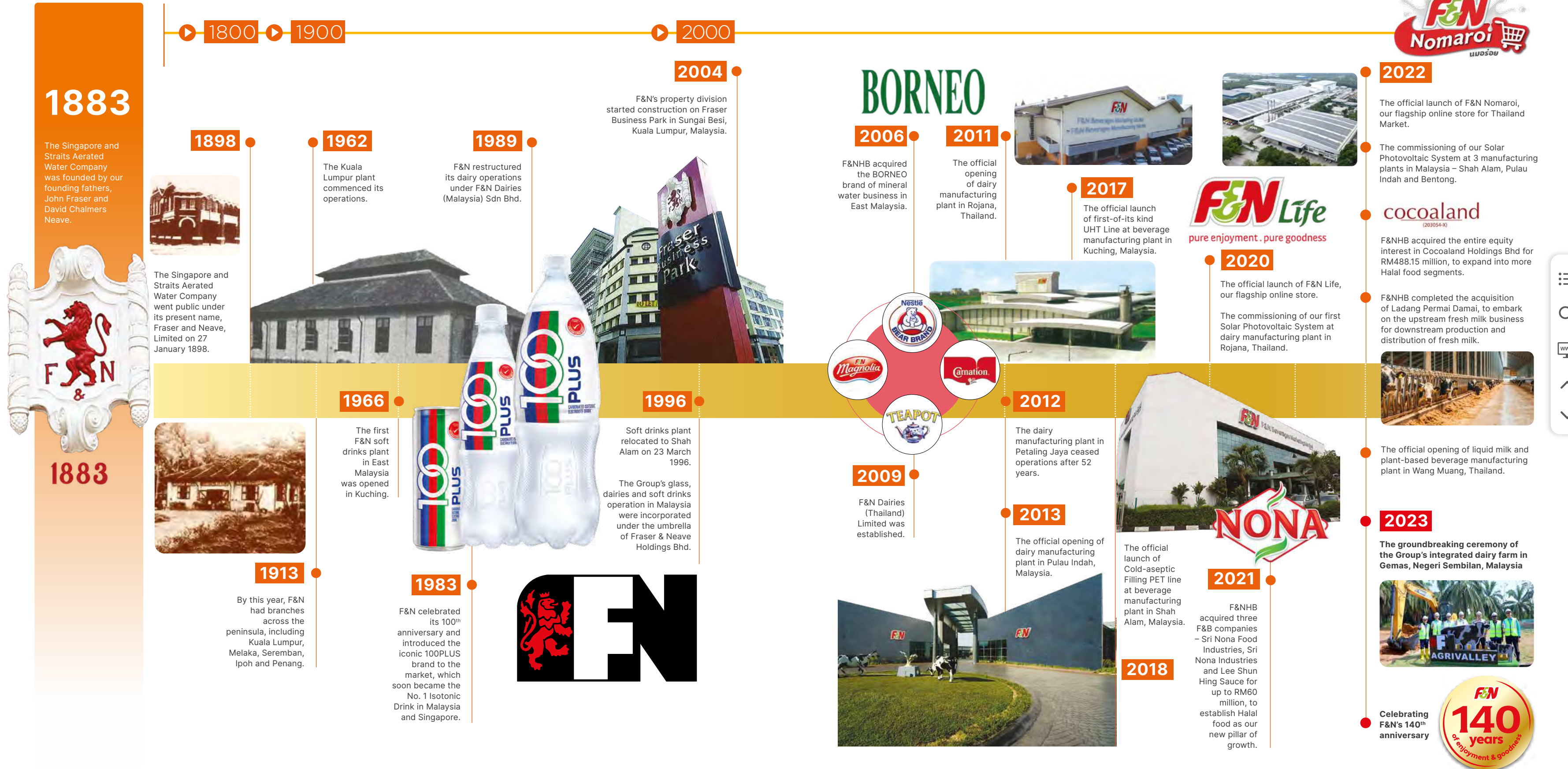
Responsible marketing and sales practices are of great importance to F&NHB. We engage regulators and customers to improve our marketing practices when communicating value – e.g., nutritional information to our consumers. Conversations with our stakeholders enable us to innovate better, providing healthier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



Chairman's Message

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

Dear Shareholders & Stakeholders,

It is always a pleasure to pen my message for Fraser & Neave Holdings Bhd (F&NHB)'s annual reports. This year, I do so with added pride as 2023 marks F&N's 140th anniversary. This milestone not only commemorates our legacy but also celebrates the enduring relationship cultivated with Malaysians. Beautifully encapsulated by our nationwide campaign "Kisah Kita... Selamanya", the theme signifies the ways in which we have been there with Malaysians, and for Malaysians, celebrating their cherished moments for as long as any of us can remember.



The celebration doesn't just stop here in Malaysia, as we commemorate TEAPOT's 15th anniversary in Thailand, Cambodia and Laos in October 2023. Since its introduction in 2007, TEAPOT has become the No. 1 condensed milk in Cambodia and Laos since 2020 and the second largest brand in the evaporated milk category in Thailand since 2022. These achievements will make the celebrations all the more meaningful for our customers and consumers alike.

Amid the celebrations, it was an opportune time for me to reflect on how the Group has evolved and innovated with the latest technologies while remaining conscious about contributing to the community and environment. Present in 93 countries, F&N truly understands our consumers and is committed to delivering Pure Enjoyment, Pure Goodness for generations to come.



CHAIRMAN’S MESSAGE

PROFIT
BEFORE TAX



RM624.7
million

DIVIDEND
FOR THE YEAR



77 sen
per share *

PROFIT FOR
THE YEAR



RM542.0
million

BASIC
EARNINGS
PER SHARE



146.5
sen

* Includes proposed final dividend of 33.0 sen per share and special dividend of 17.0 sen per share, which will only be recognised in the financial statements upon shareholders’ approval.

BETTER TOGETHER AS ONE

A key success of F&NHB has been our continuous growth. This financial year, we focused on integrating our two latest businesses, Cocoland and Sri Nona, with F&N for better operational and commercial synergies. Combining Cocoland’s confectionary leadership with Sri Nona’s Halal products will pave the way for a robust Halal food pillar, an initiative that aligns with our commitment to catering to diverse consumer needs.

Through F&N AgriValley, we are developing Ladang Permai Damai to become an integrated dairy farm with a crop plantation. Our goal to produce 200 million litres of milk annually for local and international markets while achieving self-sufficiency in cattle feed is progressing steadily. The dairy farm not only reduces our reliance on imported milk but also contributes significantly to the local agricultural industry, in line with the Malaysian Government’s aspiration to enhance food security. We held the ground-breaking ceremony in June 2023 and are on track towards completing Phase 1 by 2025.

As always, the Board is fully supportive of Management’s growth plans. Indeed, the Board dedicates a couple of days every year to brainstorm with Management and discuss the way forward during our strategy retreats. At the latest retreat, we identified opportunities for new growth and strategies that set the course ahead in the mid to longer term. Underlying our discussions, we bore in mind the importance of staying true to our global values of caring for stakeholders, collaboration and creating value as we move Forward Together.



CREATING STAKEHOLDER VALUE

The common denominator in our global values is value creation for our stakeholders. This principle has guided us and continues to be our North Star in all decisions.



Living up to our promise of Pure Enjoyment, Pure Goodness, we continue to delight our customers with products that are good for them.

Living up to our promise of Pure Enjoyment, Pure Goodness, we continue to delight our customers with products that are good for them. This year, we introduced the brand-new 100PLUS PRO High Protein to boost athletes’ performance and recovery. As with last year, we also promoted the importance of staying hydrated on World Hydration Day. This is especially important as the temperature keeps rising along with incidents of severe dehydration. Meanwhile, nearly two-thirds of our ready-to-drink portfolio today carries the Healthier Choice Logo, closing the gap to meeting our 2025 sustainability targets.



In relation to our business partners, we continue to add value to our customers. This is especially true in Thailand, where we have reached out to more than 50,000 hawkers through our Hawker Management Programme over the last decade. The holistic programme enables us to engage regularly with operators, leveraging technology to manage customer relations, as well as track and analyse data. F&N Dairies Thailand also raises the visibility of hawkers through stall decorations, regular updates on the latest promotions and product recipes so that they stay top of mind with consumers.

We continue to build on the Halal Sourcing Partnership programme launched with Halal Development Corporation Berhad (HDC) in FY2019. To date, we have mentored 16 small and medium-sized enterprises (SMEs) to qualify as Halal vendors for large and multi-national companies (MNCs). Of those, two have progressed to become registered Halal suppliers, including some partnering with F&NHB.

For the second consecutive year, F&NHB participated in the World Halal Business Conference Australia 2022, which focused on Halal requirements and sustainability. We also continued to promote the integration of environmental, social and governance (ESG) principles in the Halal industry via the Halal Sector Forum 2023. Organised by HDC in conjunction with the Malaysia International Halal Showcase (MIHAS) 2023, the forum aimed to promote sustainability and ethical practices in the Halal market.



CHAIRMAN'S MESSAGE

Our engagements with Halal authorities are not just limited to Malaysia. To support the growth of the regional Halal industry, we also engage with international Halal bodies, such as Majelis Ulama Indonesia and the Central Islamic Council of Thailand (CICOT), to ensure Halal compliance and to build a common synergy between Halal authorities in this region.

To ensure deeper understanding of the Halal concept, we have also instituted comprehensive training for all employees on the subject, including tailored training conducted in the native languages of our foreign workers.

Recognising that our employees are our most valuable assets, we continue to prioritise their well-being. In July 2023, we provided free influenza vaccinations to over 1,000 employees nationwide. We also continued with a project close to my heart, the Chairman's Award, which inspires all-round excellence among our employees' children. This year, RM206,000 in cash was awarded to 71 secondary and tertiary students who produced outstanding academic and extracurricular results.

To reinforce our role in building a better society, we leveraged on festive seasons to reach no fewer than 500 beneficiaries, including orphans, disabled and senior citizens in 14 homes, extending donations of essential items such as F&N products, kitchen equipment and clothing.



We also maintained F&NHB's tradition of supporting our national athletes while promoting sports generally. This year, we proudly welcome two new 100PLUS ambassadors – Olympic silver medallist and professional track cyclist Dato' Mohd Azizulhasni Awang and rising badminton star Ng Tze Yong.

As for our shareholders, I am pleased to share that F&NHB's robust performance allowed us to distribute an interim dividend of 27 sen per share in June 2023. Additionally, we are proposing a special dividend of 17 sen per share over and above a final dividend of 33 sen per share for the financial year. This brings the total dividend payout for FY2023 to RM282.4 million, which is 28.3% higher than FY2022.

SUSTAINABILITY-DRIVEN BUSINESS GROWTH

Emerging from the pandemic, our resolution to build a sustainable future has only strengthened. The Board, through the Sustainability & Risk Management Committee (SRMC), is ensuring the seamless integration of ESG considerations in all our strategies and decision-making processes. Strengthening our sustainability platform through robust governance, accountability and training is our core focus area.

To ensure ESG principles are ingrained in our business, we have amplified our organisation-wide awareness training. In FY2023, the Board and Senior Management underwent training on sustainable agriculture in line with our mission to establish one of the most sustainable dairy farms in the country. Meanwhile, all executives were trained on the significance of sustainability and environmental preservation to our business. We aim for every employee to undergo ESG training by 2025.



In managing and mitigating climate change, we have aligned ourselves with the Task Force on Climate-Related Financial Disclosures (TCFD). Following the identification of material transition drivers and physical climate-related risks in our operations and supply chain, we initiated the process of quantifying these key risks through scenario analysis this year. Our objective is to present a comprehensive TCFD report ahead of Bursa Malaysia's 2025 deadline.

On the ground, we continue to reduce our carbon footprint through various initiatives. Notably, the rooftop solar photovoltaic (PV) system installed at our Shah Alam plant is not only one of the biggest in Malaysia but also supplies over half of the electricity needed to produce 100PLUS. This achievement is highlighted with a "Solar" emblem on our 100PLUS packaging to signify our commitment to renewable energy sources. Plans are underway to extend solar roof systems to our other facilities.



In managing and mitigating climate change, we have aligned ourselves with the Task Force on Climate-Related Financial Disclosures (TCFD).

This year, we also went nationwide with our School Recycling Programme, attracting the involvement of over 1,400 primary and secondary schools throughout every state in Malaysia.

Meanwhile, the team in Thailand conducted a water conservation initiative at the Chet Sao Noi Waterfall National Park, which provides water for the Wang Muang plant. This was to prevent soil erosion, thus helping to prevent forest fires in the dry season.



CHAIRMAN'S MESSAGE

AWARDS & RECOGNITION

At F&NHB, integrating sustainability principles into our operations is driven by a deep-rooted sense of responsibility. It is truly gratifying to receive ongoing recognition by industry experts that not only attest to our dedication to excellence, but also serve as vital tools to communicate our commitment towards a better business, a better planet, and a better society to our stakeholders.

In FY2023, we were honoured to receive the Gold Award for Consumer Products and Services at The Edge Malaysia ESG Awards 2023. In our second S&P Global Corporate Sustainability Assessment (S&P CSA), we were ranked sixth out of 101 companies in the beverages industry globally.



In terms of employee relations, we made our mark at the Employee Experience Awards (Malaysia), winning Gold for Best HR Digital Transformation Strategy and Silver for Best Onboarding Experience. We were also voted among the Top 5 Graduates' Choice of Employer to Work For in 2023, particularly in the Fast-Moving Consumer Goods category at the Graduates' Choice Award 2023 (GCA).

Notably, our operations in Thailand continued to receive accolades for their outstanding dedication to employee safety, as well as community development through its Farming Excellence programme with local Thailand-based milk cooperatives. F&N Dairies Thailand received Thailand's National Safety Award 2023 and CSR-DIW Continuous Award 2023 from the Ministry of Industry Thailand and the Thailand Labour Management Excellence Award 2023 by the Department of Labor Protection and Welfare, Ministry of Labour Thailand.

Our robust ESG platform has consistently earned us a place as a constituent of the FTSE4Good Bursa Malaysia Index (F4GBM) for the fifth year running, with an improved rating of 4.6 out of 5.0 and reaching the 100th percentile in June 2023. F&NHB is also a constituent of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index for the third consecutive year, a testament to our ethical and Shariah-compliant business practices.

Our collective efforts for the Halal industry and community earned us the prestigious Halal Innovation Excellence Award at the recent World Halal Excellence Award 2022 (WHEA 2022). Underlining our commitment to sound governance practices, F&NHB was included in the ASEAN Asset Class by meeting the standards set by the ASEAN Capital Markets Forum (ACMF) in its 2021 ASEAN Corporate Governance Scorecard (ACGS).

Meanwhile, the quality of our sustainability reporting continues to be best-in-class and saw us win the Platinum award for the second consecutive year at the National Annual Corporate Report Awards (NACRA) 2022.



ACKNOWLEDGEMENTS

The fact that F&NHB has grown from strength to strength over the last 140 years bears testimony not only to the strategic acumen of the succession of leadership at the helm of the Group but also to the strength of the partnerships we have built with countless stakeholders who have contributed to our business successes. I want to take this opportunity to thank all these stakeholders, from our consumers and customers to our business partners, shareholders, employees and directors.

With profound sadness, we mourn the loss of our former Non-Independent Non-Executive Director Dato' Jorgen Bornhoft. On behalf of the Board and management team, I would like to offer our deepest condolences to the family of Dato' Bornhoft. In his tenure as a Non-Independent Non-Executive Director for nine years and eight months, Dato' Bornhoft had played a critical role in helping steer the organisation.

Separately, we would like to welcome Mr Michael Chye as a Chief of Beer Product Group at Thai Beverage Public Company Limited, the Chief Executive Officer at BeerCo Limited, the Legal Representative/ Chairman of the Board of Management at Vietnam F&B Alliance Investment Joint Stock Company, and the Legal Representative at Vietnam Beverage Company Limited. He also sits on the Board of Vinamilk (Vietnam Dairy Products Joint Stock Company).

We have achieved a great deal since our humble beginnings as a manufacturer of carbonated soft drinks. Nevertheless, we have a vision of accomplishing much more. With the unwavering support of all our internal as well as external stakeholders, we can reach far greater heights as we move Forward Together as one.

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

Chief Executive Officer's Statement

Dear Shareholders & Stakeholders,

The financial year ended 30 September 2023 (FY2023) was one of celebration. We celebrated F&N's 140th anniversary; and we celebrated the coming together as ONE Group, including our recent acquisitions of Cocoland and Sri Nona. And perhaps more significantly, we celebrated the strength of our fundamentals, which provided us the resilience to weather another challenging year and perform even better than we did in FY2019, pre-Covid.

F&NHB recorded an 11.9% increase in revenue year-on-year due to recovery across all our markets including exports, consistent marketing and promotional activities, and targeted price management strategies. The return of international tourists and out-of-home consumption post-pandemic in Thailand was an added advantage.

While certain commodity prices stabilised during the year, others, like tin plates/cans and palm oil remained high in 2023. Meanwhile, sugar prices escalated. To prop up our bottom line, we continued to rein in our costs and were pleased to reap the rewards of energy efficiencies brought about by our solar installations. We also saw operational savings from greater automation within our warehouses in Thailand and Malaysia. In Exports, we benefited from stabilising shipping costs.

Strategically, we did not just celebrate the past 140 years of successes but remained focused to enhance our stability and sustainability in the food and beverages (F&B) business and contribute to greater social and environmental well-being.



LIM YEW HOE
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S STATEMENT

A 140-YEAR SUCCESS STORY



Our 140th anniversary celebrations were an opportunity for unity and gratitude, especially as it coincided with an uplifting year. A series of dinners with employees was held in Peninsular and East Malaysia, starting with Kota Kinabalu and Kuching in August 2023, culminating in a “grand finale” in Kuala Lumpur on 18 November. The latter was indeed significant as it was the first time we brought together 3,000 employees including migrant workers from all over Peninsular Malaysia; and 50 colleagues from Thailand. And living up to our corporate value of caring for stakeholders including past contributors, we also invited dozens of retired board members, senior management and representatives of the F&N Alumni Club to join us for the celebration.

Externally, under the theme “Kisah Kita... Selamanya”, we commemorated our anniversary with campaigns and roadshows across the country. To express our appreciation for the enduring support from our customers and consumers throughout the years, we organised various campaigns offering attractive prizes, such as limited-edition Vespa scooters.

NEW DEVELOPMENTS

We have always believed in operating as a united organisation, recognising that synergies between our business units place us in a stronger position to overcome challenges and drive further growth.

At the CEO Townhall in June 2023, I reiterated why F&NHB was “Better Together as One”. And why, as we build our fourth pillar of Halal food, it is critical that we maximise the synergies that Cocoland and Sri Nona have with each other as well as between both businesses and the Group. Cocoland’s strength as a confectioner complements Sri Nona’s Halal food products, and there is potential to use its four manufacturing sites to expand Sri Nona’s offerings. At the same time, brands from the two new business units can leverage the Group’s well-established route-to-market, not just locally but internationally. Both business units have already begun contributing to the Group’s revenue, and we expect to see meaningful growth in this business pillar in the coming years.



Meanwhile, we are building a dairies vertical as we advance towards becoming a leading fresh milk producer in Malaysia. Following the acquisition of Ladang Permai Damai in October 2022, we held the ground-breaking ceremony of our integrated dairy farm in Gemas, Negeri Sembilan on 15 June 2023. Once phase 1 of the farm is fully completed, we will be producing 100 million litres of fresh milk yearly. Eventually, the farm will double its production to 200 million litres, catering to both domestic and international markets. We are making good progress with the farm, having completed the site clearance upon obtaining approval of our Environmental Impact Assessment.



NEW INNOVATIONS

In recent years, we have embarked on various capital expenditure (Capex) projects aimed at expanding our manufacturing and warehouse capabilities and enhancing the efficiency of these facilities. During the year under review, we made significant progress with the completion of several initiatives, which contributed to operational efficiency and energy savings, mitigating some of the impact of higher input costs and rising energy expenses.

In Peninsular Malaysia, we completed all reparation works at our integrated warehouse in Shah Alam, which had been previously affected by floods. We also commercialised an automated ketupat line for NONA in Rawang. Over in East Malaysia, we operationalised a new drinking water line at the Kota Kinabalu Industrial Park (KKIP) and a new mineral water line in Matang.

In Thailand, the much-awaited RM128 million liquid milk and plant-based beverage factory in Wang Muang commenced operations in October 2022, marking a strategic shift towards the liquid milk segment as we reduce our reliance on condensed milk in line with market trends and preferences.

CHIEF EXECUTIVE OFFICER'S STATEMENT

STAYING CLOSE TO OUR CONSUMERS

While developing our business, F&NHB continues to stay close to our consumers. Indeed, our evolution is tailored to meet their ever-changing needs.

As more Malaysians lead an active lifestyle, we expanded into sports nutrition with the introduction of 100PLUS PRO High Protein. Packed with electrolytes, Vitamin B, protein, and branched-chain amino acids (BCAA), this non-fizzy isotonic drink has been crafted to provide energy during strenuous exercise and facilitate muscle recovery post-training. I am proud to share that Malaysia's elite sportsmen and women were among the first to enjoy our designer sports drink and 100PLUS ACTIVE Powder at the 19th Asian Games and 4th Asian Para Games Held in Hangzhou.

Along with more frequent heat waves, we partnered with ASTRO and OMNIA Radio cruiser to provide the public nationwide with relief from the heat with Malaysia's leading isotonic drink, 100PLUS. We further stressed the importance of staying hydrated with roadshows in conjunction with World Hydration Day 2.0, allowing participants to enjoy various activities and stand a chance to win exclusive prizes, including jerseys autographed by badminton icon Datuk Wira Lee Chong Wei.

Our initiatives to bring the 100PLUS brand closer to consumers over the years resulted in it winning the Platinum Award in the Non-Alcoholic Beverage category at the Putra Brand Awards 2022, as well as the Top Growing Beverage Brand 2022 Award in the annual Kantar's Brand Footprint Award.



In Thailand, we hit the sweet spot with the launch of TEAPOT Evaporated Creamer UHT milk in 1L pack. Developed specifically with heavy users such as F&B outlets in mind, sales have grown by more than five times following its launch due to its usage convenience and more economical price.

As part of our continuous commitment to amplify the benefits of milk in Thailand, F&N Magnolia has introduced the "Tasty Goodness" campaign through a multi-faceted approach, blending both offline and online channels – promoting the pure goodness of milk for the health of the entire family. Various sampling activities were conducted in educational institutions and corporate offices to encourage the trial of our UHT milk, which is enriched with essential nutrients.



DEVELOPING OUR BUSINESS PARTNERS

Towards the end of FY2022, we established the F&N Business Partner Award Programme to help our suppliers elevate the quality of their services and grow regionally with F&N. Thirty-eight suppliers participated in this year's programme, and the Gold Award winner was honoured at the award ceremony in Bangkok on 7 October 2023.

In Thailand, we continue to build the capability of more than 2,000 farmers who supply our dairy operations through the Farming Excellence System. During the year, we conducted a comprehensive four-month programme on good agriculture and farming practices. We also established a learning centre at our manufacturing plant to create awareness of sustainable manufacturing practices.



In Thailand, we continue to build the capability of more than 2,000 farmers who supply our dairy operations through the Farming Excellence System.

For better engagement with the farmers, we leverage a dedicated mobile app that assesses adherence to Good Manufacturing Practice (GMP), the physical properties of raw milk, and monitors the wait and delivery time to F&N Dairies Thailand (F&NDT). This has helped reduce the delivery time of milk by a significant 70%.

Further enhancing delivery times, we extended THB1.1 million in assistance towards the development of a milk collection centre (MCC) for the Khao Yai Milk Cooperative in Nakhon Ratchasima. The MCC became operational in August 2023.

Meanwhile, to enhance water security for milk farmers in Saraburi Province, we also provided solar-powered water pumps to enable farmers to cultivate their own feed for their cattle while fostering sustainability in their operations. Notably, the solar cell water pumps helped farmers reduce their expenses, contributing to their economic well-being.

CHIEF EXECUTIVE OFFICER'S STATEMENT

ENHANCING OUR SOCIAL IMPACT

Beyond delivering value to consumers and fostering strong partnerships, we also play our part in contributing to a better society through initiatives targeted at enhancing the well-being of communities and our employees.

This year, we were very pleased to fully resume our festive community outreach activities. We were heartened to touch the lives of over 500 beneficiaries, including students from less privileged backgrounds, orphans, individuals with disabilities and senior citizens. This was made possible through donations, as well as the dedicated time and effort of our enthusiastic volunteers.

For over a decade, we have instilled environmental awareness among students through our annual nationwide school recycling programme. In this regard, we have forged strategic collaboration with GRAB Malaysia, KLEAN, and MRANTI to introduce 18 cutting-edge AI-powered Reverse Vending Machines across key locations in the Klang Valley. We strongly believe that the community at large will be agents of change that will work towards building a greener nation.



Contributing to a healthier society, we continue to grow our range of healthier options, ending the year with 65 products, constituting 64% of our total ready-to-drink (RTD) beverage and dairy portfolio endorsed with the Healthier Choice Logo (HCL) in Malaysia or Thailand. We are steadily progressing towards our goal of having healthier options making up two-thirds of our entire ready-to-drink portfolio by 2025. Notably, we also introduced our sugarless 100PLUS ZERO in a new 1.75L pack size, catering to the value-conscious consumer.

Meanwhile, through 100PLUS, we continue to promote sports development in the country as the hydration partner to the Football Association of Malaysia (FAM), the Badminton Association of Malaysia (BAM), the Malaysian Hockey Confederation and the National Sports Council. 100PLUS is also the official beverage partner of the Johor Darul Takzim and Selangor Football Club.



As with the community, we were delighted to be able to fully resume our employee engagement platforms post-pandemic. At the same time, we continue to place great emphasis on the safety and health of our employees, providing them with flu vaccinations and organising various health and safety programmes. This included Safety, Health and Environment (S.H.E) programmes at our offices and factories in both Malaysia and Thailand to raise awareness about the importance of safety, health, and the environment in the workplace. Partly thanks to our concerted efforts to foster a culture that emphasises safe behaviour among employees, we recorded zero lost time due to accidents in FY2023.

Central to well-being is a sense of safety from all forms of harassment. This year, we also rolled out an enhanced Prohibiting Sexual Harassment Policy across all our offices in Malaysia.

To maintain high levels of motivation and enhance our employees' professional development, we have also stepped up various training-related initiatives. Among others, we introduced a comprehensive F&N Leadership and Management Potential Unleashed (LAMPU) Programme, which consists of modules on critical thinking, communication skills, personal development and leadership style. Through this programme, we seek to realise the leadership potential of our talent.



SUSTAINABILITY AT THE CORE OF OUR BUSINESS

As a responsible manufacturer, we recognise our duty to minimise emissions and play our role towards the transition to net zero. Investments made in recent years to replace fossil fuels with solar energy demonstrate our commitment in this regard. Besides operating one of the largest solar PV rooftop systems in Malaysia, we have implemented similar systems in our plants in Thailand. Plans are underway to extend solar roof systems to more facilities, including our factories in Rawang as we also explore other avenues to take our low-carbon journey further.

Recognising the growing interest from investors and stakeholders in our efforts to mitigate climate change and manage associated risks, we are progressively developing our Task Force on Climate-Related Financial Disclosures (TCFD). Our aim is to be fully compliant with this framework ahead of Bursa Malaysia's stipulated deadline of 2025.

To maintain an environmentally responsible supply chain, we have been conscious of using sustainably produced palm oil. In this regard, I'm proud to share that we are the first company in Malaysia to back 100% of the palm oil used in our product with RSPO credits. Our goal is to transition to 100% RSPO physically certified palm oil by 2025. In 2023, the Group utilised 60% Certified Sustainable Palm Oil, while the remaining 40% was through RSPO credits.

At our integrated farm, we are pioneering a comprehensive 'farm-to-bottle' concept by incorporating animal feed cultivation and a milk

processing facility within the dairy barn's vicinity. This innovative approach will allow us to produce not just the freshest milk but also in the most sustainable manner. The Group will also be able to reduce our overall carbon footprint by reducing the need to import milk.

It is heart warming to see our sustainability efforts continue to be recognised. Among the notable achievements this year include being ranked among the top six out of 101 beverage companies assessed globally in the 2022 S&P Global Corporate Sustainability Assessment. Additionally, we have not only maintained our inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, but we have also risen to the top 1% within our Supersector in the most recent FTSE4GOOD ESG rating.



CHIEF EXECUTIVE OFFICER'S STATEMENT



PERFORMANCE REVIEW

After three years of positive but subdued performance due to COVID-19, it was a cause for celebration to see that excluding contributions from Cocoland, our numbers exceed our top and bottom lines pre-pandemic. This was the result of contributions by all our business units, which are now reaping the benefits of a steady strengthening of operational efficiencies amid the challenging years.

Given the environment of high commodity prices, we reviewed our sales and marketing strategies, going back to basics as we focused on our core brands. In addition to demonstrating our commitment to delivering Pure Enjoyment, Pure Goodness via our anniversary campaign, we intensified our consumer engagement via brand investment activities focusing on F&N Carbonated Soft Drinks, F&N Magnolia, F&N SEASONS, 100PLUS, F&N Teh Tarik and NONA Ketupat, among other products.

Leveraging the return of tourists and out-of-home consumption, the team in Thailand focused on driving distribution and excellence in in-store execution together with brand building and consumer engagement. It also built on its strong relationship with hawkers via loyalty programmes and various brand engagement campaigns to boost sales, among which is the TEAPOT “Colour Your Life” campaign. The campaign also introduced its latest brand ambassador, the charismatic Thanapob Leeratanakajorn, to enhance brand visibility.

New to our portfolio during the year included 100PLUS PRO High Protein, NONA Ketupat Wangi Haruman Pandan, LOT 100 Kurma Gummy and a new packaging format for TEAPOT Evaporated Creamer UHT 1L in Malaysia. In Thailand, we unveiled our latest addition to the TEAPOT Sweetened Condensed Milk (SCM) Tube Nom Yen Flavour, inspired by the popular Thai pink milk.

Concerted efforts to create value for our customers and consumers contributed to F&NHB maintaining our market leadership in core categories. 100PLUS remains the undisputed No. 1 isotonic drink in Malaysia, where we are also leaders in the RTD tea segment, SCM and evaporated milk categories. In Thailand, we are No.1 in the total sweetened and evaporated milk categories, while in Cambodia and Laos, TEAPOT is the No. 1 condensed milk brand.



GROUP PERFORMANCE

For the financial year, the Group's revenue grew by 11.9% from RM4.47 billion in FY2022 to RM5.0 billion as sales volume picked up along with market recovery. Revenue growth also reflected successful price management strategies implemented the previous year, contributions by Cocoland and a rebound in exports to Africa, ASEAN, and Greater China.

Revenue from Exports grew by 22% to reach RM1.0 billion in FY2023, making up a significant 21% of the Group's total revenue, up from 19% in FY2022. The Group now exports to 93 countries, with key products being SCM and evaporated milk.

On the back of higher revenue, the Group's profit before tax (PBT) grew by 37.6% to RM624.7 million from RM454.1 million in FY2022. Excluding one-off non-operating items – mainly from fair value gain on the revaluation of equity interest in Cocoland before the privatisation exercise – the Group's PBT grew by 21.3% from RM472.9 million to RM573.9 million.

This result was also attributed to a concerted focus on margin improvement, operational excellence, supply chain management and sustainability initiatives, which helped to mitigate the impact of higher input costs and rising energy expenses. Consequently, the adjusted Group profit after tax for the year grew by 22.4% to RM489.7 million from RM399.9 million in FY2022 despite RM29.9 million higher interest costs to finance the recent strategic acquisitions.

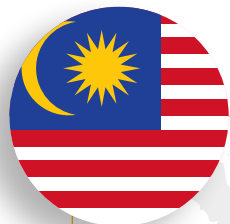
REVENUE
RM5.0
billion

FY2022: RM4.47 billion

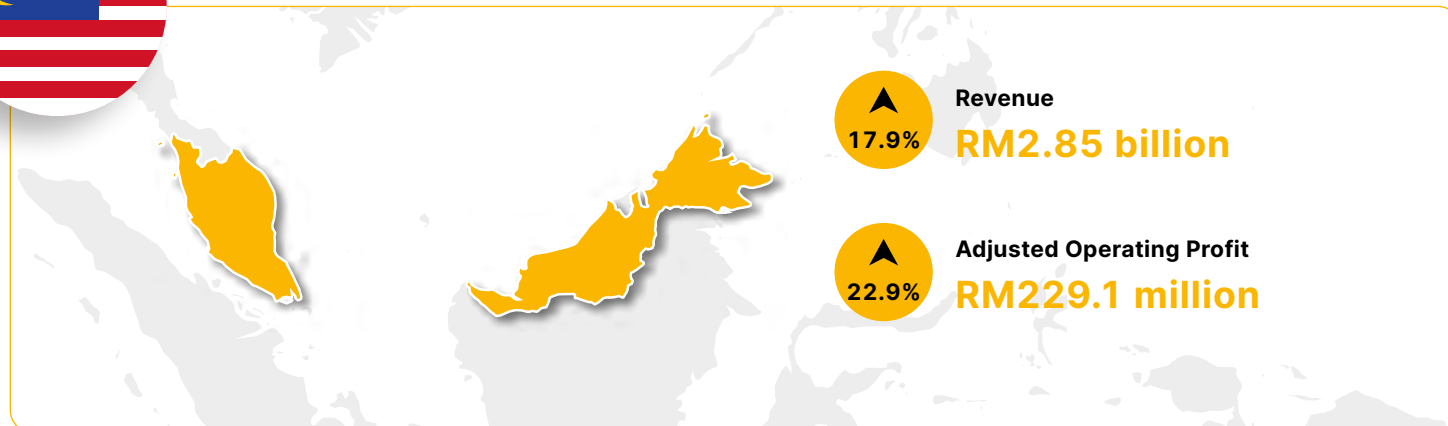
PROFIT BEFORE TAX
RM624.7
million

FY2022: RM454.1 million

CHIEF EXECUTIVE OFFICER'S STATEMENT



Food & Beverages Malaysia (F&B Malaysia)

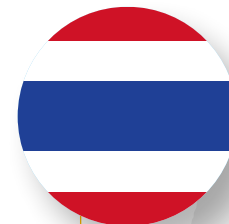


Recovery in out-of-home consumption together with increased sales during the festive seasons led to a 17.9% growth in revenue at F&B Malaysia to RM2.85 billion. Revenue was further boosted by contributions from Cocoaland and strong recovery in Exports in certain regions along with the growth of the business-to-business (B2B) channel.

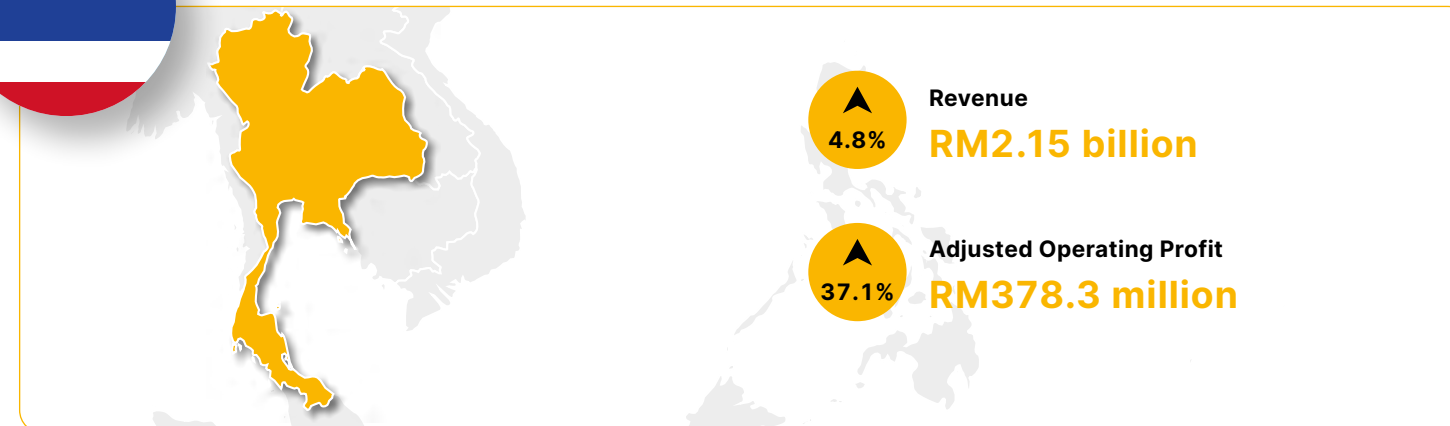
The new drinking water line in Kota Kinabalu Industrial Park (KKIP) contributed to higher water sales (Ice Mountain and Borneo). At the same time, perennial favourites, like F&N SEASONS and carbonated soft drinks also recorded increased sales volume during the year.



Underpinned by higher revenue, operating profit for F&B Malaysia (excluding one-off non-operating items) rose 22.9% to RM229.1 million compared to RM186.4 million in FY2022, partially offset by higher advertising and promotional spending and higher commodity costs.



Food & Beverages Thailand (F&B Thailand)



Focusing on efficient route-to-market and in-store execution, along with consistency in brand building and consumer engagement, F&B Thailand ended the year with revenue increasing by 4.8% (1.7% in Thai Baht) to RM2.15 billion from RM2.05 billion in FY2022. Supported by the recovery in tourism and out-of-home consumption, the result also benefitted from a favourable THB to MYR translation.

Strategic measures to manage price, better discount management and a strong market lead in the sweetened condensed and evaporated milk category helped moderate the increased input and packaging costs and higher advertising and promotions expenditure. The same pricing and discounting discipline also extended to Cambodia and Laos, where we also observed meaningful improvements in margins. Indochina margin improvements helped moderate the reduced orders from international export key accounts.

Driven by operational efficiencies and better margin management, F&B Thailand achieved solid margin recovery from the second quarter onwards and saw its operating profit excluding one-off non-operating items grow stronger by 37.1% (33.0% in Thai Baht) to RM378.3 million compared to FY2022.

Exports ex-Malaysia

Our Exports team has adeptly leveraged our business intelligence tools to navigate the headwinds posed by the increased cost of commodity prices and competition. This, together with the strengthening of our key accounts management, enabled us to tap into recovering markets such as Africa, ASEAN, and China.

Focusing on product application, we achieved solid growth in the B2B channel while expanding the distribution of our own-brand product in the Middle East and North Africa (MENA) region, as well as China. In addition to contributions from Cocoaland, Exports benefitted from tactical pricing and a strategic portfolio mix.

CHIEF EXECUTIVE OFFICER'S STATEMENT

OUTLOOK AND GOING FORWARD

The coming financial year is likely to remain volatile due to ongoing geopolitical issues with the prices of commodities and other goods and services remaining high. Yet, we believe we have developed strong fundamentals to navigate future uncertainties.

The Group has managed to maintain growth in its existing food and beverage business while integrating new businesses and setting up its agriculture pillar. This is a testament to our people's adaptability, and our resilience as an organisation.

With our dairy farm in Gemas, we are suitably prepared to support the Malaysian Government in its ambition to create food security. We also have big plans for developing our Halal food pillar, leveraging the strengths of Cocoland and the synergies with NONA and the Group.



Our focus in FY2024, as in FY2023, will be on strengthening our existing brands. We are excited about the launch of BORNEO SPRINGS. Complementing the pristine water sourced from a 130-million-year-old forest, we have designed the packaging to be optimally eco-friendly, featuring FSC™-certified paper and bottle caps made from sugar cane. We believe BORNEO SPRINGS has the potential to become a flagship product going forward.



In East Malaysia, we also look forward to the recovery in tourism and a concomitant increase in investment into the region.

In Thailand, we will capitalise on the tourism resurgence while continuing to meet customers' and consumers' needs with thoughtfully curated products. We also want to improve our penetration drive into more rural retailers so as to benefit from the digital wallet initiative proposed by the new Thai Government whereby all Thais aged 16 and above get 10,000 Baht.

As I write, we are gearing up to celebrate TEAPOT's 15th anniversary in Thailand, Cambodia and Laos starting October 2023.



We are also optimistic about sustaining the momentum in Exports, given the gradual reopening of the global economy post-pandemic. Growth in ASEAN and China will have particularly positive spinoffs for F&NHB as they represent our key markets.

We will continue to rein in our costs focusing on digitalisation to reduce manual labour and the use of natural resources while enhancing productivity. Concurrently, we will continue to strengthen our sustainability platform. Investments made to date have ensured that we integrate environmental and social principles into our operations for optimum long-term outcomes. This is part of our commitment to creating real value for the wide range of stakeholders who are part of the F&N ecosystem.

ACKNOWLEDGEMENTS

It was simply fantastic to be able to celebrate our 140th anniversary in a year that was very positive for F&NHB. For this, there are many parties to thank.

As always, I would like to acknowledge our shareholders for your trust in our ability to deliver; our business partners and suppliers for sharing our vision and values and being there with us on our growth journey; our customers for your consistent support over the years; and, of course, our consumers who truly are top of mind in everything we do. Our success depends on continuously delivering our promise of Pure Enjoyment, Pure Goodness to you.

It is also with heartfelt gratitude that I would like to thank the entire F&NHB family. It is because of your unfailing commitment to the Group that we have been able to get to where we are today. Thank you to all our directors for your steady guidance and confidence in the team. Most of all, thank you, *terima kasih* and *kop khun krub* to all our employees for your determination and dedication to the Group's ongoing journey. With your continued support, we will reach greater heights as we move Forward Together into what promises to be a very exciting future.



[Signature]

LIM YEW HOE
Chief Executive Officer

VALUE CREATION BUSINESS MODEL

INPUTS - RESOURCES WE USE



HUMAN CAPITAL

- >3,800 employees
- 27.1% of employees are female
- 46.3% of female representation in managerial positions
- 4 women directors on Board



FINANCIAL CAPITAL

- As at 30 Sep 2023
- RM816.8 million in share capital
 - RM3,343.2 million in shareholder's equity



INTELLECTUAL CAPITAL

- Equity from >30 well-loved brands
 - New product formulations and recipes
 - Innovative process and technology
 - Strategic Partnerships
- ThaiBev, Fraser and Neave, Limited, Nestlé, Sunkist

OUR BUSINESS - HOW WE CREATE VALUE

OUR BUSINESSES

- Food & Beverages Malaysia
- Food & Beverages Thailand
- Property & Others

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
- Creating Values
- Caring for Stakeholders

SUPPORTED BY STRONG GOVERNANCE & EFFECTIVE BOARD LEADERSHIP

OUTPUTS - VALUE CREATED

HUMAN CAPITAL

- Paid RM372.4 million in total employee remuneration & benefits
- Employed 696 new employees
- Provided training and development to employees
 - Executives : 32.9 average hours
 - Non-executives : 11.7 average hours
- Awarded RM206,000 to 71 children of employees under F&N Chairman's Award

FINANCIAL CAPITAL

- | | |
|-------------------------|---------------------|
| Revenue | : RM5,001.4 million |
| Profit before Tax | : RM624.7 million |
| Profit for the Year | : RM542.0 million |
| Dividend per Share | : 77.0 sen * |
| Total Dividend Payout | : RM220.1 million |
| Economic Value Retained | : RM316.8 million |

* Included proposed final dividend of 33.0 sen per share and special dividend of 17.0 sen per share, which will only be recognised in the financial statements upon shareholders' approval.

INTELLECTUAL CAPITAL

- Introduced various innovative solutions for our customers in 93 countries nationwide
- Launched 6 new products
- 82 products endorsed with Healthier Choice Logo

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
 - Drinking water line in Kota Kinabalu Industrial Park, Malaysia
 - Water packing line in Matang, Malaysia

SOCIAL & RELATIONSHIP CAPITAL

- Social investment of > RM1 million to support > 100 beneficiaries

NATURAL CAPITAL

- | | |
|--|----------|
| Energy intensity (MJ/MT) | : 898.30 |
| GHG Emissions Intensity (MTCO _{2e} /MT) | : 0.065 |
| Water Intensity (m ³ /MT) | : 2.36 |
| Solid Waste Recycling Rate | : 88% |
| % of Recyclable Packaging | : 98% |
| % of Recycled Content in Packaging | : 25% |

CREATING VALUES FOR OUR STAKEHOLDERS

Emp Employees

Sup Suppliers

S&I Shareholders and Investors

Reg Regulators

S&I Shareholders and Investors

Con Consumers

S&I Shareholders and Investors

D&T Distributors and Trade Customers

Con Consumers

D&T Distributors and Trade Customers

Con Consumers

Com Communities

Sup Suppliers

S&I Shareholders and Investors

Com Communities

Reg Regulators

DELIVERING ON

THROUGH OUR VALUE CREATION BUSINESS MODEL

OUR STRATEGY

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

COMPETITIVE ADVANTAGE

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

OPERATING ENVIRONMENT

- Inflation & Increased Cost of Living
- Effects of Climate Change
- Waste Management & Conscious Consumption
- Employee Engagement & Well-being

OUR VALUE CHAIN

Sourcing

Production

Distribution

Marketing & Sales

Post-consumption
Packaging Management

Read more in
"Our Supply Chain"
on pages 22 and 23.



MANUFACTURED CAPITAL

- 13 production plants
- 25 offices in Malaysia, Thailand, Brunei and United Arab Emirates
- RM5.11 billion worth of assets



SOCIAL & RELATIONSHIP CAPITAL

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



NATURAL CAPITAL

- > 1 billion MJ energy consumed
- > 42.9 million MJ solar energy generated
- > 2.7 million m³ water consumed
- Sourced raw materials that are sustainable

A. Strategic Review

MARKET REVIEW

In May 2023, the World Health Organization (WHO) declared that COVID-19 “no longer constitutes a public health emergency of international concern”. Yet, the global macroenvironment is far from being optimally healthy. Added to the long-term effects of the pandemic, the Russia-Ukraine conflict continues to rage, there is now instability in Gaza, and we are experiencing more and more climate changes. Economically, persistent inflation has resulted in interest rate hikes.

The International Monetary Fund, in its World Economic Outlook released in October 2023, predicts that global growth will slow down to 3.0% in 2023 and 2.9% in 2024 from 3.5% in 2022 – rates that fall short of the 3.8% average from 2000 until 2019. This deceleration is expected to be most pronounced in advanced economies, dropping from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024. In contrast, emerging nations will experience a significantly more muted slowdown, from 4.1% in 2022 to 4.0% in both 2023 and 2024.

In Malaysia, Bank Negara forecasts that the economy will benefit from robust domestic demand, the implementation of major infrastructure projects as well as recovering tourism to expand between 4.0% and 5.0%. Nevertheless, this is a marked slowdown compared to the growth of 8.7% in 2022, reflecting external headwinds.

While Thailand is expected to experience a slower growth rate than Malaysia – at 2.7% in 2023 – this is higher than its economic expansion of 2.6% in 2022. The slight increase will be driven by private consumption as tourism in the country recovers. Meanwhile, the Thai Baht has been strengthening since 2022 due to growth initiatives announced by the government.

KEY MARKET TRENDS

INFLATION & INCREASED COST OF LIVING

Inflation in Malaysia has been increasing in the last few years, from -1.14% in 2020 to +2.48% in 2021 and +3.38% in 2022¹. According to Bank Negara, core inflation in 2023 has been moderating, from 3.6% in the first quarter of the year to 2.8% in the second quarter. However, inflation remains higher than the long-term pre-pandemic average of 2.0% from 2011-2019². In Thailand, meanwhile, headline inflation is expected to average 1.2% in 2023 as a result of measures to manage energy prices and improvements in global supply chains³. Along with inflation and a higher cost of living, consumers are more wary of how they spend their money. Other than essentials, consumers seek value in their purchases. Businesses, meanwhile, have been impacted by increasing cost of commodities and energy resulting in a higher cost of production for manufacturers and higher cost of operations more generally.

EFFECTS OF CLIMATE CHANGE

Climate change is no longer a distant threat. The effects of increasing levels of carbon dioxide and other greenhouse gases (GHGs) in the atmosphere is already being felt as we experience more and more unexpected as well as unprecedented climate events. In recent years, the world has been recording all-time-high temperatures, intense wildfires, more severe and prolonged droughts, hurricanes and floods. In response, governments are pledging to reduce their GHG emissions while investors and other stakeholders are requiring companies to make known their stand on climate change and their approach, if any, on mitigating and managing the phenomenon. As the situation becomes more urgent, companies are also being pressured into outlining programmes being undertaken to achieve any targets that have been set.

WASTE MANAGEMENT & CONSCIOUS CONSUMPTION

Other than GHG emissions, a key environmental issue today is excessive consumption which leads to the depletion of natural materials/resources as well as the accumulation of waste that poses a threat to sustainability if it is not managed properly. Landfills are overflowing, and the development of more units would require more land, an increasingly precious natural resource. Meanwhile, indiscriminate disposal of plastics leads to blocked drains, polluted rivers and flotsam in the oceans, posing a threat to marine life. Manufacturers are under the spotlight as to how they manage their production and packaging in a manner that is optimally protective to the environment. They are also being held accountable for post-consumption waste management.

EMPLOYEE ENGAGEMENT & WELL-BEING

Following the Great Resignation that unfolded in the immediate aftermath of Covid-19, the workplace today is experiencing another phenomenon – the Great Reflection. Perhaps as a result of the work-from-home phase the world has gone through, people today are more aware of what they want from their places of employment, and are more determined to be in a workplace that ticks the right boxes⁴. Most importantly, according to leading human resources consultancy Gartner, employees feel a need to be valued at work. There are five main aspects to this, namely the need to: 1) feel a greater sense of connection with work; 2) have greater autonomy at work; 3) being given personal growth opportunities; 4) being cared for holistically; and 5) feel invested in the company’s purpose.

OUR RESPONSE

- The completion of certain capex projects in recent years contributed positively in terms of operational efficiency and energy savings, which helped the Group mitigate higher commodity and energy cost.
- We continued to offer consumers value deals, such as twin packs for FARMHOUSE milk and economical 1.75L packs for various soft drinks, which was extended to our sugarless 100PLUS ZERO in Malaysia.
- In Thailand, we have also been diligent about offering value to our customers by giving more for less and catering to their specific needs. For example, TEAPOT Sweetened Evaporated Milk (2 in 1) 1L were highly sought after by hawker customers to gain savings. Meanwhile, we kept them updated with new application and recipes to further boost their product offering.
- To support our suppliers, we established the F&N Business Partner Award Programme to help them enhance their service and expand into the region with F&N.

- We have embarked on a phased implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) ahead of Bursa Malaysia’s stipulated reporting timeline. In FY2023, we quantified material physical risks and key transition risks through scenario analysis.
- We are intensifying efforts to rely less on fossil fuels for energy to reduce the Group’s GHG emissions. Following the installation of rooftop solar PV system in our Malaysia and Thailand facilities, plans are underway to extend solar roof systems with total capacity of 6.38 MWp to more facilities including our factories in Rawang in FY2024.
- We were the first company in Malaysia to back 100% of the palm oil used in our products with RSPO credits, with a goal to transition to 100% physically certified palm oil by 2025. We currently utilised 60% Certified Sustainable Palm Oil, while the remaining 40% was through RSPO credits.
- To support our climate change efforts, we have amplified our sustainability awareness training across the Group, and aim for every employee to undergo ESG training by 2025.

- We have increased the use of recycled material in our packaging to 25% and aim for all beverage and dairy packaging to be 100% recyclable by 2025 (2022:98%). Our new BORNEO SPRINGS is packed in FSC™-certified paper cartons with caps made from sugar cane.
- We manage food surplus by channelling them to charitable organisations and communities in need. Since 2019, we have established a partnership with Yayasan Food Bank Malaysia to support the programme Food Bank Siswa.
- To inculcate environmental awareness among the community at large, we collaborated with GRAB Malaysia, KLEAN and MRANTI to introduce 18 cutting-edge AI-powered Reverse Vending Machines across key locations in the Klang Valley.
- We took the school recycling programme nationwide this year, attracting the involvement of 1,300 primary and secondary schools throughout every state in Malaysia. To date, the F&N School Recycling programme has collected over 9,000 MT recyclables, preventing them from going to landfill while educating schoolchildren the importance of 5R.

- Respecting employees’ desire for better work-life balance, we have maintained a hybrid work arrangement.
- To engender a greater sense of connectedness, we have resumed employee engagement platforms that had been suspended during the pandemic, and are introducing more programmes such as bowling tournament, and creating an engaging communication platform via Fraserian Connect, our award-winning mobile app.
- We are enhancing employees’ safety and health via programmes such as the Safety, Health and Environment month, mental health awareness initiatives, and the provision of free influenza vaccinations to over 1,000 employees nationwide.
- To create a sense of personal safety and well-being, we rolled out an enhanced Prohibiting Sexual Harassment Policy across all our offices in Malaysia.

¹ <https://www.macrotrends.net/countries/MYS/malaysia/inflation-rate-cpi>

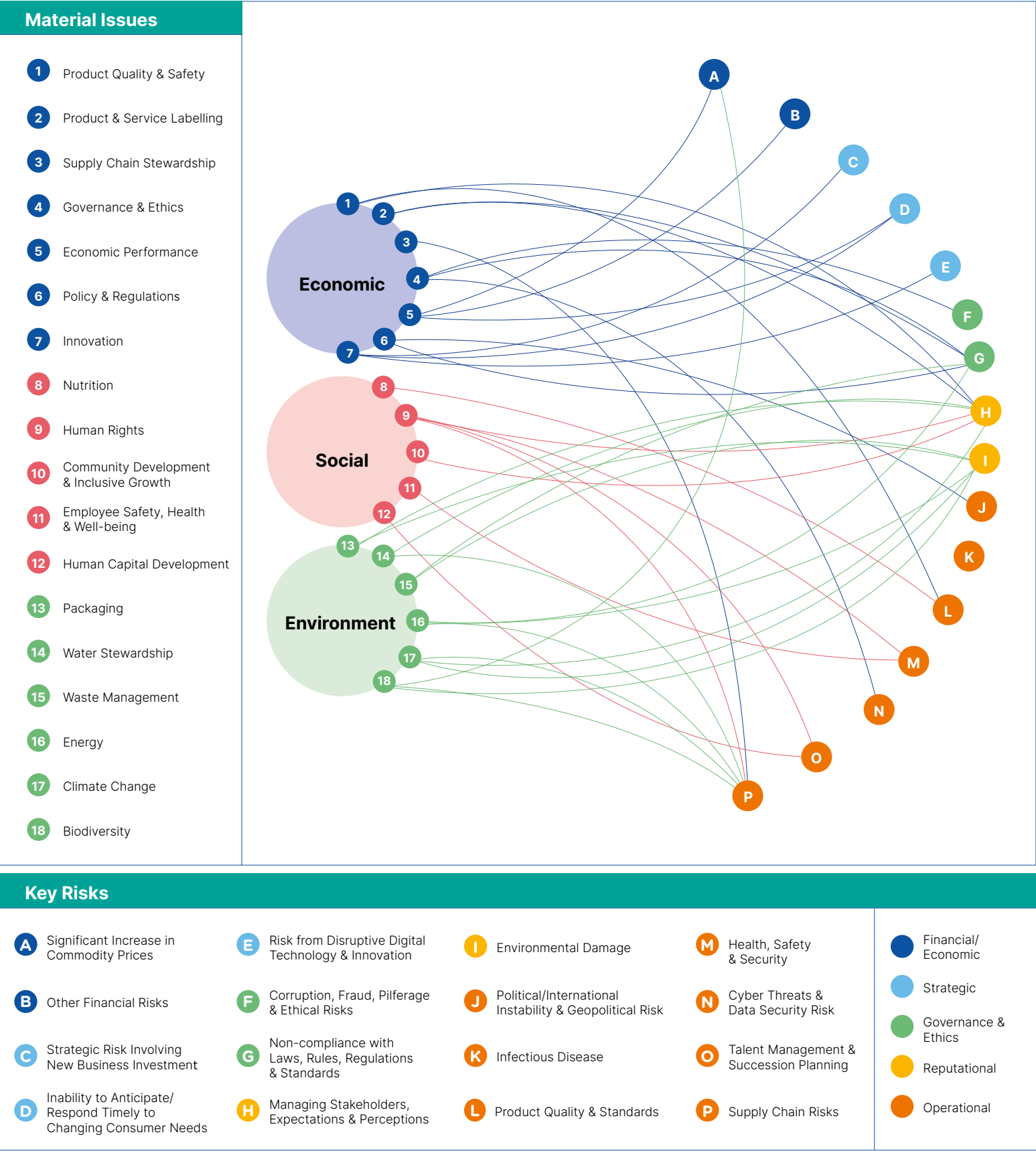
² Economic and Financial Developments in Malaysia in the Second Quarter of 2023, BNM, https://www.bnm.gov.my/-/qb23q2_en_pr

³ <https://www.imf.org/en/News/Articles/2023/11/08/pr23384-thailand-imf-staff-completes-2023-article-iv-mission>

⁴ Employees seek personal value and purpose at work. Be prepared to deliver., Gartner, <https://www.gartner.com/en/articles/employees-seek-personal-value-and-purpose-at-work-be-prepared-to-deliver>

A. Strategic Review

KEY RISKS AND MITIGATION



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.	Climate Change Packaging Waste Management Energy Biodiversity
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.	Economic Performance Biodiversity
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.	Economic Performance

A. Strategic Review

KEY RISKS AND MITIGATION

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 sanitization 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.	Product Quality & safety Nutrition
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 healthier option in every product category that we are in. - Introduce new pack size as part of our portion control commitment. - Promote active lifestyles through programs that target schools and communities.	Economic Performance Innovation
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.	- Ensure sufficient inventory supply of key materials as well as finished goods to minimise implications to the operations in the event of disruption. - Regular engagement with internal and external stakeholders to ensure resilience in the supply of materials amidst supply chain disruptions. - 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. - Maintain healthy cashflow positions during crisis.	Supply Chain Stewardship Human Rights Water Stewardship Energy Climate Change Biodiversity
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.	Governance & ethics

Risk	Mitigation actions	Material Issue
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.	Product Quality & Safety Product & Service Labelling Human Rights Community Development & Inclusive Growth Packaging Water Stewardship Climate Change
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 via e-learning platform 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.	Governance & ethics
Strategic Risks Involving New Business Investments	- Cost-benefit analysis will be undertaken and financial viability of business investments are diligently assessed in compliance with investment guidelines. - Integrating Environmental, Social and Governance (ESG) factors in business investment valuations to better capture and manage the full range of risks posed by ESG factors. - Verification, investigation and audit of investment opportunity involving subject matter experts to confirm all relevant facts and financial information are true and the potential business investment meets business objectives before proceeding with new investments. - Keep track on tasks and follow ups to ensure relevant regulatory requirements where the new business investments are established are met. - Post-Implementation Review (PIR) is conducted at an interval required by the policy after completion of the project. The PIR is conducted to assess actual financial performance against the original feasibility study assumptions besides update on the status of meeting the business objectives.	Integration and synergies Economic Performance Product Quality & Safety Product & Service Labelling Human Rights Community Development & Inclusive Growth Packaging Water Stewardship Climate Change

A. Strategic Review

STRATEGIC PERFORMANCE REVIEW

PASSION 2025

STRATEGIC DOMAINS

BUILD

Building new capabilities and business opportunities

FY2023 Key Highlights

- Expanded into sports nutrition with 100PLUS PRO High Protein, formulated to facilitate after-sports recovery. Gained positive momentum with our NPDs introduced such as 100PLUS ZERO and the TEAPOT Evaporated Creamer UHT milk in 1L in Thailand.
- Expanded production capacity - drinking water production plant at Kota Kinabalu Industrial Park, a new mineral water line in Matang and an automated ketupat line for Sri Nona in Rawang.
- F&N Agrivalley launches its foray into the upstream fresh milk business with a groundbreaking ceremony of the Group's integrated dairy farm in Gemas, Negeri Sembilan.
- Creation of new business growth in our Halal Food Pillar with maiden contribution from Cocoland companies this financial year.

Priorities for 2024

- Continue to prioritise innovation across all facets of our businesses, from new product development, channels management to value chain activities to address the untapped market demand.
- Fulfilling our ambition to deliver the key milestones of the integrated dairy farm in capturing opportunities in liquid milk and supporting the National Food Security Agenda in dairy & beef.
- Fostering growth in halal food pillar and extracting business synergies from the integration of Sri Nona and Cocoland for further value mining.



STRENGTHEN

Strengthening our core businesses for market leadership positions

FY2023 Key Highlights

- Group revenue for the year crossed RM5 billion, underpinned by a positive recovery across all markets, effective price and channel management strategies, and contribution from Cocoland.
- Our export business contribution surpassed RM1bil mark, supported by a robust recovery in exports to Africa, ASEAN and Greater China regions with global footprint expanded to 93 countries.
- Defended market share leaderships in Malaysia and Thailand within our core categories.
- Our continuous effort in marketplace, workplace and environment received external validation through numerous awards and recognitions in Malaysia and Thailand, including becoming Top 1 percentile in of Global Food & Beverage Sector in FTSE4Good Index.
- Obtained extended rights from Nestlé to distribute BEAR BRAND sterilised milk in Cambodia.

Priorities for 2024

- Continue to strengthen our stewardship in our core categories and find new growth potential through transformative projects to accelerate high growth via brand portfolio management.
- Continue to leverage on digital and integrating technologies within our operations to strengthen 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.
- Continue to participate in industry policy making and strengthen our Halal thought leadership in the Industry.



UNLOCK

Unlocking potentials of the Group to create maximum value

FY2023 Key Highlights

- Various capital investments had been completed and begun its contribution to the Group through cost savings.
- Unlocked potentials among the existing talent pool and enhanced our leadership development programme to support new business and future expansion.
- Strategic collaborations with key suppliers to achieve common partnership goals. E.g. F&N Business Partner Award Programme.
- Leveraged on sukuk financing to unlock future business growth as well as diversifying our business risks.

Priorities for 2024

- Unlocking opportunities through strategic partnerships collaboration with various stakeholders for value creation towards business, environmental and social goals.
- Transitioning to next-level of strong governance company and establish programmes to improve operations, empower our employees, strengthen stakeholders' engagement and deliver business values.
- Unlocking values via effective financing and capital management strategies.

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.

1

ESTABLISHING GROUP HALAL COUNCIL (GHC)

- ▶ F&NHB has adopted a 2-tier halal management structure to embed the halalan tayyiban guidelines and the Islamic Shariah Law requirements, across our operations at the Group level:
 - **F&NHB established a Group Halal Council in 2016 to embed the halalan tayyiban 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 the procurement of ingredients and raw materials, management of manufacturing facilities and personnel involved in production processes, to the storage, warehousing, and transportation of our products.**

2

ENSURING HALAL COMPLIANCE & INTEGRITY ACROSS OUR VALUE CHAIN

- ▶ 100% of our products are Halal-certified by relevant authorised certification bodies including:
 - **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 undergo Shariah sertu cleansing to ensure Halal integrity of our products.
- ▶ Our Halal Risk Management plan for all plants is reviewed to meet Halal Assurance Management System (HAS) 2020 requirements.
- ▶ To ensure Halal compliance downstream our supply chain, Halal awareness training are conducted for our key transporters, distributors and suppliers.
 - **We have conducted Halal training on 100% of our transporters to ensure Halal compliance.**
 - **Halal audits are also conducted on our distributors to ensure Halal compliance further downstream in our supply chain.**
 - **Specifically, this year we conducted Halal audits on our potential recyclable PET bottle suppliers.**

100% HALAL- CERTIFIED PRODUCTS



3

CULTIVATING INTERNAL HALAL CULTURE

- ▶ We continuously strengthen our employee's Halal awareness and understanding through:
 - **Scheduled Halal Awareness programmes, including training, contests and quizzes .**
 - **Scheduled training in Good Manufacturing Practices and Good Hygiene Practices.**
 - **Prohibition of non-Halal foods and drinks within the factory premises, including the office and canteen.**
- ▶ Various trainings were organised to expand internal capacity:
 - **100% of our employees, including newcomers undergo mandatory Halal awareness training within 3 months.**
 - **This year, we have extended our Halal awareness training programme to our foreign employees in their native language.**
 - **> 1,700 employees attended Halal-related training this year.**
 - **Employees with responsibilities in Halal matters also attended a series of professional training related to Halal internal audits and assurance.**

RECOGNITION TOWARDS OUR HALAL COMMITMENT



Fraser & Neave Holdings Bhd

- Halal Innovation Excellence Award
- World Halal Excellence Award 2022 (WHEA 2022)



Fraser & Neave Holdings Bhd

- A constituent of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index

4

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 actively engage with the Department of Malaysia standards through Federation of Malaysian Manufacturers (FMM) to provide our input towards developing Halal-related standards, 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 SMEs to elevate their capability to be qualified as Halal vendors for multinational companies.**
- ▶ Through the programme, we have provided mentorship to 16 SMEs who have high potential to elevate their business capacity.
 - **In 2021, we successfully onboarded one SME as our ingredient supplier for F&N Kurma Madu Cordial.**
 - **In 2023, we hosted a pitching session aimed at recruiting potential suppliers through the programme. A total of 14 SMEs actively engaged in this pitching session, demonstrating their interest in becoming our potential partners in our on-going journey.**
 - **We are in the midst of developing more Halal SMEs to become our suppliers or co-manufacturers.**
- ▶ We also actively participate in knowledge-sharing sessions such as:
 - **World Halal Forum 2023.**
 - **World Halal Business Conference Australia 2022.**
 - **Halal Sector Forum 2023.**
- ▶ 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.

BUSINESS REVIEW

1

SUCHIT RIEWCHAROON

Managing Director,
F&N Dairies (Thailand) Limited



2

NG ENG CHEANG

Managing Director,
Commercial Operations Malaysia
(East Malaysia & Brunei)



3

GRAHAM LIM

Managing Director,
Commercial Operations
(East Malaysia & Brunei)



4

LAI MING KONG

Managing Director,
International Markets Development



5

DATO' RAFFIQ BIN MD ARIFF

Managing Director,
Foods and Industry Engagement



5

BRYAN LEE CHEE KONG

Managing Director,
Cocoaland
(Retired on 31 October 2023)



B. Business Review

FOOD & BEVERAGES THAILAND (F&B THAILAND)



The operating environment in Thailand presented both challenges and opportunities which F&B Thailand was able to manage to its advantage. Despite high commodity prices and a shortage of milk, the team recorded a much improved performance year-on-year due to the pick-up in tourism as well as in consumer sentiment. This was complemented by a further strengthening of stakeholder relationships, especially with hawkers as well as with suppliers, namely dairy farmers, and route-to-market strategies.

In response to increased health awareness among Thais, F&B Thailand boosted its fresh milk supply with full operationalisation of the Wang Muang dairy plant in October 2022. It also launched new products such as TEAPOT UHT Evaporated Creamer 1L and TEAPOT Sweetened Condensed Milk (SCM) Tube Nom Yen Flavour – the former designed specifically to meet the needs of F&B operators, and the latter to provide more exciting flavours for home consumption. In Cambodia and Laos, the team focused on enhancing its brand awareness product usages, and hawkers visibility.

As a result of its focused route-to-market strategies and in-store execution alongside consistent brand building and consumer engagement, F&B Thailand maintained its leadership in the SCM and evaporated milk segments in Thailand, as well as in the condensed milk segment in Cambodia and Laos. Further entrenching its position in Cambodia, F&B Thailand obtained extended rights to distribute BEAR BRAND sterilised milk in the country in addition to manufacturing the milk.

F&B Thailand also worked more closely with its export customers to identify new growth opportunities and better demand forecast, resulting in enhanced export performance for the year.

Key Focus Areas

Enhance domestic sales through strengthening brand visibility

Recruit new users via new product development

Further deepen the Indochina and export markets

Reap more cost savings from increasing operational efficiencies

BUSINESS PERFORMANCE

STRATEGIC OBJECTIVE 1 : ENHANCE REVENUE

Key Initiatives

Meet changing consumer trends



Achievements

- The RM128 million liquid milk and plant-based manufacturing facility in Wang Muang became fully operational in October 2022, increasing fresh milk production capacity in line with growing demand.
- For home consumption, introduced TEAPOT SCM Tube Nom Yen Flavour, strengthening F&B Thailand's leadership in the flavoured sweetened condensed milk.

Enhance marketing and distribution efficiencies



- Excellent in-store execution and strengthened relations with distributors and retail outlets resulted in increased sales for TEAPOT.
- Customised promotions for condensed milk in the modern trade contributed to F&B Thailand maintaining its No.1 position in the total SCM and evaporated milk categories.

Grow Indochina and Export markets



- Retained condensed milk market leadership in Cambodia and Laos via enhanced brand-building for TEAPOT along with greater brand visibility at more than 10,000 outlets where TEAPOT is available.
- Mobilised exclusive distribution sales team in Cambodia, covering more than 8,000 outlets in 25 provinces.
- Obtained extended rights from Nestlé to distribute BEAR BRAND sterilised milk in Cambodia.
- Expanded the export network to China, the Middle East and Central West Africa.
- Embarked on aggressive drive to capture new business opportunities from new export customers.

STRATEGIC OBJECTIVE 2 : ACHIEVE COST EFFICIENCIES & REDUCED CARBON FOOTPRINT

Key Initiatives

Manufacturing and energy efficiencies



Achievements

- Full automation of the 2kg pouch SCM and 1kg evaporated milk lines reduced the need for manual line operators thus increasing labour productivity.
- Reformulated TEAPOT with more readily available ingredients to ensure steady supply to the market.
- Achieved economies of scale by nearing full-capacity production of TEAPOT and Carnation UHT Evaporated Creamer 1L at the Wang Muang plant at 100,000 cases a month.
- Switching from fossil fuel to renewable (solar) energy led to 6% reduction in electricity consumption, exceeding the targeted savings.
- Innovative project to improve energy and water efficiency, with 40% energy reduction, 8% water reduction and 10% renewable energy.

B. Business Review

FOOD & BEVERAGES THAILAND (F&B THAILAND)

BUSINESS PERFORMANCE (CONTINUED)	
STRATEGIC OBJECTIVE 3 : STRATEGIC RELATIONSHIPS	
Key Initiatives	Achievements
Strengthen hawker network 	- Continued to build relationship with hawkers via regular visits by sales personnel. - Maintain continuous communication and engagement, including promos and lucky draws, with customer relationship management (CRM) system on the LINE app. - Leverage technology to track data on hawkers, including their physical location.
Farming Excellence System 	- Conducted four-month programme on good agriculture and farming practices under the Farming Excellence System for dairy farmers that supply F&B Thailand. - Set up a learning centre at manufacturing plant to create awareness of sustainable manufacturing practices. - Invested RM150,000 in a milk collection centre in Nakhon Ratchasima which became operational in August 2023, facilitating the supply of milk from Khao Yai Milk Cooperative farmers. Read more in sustainability report

MEETING OUR CHALLENGES		
Challenge	Mitigation Efforts	Results
Increasing cost of goods due to higher commodities and energy prices	- Created manufacturing efficiencies from enhanced automation - Reformulated certain products - Leverage economies of scale in production where possible	➤ F&B Thailand's adjusted operating profit (excluding one-off non-operating items) for FY2023 grew by 37.1% (33.0% in Thai Baht) to RM378.3 million.
Shortage of fresh milk in Thailand impacting cost and capacity utilisation at BEAR BRAND sterilised and pasteurised milk plant	Increased capacity utilisation of Wang Muang plant by producing UHT Evaporated Creamer.	➤ Potential to diversify into plant-based milk as well as new packaging formats for evaporated milk.

PROSPECTS
The return of domestic and international tourists to Thailand will stimulate further private consumption in the country, providing the right environment for our Thai operations to achieve even greater sales volume. Various strategies have been crafted towards this end, from developing more products that cater to changing tastes and preferences, especially in liquid milk, to intensifying relationships with customers across the board. These strategies bode well for the Group, as we celebrate TEAPOT's 15th anniversary in Thailand, Cambodia and Laos starting October 2023. At the same time, in anticipation of escalating prices in commodities and energy, the team will continue to focus on cost-saving initiatives while enhancing efficiencies across the value chain. Additionally, we will capitalise on the Thai Government's digital wallet initiative and improve our penetrative drive into more rural retailers. F&B Thailand is ramping up its digitalisation and automation programmes while also continuing to develop its talent with the right skills and competencies to fully optimise the technologies made available, among others.

MARKETING HIGHLIGHTS

TEAPOT

In August 2023, F&B Thailand launched a limited-edition TEAPOT SCM Tube Nom Yen Flavour to excite the market with a new and aromatic addition to its condensed milk tube range thus strengthen its leadership in the segment. With the promise to turn ordinary treats into flavourful delights, the 150g easy-to-use product was a hit with families, and contributed to higher sales of the SCM tube market during its six-month campaign, which leveraged online and offline communication, in-store displays and sampling booths.

Further strengthening TEAPOT's image as a young and fun brand, the team also ran a "Colour up Your Life" campaign from April to June with a new brand ambassador, Thanapob Leeratanakajorn. The well-known actor reinforced the positioning of TEAPOT – with its continuously evolving packaging and flavours – as the brand for new generation of explorers and adventure seekers. The campaign was carried through television commercials (TVCs) targeting F&B operators and families, as well as Facebook, YouTube, TikTok and Google. TEAPOT also engaged key opinion leaders to review the brand in addition to organising various in-store activations.



B. Business Review

FOOD & BEVERAGES THAILAND (F&B THAILAND)

MARKETING HIGHLIGHTS (CONTINUED)



MAGNOLIA

Building on the launch of Magnolia UHT in February 2022, the team ran a campaign in August 2023 to further underline the brand promise of “Tasty Goodness” that helps consumers stay healthy and strong every day. The campaign highlighted the special production process and secret recipe that lend the milk its unique sweet taste, making the experience of drinking plain milk tastier than ever. It also reinforced the message that the milk contains a high dose of vitamin D and calcium for enhanced immunity and the maintenance of healthy bones and teeth.

The campaign showcased the entire Magnolia range via online and off-line communication as well as sampling activities at schools, universities and offices.



CARNATION

To encourage home consumption, a new campaign was launched during the year for Carnation Plus targeting families with children. The key message was that, in addition to enhancing the flavour of drinks and different foods, the rich and creamy flavour of Carnation brings members of the family closer together. The campaign TVC was launched online and offline in November 2022, utilising key opinion leaders and social media influencers to stimulate consumption. This was complemented by below-the-line activities such as samplings in heavy-traffic areas in partnership with a famous dessert café. Thanks to the campaign, sales of Carnation increased by double digits, and led to growth of the brand’s market share.

Meanwhile, Carnation further entrenched its leadership in out-of-home consumption with the Carnation Rewards Campaign, rewarding loyal users with points that could be used either to redeem prizes or to participate in a lucky draw.

BEAR BRAND

A new BEAR BRAND GOLD campaign was launched in February 2023 underlining the proposition that the milk is good “for healthy Brain, Bone and Beauty”. This specific health message was communicated via TVCs together with online and in-store media, and further reinforced by sampling activities that took place in offices and transit areas in addition to retail outlets.

From March to June 2023, BEAR BRAND also ran a “BEAR BRAND Point Rewards” campaign enabling consumers to collect points that could be exchanged either for prizes or to participate in a lucky draw.

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B. Business Review

FOOD & BEVERAGES MALAYSIA (F&B MALAYSIA)

Despite inflationary pressures and an environment of high prices, including that of commodities that we depend on, it was a positive financial year for F&B Malaysia, which celebrated our 140th anniversary. As in the previous year, the team focused on going back to basics, enhancing our route-to-market, distribution and service delivery while keeping a close eye on meeting consumers' changing needs.



While enhancing our service delivery to existing customers, our sales force was also driven to recruit new ones. At the same time, the brand marketing team upscaled its brand-building activities including activations, promotions and a refresh of product packaging. The F&N Carbonated Soft Drink range as well as F&N Magnolia and F&N SEASONS received invigorating new looks, complemented by consumer activations. To create further excitement for our consumers, new products were launched – 100PLUS PRO High Protein for athletes and TEAPOT UHT Evaporated Creamer 1L for added convenience of retail outlets, NONA Ketupat Wang Haruman Wangi and LOT100 Kurma Gummy – the gummy being from our latest acquisition, Cocoaland.

Enhanced sales domestically were further supported by a strong rebound in exports. We were able to make greater inroads into Africa, China and neighbouring ASEAN nations, focusing on product applications and further developing our key accounts.

Internally, F&B Malaysia became a stronger, more united team upon the move of the entire Central team to the revamped office space in Shah Alam.

Key Focus Areas

Enhanced cost management as commodity prices continued to escalate

Back to basics in promoting existing brands and building relationships

More personalised customer service through sales visits

Leveraged 140th anniversary to promote visibility and growth via campaigns

Create synergies between Sri Nona and Cocoaland, and the food pillar with F&NHB's other pillars

BUSINESS PERFORMANCE

STRATEGIC OBJECTIVE 1 : ENHANCE REVENUE

Key Initiatives

Develop new Halal food pillar



Achievements

- Acquired the remaining 72.38% equity interest in Cocoaland, the leading gummies producer in Malaysia.
- A holistic approach to redefine and rehaul the entire product portfolio with the objective to become Power Brands in their respective segments.
- Creating synergies between Sri Nona and F&NHB by leveraging the same route to market and consumption occasions as F&N's beverage and dairy products; as well as sharing of Cocoaland's production capacity.
- Expanded product range by introducing NONA Ketupat Wangi Haruman Pandan and LOT 100 Kurma Gummy.
- Innovation on product development to address different segments of the consumers' evolving needs for functional and wellness benefits.
- Streamlining systems and processes with the rest of F&NHB Group, eg SAP, safety and quality processes, employee benefits & governance practices.

Expand production capacity



- RM20 million drinking water production plant at Kota Kinabalu Industrial Park (KKIP) was completed and commercialised in November 2022, with a new mineral water line in Matang in first quarter of 2023.
- Commercialised a new RM5 million automated ketupat line for Sri Nona in Rawang.
- Plant-based beverages line in Pulau Indah plant to be ready by 2024, and will see the launch of Ömilk, made from non-genetically modified whole oat grains.

Focus on customer experience



- Sales team visited more retail and F&B outlets to strengthen existing customer relationships and expand our customer network.
- Established the F&N Business Partner Award Programme to help our suppliers elevate the quality of their services and grow regionally with F&N.
- Retained market leadership in the isotonic and carbonates soft drinks categories (with 100PLUS and F&N Fun Flavours), as well as in the ready-to-drink milk tea segment (with F&N Teh Tarik)

Build existing brands



- Expanded into sports nutrition with 100PLUS PRO High Protein, formulated to facilitate after-sports recovery.
- Expanded TEAPOT portfolio with UHT Evaporated Creamer 1L.
- Increased marketing spend allowed for more ground activations including in-store events.
- Promoted all key F&N brands in Peninsular and East Malaysia in conjunction with 140th anniversary campaign via roadshows organised at 1 Utama Shopping Centre in the Klang Valley followed by Suria Sabah Shopping Mall in Kota Kinabalu.
- Introduced new packaging for F&N carbonated soft drinks, F&N Magnolia and F&N SEASONS.
- est COLA roadshows across East Malaysia, including smaller towns, enhanced est COLA Brown Sugar performance.

B. Business Review

FOOD & BEVERAGES MALAYSIA (F&B MALAYSIA)

BUSINESS PERFORMANCE (CONTINUED)	
STRATEGIC OBJECTIVE 1 : ENHANCE REVENUE (CONTINUED)	
Key Initiatives Enhance export business 	Achievements • Focused on product application and key account management to achieve strong growth in the B2B export channel. • Promoted own brands, especially canned milk and 100PLUS, paving the way for greater penetration into China and Middle East and North Africa (MENA). • Explored new channels for export of Sri Nona and Cocoaland food products. • Restructured the Dubai office, resulting in quarter-by-quarter sales growth and increased annual PBT. • Participated in various trade fairs including the Salon International d'Alimentation (SIAL) Paris 2022, the International Food & Hospitality Fair 2023 in New Delhi, the Gulfood 2023 Exhibition held at the Dubai World Trade Centre, UAE and more.
STRATEGIC OBJECTIVE 2 : INCREASED DIGITALISATION	
Key Initiatives Deepen group digitalisation 	Achievements • Exports team leveraged commodity prices and transport cost forecasting BI capabilities to enhance sales and revenue. • Plans to implement artificial intelligence (AI) in dairy farm to optimise production and efficiencies. • Using Fraserian Connect to engage with employees and create a more energised and empowered workforce. • Partnering Touch 'n Go to draw more consumers to the F&N Life platform. • Promoting e-Route to market platform more aggressively among retailers. • Ranked top three in Shopee's 7th Birthday Sale and LAZADA's 12.12 Year End Mega Sale.
STRATEGIC OBJECTIVE 3 : ACHIEVE COST EFFICIENCIES	
Key Initiatives Invest in green energy 	Achievements • Solar photovoltaic (PV) rooftop in Bentong, Shah Alam and Pulau Indah, and warehouse automation in Shah Alam plant contributed to enhanced efficiencies and lower operation costs. • Plans to install PV rooftop systems at four more sites in FY2024 – at our Pulau Indah plant and three facilities in Rawang – lending to a total of 6.38 MWp of solar capacity as we work towards reducing the Group's greenhouse gas (GHG) emissions intensity by 8% by 2025, compared to 2020 levels.

BUSINESS PERFORMANCE (CONTINUED)	
STRATEGIC OBJECTIVE 4 : BUILD ESG CAPABILITIES	
Key Initiatives Strengthen environmental & social outcomes 	Achievements • Quantified material physical risks and key transition climate-related risks through scenario analysis as we move towards full TCFD reporting. • Board of Directors and Senior Management underwent training on sustainable agriculture, while 100% of executives received training on environmental and broader ESG issues. • Looking to develop recycled PET bottles, and sustainable packaging using paper cartons with sugar cane caps for BORNEO SPRINGS. • Took the school recycling programme nationwide and participated by more than 1,300 schools this year. • First company in Malaysia to back 100% of the palm oil used in our products with RSPO credits, with a goal to transition to 100% physically certified palm oil by 2025.
MEETING OUR CHALLENGES	
Challenge Increased cost of goods due to escalating commodity prices	Mitigation Efforts • In response to high tin prices, replaced significant volume of tin packaging with pouches and paper cartons. From zero paper cartons previously, we are now producing 60,000 cases a month. • Managed commodities and raw materials price through forward purchase, active monitoring of commodities price trends, and vigilant sales forecasting and production planning. • Reduced the impact on consumers with value deals such as twin packs of milk and other promotions. • Reformulated certain products to enable consumers to enjoy great taste at more affordable price points.
Multiple production capabilities and brands, especially following acquisitions	Results • F&B Malaysia's revenue increased 17.9% to RM2.85 billion from RM2.42 billion in FY2022. • F&B Malaysia's operating profit (excluding one-off non-operating items) increased 22.9% to RM229.1 million from RM186.4 million in FY2022. Plans to use Cocoaland plants to manufacture Sri Nona and F&N products.

PROSPECTS
Challenges in FY2023, such as commodity price fluctuations and inflation, look set to persist in FY2024. Yet, F&B Malaysia is optimistic of maintaining its growth momentum as it continues to build its core brands while continuing to strategise on its route to market, operational efficiencies, and the creation of synergies internally as well as with suppliers, customers and distributors. As a result of the positive outcomes in FY2023, the team is inspired to become best-in-class to sustain F&N's leadership in all core segments.

B. Business Review

FOOD & BEVERAGES MALAYSIA (F&B MALAYSIA)

MARKETING HIGHLIGHTS

140TH ANNIVERSARY

Under the theme “Kisah Kita... Selamanya”, the Group celebrated our 140th anniversary with multiple consumer activations, starting with a roadshow at 1 Utama Shopping Centre in August 2023. The roadshow featured “Pekan F&N”, where consumers created memories with F&N through exciting activities and stood a chance to win a limited edition Vespa scooter. 100PLUS ambassadors Datuk Wira Lee Chong Wei and Dato’ Mohd Azizulhasni Awang also participated in the anniversary celebrations together with roadshow attendees. In September, we took the celebratory roadshow to East Malaysia at Suria Sabah Shopping Mall in Kota Kinabalu, where consumers took part in exciting activities in “Tamu F&N”.



100PLUS

The year was celebratory not only for the Group but also our iconic brand 100PLUS, marking its 40th anniversary. Commemorating this milestone, we further enhanced the isotonic drink’s portfolio with the launch of 100PLUS PRO High Protein. Its non-fizz format makes it easy to drink after intense physical activity, while the combination of electrolytes, Vitamin B, 10g of protein and 2g of BCAA supports the replenishment and recovery needs of sports enthusiasts. This new iteration of 100PLUS was promoted among our athletes at the inaugural REDLINE Fitness Games 2023, the 19th Asian Games and 4th Asian Para Games.

Aside from the new variant, the team continued to highlight 100PLUS as a hydration partner through a number of activations. Partnering ASTRO and OMNIA Radio cruiser, mass samplings were conducted across Malaysia to provide the public with relief from the heat wave in May-June 2023. Subsequently, we celebrated World

Hydration Day 2.0 at 1 Utama shopping mall where Malaysians participated in various activities then quenched their thirst with the nation’s No.1 isotonic drink. We also made our zero-calorie 100PLUS ZERO accessible in more outlets and promote trials with the 100PLUS Jom Cuba TVC.

100PLUS has, for many years, been closely associated with uplifting sports in the country, partnering the Badminton Association of Malaysia (BAM), Football Association of Malaysia (FAM), Malaysian Hockey Confederation and the National Sports Council. It also supports national sportsmen and women through its ambassadorship programme. This year, 100PLUS welcomed four new ambassadors – shuttlers Ng Tze Yong, Chen Tang Jie and Toh Ee Wei, as well as professional track cyclist Dato’ Mohd Azizulhasni Awang aka The Pocket Rocketman.



B. Business Review

FOOD & BEVERAGES MALAYSIA (F&B MALAYSIA)

MARKETING HIGHLIGHTS (CONTINUED)

F&N FUN FLAVOURS

In keeping with the theme of celebration, our flagship carbonated soft drinks underwent a packaging makeover with F&N Fun Flavours becoming even more vibrant and young as it debuted a brand-new look with attitude. Targeting the nation's youth, our evergreen range is set to *GEMPAK*-kan the market with packaging that is stylishly exciting. The campaign – *Kini Lebih Gempak* – was rolled out nationwide to great success, appealing greatly to our Gen Z.



F&N MAGNOLIA

As with our carbonated drinks, F&N Magnolia was relaunched with a whole new refreshed look in June 2023. The entire range of UHT, Pasteurised and Sterilised Milk was revamped and re-introduced to the market via in-store roadshows across various key retailers, enticing consumers to experience the exceptional taste of Magnolia milk. We also organised exclusive contests with Aeon, Aeon Big, Mydin, Tunas Manja, Eonsave and Giant, offering 60 lucky consumers the opportunity to spend RM2,500 each on shopping sprees.

Meanwhile, F&N Magnolia Barista Milk is gaining recognition as the ideal accompaniment for top quality coffee. During Pesta Kopi 2022 in Penang, more than 12,000 coffee enthusiasts participated in a tasting session of coffee made with F&N Magnolia milk. Subsequently, F&N Magnolia became the Official Milk Partner for biggest coffee event in Malaysia, Pesta Kopi Kuala Lumpur 2023, where we shared milk beverage ideas with potential baristas, passionate players and consumers.



F&N SEASONS

F&N SEASONS refreshed its packaging to reveal a contemporary feel that complements the brand's dedication to promoting a healthier refreshment experience. The packaging refresh started with the perennially popular Ice Lemon Tea variant, and was followed by the entire F&N SEASONS range. To celebrate its new look, F&N SEASONS joined forces with Lotus's to engage shoppers via in-store roadshows held from June to November 2023.



B. Business Review

FOOD & BEVERAGES MALAYSIA (F&B MALAYSIA)

MARKETING HIGHLIGHTS (CONTINUED)

TEAPOT

TEAPOT went a step further than just to revamp its look; it worked on its formula to introduce a new variant: TEAPOT UHT Evaporated Creamer 1L. Since its launch on 1 August 2023, this culinary masterpiece has been well received, especially by on-premise as well as hotel, restaurant and catering (HORECA) operators. Adding to its creamy richness, tantalising aroma and longer-lasting froth, the evaporated creamer has captivated users because it is easy to use and store.



FARMHOUSE

Highlighting the authenticity of its Australian origins, FARMHOUSE launched a "100% Milk. Directly from Australia" campaign. It is because FARMHOUSE milk is 100% sourced from and processed in Australia, it has an inimitable full-bodied and creamy taste that stands out among end consumers and baristas. The campaign also included a roadshow in premium supermarkets. The "100% Milk. Directly from Australia" message was further amplified on banners and their oxobiodegradable plastic bag for its twin packs, as well as delivery truck livery.

F&N TEH TARIK

F&N Teh Tarik ran a *Biar Ori, Baru Sempoi* campaign featuring homegrown rapper, MK K-Clique. "Biar Ori" signifies F&N Teh Tarik's authentic taste while "Baru Sempoi" signifies how, impossible as it may sound, the coolest drink in town is now getting closer to the hearts of every Malaysian as it is available and accessible to everyone on-the-go, anytime and anywhere. As part of the campaign, one-of-a-kind interactive vending machines were set up across major transit areas offering Malaysians a chance to shake up their own can of Teh Tarik.

During the peak Raya travelling period, Sempoi Crew were stationed at R&R highways, giving away F&N Teh Tarik to motorists journeying home. Various activations were also run in conjunction with Iftar and open house events. In total, F&N Teh Tarik connected with some 20,000 consumers over this Raya season. Further increasing its visibility in the public arena, F&N Teh Tarik was the official beverage sponsor at the inaugural TikTok Malaysia Awards Night held on 27 August 2023. In addition to reaching about five million viewers on TV3 and TikTok Malaysia's social media platforms, F&N Teh Tarik was endorsed by celebrities Izzue Islam and Bell Ngasri.

F&N Teh Tarik ORI and Less Sweet were also launched in East Malaysia in May 2023, hence are now accessible by all Malaysians.



F&N CANNED MILK

In March, F&N launched its "MENGENGI HATI SETIAP HARI" or "FILL YOUR HEART EVERY DAY" campaign for Malaysians. This campaign reflects F&N's dedication to delivering excellence for your dear ones, extending beyond the act of filling cups to truly filling hearts. Supporting the campaign was a series of marketing activities, including television commercials, digital and mobile communications, and partnerships with social media influencers.



B. Business Review

FOOD & BEVERAGES MALAYSIA (F&B MALAYSIA)

MARKETING HIGHLIGHTS (CONTINUED)

OYOSHI

As life returned to normal post pandemic, events that had been put on hold were resumed once again. This saw the Japan Expo and Bon Odori Festival mark its 47th outing in the Klang Valley. As in previous years, OYOSHI Malaysia was a sponsor of the fun-filled cultural extravaganza held at the Shah Alam National Sports Complex Panasonic on 22 July 2023. OYOSHI has become integral to the festival to celebrate the authenticity of its Japanese flavour, imparted by the use of Japanese green tea leaves.



RANGER

RANGER Rimau was the official beverage of the Petronas Malaysian CubPrix Championship held at 10 locations throughout Malaysia from February to November 2023. Apart from RANGER Energy Drink, we also showcased 100PLUS ZERO and F&N ICE MOUNTAIN Drinking Water to ensure that the 700 marshals, members of the crew and media, as well as riders stayed hydrated. Product sampling and other activities were carried out at each location, where some 5,000 bikers and bike enthusiasts assembled to be part of one of Malaysia's oldest and most esteemed national motorcycle racing championships.



NONA

It was a busy year for NONA, and especially a busy Ramadan, when our halal food brand launched a new ready-to-cook ketupat mix, Ketupat Wangi Haruman Pandan. Crafted to intensify the pandan flavour, and with no artificial colouring, the latest in the ketupat mix range was a hit with celebrities and chefs engaged in various activities and events that NONA participated in during the fasting month. These included TV9 reality cooking show *Dapur Tempur RA-RA*, Astro Go Shop, and KOL Digital Cooking demos. Each of these engagements demonstrated not just the incredible flavour of the Ketupat Wangi Haruman Pandan but also its versatility, being the perfect complement to traditional and contemporary dishes loved by everyone.

Dapur Tempur RA-RA was accompanied by in-store activations and competitions in which participants stood the chance of winning attractive prizes including international travel and a Proton X70.

The team also participated in a Pasar Rakyat RediMeat Food Trucks x NONA beef-related culinary cookout using NONA product offerings. The afternoon weekend event attracted large crowds who were eager to taste and purchase our products from Ketupat to cooking sauces.

In the spirit of giving, NONA partnered with Media Prima in the *Seindah Kasih* initiative, and gave away Ketupat Basmati as well as Sup Uncang to underprivileged families at a CSR event held at Masjid Sabak Uni Parit Raja in Johor.

LOT 100 KURMA GUMMY

LOT 100 launched an exclusive edition of Dates Gummy in conjunction with Ramadhan. Made with 100% real fruit with zero artificial colouring dates in a specially designed Raya-themed gift box, it was the perfect gift for the festive season. It attracted a fair deal of attention from its creative displays in stores such as Mydin, NSK and TF Value. The Dates Gummy was a real hit, especially during the two-month Ramadhan sale period.

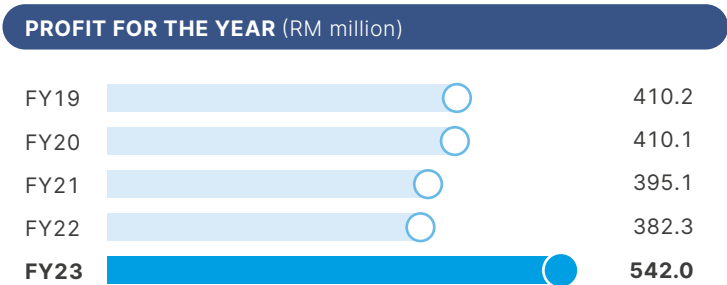
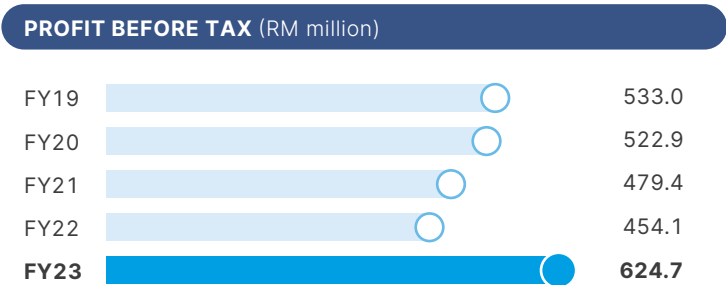
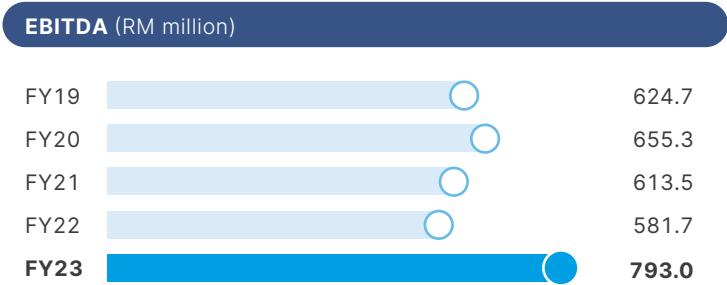
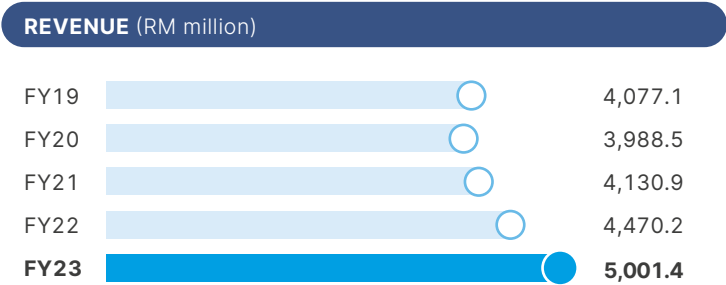


C. Financial Review

5-YEAR GROUP FINANCIAL SUMMARY
AND HIGHLIGHTS

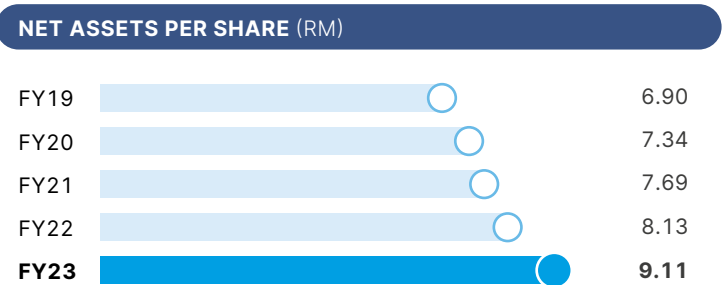
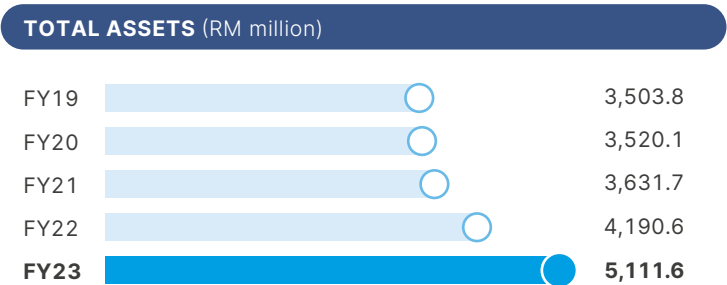
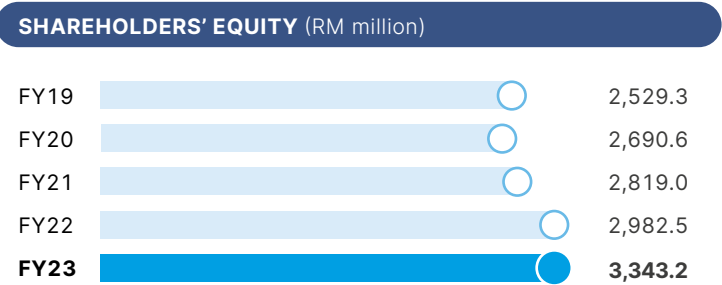
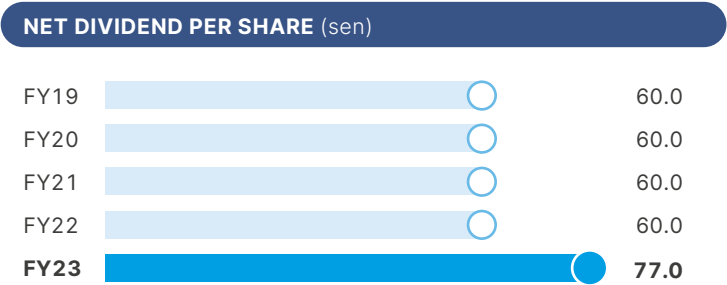
Year ended 30 September	2019	2020	2021	2022	2023
Results (RM million)					
Revenue	4,077.1	3,988.5	4,130.9	4,470.2	5,001.4
Profit before tax (“PBT”)	533.0	522.9	479.4	454.1	624.7
Adjusted PBT ⁽ⁱ⁾	537.3	524.4	500.3	472.9	573.9
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	624.7	655.3	613.5	581.7	793.0
Adjusted EBITDA ⁽ⁱ⁾	629.0	656.8	634.4	600.5	742.2
Profit for the year	410.2	410.1	395.1	382.3	542.0

Dividend per share						
Earnings - basic	(sen)	111.9	111.9	107.8	104.5	146.5
Earnings - diluted	(sen)	111.6	111.7	107.6	104.3	146.1
Dividend - net	(sen)	60.0	60.0	60.0	60.0	77.0 ⁽ⁱⁱ⁾
Dividend - cover	(times)	1.9	1.9	1.8	1.7	1.9
Dividend - payout	(%)	54	54	56	57	53



Year ended 30 September	2019	2020	2021	2022	2023
Statement of Financial Position (RM million)					
Share capital	816.8	816.8	816.8	816.8	816.8
Shareholders’ equity	2,529.3	2,690.6	2,819.0	2,982.5	3,343.2
Total assets	3,503.8	3,520.1	3,631.7	4,190.6	5,111.6
Total debts ⁽ⁱⁱⁱ⁾	123.3	116.4	66.0	310.1	767.9
Share capital (number of shares)	366.8	366.8	366.8	366.8	366.8
Net assets per share (RM)	6.90	7.34	7.69	8.13	9.11

Ratio (%)					
PBT on revenue	13.1	13.1	11.6	10.2	12.5
Adjusted PBT on revenue ⁽ⁱ⁾	13.2	13.1	12.1	10.6	11.5
Return on shareholders’ equity	16.2	15.2	14.0	12.8	16.2
Debt to equity ratio	4.9	4.3	2.3	10.4	23.0



Notes:

(i)

Excluding one-off non-operating items i.e. remeasurement gain on previously held equity interest in an associate, insurance claim received, impairment of property, plant and equipment, flood related expenses, etc.

(ii)

Included proposed final dividend of 33.0 sen per share and special dividend of 17.0 sen per share, which will only be recognised in the financial statements upon shareholders’ approval.

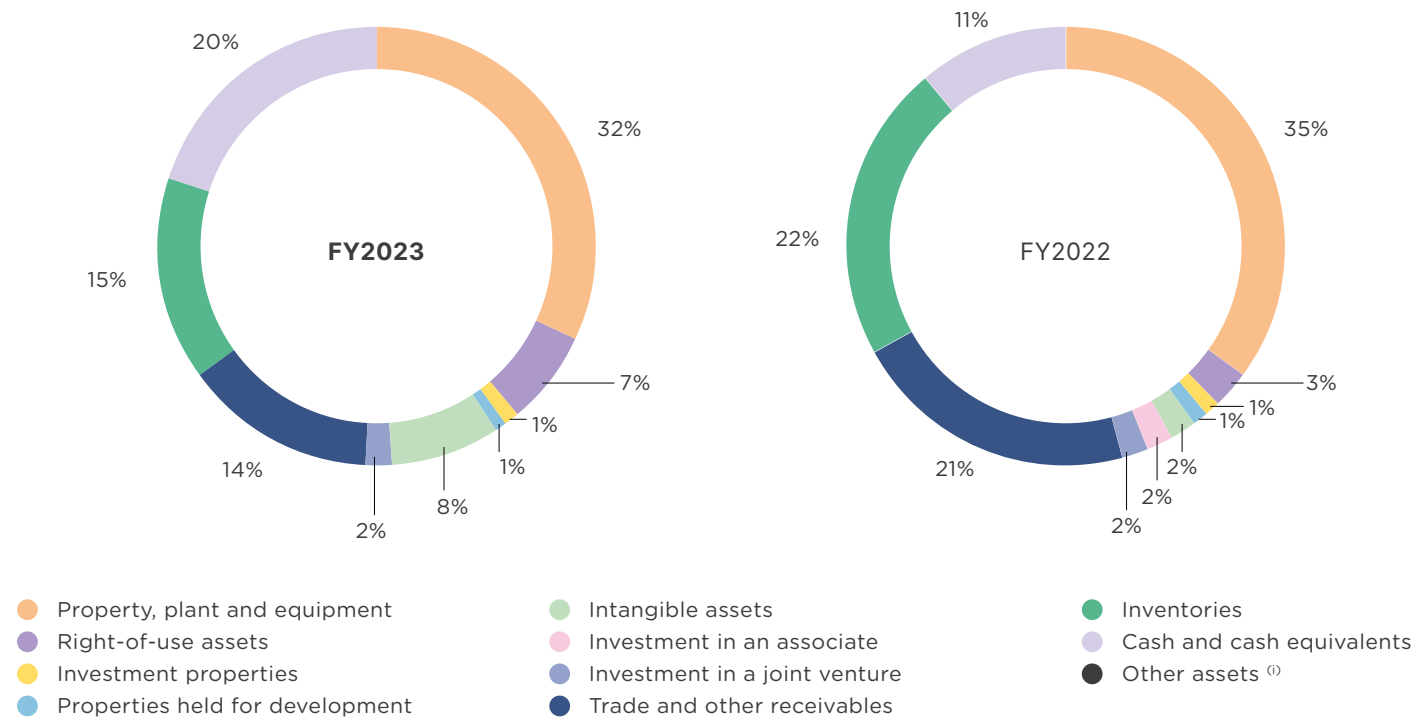
(iii)

Consist of borrowings and lease liabilities.

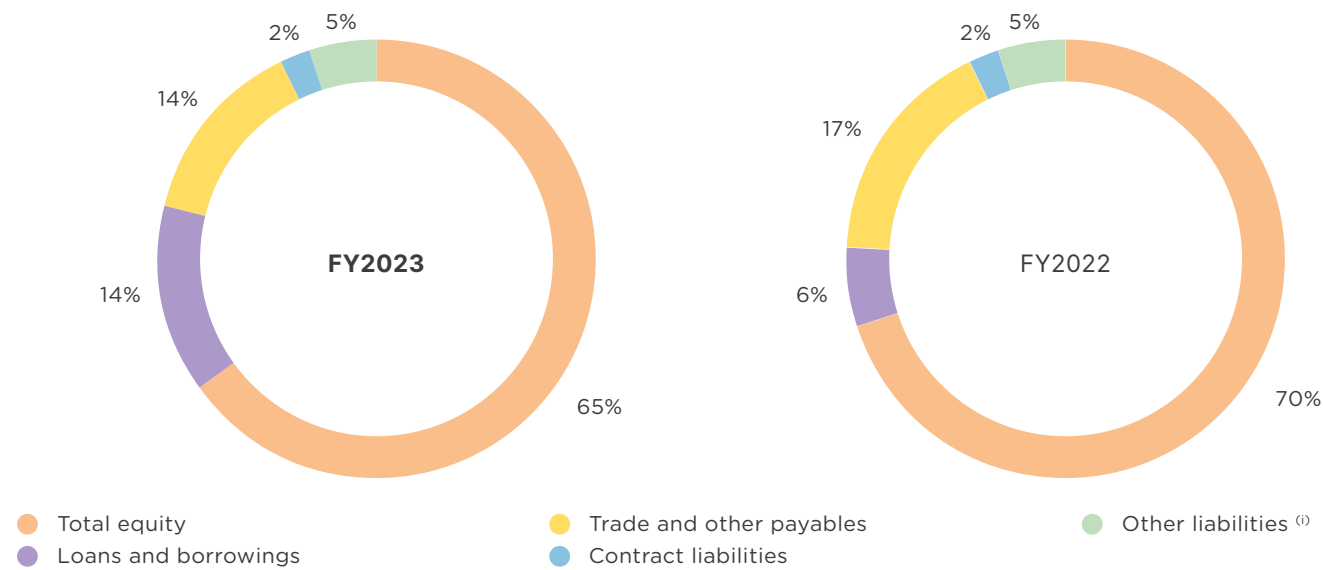
C. Financial Review

SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS



TOTAL EQUITY AND LIABILITIES



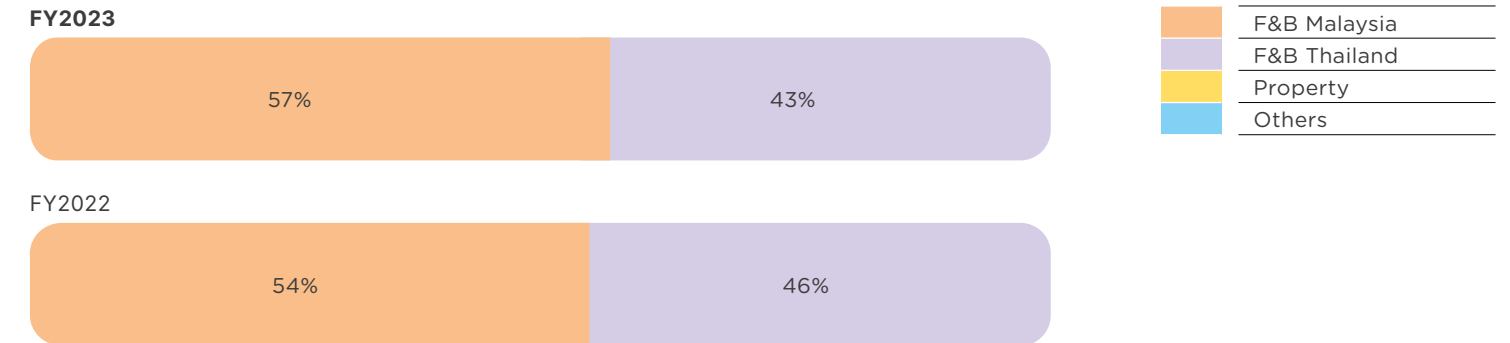
Notes:

(i) Comprise deferred 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

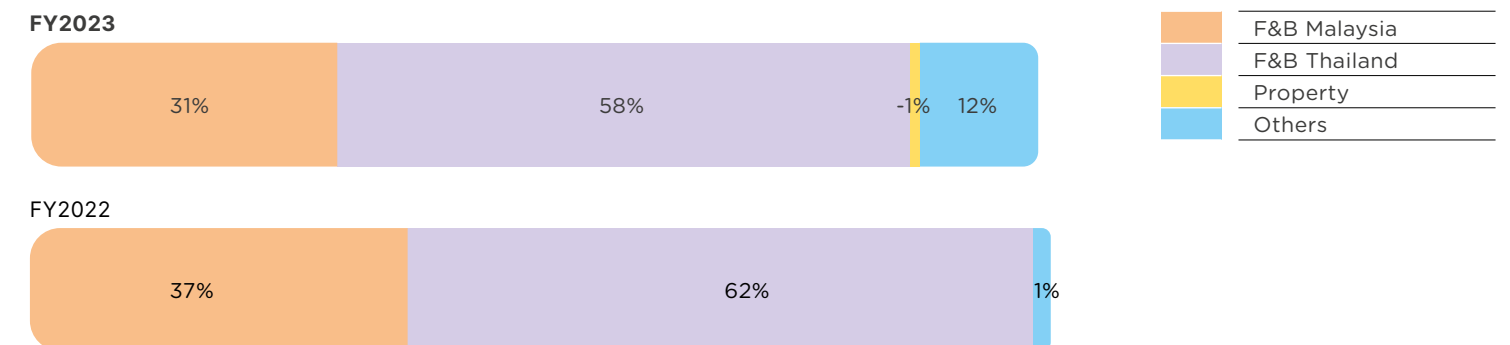
REVENUE – BY OPERATING SEGMENTS



REVENUE – BY GEOGRAPHICAL SEGMENTS

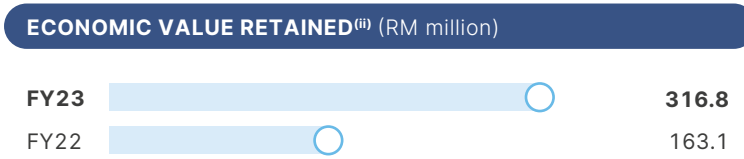
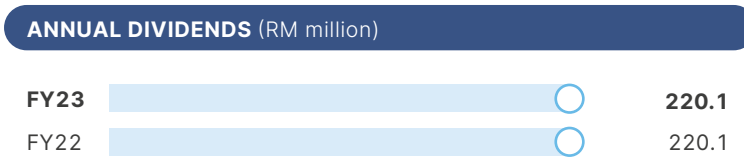
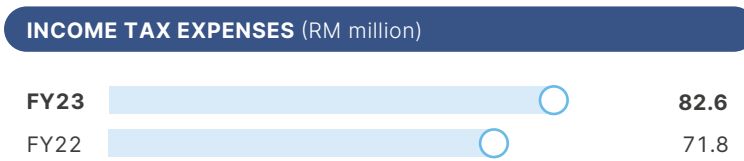
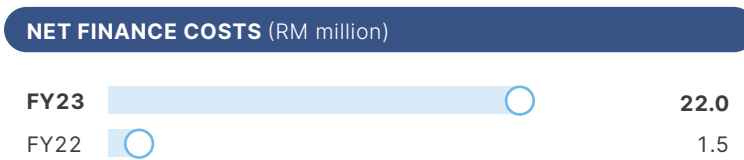
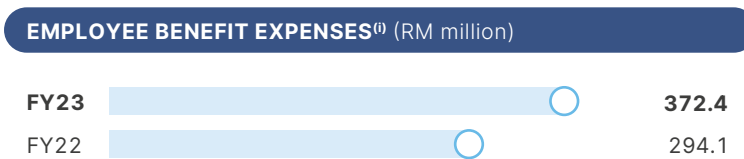
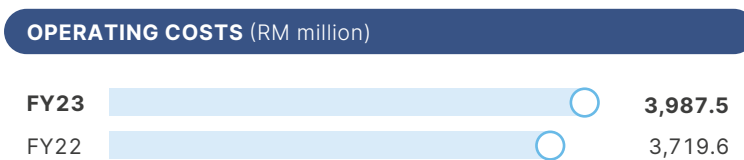
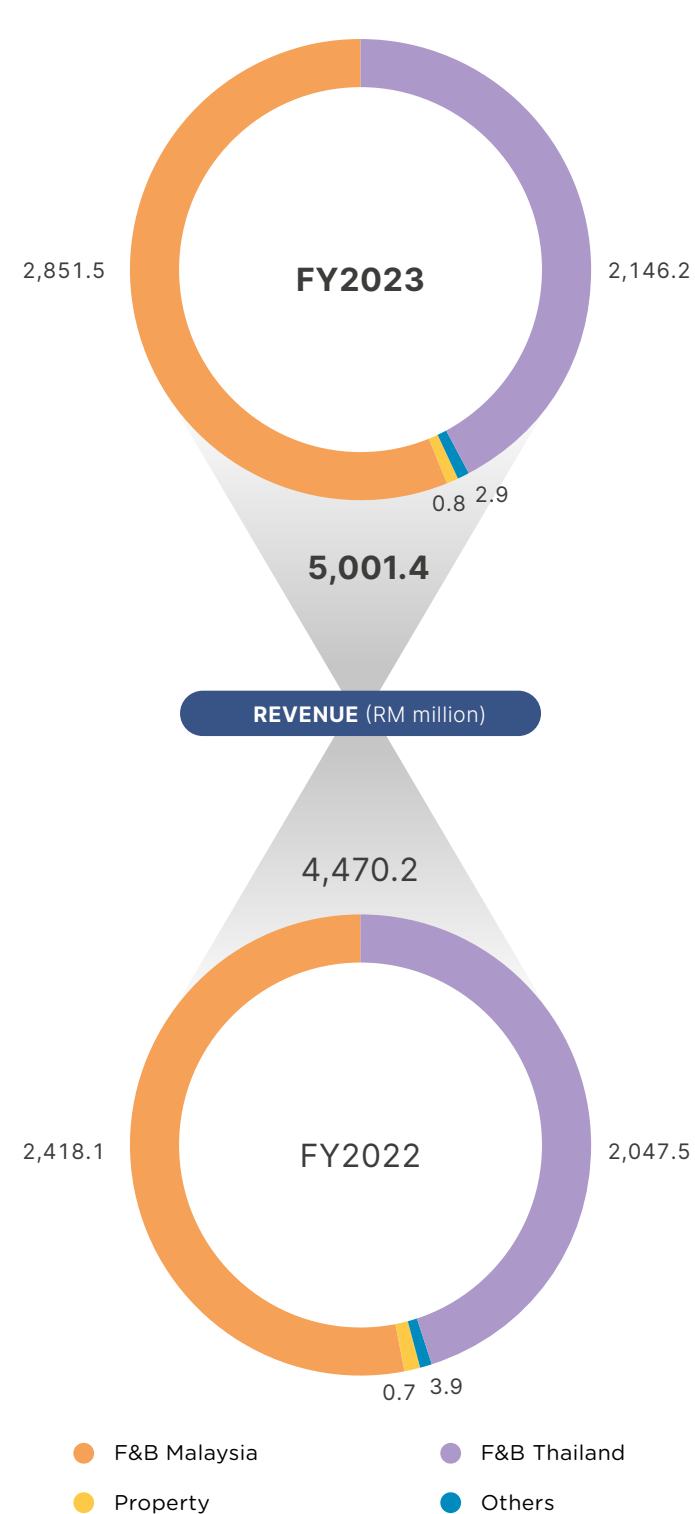


OPERATING PROFIT – BY OPERATING SEGMENTS



C. Financial Review

STATEMENT OF VALUE ADDED

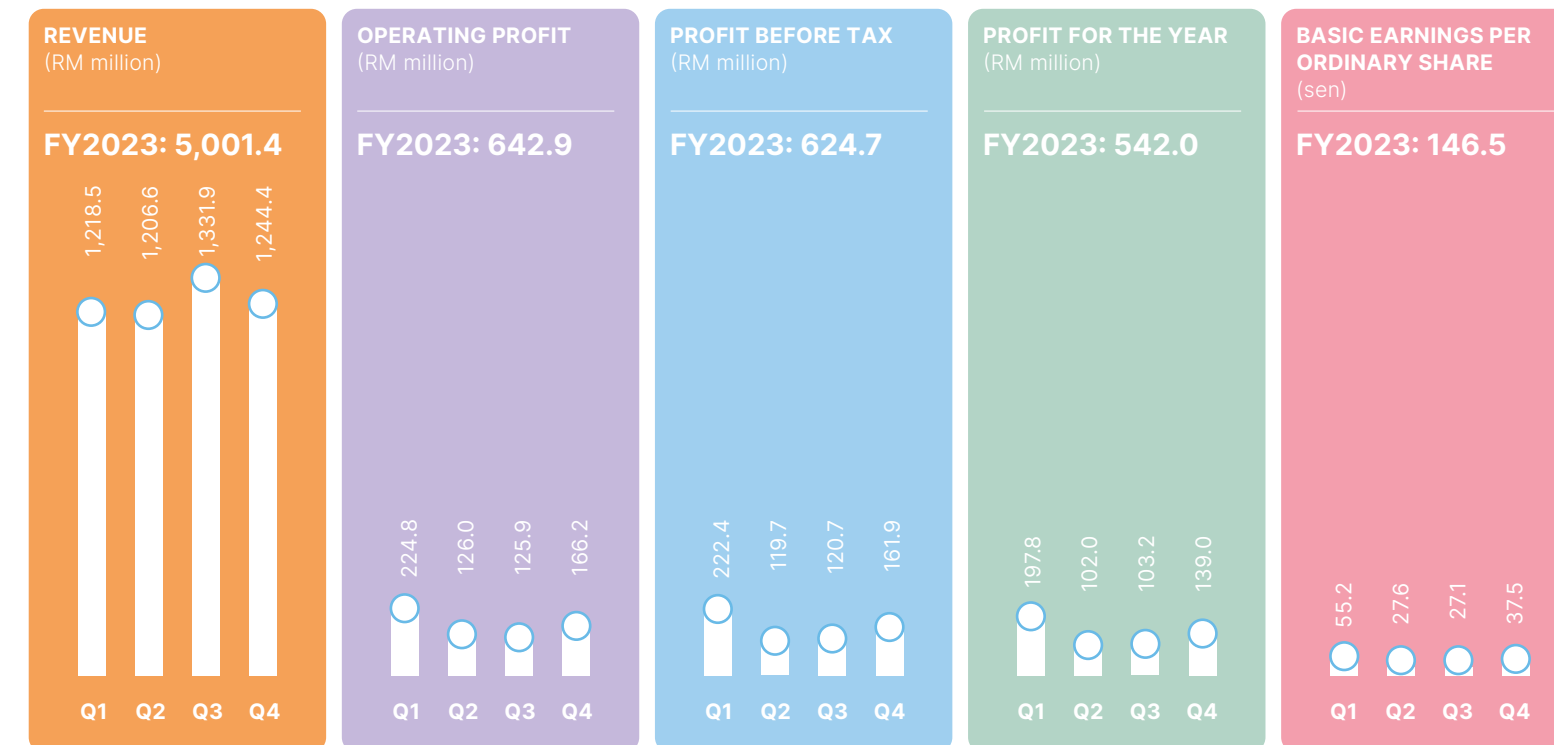


Notes:

(i) Employee benefit expenses comprise wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense and other staff costs.

(ii) Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (operating costs, employee benefit expenses, net finance costs, income tax expenses and annual dividends).

GROUP QUARTERLY FINANCIAL PERFORMANCE



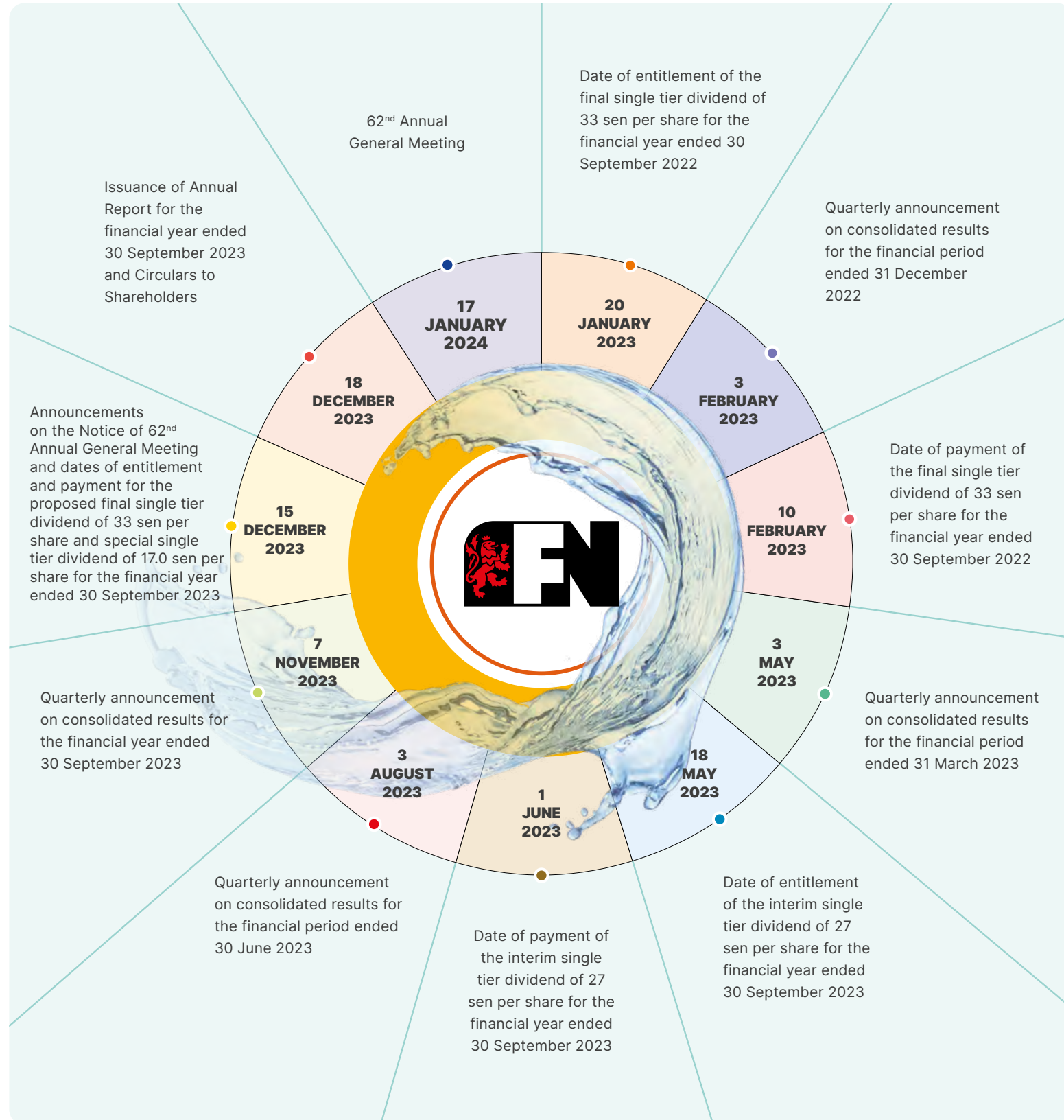
RM million	Q1	Q2	Q3	Q4	FY2023
Revenue	1,218.5	1,206.6	1,331.9	1,244.4	5,001.4
Operating profit	224.8	126.0	125.9	166.2	642.9
Adjusted operating profit ⁽ⁱ⁾	130.6	125.9	172.2	163.4	592.1
Profit before tax	222.4	119.7	120.7	161.9	624.7
Adjusted profit before tax ⁽ⁱ⁾	128.2	119.6	167.1	159.0	573.9
Profit for the year	197.8	102.0	103.2	139.0	542.0
Basic earnings per ordinary share (sen)	55.2	27.6	27.1	37.5	146.5

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

Note:

(i) Excluding one-off non-operating items i.e. remeasurement gain on previously held equity interest in an associate, insurance claim received, impairment of property, plant and equipment, flood related expenses, etc.

FINANCIAL CALENDAR



INVESTOR RELATIONS

as at 15 November 2023

SHARE CAPITAL

RM816.8 million

NO. OF SHAREHOLDERS

6,843

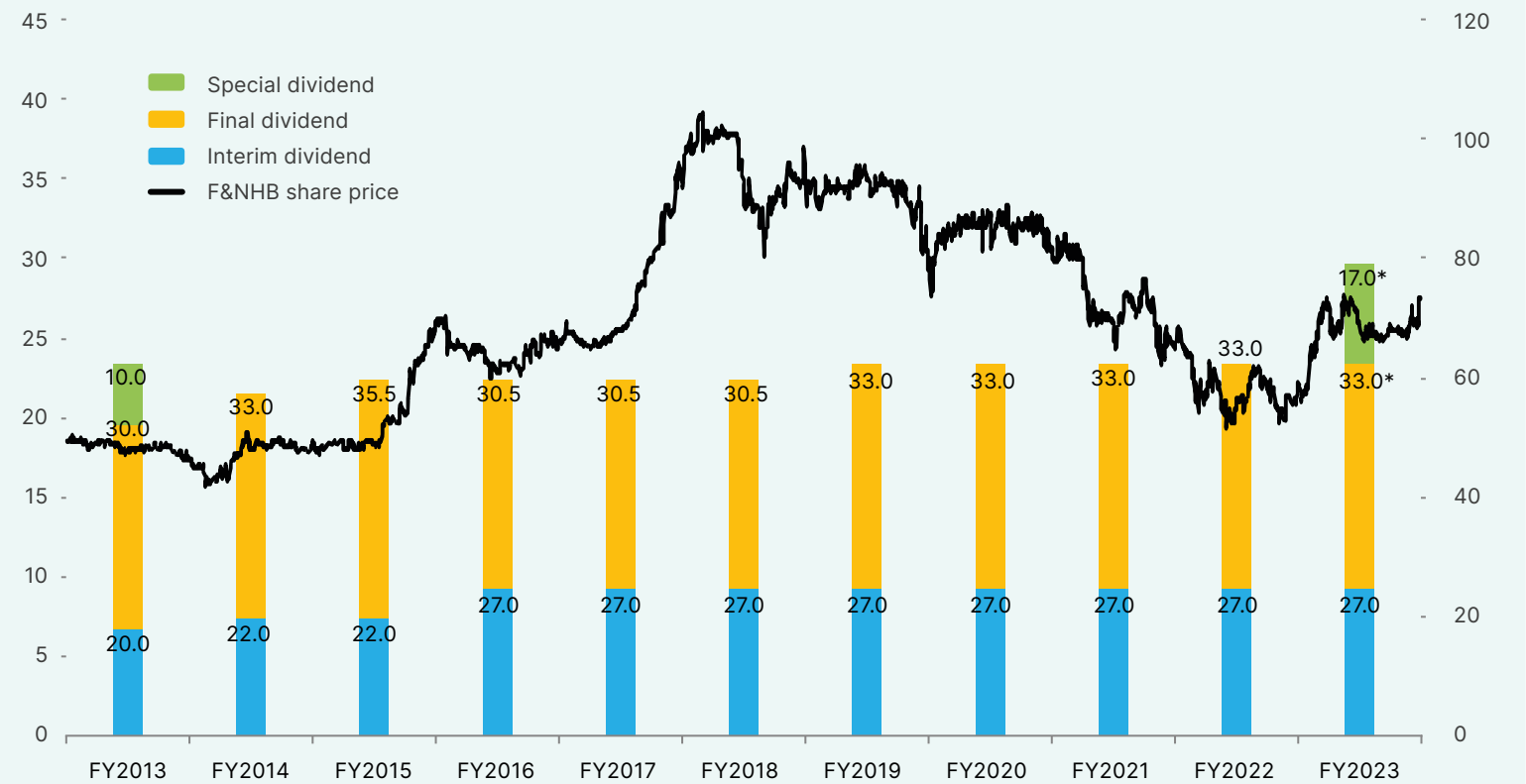
TOTAL NO. OF ISSUED SHARES

366,778,501

SHAREHOLDER RETURN (FY2013-FY2023)

F&NHB share price (RM)

Dividend per share (sen)



SUBSTANTIAL SHAREHOLDERS

74.773%

Fraser and Neave, Limited
55.475%

Employees Provident Fund Board
11.780%

Amanahraya Trustees Berhad - Amanah Saham Bumiputera
7.518%

* Included proposed final dividend of 33.0 sen and special dividend of 17.0 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 2023	61 st Annual General Meeting	5 May 2023	Half Year Results Briefing	8 November 2023	Full Year Results Briefing
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SHARE PRICE MOVEMENT

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



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



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

• 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

• Mr. Michael Chye Hin Fah

• 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

• Mdm. Tan Fong Sang

• Mr. Kosit Suksingha (Alternate Director:
Mrs. Tongjai Thanachanan)

• Mr. Michael Chye Hin Fah

SUSTAINABILITY & RISK
MANAGEMENT COMMITTEE

Chairman

• Mdm. Tan Fong Sang

Members

• Y.Bhg Dato' Ng Wan Peng

• Mr. Kosit Suksingha (Alternate Director:
Mrs. Tongjai Thanachanan)

• Mr. Michael Chye Hin Fah

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
Facsimile No.: 603-5103 2230
Email: cosec@fn.com.my

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

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

98

LEADERSHIP

BOARD COMPOSITION

5

6

Independent Non-Executive Directors

Non-Independent Non-Executive Directors

1

5

Ethnicity

Malay

Chinese

Others

4

7

Gender

Male

Female

1

4

6

Age group

51 - 60 years old

61 - 70 years old

Above 70 years old

Committee Member Key

AC

Audit Committee

NC

Nominating Committee

RC

Remuneration Committee

EXCO

Group Executive Committee

SRMC

Sustainability & Risk Management Committee

SBC

Share Buy-Back Committee

99

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



Age

78

Gender

♂

Nationality

DATE OF APPOINTMENT

24 February 1987

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)

36 years 9 months

MEMBERSHIP(S) OF BOARD COMMITTEES

NC

RC

SBC

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Board member of a charitable foundation, Yayasan Tuanku Syed Putra
- President of Tuanku Syed Putra Dialysis Centre, Perlis
- Director of Besar Holdings Sdn Bhd
- Director of Mega SPJ Sdn Bhd

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

- Director of Asian Islamic Investment Management Sdn Bhd and HDM Capital Sdn Bhd
- Director of Fraser and Neave, Limited, Singapore
- Director of Hwang Capital (Malaysia) Berhad, Hwang-DBS Investment Bank Berhad and Hwang Investment Management Berhad

Y.A.M. Tengku Syed Badarudin Jamalullail 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.

MR. HUI CHOON KIT

Non-Independent Non-Executive Director



Age

59

Gender

♂

Nationality

DATE OF APPOINTMENT

6 August 2014

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)

9 years 4 months

MEMBERSHIP(S) OF BOARD COMMITTEES

AC

NC

EXCO

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Chief Executive Officer of Fraser and Neave, Limited ("FNL") Group
- Chairman of Tender Committee and Member of Finance Committee of The National Kidney Foundation Singapore

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.
- Accountant and Financial Consultant of Ernst & Young
- Corporate Finance Banker in Singapore

Mr. Hui Choon Kit 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 & Neave, Limited, a major shareholder of 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 BOARD OF DIRECTORS

MR. DAVID SIEW KAH TOONG

Independent Non-Executive Director



Age

69

Gender

Nationality

DATE OF APPOINTMENT

23 February 2016

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)

7 years 9 months

MEMBERSHIP(S) OF BOARD COMMITTEES

AC

NC

RC

QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- None

Non-Listed

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Managing Partner of Messrs Sekhar & Tan, Chartered Accountants

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

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

Mr. David Siew Kah Toong 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.

LEADERSHIP

MDM. TAN FONG SANG

Non-Independent Non-Executive Director

Age

59

Gender

Nationality

DATE OF APPOINTMENT

1 October 2020

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)

3 years 2 months

MEMBERSHIP(S) OF BOARD COMMITTEES

EXCO

SRMC

SBC

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 of Great Eastern General Insurance (Malaysia) Berhad

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Director of Crystal Coastal Sdn Bhd

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

- Director of Great Eastern Life Assurance (M) Berhad
- Director of E2 Power Sdn Bhd, OCBC Capital (M) Sdn Bhd, OCBC Advisers (M) Sdn Bhd, OCBC Capital Corporation and OCBC Capital Corporation (2008), subsidiaries of Oversea-Chinese Banking Corporation Limited ("OCBC")
- Executive positions in OCBC Bank (Malaysia) Berhad including position of the Chief Financial Officer

Mdm. Tan Fong Sang 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 except she is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company. She 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.

102

103

PROFILE OF BOARD OF DIRECTORS

Y.BHG DATUK KAMARUDDIN BIN TAIB

Independent Non-Executive Director



Age

66

Gender

♂

Nationality



DATE OF APPOINTMENT
8 November 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)
4 years 11 months

MEMBERSHIP(S) OF BOARD COMMITTEES



AC



NC

QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- Director of Malaysia Smelting Corporation Berhad

Non-Listed

- Independent Non-Executive Chairman of HSBC Bank Malaysia Berhad
- Independent Non-Executive Chairman of Malaysian Life Reinsurance Group Berhad
- Independent Non-Executive Chairman of RAM Holdings Berhad and its wholly-owned subsidiary, RAM Rating Services Berhad
- Director of Great Eastern General Insurance (Malaysia) Berhad

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Chairman of FIDE FORUM (Financial Institutions Directors Education FORUM)

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

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

Datuk Kamaruddin bin Taib 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.

PUAN AIDA BINTI MD DAUD

Independent Non-Executive Director



Age

63

Gender

♀

Nationality



DATE OF APPOINTMENT
10 December 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)
4 years 11 months

MEMBERSHIP(S) OF BOARD COMMITTEES

RC

SBC

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 of Anway (Malaysia) Holdings Berhad

Non-Listed

- None

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- None

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

- Chief Executive Officer and Director of PNB Investment Institute Sdn. Berhad
- Group Head, Human Capital Division of Permodalan Nasional Berhad ("PNB")
- Head, Corporate Services Department of PNB
- Head, Human Capital Planning & Development Department of PNB
- Head, Human Resource Operations & Administration Department of PNB
- Member of the Board of Governors of Financial Planning Association, Malaysia
- Represented PNB on the board of Cerebos Malaysia Sdn Bhd, Kim Fashion Knitwear (Malaysia) Sdn Berhad, Malaysian Nasional Reinsurance Berhad, Amalgamated Industries Steel Berhad and Lion Corporation Berhad
- Research and Corporate Services Analyst of PNB
- Senior Vice President, Human Capital Division of PNB

Puan Aida binti Md Daud 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. She 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 BOARD OF DIRECTORS

PUAN FARIDAH BINTI ABDUL KADIR

Independent Non-Executive Director



Age 63 Gender ♀ Nationality

DATE OF APPOINTMENT
24 January 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)
5 years 10 months

MEMBERSHIP(S) OF BOARD COMMITTEES

NC

RC

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

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

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

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

Puan Faridah binti Abdul Kadir 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. She 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.

Y.BHG DATUK MOHD ANWAR BIN YAHYA

Independent Non-Executive Director



Age 69 Gender ♂ Nationality

DATE OF APPOINTMENT
24 January 2018

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)
5 years 10 months

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 of Sime Darby Plantation Berhad

Non-Listed

- Director of Amanah Saham Nasional Berhad
- Director of Public Islamic Bank Berhad
- Trustee of Padu Corporation

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Executive Director of Sage 3 Sdn Bhd
- Director of PT Minamas Gemilang and PT Anugerah Sumber Makmur

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

- Director of FGV Holdings Berhad
- Director of Maybank Islamic Berhad
- Director of MRANTI Corporation Sdn Bhd (formerly known as Technology Park Malaysia Corporation Sdn Bhd)
- Director of Usains Holdings Sdn Bhd
- Director of Pelaburan Hartanah Nasional Bhd
- Chief Executive Officer of Permodalan Kelantan Berhad
- Partner of Maybridge Consulting PLT
- Partner of PricewaterhouseCoopers
- Finance Manager of Lembaga Kemajuan Kelantan Selatan

Datuk Mohd Anwar bin Yahya 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.

Legends:

Chairman

Member

PROFILE OF BOARD OF DIRECTORS

Y.BHG DATO' NG WAN PENG

Independent Non-Executive Director



Age

59

Gender

♀

Nationality



DATE OF APPOINTMENT
17 January 2022

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)
1 year 10 months

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 of Autocount Dotcom Berhad
 - Director of Iris Corporation Berhad
 - Director of Securemetric Berhad

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

7/7

PRESENT APPOINTMENT(S)

- Member of Council of Universiti Tunku Abdul Rahman

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

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

Dato' Ng Wan Peng 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. She 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.

MR. KOSIT SUKSINGHA

Non-Independent Non-Executive Director



Age

57

Gender

♂

Nationality



DATE OF APPOINTMENT
10 June 2022

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)
1 year 5 months

MEMBERSHIP(S) OF BOARD COMMITTEES

RC

EXCO

SRMC

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

6/7

PRESENT APPOINTMENT(S)

- Director and President of Sermasuk Public Company Limited (listed on The Stock Exchange of Thailand)
- Alternate Director of BeerCo Limited (Incorporated in Singapore)
- Director and Vice Chairman of Dhospaak Co., Ltd., Modern Trade Management Co., Ltd. and Traditional Trade Management Co., Ltd.
- Director and 1st Vice Chairman of HAVI Logistics (Thailand) Limited and HAVI Food Distribution (Thailand) Co., Ltd.
- Director and 3rd Vice Chairman of Thai Beverage Logistics Co., Ltd.
- Director and 4th Vice Chairman of Chang International Co., Ltd., Charun Business 52 Co., Ltd., Feed Addition Co., Ltd., Thai Beverage Energy Co., Ltd., Thai Beverage Recycle Co., Ltd., Thai Cooperage Co., Ltd. and Thai Molasses Co., Ltd.
- Director and 5th Vice Chairman of Pan International (Thailand) Co., Ltd.
- Director and Vice Chairman of Modern Trade Management Co., Ltd.
- Director of Argento Tech Co., Ltd., BeerCo (Cambodia) Co., Ltd., BetterBe Marketplace Co., Ltd., BevTech Co., Ltd., C.A.I. Co., Ltd., Cash Van Management Co., Ltd., Certu System, Inc., Certu Systems Co., Ltd., Chang Beer Company Limited, Chang Beer (Cambodia) Co., Ltd., Chang Holding Co., Ltd., D2C Services Co., Ltd., Digital and Technology Services Co., Ltd., Food of Asia Co., Ltd., Food and Beverage Holding Co., Ltd., FSR Management Co., Ltd., Great Brands Limited, Home and Office Delivery Co., Ltd., Horeca Management Co., Ltd., Mee Chai Mee Chok Co., Ltd., Money Mine Company Limited, Must Be Company Limited, MLSC Myanmar Logistics and Supply Chain Company Limited, Open Innovation Co., Ltd., Petform (Thailand) Co., Ltd., Shinasab Co., Ltd., Sirivadhanabhakdi Co., Ltd., Sermasuk Beverage Co., Ltd., Sermasuk Holding Co., Ltd., Sermasuk Training Co., Ltd., SEA Logistics & Technology Co., Ltd., South East Asia Logistics Pte. Ltd., Tarad Dot Com Group Co., Ltd., T.C.C. Technology Co., Ltd., ThaiBev Accounting and Business Services Co., Ltd., ThaiBev HC Development Co., Ltd., Thai Beverage Training Co., Ltd., Thai Drinks Co., Ltd., The C Canvas Co., Ltd., Times Publishing Limited, TSpace Digital Co., Ltd., Traditional Trade Management Co., Ltd., VietBev Company Limited, Vietnam Logistics and Supply Chain Company Limited, Wrangyer Beverage (2008) Co., Ltd. and TCC Group of Companies.

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

- Director of C A C Co., Ltd.
- Executive Vice President, Chief Beer Business and Senior Vice President, Related Business of Thai Beverage Public Company Limited
- Senior Vice President, Technical Supply Chain of Berli Jucker Public Company Limited

Mr. Kosit Suksingha 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. 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 BOARD OF DIRECTORS

MR. MICHAEL CHYE HIN FAH

Non-Independent Non-Executive Director



Age64Gender♂Nationality🇸🇬

DATE OF APPOINTMENT17 January 2023

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)10 months

MEMBERSHIP(S) OF BOARD COMMITTEES

EXCO

SRMC

QUALIFICATION(S)

- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Bachelor of Business Studies with First Class Honours 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) IN OTHER PUBLIC COMPANIES IN MALAYSIA

Listed

- None

Non-Listed

- None

NUMBER OF BOARD MEETINGS ATTENDED 2023

6/6

PRESENT APPOINTMENT(S)

- Alternate Director of Fraser and Neave, Limited (listed on Singapore Exchange Securities Trading Limited)
- Director of Saigon Beer-Alcohol-Beverage Corporation (listed on Ho Chi Minh Stock Exchange ("HSX"))
- Director of Vietnam Dairy Products Joint Stock Company (listed on HSX)
- Chairman of BeerCo (Cambodia) Co., Ltd.
- Chairman of Board of Management/Legal Representative, Vietnam F&B Alliance Investment Joint Stock Company (formerly known as Nga Son Investment Joint Stock Company)
- Director of Alliance Asia Investment Private Limited, Alliance Strategic Investments Pte. Ltd., Asia Breweries Limited, ASM International Limited, BevFood Holdings Pte. Ltd., Beer Chang International Limited, BeerCo Limited (incorporated in Hong Kong), BevCo Limited (incorporated in Hong Kong), BevCo Limited (incorporated in Thailand), Cambodia Breweries Pte. Ltd., Chang Beer (Cambodia) Co., Ltd., Chang Beer Company Limited , Chang Beer UK Limited, Chang Corporation Co., Ltd., Chang Holding Co., Ltd., Chang International Co., Ltd., F&N Retail Connection Co., Ltd., Grand Royal Group International Company Limited (formerly known as Myanmar Distillery Company Limited), Havi Food Distribution (Thailand) Co., Ltd., Havi Logistics (Thailand) Limited, Heritas Capital Management Pte. Ltd., IMC Pan Asia Alliance Corporation, InterBev (Singapore) Limited, InterBev (Singapore) 2019 Limited, International Beverage Holdings Limited, International Beverage Holdings (New Zealand) Limited, International Beverage Holdings (Singapore) Pte. Limited, International Beverage Holdings (UK) Limited, International Beverage Trading (Hong Kong) Limited, International Breweries Limited, InterF&B Pte. Ltd., Inver House Distillers Limited, Inver House Distillers (ROI) Limited, Max Asia Food and Beverage (Thailand) Co., Ltd., MLSC Myanmar Logistics and Supply Chain Company Limited, Myanmar Supply Chain and Marketing Services Company Limited, Prudence Holdings Limited, SEA Logistics & Technology Pte. Ltd., Siam Breweries Limited, So Water Company Limited, South East Asia Logistics Pte. Ltd., Super Beer Brands Limited (formerly known as Beer Super Brands Limited), Super Brands Company Pte. Ltd., Super Food Brands Company Pte. Ltd., Thai Breweries Limited, VietBev Company Limited, Vietnam Logistics and Supply Chain Company Limited and Wellwater Limited
- Director and Chief Executive Officer of BeerCo Limited (incorporated in Singapore)
- Director/ Legal Representative of Vietnam Beverage Company Limited (formerly known as Nga Son Beverage Joint Stock Company)
- Member of the Supervisory Board of Larsen le Cognac des Vikings

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

- Director of Sermasuk Public Company Limited (listed on Stock Exchange of Thailand)
- Director of C A C Co., Ltd., Marketing Magic Pte. Ltd., DECCO 235 Ltd., International Beverage Trading Limited, Sermasuk Beverage Co., Ltd., Sermasuk Holdings Co., Ltd. and Wrangyer Beverage (2008) Co., Ltd.
- Executive Director of Super Brands Company Pte. Ltd. and InterBev (Singapore) Limited
- Executive Vice-President, Finance and Accounting Group, Deputy Group CFO and Chief Finance Officer - International Business of Thai Beverage Public Company Limited
- Group Chief Financial Officer of International Beverage Holdings Limited

Mr. Michael Chye Hin Fah 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. 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.

MRS. TONGJAI THANACHANAN

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



Age55Gender♀Nationality🇹🇭

DATE OF APPOINTMENT10 June 2022

LENGTH OF SERVICE (AS AT 30 NOVEMBER 2023)1 year 5 months

MEMBERSHIP(S) OF BOARD COMMITTEES

- None

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

NUMBER OF BOARD MEETINGS ATTENDED 2023

1/1

(Attended the Meeting for and on behalf of Mr. Kosit Suksingha)

PRESENT APPOINTMENT(S)

- Director of Sermasuk Public Company Limited (listed on The Stock Exchange of Thailand)
- Director of Betterbe Marketplace Co., Ltd., C.A.I. Co. Ltd., Must Be Company Limited, Digital and Technology Services Co., Ltd., Money Mine Company Limited, Open Innovation Co., Ltd., Pracharatch Rak Samakkee Social Enterprise (Thailand) Co. Ltd., Siam Able Innovation (Social Enterprise) Company Limited, Thai Beverage Training Co., Ltd. and ThaiBev HC Development Co., Ltd.
- Executive Vice President, Chief Sustainability & Strategy of Thai Beverage Public Company Limited
- Member of Supervisory Board of Larsen le Cognac des Vikings
- 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 of Mae Fah Luang Foundation Under Royal Patronage
- Advisor to Risk Management Committee Member of The Thai Red Cross Society

Mrs. Tongjai Thanachanan 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 she is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company. She 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.

MANAGEMENT TEAM



From left:

DR. YAP PENG KANG

Managing Director,
Agriculture & Dairy Farm

LIM YEW HOE

Chief Executive Officer

KAREN TAN CHUI CHUI

Director, Communications,
Corporate Affairs &
Sustainability

ZAINAL ABIDIN MUSA

Senior Manager,
Halal Business Development

NG ENG CHEANG

Managing Director,
Commercial Operations
Malaysia



From left:

BRYAN LEE CHEE KONG

Managing Director, Cocoland

LEE LAY YEAN

Director, Commercial
Strategies & Business
Development
(Agriculture & Dairy Farm)

TIONG YEAN YAU

Director, Group Finance

TIMOTHY OOI AIK TUAN

Director, Group Legal Counsel
& Company Secretarial

ALBERT LOH WEE HAN

Head, Internal Audit



From left:

DAVID HOONG CHEONG WAI

Senior Director, Human Capital

JASMINE TEO GEOK LIN

Director, Digital Solutions &
Technology

LAI MING KONG

Managing Director,
International Markets
Development

GRAHAM LIM

Managing Director,
Commercial Operations
(East Malaysia & Brunei)

SUCHIT RIEWCHAROON

Managing Director,
F&N Dairies (Thailand)
Limited



From left:

LAU CHENG YEW

Director, Property &
Integrated Projects

JORDAN NG BOON LEONG

Senior Director, Manufacturing
and Supply Chain

KELLEIGH FOO CHOOI KIAN

Director, Risk Management &
Corporate Planning

DATO' RAFFIQ BIN MD ARIFF

Managing Director, Foods and
Industry Engagement

PROFILE OF KEY SENIOR MANAGEMENT

LIM YEY HOE Chief Executive Officer Nationality  Age 57 Gender  	TIONG YEAN YAU Director, Group Finance Nationality  Age 50 Gender  	SUCHIT RIEWCHAROON Managing Director, F&N Dairies (Thailand) Limited Nationality  Age 59 Gender  	NG ENG CHEANG Managing Director, Commercial Operations Malaysia Nationality  Age 59 Gender  
DATE OF APPOINTMENT 1 December 2014	DATE OF APPOINTMENT 1 February 2022	DATE OF APPOINTMENT 1 April 2019	DATE OF APPOINTMENT 1 December 2021
ACADEMIC/PROFESSIONAL QUALIFICATION(S) - Master of Business Administration (Banking and Finance), Nanyang Technological University, Singapore - Bachelor of Science (Estate Management), National University, Singapore	ACADEMIC/PROFESSIONAL QUALIFICATION(S) - The Chartered Institute of Management Accountants - Chartered Management Accountant - Chartered Global Management Accountant	ACADEMIC/PROFESSIONAL QUALIFICATION(S) - Master in Marketing, Thammasart University, Thailand - Bachelor of Business Administration majoring in Marketing of Assumption University, Thailand	ACADEMIC/PROFESSIONAL QUALIFICATION(S) Bachelor of Business in Business Administration (Distinction), RMIT Melbourne, Australia
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.	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.	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.	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	PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY (IES) AND LISTED ISSUER(S) Nil	PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY (IES) AND LISTED ISSUER(S) Nil	PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY (IES) AND LISTED ISSUER(S) Nil
Other than holding 60,000 shares 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.			

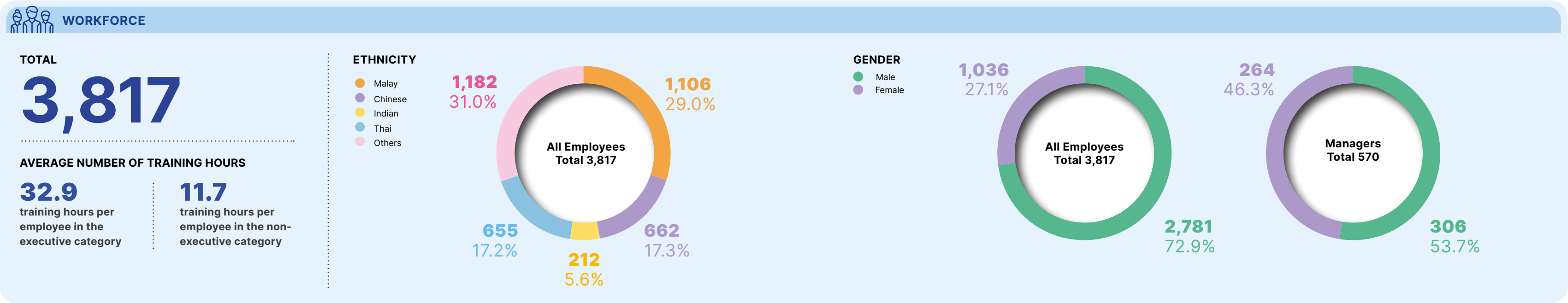
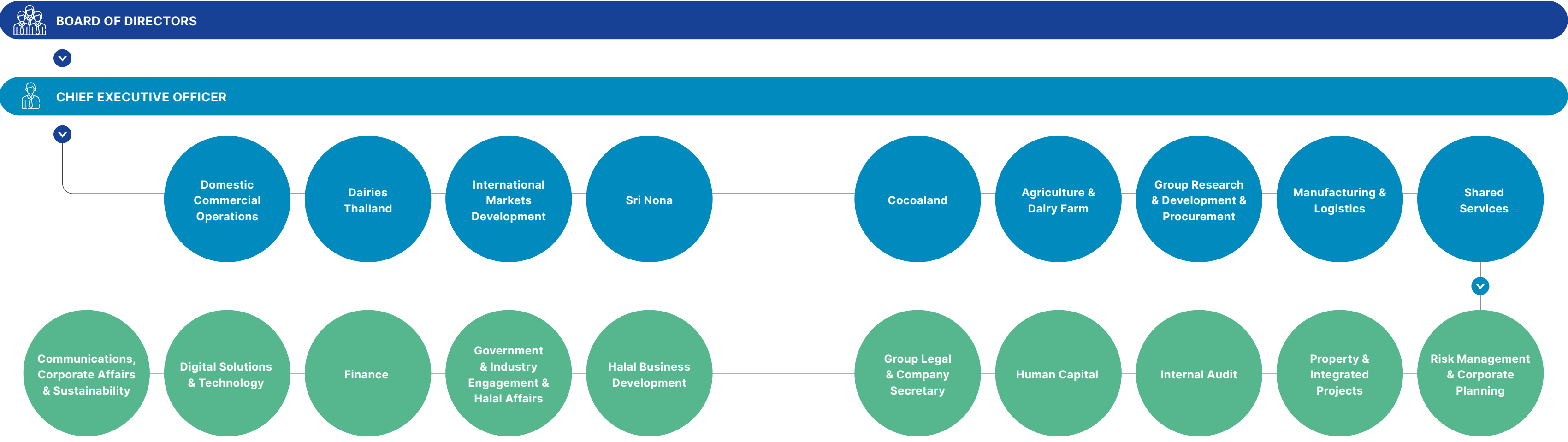


PROFILE OF KEY SENIOR MANAGEMENT

JASMINE TEO GEOK LIN Director, Digital Solutions & Technology Nationality  Age 58 Gender   DATE OF APPOINTMENT 1 January 2020 ACADEMIC/PROFESSIONAL QUALIFICATION(S) - Bachelor degree of Science majoring in Mathematics, National University of Singapore WORKING EXPERIENCE 36 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. In senior IT leadership position for more than 20 years, developing IT strategy and leading digital transformation. 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	KAREN TAN CHUI CHUI Director, Communications, Corporate Affairs & Sustainability Nationality  Age 48 Gender   DATE OF APPOINTMENT 1 October 2020 ACADEMIC/PROFESSIONAL QUALIFICATION(S) - Bachelor of Social Science (Hons) majoring in Economics, University of Science, Malaysia WORKING EXPERIENCE - Over 20 years of cross-industry expertise in Communications, Public Relations, and Marketing for Malaysia and Southeast Asia. - Joined Fraser & Neave Holdings Bhd in 2011 as Group Corporate Affairs Manager before serving as the Head of Communications & Corporate Affairs and led the Sustainability portfolio from October 2015 onwards. - Prior to F&N, she held various managerial positions at Fuji Xerox Malaysia, Hewlett-Packard Malaysia, and DHL Express Singapore. PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY (IES) AND LISTED ISSUER(S) - Nil	LEE LAY YEAN Director, Commercial Strategies & Business Development (Agriculture & Dairy Farm) Nationality  Age 48 Gender   DATE OF APPOINTMENT 1 October 2023 ACADEMIC/PROFESSIONAL QUALIFICATION(S) - Bachelor of Commerce (Management & Marketing), Curtin University of Technology, Western Australia WORKING EXPERIENCE - Over 25 years of experience in business analysis, planning and development across logistic industry and fast-moving consumer goods industry. Prior to 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 Bhd Group: - August 2023: Managing Director, Commercial Strategies & Business Development (Agriculture & Dairy Farm) before assuming the current role. - July 2022 to July 2023: Managing Director (Agriculture & Dairy Farm) 2015 to June 2022: Senior Manager, Business Capability & Strategy 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	KELLEIGH FOO CHOOI KIAN Director, Risk Management & Corporate Planning Nationality  Age 39 Gender   DATE OF APPOINTMENT 1 October 2022 ACADEMIC/PROFESSIONAL QUALIFICATION(S) - Bachelor degree (Hons) in Business Administration, University of Derby, United Kingdom - Certified Internal Auditor, Professional Member of The Institute of Internal Auditors Malaysia WORKING EXPERIENCE - Over 17 years of cross-industry experience in risk management, corporate planning, governance, compliance and auditing. 2022 to present – In addition to overseeing Risk Management and Corporate Planning department, she is also the Market Secretariat for the Malaysian Market Management Committee under Transformation Programme. PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY (IES) AND LISTED ISSUER(S) - Nil
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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.

ORGANISATION STRUCTURE





GOVERNANCE

126	Corporate Governance Overview Statement
137	Nominating Committee Report
139	Audit Committee Report
143	Statement on Risk Management and Internal Control
149	Statement on Directors' Responsibility
150	Additional Compliance Information

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

Corporate Governance Overview Statement

Chairman's Letter

Dear Shareholders,

On behalf of the Board, I am pleased to present our corporate governance overview statement of Fraser & Neave Holdings Bhd (F&NHB) for the financial year 2023.

The Board is cognisant of its overarching responsibility in ensuring the Group's adherence to high corporate governance standards. Our commitment is to ensure that the Group builds and manages its business with high standards of integrity through long-term, sustainable strategies. With this in mind, we have undertaken a comprehensive review of our internal governance protocols to integrate ESG (Environmental, Social & Governance) considerations into our decision making processes.

BOARD GENDER DIVERSITY



approximately
36
hours for FY2023
Board Meeting



Embedded into our corporate culture are the core values - Creating Values, Collaboration and Caring for Stakeholders.

These values guide our organisational priorities and actions, even during the most challenging of times. Notwithstanding the tumultuous challenges posed by the pandemic, global and economic uncertainties, and prevailing supply chain inflationary pressures, the Group continues to demonstrate robust performance.

This noteworthy accomplishment is founded upon the Board's commitment to providing structured leadership, setting forth the Group's strategic imperatives, and enabling expeditious execution by our management team. Our commitment to continuous enhancement of our governance mechanisms remains unwavering, ensuring resilience and efficiency throughout the organisation. This strategic approach forms the bedrock upon which we consistently strive to forge sustainable, long-term value for our shareholders and all stakeholders alike.

Sincerely,

**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 2011 ("CG Code"), except where stated in our Corporate Governance Report 2023 ("CG Report").

This Corporate Governance Overview Statement provides an overview of the Company's corporate governance practices throughout the financial year ended 30 September 2023 ("Financial Year 2023") 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/ar2023/>. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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, audit 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;
- Reviewing and recommending candidates for appointments to the Board and its committees, and for the position of the CEO; 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 remuneration policies and frameworks for Director 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 risk management framework and policies, and 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.

SHARE BUY-BACK COMMITTEE (SBC)

- Making recommendations to the Board and implementing the Board's decision on share buy-back within specific parameters.

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.

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.

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Y.A.M TENGKU SYED BADARUDIN JAMALULLAIL

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

MR. HUI CHOON KIT

MDM. TAN FONG SANG

MR. KOSIT SUKSINGHA

MR. MICHAEL CHYE HIN FAH

MRS. TONGJAI THANACHANAN

(Alternate Director to Mr. Kosit Suksingha)

INDEPENDENT NON-EXECUTIVE DIRECTOR

MR. DAVID SIEW KAH TOONG

Y.BHG DATUK KAMARUDDIN BIN TAIB

PUAN AIDA BINTI MD DAUD

PUAN FARIDAH BINTI ABDUL KADIR

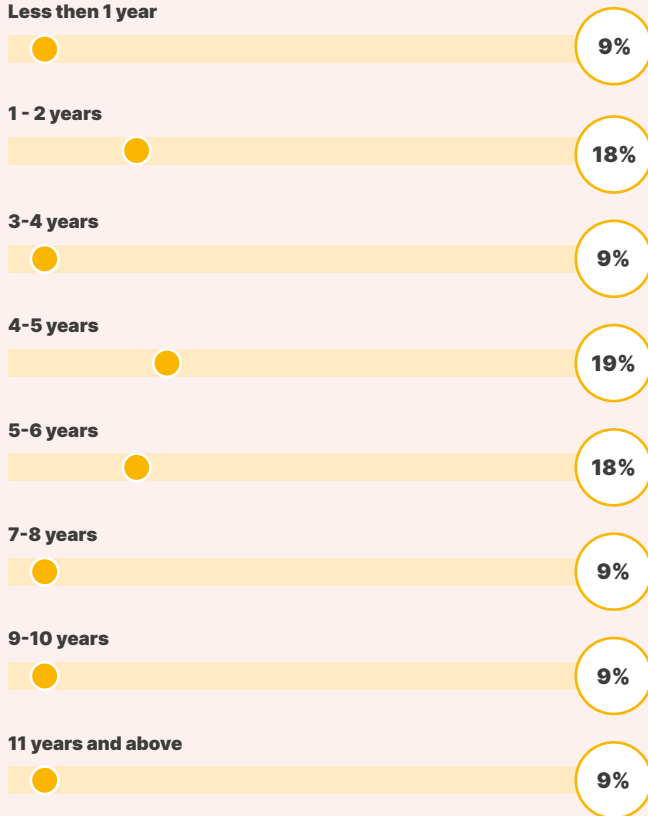
Y.BHG DATUK MOHD ANWAR BIN YAHYA

Y.BHG DATO' NG WAN PENG

BOARD AGE DIVERSITY



BOARD TENURE



BOARD SKILLS AND EXPERIENCE

Food and Beverage Business

Legal Practice

Strategy and Analytics

Financial and Accounting

Corporate Governance

Risk Management and Internal Controls

Human Resource and Labour Relations

Sales and Marketing

Information Technology

Supply Chain Management and Logistics

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR FINANCIAL YEAR 2023

Y.A.M TENGKU SYED BADARUDIN JAMALULLAIL Chairman of Board, Non-Independent Non-Executive Director	MR. HUI CHOON KIT Non-Independent Non-Executive Director	MR. DAVID SIEW KAH TOONG Independent Non-Executive Director	MDM. TAN FONG SANG Non-Independent Non-Executive Director	Y.BHG DATUK KAMARUDDIN BIN TAIB Independent Non-Executive Director	PUAN AIDA BINTI MD DAUD Independent Non-Executive Director	PUAN FARIDAH BINTI ABDUL KADIR Independent Non-Executive Director	Y.BHG DATUK MOHD ANWAR BIN YAHYA Independent Non-Executive Director	Y.BHG DATO' NG WAN PENG Independent Non-Executive Director	MR. KOSIT SUKSINGHA Non-Independent Non-Executive Director	MR. MICHAEL CHYE HIN FAH⁽¹⁾ Non-Independent Non-Executive Director	MRS. TONGJAI THANACHANAN Alternate Director to Mr. Kosit Suksingha Non-Independent Non-Executive Director
100% 7/7	100% 7/7	100% 7/7	100% 7/7	100% 7/7	100% 7/7	100% 7/7	100% 7/7	100% 7/7	86% 6/7	100% 6/6	100% 1/1

AC Chairman MR. DAVID SIEW KAH TOONG Attendance (4/4) Members MR. HUI CHOON KIT Attendance (4/4) Y.BHG DATUK KAMARUDDIN BIN TAIB Attendance (4/4) Y.BHG DATUK MOHD ANWAR BIN YAHYA Attendance (4/4)	SRMC Chairman MDM. TAN FONG SANG Attendance (4/4) Members Y.BHG DATO' NG WAN PENG Attendance (4/4) MR. KOSIT SUKSINGHA Attendance (4/4) MR. MICHAEL CHYE HIN FAH⁽¹⁾ Attendance (3/3) Y.BHG DATO' JORGEN BORNHOFT⁽²⁾	EXCO Chairman MR. HUI CHOON KIT Attendance (4/4) Members MDM. TAN FONG SANG Attendance (4/4) MR. KOSIT SUKSINGHA Attendance (4/4) MR. MICHAEL CHYE HIN FAH⁽¹⁾ Attendance (4/4) Y.BHG DATO' JORGEN BORNHOFT⁽²⁾	NC Chairman Y.BHG DATUK KAMARUDDIN BIN TAIB Attendance (2/2) Members Y.A.M TENGKU SYED BADARUDIN JAMALULLAIL Attendance (2/2) MR. HUI CHOON KIT Attendance (2/2) MR. DAVID SIEW KAH TOONG Attendance (2/2) PUAN FARIDAH BINTI ABDUL KADIR Attendance (2/2)	RC Chairman Y.A.M TENGKU SYED BADARUDIN JAMALULLAIL Attendance (2/2) Members MR. DAVID SIEW KAH TOONG Attendance (2/2) PUAN AIDA BINTI MD DAUD Attendance (2/2) PUAN FARIDAH BINTI ABDUL KADIR Attendance (2/2) MR. KOSIT SUKSINGHA Attendance (1/2)
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Notes:
⁽¹⁾ Appointed as a Director and a member of EXCO and SRMC on 17 January 2023.
⁽²⁾ Retired as a Director and ceased as a member of EXCO and SRMC on 17 January 2023.

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 meetings. 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. 27% of employees in the Group are female within the range of management, 46% of managerial position are held by female employees.

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 153 to 165. 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 ESG requirements.

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 the inaugural the Edge ESG Awards 2022 - Gold Award in Consumer Goods & Services, and Top 3 Performers in ASEAN.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ACTIVITIES

In the Financial Year 2023, the Board carried out the following activities:

STRATEGY

- Discussed and Strategised the direction and goals of the Group;
- Approved annual business plan and budget;
- Approved capital expenditure for the Group's dairy firming project; and
- Approved the Company's subscription of additional equity interest in Awana Citra Sdn. Bhd., a wholly-owned subsidiary of the Company.

SUSTAINABILITY

- Received updates on the Group's sustainability and risk management related matters.

INVESTOR RELATIONS AND
STAKEHOLDER ENGAGEMENT

- Approved press releases relating to financial results.

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, Enterprise-Wide Risk Management Policy, Risk Appetite and Risk Tolerance Statements;
- Recommended an increase in Directors' fees and benefits for shareholder's approval;
- 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 2023; 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.

FINANCIAL AND OPERATIONAL
PERFORMANCE

- Reviewed and approved the last quarter financial results and audited financial statements for the Financial Year 2022;
- Reviewed and approved quarterly financial results for the Financial Year 2023;
- Recommended a final dividend for shareholders' approval and approved an interim dividend;
- Received updates on operations and ongoing projects; and
- Received tax updates and monthly treasury reports.

PEOPLE

- Recommended the appointment of Mr. Michael Chye Hin Fah as a Director for shareholders' approval; 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.

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 EVALUATION

The objectives of Board evaluation 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.

BOARD TRAINING

During the Financial Year 2023, Directors attended various training programme covering mainly the areas below:

STRATEGY

FINANCIAL AND
OPERATIONAL
PERFORMANCE

GOVERNANCE AND
RISK

SUSTAINABILITY

PEOPLE AND
HUMAN RIGHTS

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

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

MR. MICHAEL CHYE HIN FAH
(appointed on 17 January 2023)

MRS. TONGJAI THANACHANAN
(Alternate Director to Mr. Kosit Suksingha)

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 2023.

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 Annual General Meeting ("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 2023 is disclosed in the financial statements.

Details of remuneration paid to Directors of the Company for the Financial Year 2023 are as follows:

	Remuneration paid by the Company			
	Fees	Meeting Allowances	Benefits ^(Note)	Total
Directors	RM	RM	RM	RM
Y.A.M Tengku Syed Badarudin Jamalullail	194,400	33,500	42,045	269,945
Mr. Hui Choon Kit	125,163	33,500	600	159,263
Mr. David Siew Kah Toong	125,038	30,500	600	156,138
Mdm. Tan Fong Sang	117,000	31,500	600	149,100
Y.Bhg Datuk Kamaruddin bin Taib	110,763	27,000	600	138,363
Puan Aida binti Md Daud	95,400	20,000	600	116,000
Puan Faridah binti Abdul Kadir	100,800	22,500	600	123,900
Y.Bhg Datuk Mohd Anwar bin Yahya	101,763	23,000	600	125,363
Y.Bhg Dato’ Ng Wan Peng	99,000	23,000	600	122,600
Mr. Kosit Suksingha	113,400	28,000	600	142,000
Mr. Michael Chye Hin Fah (appointed on 17 January 2023)	80,596	26,500	425	107,521
Mrs. Tongjai Thanachanan (Alternate Director to Mr. Kosit Suksingha)	-	2,000	600	2,600
Y.Bhg Dato’ Jorgen Bornhoft (retired on 17 January 2023)	27,709	-	175	27,884
Total	1,291,032	301,000	48,645	1,640,677

Note: Benefits include personal accident insurance premium for Directors.

EFFECTIVE AUDIT AND RISK MANAGEMENT



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 52 to 53 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 2024 AGM is scheduled for 17 January 2024. 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.

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.



Communications, Corporate Affairs & Sustainability Department

No. 1 Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia



+603-5101 4288



<https://fn.com.my/investors/ar2023#downloads>



groupcomms@fn.com.my

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 and 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 ACTIVITIES UNDERTAKEN BY NOMINATING COMMITTEE DURING FINANCIAL YEAR 2023

The NomCom held two meetings in the financial year ended 30 September 2023 (“Financial Year 2023”) 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 re-election of Directors who were due for retirement at the AGM held in January 2023;
- (c) reviewed and recommended the appointment of Mr. Michael Chye Hin Fah as a Non-Independent Non-Executive Director, as well as a member of the Sustainability & Risk Management Committee and the Group Executive Committee;
- (d) reviewed and recommended the NomCom Report for the Financial Year 2022 for inclusion in the Annual Report 2022;
- (e) reviewed evaluation results of the Board, Board Committees and the Board Chairman for the Financial Year 2023 as presented by Aon Solutions Singapore Pte. Ltd. and proposed action plans to be taken;
- (f) reviewed the NomCom’s evaluation results for the Financial Year 2023;
- (g) 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;
- (h) 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;
- (i) evaluated training needs of Directors and noted the training programmes attended by Directors; and
- (j) 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 2023.

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			
	7.11.2022	3.2.2023	3.5.2023	2.8.2023
Independent and Non-Executive Director				
Mr. David Siew Kah Toong (Chairman)	✓	✓	✓	✓
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

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.

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.

AUDIT COMMITTEE REPORT

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 2023, 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 2023, 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 2023 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 2023, 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 services amounted to RM 426,207 (FY2022 RM 356,198) and comprised the following engagements:

- Review of condensed consolidated interim financial information;
- Review of Statement on Risk Management and Internal Control;
- Agreed-upon procedures engagement - Green Investment Tax Allowance (GITA);
- Transfer pricing study and preparation of transfer pricing documentation;
- Tax review, structuring, application for tax incentives and advisory;
- Preparation and submission of income tax computation; and
- Review of income tax computation and tax return.

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 eight 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 or CPA Australia.

In accordance with the F&NHB 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 2023, the Audit Committee had assessed the performance of the Group Internal Audit function through a yearly internal stakeholders' satisfaction survey conducted by the Group Human Capital Department and half-yearly 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.

In addition, the Audit Committee reviewed results of the Internal Audit team's annual quality assurance self-assessment. The assessment results were satisfactory, indicating that the internal audit activities had conformed to the IIA Standards and Code of Ethics.

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, process efficiency 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;
 - 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.

AUDIT COMMITTEE REPORT

- 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 2023 amounted to about RM2.0 million (FY2022 was RM1.7 million). The higher operational costs were mainly attributable to increase in staff cost, training & development expenses and business travelling expenses.

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 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 2023, 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 10.1 and 10.2 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 benchmarked 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;
- 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.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

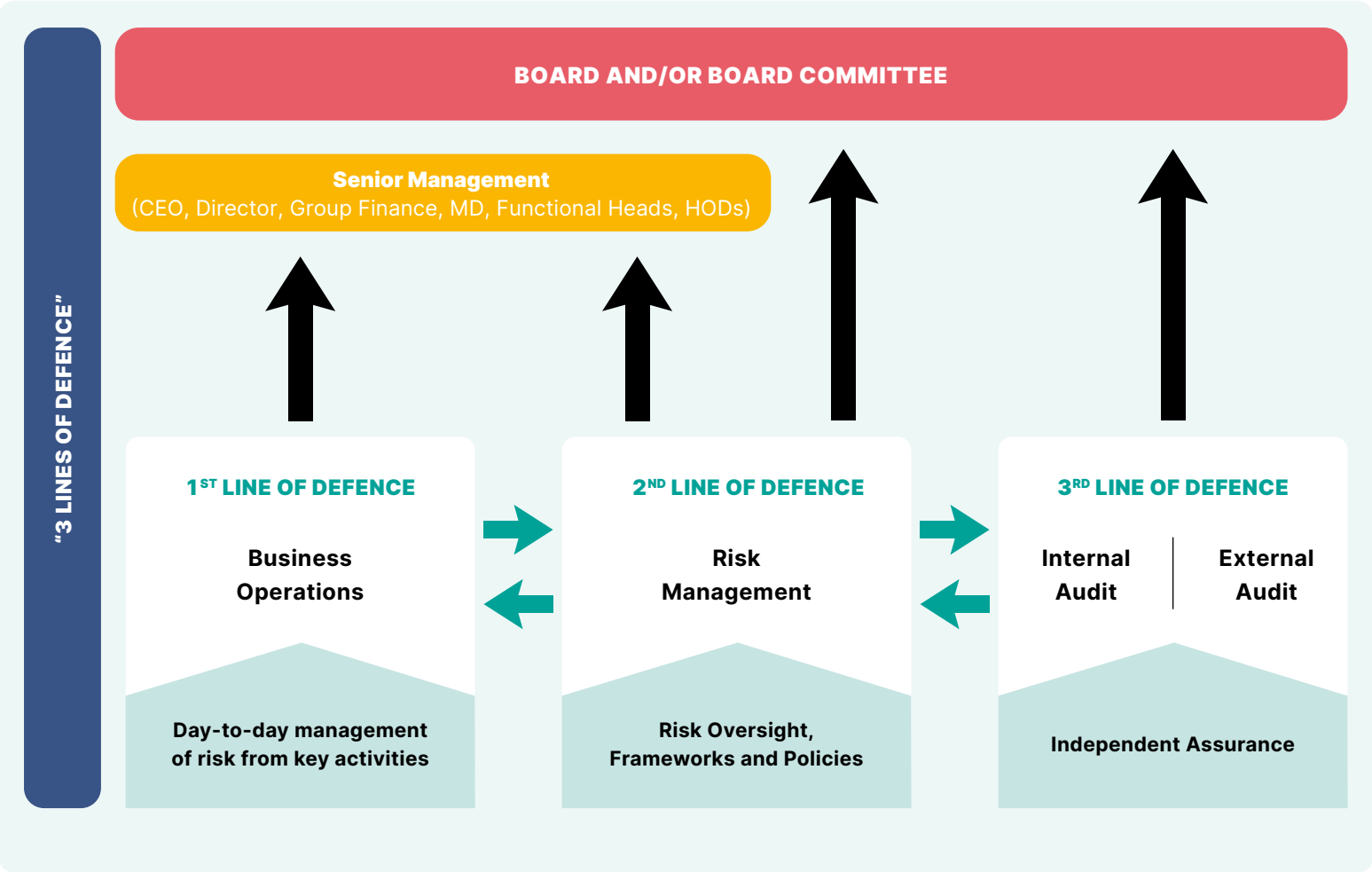
During the financial year, SRMC had held 4 meetings on a quarterly basis to:

- 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.

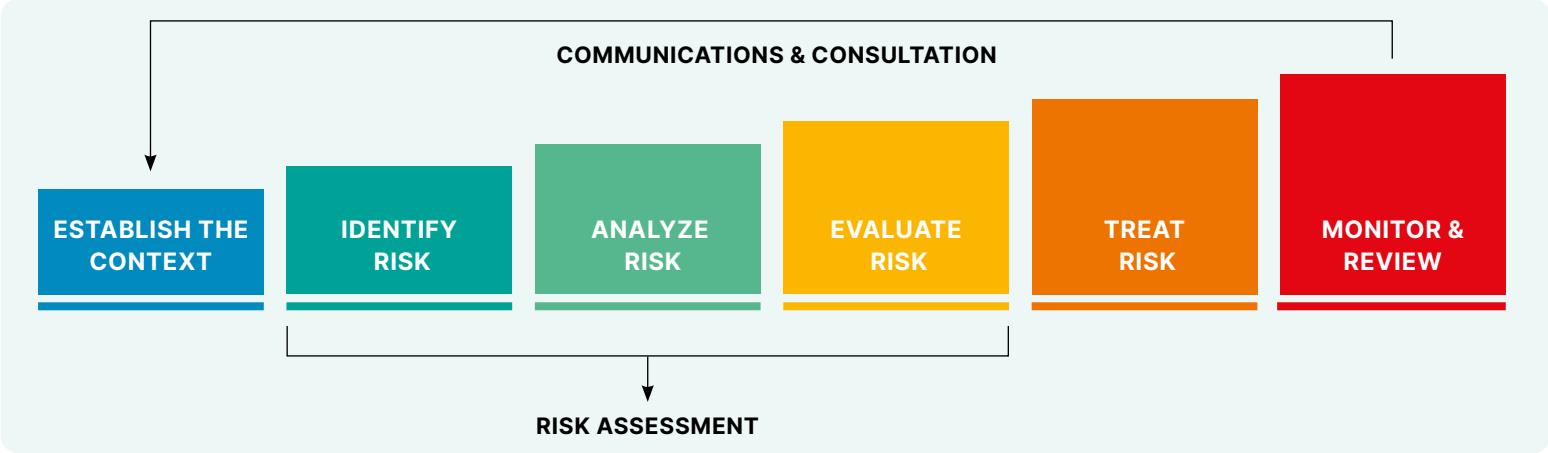
For the managing of risk management activities, the Group applies the “Three-lines of Defence” model as follows:



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

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:



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:

Category	Financial/Economic	Strategic	Governance & Ethics	Reputational	Operational
Definition	Risk associated with inadequate or ineffective financial management, including the sources and uses of funds of the organisation.	Potential loss to current or prospective earnings or capital arising from changes in the business environment and from adverse business strategy, improper implementation of strategy, or lack of responsiveness to industry, economic or technological changes.	Risks associated with likelihood that management or personnel will fail to comply with internal policies and procedures or an external law, rule or regulation that are relevant to the business activities in which they operate.	Risks arising from events or Environment, Social and Governance (ESG) matters that have negative impact on reputation, public perception and branding.	Potential loss associated with day-to-day events that the organisation is confronted with as it strives to deliver its strategic objectives (other than those falling under the risk categories of strategic, governance & ethics, reputational and financial/economic).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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 are 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 systems in place for the Group are 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.

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; and
- 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; as well as review of the Anti-Corruption System by the Group Internal Audit yearly and third party auditors once every four years.

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 via 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
- Halal 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 IT End User Policy. As part of the measures to raise awareness, cyber security and phishing/ smishing/ vishing 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.

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, process efficiency, 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,

via internal audit report upon completion of each audit assignment to the Audit Committee. Relevant management personnel will also receive a copy of the audit report to implement agreed 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 15 November 2023.

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 278 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 the Management has:

- adopted appropriate accounting policies and applied them consistently;
- prepared the financial statements on a going concern basis and that the going concern basis used in preparation of the financial statements are appropriate; and
- made judgements and estimates that are reasonable and prudent.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting and other records 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 the management put in place a system of internal control 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.

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.

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 issue date and 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.

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 issue date and 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.

As at 30 September 2023, the outstanding IMTNs amounted RM610,000,000 (2022: RM110,000,000).

As at 30 September 2023, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,390,000,000 (2022: RM2,890,000,000).

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

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 2023.

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

At the 61st Annual General Meeting of the Company held on 17 January 2023, 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 2023 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	141,014
		Purchase of finished products from the F&N Ltd Group	11,250
		Sale of finished products and/or raw materials to the F&N Ltd Group	285,517
		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	75,013
		Receipt of rental from the F&N Ltd Group	164
		Receipt of corporate services fees from the F&N Ltd Group	2,907
		Receipt of printing services from the F&N Ltd Group	1,078
		Purchase of packaging materials from the F&N Ltd Group	603
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 the estate of the late Y.Bhg. Puan Sri Wanna Sirivadhanabhakdi (“the estate of the late 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 raw materials from the BJC Group	1,011
		Sale of finished products to the BJC Group	58,312
		Purchase of packaging materials from the BJC Group	1,671
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	Sale of finished products to the ThaiBev Group	8,558
		Purchase of raw materials from the ThaiBev Group	1,652
		Receipt of marketing services from the ThaiBev Group	26,488
		Purchase of finished products from the ThaiBev Group	9
		Receipt of corporate services from the ThaiBev Group	1,955
		Sale of scrap to the ThaiBev Group	775

ADDITIONAL COMPLIANCE INFORMATION

Mandated Related Parties	Relationship	Type of Transaction	Actual Value Transacted RM'000
		Payment of royalties to the ThaiBev Group for the use of trademarks, trade names and brand names owned by the ThaiBev Group	75
		Provision of travel related services by the ThaiBev Group	57
		Payment of rental to the ThaiBev Group	40
		Payment of licence fees to the ThaiBev Group	11
		Payment of utilities to the ThaiBev Group	2,265
Fraser's Property Limited ("FPL") Group	FPL's major shareholder is TCC Assets Limited, which in turn is under the control of Tan Sri Charoen and the estate of the late 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	Receipt of corporate services fees from the FPL Group	120
		Payment of rental to the FPL Group	6,064
Thai Group Holdings Public Company Limited ("Thai Group Holdings") Group	Thai Group Holdings's major shareholders are Tan Sri Charoen and the estate of the late 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	1,736
		Lease of assets from the Thai Group Holdings Group	118
TCC Corporation Limited ("TCC Corporation") Group	TCC Corporation is under the control of Tan Sri Charoen and the estate of the late 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	81
		Purchase of raw materials from the TCC Corporation Group	33,511
		Purchase of stationery and office supplies from the TCC Corporation Group	25
		Payment of rental to the TCC Corporation Group	1,608
Asset World Corp Public Company Limited ("AWC") Group	AWC's major shareholders are TCC Retail Co., Ltd., TCC Business Management Co., Ltd. and TCC Group International Limited, which in turn are under the control of Tan Sri Charoen and the estate of the late 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	217

SUSTAINABILITY STATEMENT



Sustainability continues to be an important component of our business success and operations. Emblematic of our brand promise, “Pure Enjoyment, Pure Goodness”, we are committed to delivering quality and healthier products for our customers and generating positive value for our people, planet, and stakeholders.

We are proud to publish our 7th Sustainability Report, covering the period from 1st October 2022 to 30th September 2023 (FY2023). We reviewed and highlighted the progress against our targets and refreshed the ranking of our material topics. Four key material topics – “Climate Change”, “Energy”, “Policy & Regulations”, “Governance & Ethics” and were assessed to have an increased importance for our stakeholders and a perceived impact on our business.

We have also strengthened our climate-related disclosures aligned to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Continuing our phased implementation of highlighting these disclosures from the previous year, F&NHB embarked on quantifying out climate-related risks – water scarcity, flooding, and carbon pricing regulations – through scenario analysis. This is part of our continued efforts to manage our climate-related impacts, given our important raw materials are to our business, and remain accountable to our stakeholders.

Our sustainability report is guided by the GRI Standards, which enables a detailed review and systematic disclosure of our business. Lloyd's Register quality Assurance (LRQA) has validated selected Safety, Health and Environment (SHE) disclosures in the Report.

We will continue our commitment to deepen our sustainability strategy, establish initiatives that enable our employees to drive sustainable value, and account for our progress. As we move forward, F&NHB will continue to embed sustainable decision making into our business and generate value for our stakeholders.



F&NHB received the Platinum Award for Best Sustainability Reporting for second consecutive year at the National Annual Corporate Report Awards (NACRA) 2022 for the quality of our sustainability disclosure and communication.



We also gained recognition for contributing to the Halal industry, winning the Halal Innovation Excellence Award at the recent World Halal Excellence 2022.



F&NHB also won the Gold Award under the consumer products and services sector for the second consecutive year at The Edge ESG Awards 2023.



F&NHB received a Bronze for Excellence in Human Resources (HR) Communication Strategy at the HR Excellence Awards 2022 Malaysia. We were also named one of Top 5 Graduates' Choice of Employer to Work for at the Graduates' Choice Award 2023.

SUSTAINABILITY STATEMENT

SUSTAINABILITY APPROACH

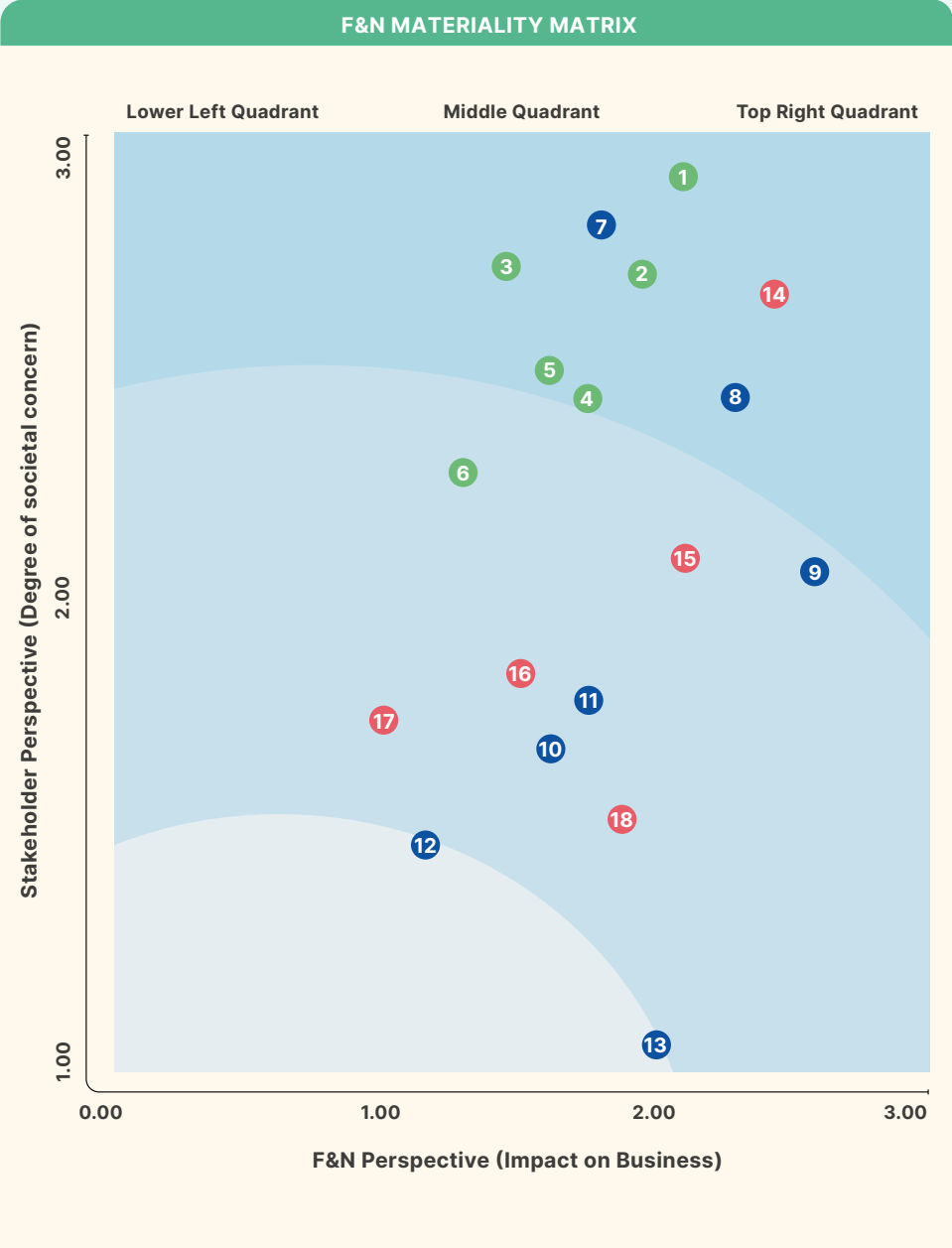
In 2020, F&N Group created a materiality matrix and 2025 sustainability targets to guide us on our sustainability journey and track our progress. We interviewed internal and external stakeholders, conducted desktop research, and utilised an external consultant to conduct a comprehensive materiality assessment.

This year, we conducted a review of our materiality matrix to update our understanding of the topics and ensure that they continue to represent concerns, risks, and opportunities to both our internal and external stakeholders. These material issues were assessed against established standards and frameworks such as GRI Universal Standards, FTSE4Good, and S&P CSA Beverages. This enabled us to identify emerging sustainability topics and potential gaps.

The topics of “Packaging” and “Nutrition” remain of utmost importance as significant material subjects, particularly for our customers and consumers. These areas present opportunities for our business to create notable positive impacts.

The topics “Climate Change”, “Energy”, “Governance and Ethics” and “Policy & Regulations” were observed to have increased priority because of their higher significance to external stakeholders, leading to an increase in their potential impact on our business.

We will continue to review our material topics, track sustainability trends and developments, and update our materiality matrix, where appropriate.



Material Matters

- 1

Packaging
- 2

Water Stewardship
- 3

Climate Change
- 4

Waste Management
- 5

Energy
- 6

Biodiversity
- 7

Supply Chain Stewardship
- 8

Innovation
- 9

Product Quality & Safety
- 10

Policy & Regulation
- 11

Governance & Ethics
- 12

Product & Service Labelling
- 13

Economic Performance
- 14

Nutrition
- 15

Employee Safety Health and Well-being
- 16

Community Development and Inclusive Growth
- 17

Human Rights
- 18

Human Capital Development

Material Issues of F&N	OPPORTUNITIES FOR F&N If issue is addressed	POTENTIAL RISKS FOR F&N If issue is not addressed
BETTER BUSINESS		
GOVERNANCE & ETHICS Business policies and practices to ensure ethical, transparent, and responsible governance.	Upholding F&N reputation as a responsible business maintains trust among stakeholders	Failure to establish transparent and robust governance represents a risk to our reputation
POLICY & REGULATIONS Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.	Engaging with regulators allows F&N to prepare for emerging legislation and ensure compliance Reduced operational costs	Risk of unprepared to adhere to new regulations Reputational risk due to absence of transparent and robust policies
ECONOMIC PERFORMANCE Financial performance to deliver shareholder value and secure long-term viability of the company.	Long-term value for all stakeholders through sustainable financial performance	Hinder F&N's business continuity
PRODUCT QUALITY & SAFETY Delivering products to consumers which meet the highest quality and safety standards.	Delivery of F&N brand commitment to consumers through product excellence Retention and increase in market share through product range expansion and diversified portfolio	Reputational risk and customer claims arising from an interrupted supply chain or compromised packaging outside the factory Specific regulatory changes that may affect product recipe and/or packaging
PRODUCT & SERVICE LABELLING Labelling our products and services in a responsible and transparent way for consumers.	Meet regulatory requirements Meet consumer expectations relating to product and ingredient communication	Inability to satisfy stakeholder expectations on transparency of product information
INNOVATION Building competitive advantage through innovative products and solutions to meet consumer and societal needs.	Respond to customer and consumer demands and stay relevant Embrace emerging and disruptive technologies increases competitive edge	Balancing between risk of consumer non-acceptance and vulnerability of being outpaced by competitors
SUPPLY CHAIN STEWARDSHIP Procurement policies, contractor management and supplier relationships which address material issues across the value chain.	Enhanced vendors' efficiency and sustainability performance, ensuring compliance with food safety standards Achieve cost savings through stronger collaboration Implementation of robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and unethical practices	Expose F&N's supply chain to various ESG risks (e.g. human rights, product quality); unethical practice can lead to regulatory violations, monetary fines and reputational risk Disruption to operations Price fluctuation as a result of global economic performance and vulnerability to foreign exchange exposure

SUSTAINABILITY STATEMENT



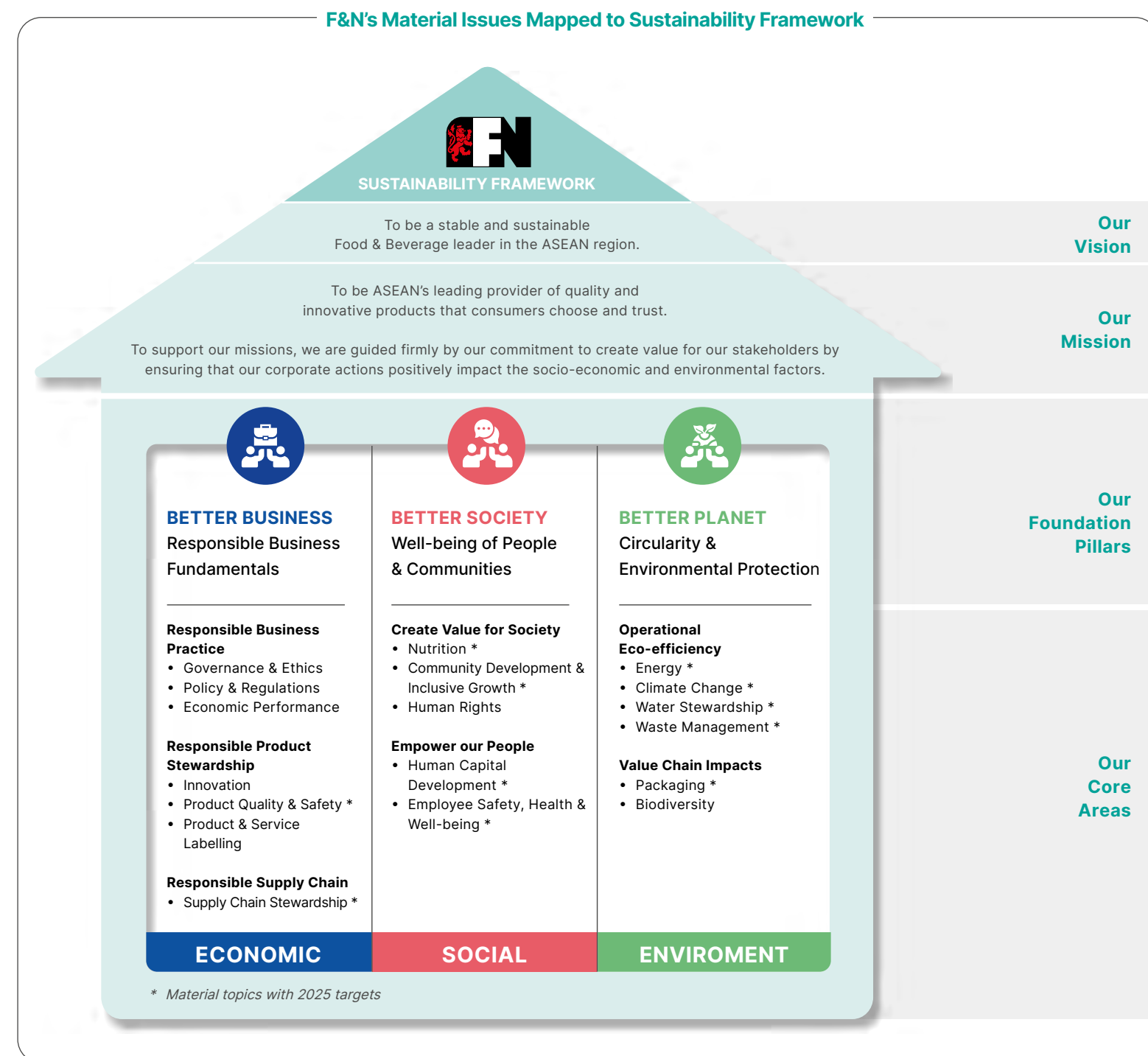
Material Issues of F&N	OPPORTUNITIES FOR F&N If issue is addressed	POTENTIAL RISKS FOR F&N If issue is not addressed
BETTER SOCIETY		
 NUTRITION <i>Helping consumers lead healthy lives by developing nutritious and accessible products.</i>	• Avenue for innovation to align with customer and consumer expectations • Shift in product portfolio towards healthier choices that contribute to consumer well-being	• Regulatory risks (e.g. sugar tax) from the markets we operate in; focusing on Nutrition helps mitigate this
 COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH <i>Supporting economic development and creating positive social impact for communities connected to our business activities.</i>	• Investment in communities supports national social and economic development and ensures F&N's parallel growth with society • Collaboration with communities to reinforce our relationships, credibility and presence	• Absence of community programmes and initiatives impacts our reputation as a corporate citizen and impacts employee morale • Inadequate equilibrium between social, economic and environmental requirements results in financial implications
 HUMAN RIGHTS <i>Upholding strong human rights practices in our operations and supply chain.</i>	• Taking proactive measures to recognise and address human rights risks in F&N operations and supply chain ensures a safe workforce • Reduced inequalities (e.g. gender inequality) • Improved productivity and resource efficiency	• Human rights violations in operations and supply chain lead to regulatory risks, monetary fines and reputational risk • Disruption to operations • Demotivated and unproductive workforce
 HUMAN CAPITAL DEVELOPMENT <i>Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.</i>	• Skilled and diverse employees enable F&N to deliver our business strategy and uphold competitiveness • Effective training and upskilling programmes contribute to a high-performance culture • Offer employment opportunities for local communities in areas of operation	• Challenge in attracting and retaining talent • Adapting to the rapid alterations in skill set requirement within the evolving market
 EMPLOYEE SAFETY, HEALTH & WELL-BEING <i>Improving and maintaining the health, safety and well-being of our employees.</i>	• A healthy and safe workforce increases productivity of F&N's operations • Improvements in talent acquisition and retention • Cultivation of positive employer reputation	• Incidents such as injuries, occupational illnesses, lost days at work, and fatalities can lead to decline of productivity, disrupted business continuity and pose challenges to F&N's license to operate • Financial and reputational risks



Material Issues of F&N	OPPORTUNITIES FOR F&N If issue is addressed	POTENTIAL RISKS FOR F&N If issue is not addressed
BETTER PLANET		
 PACKAGING <i>Developing sustainable packaging solutions to reduce the impact of packaging on the environment.</i>	• Meeting customer and consumer demands for products packaged sustainably uplifts reputation • Improve resource efficiency in packaging • Reduce dependence on virgin materials, resulting in cost savings	• Failure to meet stakeholders' expectations in packaging management results in reputational risks • Risk of competitors taking lead and securing market shares
 ENERGY <i>Minimising GHG emissions and energy use in our operations in line with global climate goals.</i>	• Minimised energy use and emissions enables F&N to reduce costs • Pre-empt future regulation (e.g. carbon tax) • Conform to targets set by governments and customers	• Pressure from public resulting in reputational risks • Increase in operational expenses due to stricter regulations and alterations in energy sourcing
 CLIMATE CHANGE <i>Adapting our business model to ensure resiliency to climate-related risks.</i>	• Meet growing expectations of investors and regulators by assessing climate-related risks and opportunities, e.g. supply chain disruption, market shifts or extreme weather events	• Costly damages on F&N physical assets from extreme weather events due to climate change • Failure to meet stakeholders' expectations in addressing climate change poses reputational risks
 WATER STEWARDSHIP <i>Protecting and preserving shared water resources.</i>	• Efficient water management presents cost-saving opportunities for F&N • Enhance water security for suppliers, increasing supply chain resilience	• Water insecurity will have a direct impact on F&N operations and business as water is a key material resource • Regulatory risks around water as an important national resource
 WASTE MANAGEMENT <i>Minimising waste and safely disposing of hazardous materials.</i>	• Reducing and reusing waste supports operational efficiency, which leads to cost savings • Inculcate sustainable practices and values in employees and communities through the 3Rs: Reduce, Reuse and Recycle	• Failure to meet stakeholders' expectations in managing our waste impact pose reputational risks
 BIODIVERSITY <i>Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.</i>	• Mitigate reputational risks of negative environmental practices, particularly in our supply chain • Create a sustainable business operation without exploitative processes	• Failure to meet stakeholders' expectations in protecting the natural environment and biodiversity

F&N SUSTAINABILITY FOCUS AREAS AND 2025 TARGETS

We developed our 2025 sustainability targets in 2020, where we outlined specific goals to be achieved for our 12 highest priority material issues. These goals will drive F&N's sustainability performance throughout our business and strengthen our commitment to create long-term value for our stakeholders.



Material Issue	2025 Target	2023 Progress
 Product Quality & Safety	Achieve 100% of our plants and production processes certified with the Food Safety System Certification scheme 22000 (FSSC22000 scheme) 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 FSSC22000 scheme.
 Innovation	Achieve 10% product innovation for commercialised F&N products from 2020 baseline^	2% product innovation for commercialised F&N products.
 Supply Chain Stewardship	100% of our active key suppliers to accept and comply with F&N's Supplier Code of Practice	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^ comply with the Nutritional Guidelines	64% of our beverage and dairy products are endorsed with Healthier Choice Logo (HCL).
 Community Development & Inclusive Growth	Increase the number of annual community programmes to 11	11 community programmes conducted this year.
 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	32.9 training hours per employee in the executive category and 11.7 training hours per employee in the non-executive category.
 Employee Safety, Health & Well-being	Reduce the Lost Time Injury Frequency Rate (LTIFR) to 0	We achieved 0 LTIFR this year.

^a Based on formulation, excluding canned milk and cordial

SUSTAINABILITY STATEMENT

Material Issue	2025 Target	2023 Progress
 Energy	Reduce the Group's energy intensity ratio at our plants by 8% from a 2020 baseline	Our group energy intensity ratio has increased by 3% to 898.30 (as compared to FY2020 baseline at 868.56). Energy efficiency was impacted by lower machine utilisation.
 Climate Change	Reduce the Group's GHG emissions intensity ratio at our plants by 8% from a 2020 baseline	Our group GHG intensity ratio has improved by 2% to 0.0650 (as compared to FY2020 baseline at 0.0661), making good progress towards our 2025 target with our investment in our solar PV system at our plants to replace fossil fuel.
 Water Stewardship	Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline	Our group water intensity ratio has increased by 3% to 2.36 (as compared to FY2020 baseline at 2.29), Water efficiency was impacted by lower production volume at some of our plants.
 Waste Management	Reduce the solid waste sent to landfill by 30% from a 2020 baseline	Our total solid waste sent to landfill increased slightly by 1% to 1,128 MT (as compared to FY2020 baseline at 1,122 MT), due to the waste from the new plant sent to landfill as per GMP requirements in October and November 2022.
 Packaging	Increase the recycled content in our beverage and dairy packaging to 25%	The average recycled content in our beverage and dairy packaging maintained at 25% this year, on track for our 2025 target.

STAKEHOLDER ENGAGEMENT

F&N's stakeholders include individuals or groups who are impacted by or are interested in our activities and vice versa. Maintaining strong relationships with all stakeholders based on trust and respect is fundamental to our business. It enables us to evaluate potential impacts of our business and implement mitigating measures to minimise the negative impacts to a reasonable level, as determined through engagements with our stakeholders.

We identify stakeholder groups to engage by the level of interest the individual or group may have in our business, and/ or have influence over the functioning of our business. Our engagement approach is tailored accordingly to the stakeholder groups' level of interest and influence. A summary of our engagement approach for different stakeholder groups is below. We are open to feedback from our stakeholders beyond our engagements with them.



Read more in "Stakeholder Engagement" in our 2023 Sustainability Report, pages 52 to 53.

RESPONSIBLE BUSINESS PRACTICE

F&N recognises that we have an imperative to uphold responsible business practices, which is important to maintain trust with our customers, stakeholders and employees. We have in place a robust set of policies that shape our governance practices and standards of ethical behaviour. These policies and procedures also guide our internal risk management systems, financial management systems and our guidance with suppliers and customers.

F&NHB Board of Directors has oversight over sustainability and ESG-related issues that are material to the company. They are guided by sustainability principles and a commitment to deepen their understanding of important issues through attending regular trainings that enhance their effectiveness in overseeing the Group's sustainability risks and opportunities.

As a Board-level committee, F&NHB Sustainability & Risk Management Committee (SRMC) is responsible for steering the Group's on-going sustainability efforts – approving all strategic initiatives and policies related to sustainability in F&N. The committee ensures sustainability risks

and opportunities are considered at the highest level at F&N by providing strong support to the management team. The Board SRMC meets quarterly and receives updates on the Group's sustainability agenda.

Our risk management framework includes the ERM Validation Report and Comfort Matrix, which assess the likelihood of risk occurrence and potential impact on relevant business objectives. Risk appetite and risk tolerance statements are reviewed by the Board SRMC and approved by the Board annually. In addition, each business division has a dedicated risk coordinator to conduct risk analyses with management.

F&N places high importance on regulatory compliance across our operations and we continue to engage with policymakers in a responsible and transparent manner. This is especially important to maintain the integrity of our Halal-labelled products. We ensure strict adherence to and implementation of Halal standards by adopting a two-tier halal management structure across our operations. Our high Halal standards and robust assurance system have earned the Shah Alam and Pulau Indah plants Whitelist accreditation from JAKIM, where Halal applications and approvals are expedited.

In FY2023, there was no incident of non-compliance with laws and regulations resulting in a fine, penalty or warning.

Over

1,700

employees attended Halal-related training this year.





Read more in "Responsible Business Practice" in our 2023 Sustainability Report, pages 58 to 65.

RESPONSIBLE PRODUCT STEWARDSHIP

Our dedication to providing customers quality, safety-compliant products is embodied in our company's philosophy, "Pure Enjoyment, Pure Goodness." We prioritise the needs of our consumers and constantly innovate to fulfil our consumers' evolving demands and desires. We are committed to providing useful product information on our labels and packaging.

Our plants are certified with international standards – FSSC22000 scheme, ISO 22000 and HACCP. The production processes at all stages are subjected to rigorous quality control procedures. The Board SRMC reviews key risks relating to product quality and safety on a quarterly basis. Our production facilities comply with strict standard of operation procedures so that all our products are stored and transported in good conditions, such as the appropriate temperature range, lighting, and stress on packages.

Our commitment to responsible product stewardship extends beyond compulsory labelling requirements. All information disclosed on our labels

are reviewed regularly by internal experts from Research & Development (R&D) teams, and Scientific & Regulatory Affairs teams, to ensure rigorous quality standards. Labels are then submitted to government authorities for verification and endorsement of credibility. We also clearly list nutritional components of our products.

Innovation is a core component of responsible product stewardship. Our efforts on innovation are directed on driving continuous improvements in product formulations that are in line with consumer preferences and regulatory standards. Other R&D activities involve exploring alternative approaches to enhance the functional advantages and shelf life of our products. For example, we have a collaboration with Singapore's Nanyang Technological University (NTU) to advance research on food packaging and converting waste from food processing into other uses.



100% of plants and production processes are certified with Halal standards.

6 new

products introduced.

THB31 million

annual cost avoidance through employee-driven innovation projects in 2023.



Read more in "Responsible Product Stewardship" in our 2023 Sustainability Report, pages 66 to 73.

SUSTAINABILITY STATEMENT

RESPONSIBLE SUPPLY CHAIN

We continue to maintain our close working relationships with our business partners, suppliers, and vendors. This collaboration is important to navigate through an increasingly complex world characterised by geopolitical conflicts, regulatory changes, unpredictable supply chain issues and volatile weather and climate conditions. Our work with our supply chain entails not just building a resilient value chain, but also to encourage our suppliers to embed sustainable practices in their operations.

F&N conducts regular audits on our suppliers to ensure standards and practices for food safety and the environmental and occupational health and safety, are maintained throughout the value chain. Performance of

all suppliers are assessed monthly, and audits for medium and high-risk suppliers are conducted twice per year.

Additionally, we have in place a set of guidelines for sustainable sourcing, given our reliance on raw materials such as palm oil and paper. Recognising the environmental impacts of palm oil, F&N continued to be an active member of RSPO. Currently, 100% of palm oil used at F&N is RSPO certified. We also ensure that our paper packaging is sourced sustainably. All our paper products used in carton packaging carry the FSC certification, ensuring that they come from responsibly managed forests that provide environmental, social, and economic benefits.

Engaged with
>2,000
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.

100%
Sustainable
Palm Oil

60%
physical RSPO palm oil

40%
RSPO credits

Read more in "Responsible Supply Chain" in our 2023 Sustainability Report, pages 74 to 81.

CREATING VALUE FOR SOCIETY

F&N's achievements spanning 140 years have been achievable owing to the dedication of our people, the feedback from our consumers, and the support of the communities where we conduct our operations. Cultivating a collaborative relationship with our stakeholders is imperative for our sustained success and growth. These relationships foster trust, innovation, and resilience and require ongoing effort and adaptability to changing needs.

We focus on three pillars to create value for society – Nutrition, Community Development & Inclusive Growth and Human Rights. Through these three pillars, we have implemented initiatives that generate benefits and enable sustainable growth for our workers, employees, customers and the surrounding communities.

Our initiatives under Nutrition have been directed on reducing sugar level in our products, catering to consumers with dietary preferences and advocating healthier choices by fortifying our products with additional nutrients.

We have also continued our focus to engage with local communities through enrichment and empowerment programmes. This is based on our belief that establishing collaborative partnerships with local communities strengthens the social fabric and promotes social inclusion. Our community programmes are centred on four key themes:

- Strengthening vulnerable groups
- Promoting environmental consciousness
- Spreading festive cheer
- Promoting sports & active lifestyle

Lastly, our commitment to advancing and protecting human rights remains steadfast. Our Human Rights Due Diligence process, implemented in 2021, continues to guide us in enhancing the depth of our understanding and fostering environments that respect human rights. We will regularly monitor our operations to identify and mitigate against any potential human rights violation, we will also commit to updating our Human Rights Due Diligence process, where appropriate.

64% of our products
@ 82 products
certified with Healthier
Choice Symbol / Logo

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

F&N School Recycling Programme 2023
Continued to promote 5R among school children

Participated by **>1,400** schools

Collected almost **3,000 MT** of
recyclables

Our festive
community
outreach activities
touch the lives
of over **500**
beneficiaries this
year

81 F&N
volunteers in
Thailand built a
check dam at
the Chet Sao
Noi Waterfall

Read more in "Creating Value for Society" in our 2023 Sustainability Report, pages 84 to 100.

EMPOWER OUR PEOPLE

F&N recognises the pivotal role our employees play in our enduring success. Their unwavering commitment, expertise, and contributions breathe life into F&N's strategic vision and propel our business forward. In exchange, we actively promote continuous learning and development of our employees through comprehensive Group-wide learning initiatives and value their well-being. We strive to cultivate a safe and healthy workplace environment for all.

Our initiatives in driving human capital development focus on achieving work-life balance and fostering mental well-being. Some initiatives we've implemented include flexi working hours, in-house gym facilities and extended health insurance. We are also focus on promoting diversity and inclusion in our workforce, and are proud to have made significant progress, particularly in promoting gender equality.

Upholding strict adherence to health and safety protocols continues to be our main focus in protecting the well-being of our employees. Driving our "safety first" culture means that we implement stringent procedures into all aspects of our daily work routines. Training are an important part of our safety culture to regularly remind and update our employees on safety precautionary measures. The topics covered in 2023 include:

- Safety, Health & Environmental Awareness
- Occupational Disease & Syndrome
- Safety at Workplace & First Aid
- Warehouse Safety Management
- Fire Safety & ERT
- Radiation Safety & Health

We have developed a Human Capital Roadmap which consists of seven modules for strategic human capital transformation.

7

Modules for
Strategic
Human Capital
Transformation

Clear
Structure
& Roles

Recognition-
Based
Performance
Management

Proactive
Succession
& Workforce
Planning

Strategic
Talent
Acquisition
&
On-boarding

Market-
Oriented
Compensation
& Benefits

Holistic High
Performer
Retention &
Development

Engaging
Corporate
Culture

>3,800
number of
employees

32.9
training hours per
employee in the
executive category

11.7
training hours
per employee in
the non-executive
category

27%
female
representation
in total workforce

46%
female
representation
in managerial
position

83% of employees
participated in annual
safety, health and well-
being programmes

>1,600 employee
participating in
>8,500 hours of
safety trainings

85% of
our employees
underwent ESG-
related training
since 2022

>25,000
hours

Maintained

0 lost time injury

0 high-consequence
work-related injury

0 work-related fatality

0 work-related illness

Read more in "Empower Our People" in our 2023 Sustainability Report, pages 101 to 113.

162

163

SUSTAINABILITY STATEMENT

OPERATIONAL ECO-EFFICIENCY

F&N is acutely aware of the environmental footprint associated with our operations, encompassing energy consumption, water usage, and resource utilisation. We are committed to mitigate these impacts and are actively engaged in exploring avenues to enhance our manufacturing processes, with a primary focus on optimising eco-efficiency. Through innovative initiatives and resourceful strategies, we aspire to not only minimise our environmental footprint but also align our operations more closely with sustainable practices, promoting a harmonious coexistence with our planet.

Energy & Climate Change

We are cognisant that our business operations emit substantial amounts of greenhouse gas emissions which contribute to climate change. We are committed to reduce the energy intensity and GHG emissions at our plants. Our “Energy & Climate Change strategy” focuses on four areas:

- Energy efficiency in our operations
- Renewable energy and sourcing and generation
- Route planning and decentralization & Reduction carbon in our Value Chain
- Operations’ exposure to climate change

We have implemented initiatives in these four priority areas such as installing solar photovoltaic systems at our facilities in Malaysia and Thailand which reduces our carbon footprint and expanding automation processes in our warehouses thus saving energy and reducing transportation costs.

Additionally, 2023 is the second year we have disclosed our climate-related impacts in alignment with TCFD recommendations. Some of the activities we conducted to strengthen our understanding and management of our material climate-related impacts include:

- Quantifying the potential negative financial impacts of material physical risks for F&N, specifically flooding, and water scarcity in our operations, assets and supply chains.
- Quantifying the potential financial impacts of material Transition risks – Carbon pricing on F&N’s existing operating expenditure.
- Preliminary exploration of GHG mitigation technologies for Scope 1 and Scope 2 emissions and its respective cost and benefits.

Water Stewardship

Given water is a vital resource in both our product development and operational processes. The success of our business hinges upon a dependable supply of water and the effective management of this

invaluable resource. Our water stewardship initiatives centre around understanding our exposure to water stress, boosting water security and minimising our water usage.

For instance, we conducted a quantification of our water-related risks through scenario analysis to inform us on our exposure to water-stress sites and identify potential mitigation measures. We also continue to embed circular economy principles in the F&N Environmental, Safety and Health Policy to monitor our water stewardship activities.

We also collaborate with government agencies, farmers and local communities to drive our water stewardship activities. This approach involves keeping abreast of local regulations and fulfilling reporting requirements on our water usage, establishing partnerships with surrounding communities to prevent conflicts, and supplying farmers with tools to improve their water supply amid rising water scarcity in their regions.

Waste Management

At F&N, we employ circular economy principles to explore how waste from our operations can be minimised and put to alternative uses. We believe that proper waste management strengthens out capacity for resource efficiency but also minimises our environmental footprint, potentially translating into cost savings for the business.

We adopt a three-pronged approach in our waste management strategy:

- Non-hazardous waste is predominantly recycled, as we aim to maximise resource utilisation and minimise environmental impact.
- General waste, which includes materials that cannot be recycled, is directed towards power plant waste-to-energy facilities, where it can contribute to energy production while reducing landfill usage.
- Although hazardous waste generation is minimal, we ensure its proper disposal by entrusting licensed waste contractors to transport and incinerate it safely at specialised facilities, adhering to stringent regulatory standards.

Beside enhancing our internal waste management activities, we also have external collaborations to educate consumers on plastic pollution and enable them to recycle. F&N worked with Grab, KLEAN and the Malaysian Research Accelerator for Technology and Innovation (MRANTI) to deploy Reverse Vending Machines across Malaysia to dispose certain types of aluminium and plastic packaging which are reused for other purposes.

TCFD

Conducted scenario analysis to quantify material climate-related risks

- As part of the phased implementation of climate-related disclosures
- Well ahead of Bursa Malaysia’s stipulated timeline by 2023

Invested in solar roof at our 5 plants

- Solar roof at Shah Alam plant supplies >50% of electricity needed to produce 100PLUS



Integrated Warehouses in Thailand and Malaysia reduces 1,400 tonnes CO_{2e} emissions annually

Read more in “Operational Eco-efficiency” in our 2023 Sustainability Report, pages 116 to 128.

VALUE CHAIN IMPACTS

The impacts of our products extend beyond our direct operations. The raw materials and ingredients we procure for our products including packaging have a broader impact on the environment and societies we operate within. We are working to mitigate these impacts across our value chain by improving packaging practices and sourcing raw materials more responsibly.

Packaging

To minimise the impact of packaging on the environment, we focus on designing packaging that is environmentally friendly through minimising its total carbon footprint without compromising on food safety and quality. This includes substantial investments in innovation, adoption of circular economy principles, and collaborative efforts with stakeholders to develop sustainable packaging solutions.

F&N has also established partnerships with local councils, recycling partners, and non-governmental organisations. Together, we are working to raise awareness about recycling and promoting the 5R - Reduce, Reuse, Recycle, Rethink & Reinvent concept to students and local communities. We are also addressing post-consumer packaging

waste with industry collaborations, such as our involvement in Malaysian Recycling Alliance (MAREA) as part of our Extended Producer Responsibility (EPR) commitments.

Biodiversity

As we are reliant on raw materials such as palm oil, sugar, and paper, there is an imperative for us to protect and conserve the biodiversity and ecosystems from which these raw materials are sourced from. Recognising the threat of biodiversity loss and ecosystem degradation, we continue to implement initiatives aligned with our Biodiversity statement published in 2021.

We engage with palm oil suppliers to guarantee the palm oil we source from is RSPO-certified, sustainable, and traceable. This is part of our goal to achieve 100% sustainable palm oil sourcing in our operations. Lastly, our Board of Directors and Senior Management completed a training on biodiversity in sustainable agriculture to understand the key issues and mitigation measures that need to be designed to reduce risks.

25%

recycled content in beverage and dairy packaging



99%

of packaging is recyclable

3

plants have achieved zero waste to landfill – Kota Kinabalu Plant, Rojana Plant, and Wang Muang Plant

Pulau Indah Plant & Rajana Plant

100% of sludge from dairy production @ 1,652 MT



Converted to organic fertiliser and distributed to local farmers

Kuching Plant

486MT

of okara waste converted to organic feed by local organic chicken farm

Read more in “Value Chain Impacts” in our 2023 Sustainability Report, pages 129 to 133.

Read our 2023 Sustainability Report here:





FINANCIAL STATEMENTS

- 168 Directors' Report
- 178 Statements of Financial Position [↗](#)
- 180 Statements of Profit or Loss [↗](#)
- 181 Statements of Other Comprehensive Income [↗](#)
- 182 Statements of Changes in Equity [↗](#)
- 185 Statements of Cash Flows [↗](#)
- 189 Notes to the Financial Statements [↗](#)
- 278 Statement by Directors [↗](#)
- 279 Statutory Declaration [↗](#)
- 280 Independent Auditors' Report [↗](#)

[i](#) Click on the links [↗](#) to further information within the document

DIRECTORS' REPORT

for the financial year ended 30 September 2023

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 2023.

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 for the year attributable to:		
Owners of the Company	536,899	353,979
Non-controlling interests	5,129	-
	542,028	353,979

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 2022 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 2022 and paid on 10 February 2023.
- ii) In respect of the financial year ended 30 September 2023:
- an interim ordinary dividend of 27.0 sen per ordinary share totalling RM99,030,000 declared on 3 May 2023 and paid on 1 June 2023.

DIVIDENDS (CONTINUED)

The Directors recommend a final ordinary dividend of 33.0 sen per share together with a special dividend of 17.0 sen per share in conjunction with F&N's 140th year anniversary for approval by shareholders 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 on 30 September 2024.

DIRECTORS OF THE COMPANY

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

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
Datuk Kamaruddin bin Taib
Puan Aida binti Md Daud
Puan Faridah binti Abdul Kadir
Datuk Mohd Anwar bin Yahya
Dato' Ng Wan Peng
Mr. Kosit Suksingha
Mr. Michael Chye Hin Fah (appointed on 17 January 2023)
Mrs. Tongjai Thanachanan (Alternate Director to Mr. Kosit Suksingha)
Dato' Jorgen Bornhoft (retired on 17 January 2023)

DIRECTORS' REPORT

for the financial year ended 30 September 2023

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	Mr. Lim Yew Hoe	Mr. Tiong Yean Yau	Mr. Hui Choon Kit	Mr. Suchit Riewcharoon	Mr. Ng Eng Cheang	Mr. Lai Ming Kong	Dato' Raffiq bin Md Ariff	Dr. Yap Peng Kang	Mr. Ooi Aik Tuan	Ms. Lee Lay Yean	Mr. Lau Cheng Yew	Mr. Zainal Abidin bin Musa @ Hussain	Y.A.M. Dato' Seri DiRaja Syed Razlan ibni Almarhum Tuanku Syed Putra Jamalullail	Mr. Goh Teong Hoe	Ms. Aisha Alkaff
Awana Citra Sdn Bhd							✓					✓			
Borneo Springs Sdn Bhd	✓								✓						
Dagang Sejahtera Sdn Bhd							✓			✓			✓		
Elsinburg Holdings Sdn Bhd	✓								✓						
F&N AgriValley Sdn Bhd							✓		✓	✓					
F&N Beverages Manufacturing Sdn Bhd	✓		✓						✓						
F&N Beverages Marketing Sdn Bhd	✓	✓							✓						
F&N Capital Sdn Bhd	✓								✓						
F&N Dairies Distribution (Singapore) Pte Ltd	✓				✓				✓						
F&N Dairies (Malaysia) Sdn Bhd	✓	✓							✓						
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 DW-LLC	✓	✓				✓									
Greenclipper Corporation Sdn Bhd	✓								✓						
Ladang Permai Damai Sdn Bhd							✓ (i)			✓ (i)					
Lee Shun Hing Sauce Industries Sdn Bhd							✓					✓			
Lettricia Corporation Sdn Bhd	✓													✓	
Nuvak Company Sdn Bhd	✓								✓						
Premier Milk (Malaya) Sdn Berhad	✓	✓							✓						
Sri Nona Food Industries Sdn Bhd							✓					✓			
Sri Nona Industries Sdn Bhd							✓					✓			
Tropical League Sdn Bhd	✓										✓				
Usahaniaga Abadi Sdn Bhd							✓			✓					
Utas Mutiara Sdn Bhd	✓								✓						

Subsidiaries	Mr. Tiong Yean Yau	Dato' Raffiq bin Md Ariff	Mr. Lee Chee Kong	Mr. Lim Yew Hoe	Mr. Lau Cheng Yew	Mr. Soh Swee Hock	Dato' Azman Bin Mahmood	Tan Sri Dato' Sri Koh Kin Lip	Mr. Liew Fook Meng	Mr. Lau Kee Von	Mr. Lau Pak Lam	Mr. Lau Kim Chew	Mr. Tai Chun Wah	Mr. Chow Kee Kan @ Chow Tuck Kwan	Mr. Lau Kwai Choon	Mr. Lew Foo Chay @ Lau Foo Chay	Mr. Liew Yoon Kee
Cocoaland Holdings Berhad	✓ (iv)	✓ (iv)	✓ (iv)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)	✓ (v)			
Sri Nona Foods Sdn Bhd (formerly known as L.B. Food Sdn Bhd)	✓ (ii)	✓ (ii)	✓ (ii)						✓ (iii)	✓ (iii)	✓ (iii)				✓ (iii)		✓ (iii)
Sri Nona Food Manufacturing Sdn Bhd (formerly known as Cocoaland Industry Sdn Bhd)	✓ (ii)	✓ (ii)	✓ (ii)						✓ (iii)	✓ (iii)		✓ (iii)			✓ (iii)	✓ (iii)	✓ (iii)
CCL Food & Beverage Sdn Bhd	✓ (ii)	✓ (ii)	✓ (ii)						✓ (iii)		✓ (iii)	✓ (iii)	✓ (iii)		✓ (iii)		✓ (iii)
Lot 100 Food Co. Ltd.	✓ (vi)		✓ (vi)							✓ (vii)						✓ (vii)	
PT Cocoaland Indonesia	✓ (viii)	✓ (viii)	✓ (viii)								✓ (ix)		✓ (ix)				

DIRECTORS' REPORT

for the financial year ended 30 September 2023

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 11 October 2022
- (ii)

Appointed on 4 November 2022
- (iii)

Resigned on 4 November 2022
- (iv)

Appointed on 25 November 2022
- (v)

Resigned on 25 November 2022
- (vi)

Appointed on 22 February 2023
- (vii)

Resigned on 22 February 2023
- (viii)

Appointed on 14 April 2023
- (ix)

Resigned on 14 April 2023

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 1.10.2022	Acquired	Disposed	At 30.9.2023
Fraser & Neave Holdings Bhd ("F&NHB")				
Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail ibni Almarhum Tuanku Syed Putra Jamalullail				
- direct interest	2,062,000	-	-	2,062,000
Puan Faridah binti Abdul Kadir				
- direct interest	4,000	-	-	4,000
F&NL				
Mr. Hui Choon Kit				
- direct interest	707,299	77,300	-	784,599

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

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: (continued)

Companies in which Directors held interest	Number of share grants				
	At 1.10.2022	Awarded	Achievement factor	Vested	At 30.9.2023
F&NL*					
Mr. Hui Choon Kit					
- F&NL RSP - Year 10	17,100	-	-	(17,100)	-
- F&NL RSP 2019 - Year 1	15,200	-	-	(15,200)	-
- F&NL RSP 2019 - Year 2	50,733	-	-	(25,367)	25,366
- F&NL RSP 2019 - Year 3	83,000	-	(24,100)	(19,633)	39,267
- F&NL RSP 2019 - Year 4	-	97,500	-	-	97,500

* 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. All pending awards under the F&NL PSP had been released in the previous financial year. The final award under the F&NL RSP was released in 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 2023 had any interest in shares, RSP and PSP of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

for the financial year ended 30 September 2023

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 2023 are as follows:

	From the Company RM'000
Directors of the Company:	
Fees	1,592
Estimated monetary value of benefits-in-kind	49
	1,641

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").

There were no grants made under the F&NHB PSP since F&NHB SGP 2012 was established.

- 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.

F&NHB SHARE GRANT PLANS (CONTINUED)

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 1.10.2022/ grant date	Achievement factor	Vested	Lapsed *	At 30.9.2023	
<u>F&NHB SGP 2012</u>						
F&NHB RSP Year 8 (21.12.2018)	29,650	-	(29,650)	-	-	31.12.2020 - 31.12.2022
F&NHB RSP Year 9 (23.12.2019)	88,450	-	(44,225)	(2,825)	41,400	31.12.2021 - 31.12.2023
<u>F&NHB SGP 2021</u>						
F&NHB RSP Year 10 (15.02.2021)	288,000	(8,500)	(139,750)	(5,350)	134,400	31.12.2022 - 31.12.2024
F&NHB RSP Year 11 (16.02.2022)	415,600	102,100	(170,841)	(19,899)	326,960	31.12.2022 - 31.12.2024
F&NHB RSP Year 12 (31.03.2023)	481,700	-	-	(13,500)	468,200	31.12.2023 - 31.12.2025
	1,303,400	93,600	(384,466)	(41,574)	970,960	

* 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 RM21,873. 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.

DIRECTORS' REPORT

for the financial year ended 30 September 2023

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.

In the opinion of the Directors, except for the remeasurement gain of the previously held equity interest in an associate of RM89,256,000 and the impairment loss of property, plant and equipment of RM36,725,000 as disclosed in Note 25, the financial performance of the Group and of the Company for the financial year ended 30 September 2023 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 EVENTS

Significant events are disclosed in Note 8 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 RM1,444,000 and RM350,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Y.A.M. Tengku Syarif Bendahara Perlis
Syed Badarudin Jamalullail ibni
Almarhum Tuanku Syed Putra Jamalullail
Director
Selangor, Malaysia

.....
Mr. Hui Choon Kit
Director
Singapore

Date: 15 November 2023

STATEMENTS OF FINANCIAL POSITION

as at 30 September 2023

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Note					
ASSETS					
Property, plant and equipment	3	1,592,064	1,458,344	-	-
Right-of-use assets	4	359,766	122,133	-	-
Investment properties	5	63,000	47,569	-	-
Properties held for development	6	54,933	54,933	-	-
Intangible assets	7	433,366	91,925	-	-
Investments in subsidiaries	8	-	-	1,749,370	1,193,787
Investment in an associate	9	-	93,465	-	68,727
Investment in a joint venture	10	87,711	87,362	166,614	166,114
Deferred tax assets	11	11,670	5,178	-	-
Total non-current assets		2,602,510	1,960,909	1,915,984	1,428,628
Trade and other receivables	12	713,342	866,369	5,427	257,657
Inventories	13	764,182	901,377	-	-
Derivative financial assets	14	49	88	-	-
Cash and cash equivalents	15	1,031,534	461,887	22,241	33,370
Total current assets		2,509,107	2,229,721	27,668	291,027
Total assets		5,111,617	4,190,630	1,943,652	1,719,655

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY					
Share capital		816,770	816,770	816,770	816,770
Shares held by SGP Trust		(10,890)	(6,387)	(10,890)	(6,387)
Reserves		2,537,320	2,172,140	1,044,758	907,464
Equity attributable to owners of the Company		3,343,200	2,982,523	1,850,638	1,717,847
Non-controlling interests		8,401	1,866	-	-
Total equity		3,351,601	2,984,389	1,850,638	1,717,847
LIABILITIES					
Loans and borrowings	17	706,000	210,000	-	-
Lease liabilities		49,498	53,021	-	-
Employee benefits	18	35,471	35,696	-	-
Deferred tax liabilities	11	118,480	74,180	-	-
Total non-current liabilities		909,449	372,897	-	-
Trade and other payables	19	724,761	693,017	93,014	1,547
Contract liabilities	20	85,267	66,996	-	-
Loans and borrowings	17	4,000	36,833	-	-
Lease liabilities		8,378	10,270	-	-
Current tax liabilities		28,137	26,164	-	261
Derivative financial liabilities	14	24	64	-	-
Total current liabilities		850,567	833,344	93,014	1,808
Total liabilities		1,760,016	1,206,241	93,014	1,808
Total equity and liabilities		5,111,617	4,190,630	1,943,652	1,719,655

The notes on pages 189 to 277 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS

for the financial year ended 30 September 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	21	5,001,351	4,470,163	369,356	217,611
Cost of sales		(3,566,591)	(3,296,071)	-	-
Gross profit		1,434,760	1,174,092	369,356	217,611
Other income		115,045	20,894	1,355	15,496
Distribution expenses		(352,939)	(342,976)	-	-
Marketing expenses		(313,139)	(245,448)	-	-
Administrative expenses		(192,637)	(131,478)	(9,778)	(4,980)
Net loss on impairment of financial instruments	30	(1,433)	(2,400)	-	-
Other expenses		(46,715)	(24,743)	-	-
Results from operating activities		642,942	447,941	360,933	228,127
Finance income	22	13,638	4,327	1,967	8,900
Finance costs	23	(35,670)	(5,803)	(8,427)	(486)
Net finance (costs)/income		(22,032)	(1,476)	(6,460)	8,414
Share of profit of equity-accounted associate, net of tax	9	3,913	7,778	-	-
Share of loss of equity-accounted joint venture, net of tax	10	(151)	(193)	-	-
Profit before tax		624,672	454,050	354,473	236,541
Income tax expense	24	(82,644)	(71,781)	(494)	(1,596)
Profit for the year	25	542,028	382,269	353,979	234,945
Profit/(Loss) for the year attributable to:					
Owners of the Company		536,899	383,208	353,979	234,945
Non-controlling interests		5,129	(939)	-	-
		542,028	382,269	353,979	234,945
Basic earnings per ordinary share (sen)	27(a)	146.5	104.5		
Diluted earnings per ordinary share (sen)	27(b)	146.1	104.3		

The notes on pages 189 to 277 are an integral part of these financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the financial year ended 30 September 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year		542,028	382,269	353,979	234,945
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		992	7,252	-	-
Revaluation of property, plant and equipment upon transfer of properties to investment properties		2,282	-	-	-
Tax effect relating to the components of OCI		(245)	(1,547)	-	-
	26	3,029	5,705	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	26	41,937	(6,437)	-	-
Other comprehensive income/(expense) for the year, net of tax	26	44,966	(732)	-	-
Total comprehensive income for the year		586,994	381,537	353,979	234,945
Total comprehensive income/(expense) attributable to:					
Owners of the Company		581,865	382,476	353,979	234,945
Non-controlling interests		5,129	(939)	-	-
		586,994	381,537	353,979	234,945

The notes on pages 189 to 277 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 September 2023

		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 (Note 16(f)) RM'000	Share-based payment reserve (Note 16(e)) RM'000	Legal reserve (Note 16(e)) RM'000	Revaluation reserve (Note 16(f)) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group	Note											
At 1 October 2022		816,770	(6,387)	(8,978)	41,565	15,539	9,934	-	2,114,080	2,982,523	1,866	2,984,389
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	747	747	-	747
Revaluation of property, plant and equipment upon transfer of properties to investment properties		-	-	-	-	-	-	2,282	-	2,282	-	2,282
Foreign currency translation differences for foreign operations		-	-	-	41,937	-	-	-	-	41,937	-	41,937
Total other comprehensive income for the year	26	-	-	-	41,937	-	-	2,282	747	44,966	-	44,966
Profit for the year		-	-	-	-	-	-	-	536,899	536,899	5,129	542,028
Total comprehensive income for the year		-	-	-	41,937	-	-	2,282	537,646	581,865	5,129	586,994
Contributions by and distributions to owners of the Company												
- Employee share-based expense		-	-	-	-	11,899	-	-	-	11,899	-	11,899
- Acquisition of subsidiaries	8	-	-	-	-	-	-	-	-	-	1,406	1,406
- Shares vested under SGP		-	8,517	1,792	-	(10,309)	-	-	-	-	-	-
- Purchase of shares by SGP Trust		-	(13,020)	-	-	-	-	-	-	(13,020)	-	(13,020)
- Dividends to owners of the Company	28	-	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners of the Company		-	(4,503)	1,792	-	1,590	-	-	(220,067)	(221,188)	1,406	(219,782)
At 30 September 2023		816,770	(10,890)	(7,186)	83,502	17,129	9,934	2,282	2,431,659	3,343,200	8,401	3,351,601

	Attributable to owners of the Company										
	Non-distributable							Distributable			
	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	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											
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		-	-	-	-	-	-	5,705	5,705	-	5,705
Foreign currency translation differences for foreign operations		-	-	-	(6,437)	-	-	-	(6,437)	-	(6,437)
Total other comprehensive (expense)/income for the year	26	-	-	-	(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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 September 2023

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	Share-based payment reserve RM'000	Retained earnings RM'000	Total equity RM'000
Note						
Company						
At 1 October 2022	816,770	(6,387)	(8,978)	15,539	900,903	1,717,847
Profit and total comprehensive income for the year	-	-	-	-	353,979	353,979
<i>Contributions by and distributions to owners of the Company</i>						
- Employee share-based expense	-	-	-	11,899	-	11,899
- Shares vested under SGP	-	8,517	1,792	(10,309)	-	-
- Purchase of shares by SGP Trust	-	(13,020)	-	-	-	(13,020)
- Dividends to owners of the Company	28	-	-	-	(220,067)	(220,067)
Total transactions with owners of the Company	-	(4,503)	1,792	1,590	(220,067)	(221,188)
At 30 September 2023	816,770	(10,890)	(7,186)	17,129	1,034,815	1,850,638
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
<i>Contributions by and distributions to owners of the Company</i>						
- 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

STATEMENTS OF CASH FLOWS

for the financial year ended 30 September 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax		624,672	454,050	354,473	236,541
<i>Adjustments for:</i>					
Amortisation of intangible assets	7	6,613	2,833	-	-
Bad debts recovered	25	(58)	(54)	-	-
Change in fair value of investment properties	5	7,080	-	-	-
Depreciation of property, plant and equipment	3	116,794	104,007	-	-
Depreciation of right-of-use assets	4	22,894	19,317	-	-
Dividend income	21	-	-	(369,356)	(217,611)
Employee benefits expense	18	3,824	3,643	-	-
Finance income	22	(13,638)	(4,327)	(1,967)	(8,900)
Finance costs	23	35,670	5,803	8,427	486
Gain on lease termination/modification		(62)	(45)	-	-
Gain on liquidation of a subsidiary	8	-	-	-	(14,396)
Impairment loss:					
- Intangible assets	7	-	294	-	-
- Investments in subsidiaries	8	-	-	5,144	-
- Plant and equipment	3	36,725	3,185	-	-
Intangible assets written off		98	-	-	-
Net (gain)/loss on disposal of plant and equipment	25	(560)	92	-	-
Plant and equipment written off	25	1,095	681	-	-
Remeasurement gain of previously held equity interest in an associate	8	(89,256)	-	-	-
Reversal of impairment loss:					
- Intangible assets	7	(294)	-	-	-
- Plant and equipment	3	(3,042)	(3,553)	-	-
Employee share-based expense	25	12,037	8,085	-	-
Share of profit of equity-accounted associate, net of tax	9	(3,913)	(7,778)	-	-
Share of loss of equity-accounted joint venture, net of tax	10	151	193	-	-
Operating profit/(loss) before changes in working capital		756,830	586,426	(3,279)	(3,880)

The notes on pages 189 to 277 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 30 September 2023

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Note					
Cash flows from operating activities (continued)					
<i>Changes in working capital:</i>					
Changes in inventories		179,460	(241,632)	-	-
Changes in contract liabilities		19,317	10,958	-	-
Changes in trade and other payables		(5,495)	133,897	83,040	(85,384)
Changes in trade and other receivables		196,036	(320,186)	264,443	(20,568)
Cash generated from/(used in) operations		1,146,148	169,463	344,204	(109,832)
Employee benefits paid	18	(3,612)	(3,724)	-	-
Tax paid		(92,447)	(62,991)	(1,069)	(1,369)
Tax refunded		2,916	4,261	-	237
Net cash from/(used in) operating activities		1,053,005	107,009	343,135	(110,964)
Cash flows from investing activities					
Acquisition of intangible assets	7	(2,849)	(2,459)	-	-
Acquisition of property, plant and equipment	3	(105,549)	(197,697)	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(597,951)	-	-	-
Dividends received		-	-	369,356	217,611
Interest received		12,658	4,164	1,967	8,900
Investment in joint venture	10	(500)	-	(500)	-
Investment in subsidiaries	8	-	-	(492,000)	(12,900)
Proceeds from liquidation of a subsidiary		-	-	-	14,738
Proceeds from redemption of preference share capital by a subsidiary	8	-	-	-	73,604
Proceeds from disposal of plant and equipment		1,295	887	-	-
Net cash (used in)/from investing activities		(692,896)	(195,105)	(121,177)	301,953

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Note					
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		500,000	326,639	-	-
Interest paid		(25,296)	(5,602)	-	-
Payment of lease liabilities		(16,216)	(16,610)	-	-
Proceeds from issue of shares by a subsidiary to a non-controlling interest		-	3,000	-	-
Purchase of shares by SGP Trust	16(b)	(13,020)	(6,744)	(13,020)	(6,744)
Repayment of loans and borrowings		(38,630)	(80,806)	-	-
Net cash from/(used in) financing activities		186,771	(190)	(233,087)	(226,811)
Net increase/(decrease) in cash and cash equivalents		546,880	(88,286)	(11,129)	(35,822)
Effects of exchange rate fluctuations on cash and cash equivalents		22,767	(5,207)	-	-
Cash and cash equivalents at 1 October 2022/2021		461,887	555,380	33,370	69,192
Cash and cash equivalents at 30 September	15	1,031,534	461,887	22,241	33,370

Cash outflows for leases as a lessee

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
	Note				
Included in net cash from operating activities					
Payment relating to short-term leases	25	1,247	3,323	-	-
Payment relating to leases of low-value assets	25	1,663	1,634	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	25	11,467	9,435	-	-
Included in net cash from financing activities					
Payment of lease liabilities		16,216	16,610	-	-
Interest paid in relation to lease liabilities	23	3,643	3,714	-	-
Total cash outflows for leases		34,236	34,716	-	-

STATEMENTS OF CASH FLOWS

for the financial year ended 30 September 2023

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Net changes					At 30		Net changes		Acquisition		Foreign		At 30
	At 1	from	Acquisition	Foreign	* Other	September	from	Acquisition	through	Foreign	* Other			
	October	financing	of new	exchange	changes	1 October	financing	of new	business	exchange	changes			
	2021	cash flows	lease	movement	changes	2022	cash flows	lease	combinations	movement	changes			2023
	RM'000	RM'000	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	64,047	(20,324)	18,774	(416)	1,210	63,291	(19,859)	8,415	622	2,483	2,924	57,876		
Islamic Medium Term Notes	1,000	109,000	-	-	-	110,000	500,000	-	-	-	-	610,000		
Term loans	-	136,833	-	-	-	136,833	(38,630)	-	-	1,797	-	100,000		
	65,047	225,509	18,774	(416)	1,210	310,124	441,511	8,415	622	4,280	2,924	767,876		

* Comprise interest expenses and termination/derecognition 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:

No. 1, Jalan Bukit Belimbing 26/38
Persiaran Kuala Selangor, Seksyen 26
40400 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 September 2023 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, all kinds of processed and preserved foods and fruits, dairy farming and agriculture, property development activities and the provision of management services. There has been no other 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 15 November 2023.

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:

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 – 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 and International Tax Reform – Pillar Two Model Rules

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

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

The notes on pages 189 to 277 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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 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.
- from the annual period beginning on 1 October 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of 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.

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 8 - investment in subsidiaries
- (v) Note 16(c) - share-based payments
- (vi) Note 18 - employee benefits
- (v) 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.

(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.

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vi) Joint venture (continued)

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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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.

(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.

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

(ii) Brands

Brands are stated at cost less any accumulated impairment losses. The useful lives of the brands are estimated to be indefinite because based on the current market share of the brands, management believed there are no foreseeable limit to the period over which the brands are expected to generate net cash flows to the Group. The indefinite useful lives are reviewed annually to determine whether they continue to be supportable. The brands are tested for impairment annually or more frequently when indicators of impairment are identified.

Gains or losses arising from derecognition of a brand are measured as the difference between the net disposal proceeds and the carrying amount of the brand and are recognised in the profit or loss when the brand is 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) Customer relationships

Customer relationships are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (continued)

(iv) 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.

(v) 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.

(vi) Amortisation

Goodwill and brands with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Customer relationships are amortised over the estimated useful life of 10 years from the date of acquisition.

The estimated useful lives of computer software and computer software license for the current and comparative periods are between 2 to 10 years.

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.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment properties (continued)

(i) Investment property carried at fair value (continued)

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.

(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.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(ii) Other assets(continued)

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.

(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) 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”.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
Group							
Cost							
At 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/ 1 October 2022		93,260	684,142	1,423,798	187,594	275,649	2,664,443
Additions		-	131	9,274	88,022	8,122	105,549
Acquisition through business combination	8(c)	66,000	26,912	6,263	41,223	2,364	142,762
Transfer from right-of-use assets	4	-	28,900	-	-	-	28,900
Transfer to investment properties	5	-	(17,504)	-	-	-	(17,504)
Transfer to intangible assets	7	-	-	-	(945)	-	(945)
Revaluation	16(f)	-	2,282	-	-	-	2,282
Disposals		-	(15)	(3,145)	-	(19,142)	(22,302)
Written off		-	-	(143)	(236)	(11,922)	(12,301)
Reclassifications		-	37,925	179,072	(236,126)	19,129	-
Effect of movements in exchange rates		1,015	9,058	18,027	6,012	2,379	36,491
At 30 September 2023		160,275	771,831	1,633,146	85,544	276,579	2,927,375

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (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
Group							
Accumulated depreciation							
At 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/ 1 October 2022		-	(166,145)	(809,375)	-	(226,354)	(1,201,874)
Depreciation for the year	25	-	(18,010)	(85,629)	-	(13,155)	(116,794)
Transfer from right-of-use assets	4	-	(878)	-	-	-	(878)
Transfer to investment properties	5	-	4,993	-	-	-	4,993
Disposals		-	10	3,082	-	18,475	21,567
Written off		-	-	124	-	11,082	11,206
Reclassification		-	591	941	-	(1,532)	-
Effect of movements in exchange rates		-	(2,435)	(11,603)	-	(1,542)	(15,580)
At 30 September 2023		-	(181,874)	(902,460)	-	(213,026)	(1,297,360)

3. PROPERTY, PLANT AND EQUIPMENT (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
Group							
Accumulated impairment loss							
At 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 October 2022		-	(1,191)	(2,527)	-	(507)	(4,225)
Impairment loss	25	-	(2,693)	(33,791)	-	(241)	(36,725)
Reversal of impairment loss	25	-	66	2,466	-	510	3,042
Effect of movements in exchange rates		-	(50)	7	-	-	(43)
At 30 September 2023		-	(3,868)	(33,845)	-	(238)	(37,951)
Carrying amount							
At 1 October 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
At 30 September 2023		160,275	586,089	696,841	85,544	63,315	1,592,064

* Comprise motor vehicles, postmix, coolers, vending machines, furniture, fittings, office equipment and computer equipment.

3.1 Assets under construction are mainly relating to buildings, plant and machinery.

3.2 Transfer to investment properties

During the financial year, a building is transferred to investment properties because it was no longer used by the Group and would be leased to a third party.

Immediately before the transfer, the Group remeasured the property at fair value and recognised a gain of RM2,282,000 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at the reporting date (see Note 5).

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.3 Impairment loss

The Group assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the cash generating units ("CGUs"). Management considered the continued losses generated in certain plant lines in the current financial year as impairment indicators.

A CGU's recoverable amount is determined as being the higher of the CGU's fair value less costs of disposal and its value in use. Where the value in use model was used, management had made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These significant assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate, which was, amongst others, dependent on forecasted economic conditions.

The recoverable amount of certain assets amounting to RM36,521,000 is based on value in use method which was determined by discounting the future cash flows generated from the continuing use of the property, plant and equipment and is based on the following key assumptions:

- (i) The anticipated average annual revenue growth rate of 0% is used in the cash flows projection.
- (ii) Profit margins are projected based on the historical profit margin achieved or predetermined profit margin for the products.
- (iii) A pre-tax discount rate of 13.9% per annum has been applied in determining the recoverable amount of the CGU.

Based on the current year assessment, the Group has recognised an impairment loss of property, plant and equipment of RM36,725,000 (2022: RM3,185,000), representing the write-down of mainly plant and machinery to its recoverable amount, in the profit or loss of the current financial year.

The reversal of the impairment loss in respect of the property, plant and equipment of RM3,042,000 (2022: RM3,553,000) was made during the financial year as those property, plant and equipment were repaired and refurbished. The carrying amount of the property, plant and equipment was increased to its recoverable amount of RM3,042,000 (2022: RM3,553,000).

4. RIGHT-OF-USE ASSETS

	Note	Leasehold Land RM'000	Buildings RM'000	Plant and machinery RM'000	* Others RM'000	Total RM'000
Group						
At 1 October 2021		64,020	53,044	106	8,197	125,367
Additions		-	12,236	618	5,920	18,774
Depreciation		(1,191)	(13,507)	(444)	(4,175)	(19,317)
Terminations/Modifications	25	(18)	(2,316)	-	(126)	(2,460)
Effect of movement in exchange rates		(13)	(230)	-	12	(231)
At 30 September 2022/1 October 2022		62,798	49,227	280	9,828	122,133
Additions		-	6,481	729	1,205	8,415
Acquisition of subsidiaries		248,806	29,520	-	-	278,326
Transfer to property, plant and equipment	3	-	(28,022)	-	-	(28,022)
Depreciation	25	(4,584)	(13,830)	(418)	(4,062)	(22,894)
Derecognition		-	(155)	-	-	(155)
Terminations/Modifications		-	(502)	-	-	(502)
Effect of movement in exchange rates		95	2,269	-	101	2,465
At 30 September 2023		307,115	44,988	591	7,072	359,766

* Comprise motor vehicles and forklifts.

4. RIGHT-OF-USE ASSETS (CONTINUED)

Leasehold land relates to the lease of land with lease terms ranging from eighteen to ninety-nine years (2022: eighteen to ninety-nine years) for the Group's factory buildings, office buildings and warehouse.

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.

4.1 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.

	Lease liabilities recognised (discounted)	
	2023 RM'000	2022 RM'000
Group		
Leasehold land	1,865	1,829
Buildings	46,595	49,649
	48,460	51,478

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	
		2023 RM'000	2022 RM'000
Note			
At fair value			
Leasehold land		9,100	-
Buildings		53,900	47,569
		63,000	47,569
At 1 October 2022/2021		47,569	47,569
Acquisition through business combination	8(c)	10,000	-
Transfer from property, plant and equipment	3	12,511	-
Change in fair value recognised in profit or loss	25	(7,080)	-
At 30 September		63,000	47,569

Investment properties comprise commercial property, industrial 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.

During the financial year, a building has been transferred from property, plant and equipment to investment properties (see Note 3), since it was no longer used by the Group and would be leased to a third party.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023 RM'000	2022 RM'000
Lease income	262	220
Direct operating expenses		
- income generating investment properties	(705)	(429)
- non-income generating investment properties	(788)	(310)

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

Fair values of investment properties are categorised as follows:

	Group	
	2023 Level 3 RM'000	2022 Level 3 RM'000
Leasehold land	9,100	-
Buildings	53,900	47,569
	63,000	47,569

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	
			2023	2022
Commercial property	Direct comparison approach: The valuation method considers the sales of comparable or substitute properties; adjusted for differences in key attributes such as property size.	Value per square feet (RM)	280 - 420	-
	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, capital expenditure reserve per square feet, discount factor, and other costs not paid by tenants.	Estimated rental value per square feet per month (RM)	-	3.20 - 4.20
		Capitalisation rate	-	7.25%
		Capital expenditure reserve per square feet (RM)	-	1.00
		Discount factor	-	7.25%
Industrial property	Comparison method for the land and depreciated replacement cost approach method for the building.	Value per square feet (RM)	500 - 731	-
Car park	Direct comparison approach.	Value per car park bay (RM)	25,000	30,000

Increase/(Decrease) in value per square feet would result in higher/(lower) fair value of the investment properties assuming all other assumptions were held constant.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES (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 and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The property valuers provide the fair value of the Group's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining valuation reports from the property valuers.

Highest and best use

The Group's investment properties comprise office building, car park and warehouse 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	
	2023 RM'000	2022 RM'000
At cost		
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

	Note	Goodwill RM'000	Brands RM'000	Customer relationships RM'000	Computer software RM'000	Total RM'000
Group						
Cost						
At 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 2022/1 October 2022		72,971	15,102	-	40,485	128,558
Additions		-	-	-	2,849	2,849
Transfer from property, plant and equipment	3	-	-	-	945	945
Acquisition through business combination	8(c)	237,668	68,158	38,238	-	344,064
Disposals		-	-	-	(3,302)	(3,302)
Written off		-	-	-	(1,472)	(1,472)
At 30 September 2023		310,639	83,260	38,238	39,505	471,642

Accumulated amortisation and impairment loss

At 1 October 2021						
Accumulated amortisation		-	-	-	(28,114)	(28,114)
Accumulated impairment loss		(5,392)	-	-	-	(5,392)
		(5,392)	-	-	(28,114)	(33,506)
Amortisation	25	-	-	-	(2,833)	(2,833)
Impairment loss	25	-	-	-	(294)	(294)
At 30 September 2022/1 October 2022						
Accumulated amortisation		-	-	-	(30,947)	(30,947)
Accumulated impairment loss		(5,392)	-	-	(294)	(5,686)
		(5,392)	-	-	(31,241)	(36,633)
Amortisation	25	-	-	(3,505)	(3,108)	(6,613)
Reversal of impairment loss	25	-	-	-	294	294
Disposals		-	-	-	3,302	3,302
Written off		-	-	-	1,374	1,374
At 30 September 2023						
Accumulated amortisation		-	-	(3,505)	(29,379)	(32,884)
Accumulated impairment loss		(5,392)	-	-	-	(5,392)
		(5,392)	-	(3,505)	(29,379)	(38,276)

Carrying amount

At 1 October 2021	67,579	15,102	-	5,638	88,319
At 30 September 2022/1 October 2022	67,579	15,102	-	9,244	91,925
At 30 September 2023	305,247	83,260	34,733	10,126	433,366

NOTES TO THE FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS (CONTINUED)

7.1 In the previous financial year, an impairment loss of RM294,000, representing the write-down of a software subscription to its recoverable amount was recognised in “other expenses” line item of the profit or loss.

(a) Allocation of goodwill, brands, customer relationship and computer software

The carrying amounts of goodwill, brands, customer relationships and computer software have been allocated to the Group's cash-generating units (“CGUs”) as identified according to country of operations and business segments as follows:

	Goodwill RM'000	Brands RM'000	Customer relationships RM'000	Computer software RM'000	Total RM'000
Group					
At 30 September 2023					
F&B Malaysia					
- Soft drinks and dairy products	39,538	-	-	8,895	48,433
- Food products	264,710	83,260	34,733	811	383,514
F&B Thailand	999	-	-	-	999
Property and Others	-	-	-	420	420
	305,247	83,260	34,733	10,126	433,366
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

(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 the respective CGU's 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 projected using the estimated annual growth rate for revenue as stated in the table below:

	Terminal growth rate	Average annual growth rate	Pre-tax discount rate
At 30 September 2023			
Soft drinks	0.0%	9.8%	9.9%
Dairy products	1.0%	8.4%	9.2%
Food products	2.0%	11.7% to 14.9%	9.9%
At 30 September 2022			
Soft drinks	0.0%	6.4%	8.3%
Dairy products	1.0%	11.3%	7.2%
Food products	0.0%	20.9%	8.3%

(ii) Brands

The brands comprise various core brand names/trademarks arose from the acquisition of Cocoland Holdings Berhad (“Cocoland”) and Sri Nona companies.

(iii) Customer relationships

The customer relationships relate to continued relationships with manufacturing/contract manufacturing customers arising from the acquisition of Cocoland.

(c) Sensitivity to changes in assumptions

The value in use calculations for Food products segment is sensitive to the change in revenue growth and pre-tax discount rate as follows:

- A decrease of 1% in the revenue growth rate used would have decreased the value in use by RM33,000,000.
- An increase of 1% in the pre-tax discount rate used would have decreased the value in use by RM91,000,000.

A decrease of 1% in the revenue growth rate or an increase of 1% in the pre-tax discount rate would not result in any impairment.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
At cost		
Unquoted shares:		
- Ordinary shares	1,271,276	710,549
- Redeemable non-cumulative convertible preference shares ("RNCCPS")	491,800	491,800
	1,763,076	1,202,349
Less: Impairment loss	(13,706)	(8,562)
	1,749,370	1,193,787

The details of RNCCPS are as follows:

	Issue price RM	Number of shares '000	2023 RM'000	2022 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
		491.8	491,800	491,800

During the financial year,

(a) The Company subscribed for additional issued and paid-up share capital of RM492,000,000 in its wholly-owned subsidiary, Awana Citra Sdn Bhd ("ACSB"), for a total cash consideration of RM492,000,000 comprising 492,000,000 ordinary shares.

(b) **Acquisition of Ladang Permai Damai Sdn Bhd**

On 11 October 2022, the Group via its indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd ("DSSB") acquired the entire equity interest in Ladang Permai Damai Sdn Bhd ("LPDSB") for a total cash consideration of RM215,588,000. The business intention for DSSB in acquiring LPDSB is for the Group to embark on the upstream fresh milk business for downstream production and distribution of fresh milk. After completion of the acquisition, LPDSB leased the Permai Damai Estates to the Group at a fair market rate to carry out operations of the integrated dairy farm and crop plantation. The Permai Damai Estates will enable the Group to own a vertical integration business and operations based on locally grown crops for feed to F&NHB's dairy farm, which in turn will lower the value chain cost per litre. This will enable F&NHB to be less dependent on imported milk and promote local agricultural industry. LPDSB is included in Others segment.

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year, (continued)

(b) **Acquisition of Ladang Permai Damai Sdn Bhd (continued)**

The acquisition of LPDSB does not constitute an acquisition of business under MFRS 3, *Business Combinations* and does not give rise to a goodwill.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	RM'000
Fair value of consideration transferred	
Cash and cash equivalents	215,588
Identifiable assets acquired and liabilities assumed	
Right-of-use assets	4,730
Trade and other receivables	42
Cash and cash equivalents	5
Current tax liability	(759)
Total identifiable net assets	4,018
Allocated to:	
- F&NHB share at 65%	2,612
- Non-controlling interest at 35%	1,406
	4,018

Recognition of cost of an asset acquisition from acquisition of LPDSB

	RM'000
Purchase consideration settled in cash and cash equivalents	215,588
F&NHB share of total identifiable net assets	(2,612)
Cost of asset acquisition to be allocated to identifiable assets	212,976
Allocated to:	
Right-of-use assets	212,976

Net cash outflow arising from acquisition of LPDSB

	RM'000
Purchase consideration settled in cash and cash equivalents	215,588
Cash and cash equivalents acquired	(5)
	215,583

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year, (continued)

(c) Acquisition of Cocoland Holdings Berhad

On 4 November 2022, the Group via its wholly-owned subsidiary, ACSB acquired the entire equity interest in Cocoland Holdings Berhad (“Cocoland”) not already owned by F&NHB, representing 72.38% of the issued share capital of Cocoland for a total cash consideration of RM489,195,000. The principal activity of Cocoland is investment holding. Through its subsidiaries, Cocoland is involved in activities such as manufacturing and trading of processed and preserved foods and fruits. It is also involved in the wholesale and retail of processed and preserved foods as well as wholesale, import and export of gummies and other products. The acquisition is in line with F&NHB’s ambition to be a stable and sustainable food and beverage leader in ASEAN, with halal packaged food as its fourth pillar of growth. The investment has added established Malaysian confectionery and snack brands to F&NHB’s portfolio of renowned brands, and at the same time serves as a platform to build on and expand into other packaged food segments. F&NHB believes that the addition of Cocoland will enhance the Group’s expansion in overseas markets. Cocoland is included in F&B Malaysia segment.

The purchase price allocation assessment has been completed and the following summarises the fair values of consideration transferred, assets acquired and liabilities as at the date of acquisition:

			RM'000
Fair value of consideration transferred			
Cash and cash equivalents	489,195		
	Pre-acquisition carrying amount RM'000	Fair value adjustment RM'000	Recognised values on acquisition RM'000
Identifiable assets acquired and liabilities assumed			
Property, plant and equipment	81,533	61,229	142,762
Right-of-use assets	33,803	26,817	60,620
Investment properties	1,855	8,145	10,000
Intangible assets			
- Brands	-	68,158	68,158
- Customer relationships	-	38,238	38,238
Inventories	42,265	-	42,265
Trade and other receivables	42,180	-	42,180
Cash and cash equivalents	106,827	-	106,827
Trade and other payables	(26,640)	-	(26,640)
Current tax liability	(3,147)	-	(3,147)
Lease liabilities	(622)	-	(622)
Deferred taxation	(3,572)	(38,908)	(42,480)
Total identifiable net assets	274,482	163,679	438,161

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year, (continued)

(c) Acquisition of Cocoland Holdings Berhad (continued)

Fair value measurements

Assets acquired	Valuation technique
Property, plant and equipment	
- Land and buildings	Comparison method for the land and depreciated replacement cost method for the building.
Right-of-use assets	
- Leasehold land	Comparison method.
Investment properties	
	Comparison method for the land and depreciated replacement cost method for the building.
Intangible assets	
- Brands	Relief from royalty method: The value of the core brand names/trademarks are estimated by discounting projected royalty payments from which Cocoland is relieved by virtue of owning the asset.
- Customer relationships	Multi-period excess earnings method: The value of customer relationships is equal to the present value of the incremental after-tax cash flows attributable only to the customer relationships after deducting contributory asset charges.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year, (continued)

(c) Acquisition of Cocoaland Holdings Berhad (continued)

Net cash outflow arising from acquisition of Cocoaland

	RM'000
Purchase consideration settled in cash and cash equivalents	489,195
Cash and cash equivalents acquired	(106,827)
	382,368

Goodwill

Goodwill was determined as a result of the acquisition as follows:

	RM'000
Total consideration transferred	489,195
Fair value of previously held equity interest in an associate	186,634
Fair value of identifiable net assets	(438,161)
Goodwill	237,668

Goodwill comprises the value of the expected synergies to be achieved from integrating the companies into the Group's halal packaged food business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Remeasurement gain of previously held equity interest

The remeasurement of fair value for the Group's previously held 27.62% interest in Cocoaland resulted in a gain of RM89,256,000 (RM186,634,000 being the fair value of previously held interest less carrying value of equity-accounted Cocoaland at acquisition date RM97,378,000), which has been recognised under "other income" in profit or loss.

Acquisition-related costs

The Group incurred acquisition-related costs of RM813,000 (2022: RM172,000) on legal and financial advisory services fees and other miscellaneous incidental costs. These costs had been included under "administrative expenses" in profit or loss.

- (d) The Company recognised additional impairment loss of RM5,144,000 for the investment in F&N Properties Sdn Bhd under "other expenses" in profit or loss as the recoverable amount is less than the carrying amount.

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In the previous 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. 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 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.

- (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. 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 prior to its liquidation.

Details of subsidiaries are as follows:

Name of company	Country of incorporation and place of business	Principal activities	Effective ownership and voting interest (%)	
			2023	2022
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

NOTES TO THE FINANCIAL STATEMENTS

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 (%)	
			2023	2022
Subsidiaries of Fraser & Neave Holdings Bhd (continued)				
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
Cocoaland Holdings Berhad ⁽ⁱⁱⁱ⁾	Malaysia	Investment holding	27.62	-
Awana Citra Sdn Bhd	Malaysia	Investment holding	100	100
Usahaniaga Abadi Sdn Bhd	Malaysia	Investment holding	100	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
F&N AgriValley Sdn Bhd	Malaysia	Dairy farming and agriculture	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 (%)	
			2023	2022
Subsidiaries of Fraser & Neave Holdings Bhd (continued)				
Elsinburg Holdings Sdn Bhd	Malaysia	Inactive	100	100
F&N Dairies (Malaysia) Sdn Bhd	Malaysia	Inactive	100	100
Premier Milk (Malaya) Sdn Berhad	Malaysia	Inactive	100	100
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 ⁽ⁱⁱⁱ⁾	United Arab Emirates	Trading of food & beverages and dairy products	100	100
Subsidiary of Usahaniaga Abadi Sdn Bhd				
Dagang Sejahtera Sdn Bhd	Malaysia	Investment holding	65	65
Subsidiary of Dagang Sejahtera Sdn Bhd				
Ladang Permai Damai Sdn Bhd	Malaysia	Property investment holding	65	-

NOTES TO THE FINANCIAL STATEMENTS

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 (%)	
			2023	2022
Subsidiaries of Awana Citra Sdn Bhd				
Cocoaland Holdings Berhad ⁽ⁱⁱⁱ⁾	Malaysia	Investment holding	72.38	-
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
Subsidiaries of Cocoaland Holdings Berhad				
Sri Nona Food Manufacturing Sdn Bhd (formerly known as Cocoaland Industry Sdn Bhd)	Malaysia	Manufacturing and trading all kinds of processed and preserved foods and fruits	100	-
Sri Nona Foods Sdn Bhd (formerly known as L.B. Food Sdn Bhd)	Malaysia	Wholesaling and retailing processed and preserved foods	100	-
CCL Food & Beverage Sdn Bhd	Malaysia	Manufacturing and trading all kinds of processed and preserved foods and fruits	100	-
Lot 100 Food Co. Ltd. ⁽ⁱⁱⁱ⁾	People's Republic of China	Wholesaling, importing and exporting gummy products and other products	100	-
PT Cocoaland Indonesia ⁽ⁱⁱⁱ⁾	Republic of Indonesia	Inactive	100	-

(i) Audited by other member firms of KPMG International.

(ii) Effective equity interest owned by the Group is 100%; with 27.62% held by F&NHB and the balance 72.38% held by Awana Citra Sdn Bhd.

(iii) Not audited by KPMG PLT.

The Group concluded that Lettricia Corporation Sdn Bhd, Dagang Sejahtera Sdn Bhd and Ladang Permai Damai Sdn Bhd, the subsidiaries with non-controlling interest, are not material to the Group.

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At cost				
Quoted shares	68,727	68,727	68,727	68,727
Share of post-acquisition reserves	90,434	86,521	-	-
Dividends received	(61,783)	(61,783)	-	-
Deemed disposal	(97,378)	-	(68,727)	-
	-	93,465	-	68,727

	Group and Company	
	2023 RM'000	2022 RM'000
Market value		
Quoted shares	-	184,146

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 (%)	
		2023	2022
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

The share of results of the associate was derived from the sum total of its unaudited financial results recognised by the Group for four months ended 31 October 2022 (2022: year ended 30 June 2022). It was impracticable to use the financial results of the associate at the same reporting date of the Group because the associate was a public listed company and its financial results had not been announced to the public.

Cocoaland was accounted as a wholly-owned subsidiary of the Group from 4 November 2022. Details of the step-up acquisition are shown in Note 8(c).

NOTES TO THE FINANCIAL STATEMENTS

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	
	2023 RM'000	2022 RM'000
Summarised financial information		
As at 31 October 2022/30 June 2022		
Non-current assets	117,191	114,861
Current assets	191,274	194,143
Non-current liabilities	(3,696)	(3,745)
Current liabilities	(30,286)	(32,990)
Net assets	274,483	272,269
Period ended 31 October 2022/30 June 2022		
Revenue	91,721	230,918
Profit for the period/year	14,169	28,122
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	79,220	75,307
Goodwill	18,158	18,158
Deemed disposal	(97,378)	-
Carrying amount in the statement of financial position	-	93,465
Group's share of profit for the period/year	3,913	7,778

10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At cost				
Unquoted shares				
- Ordinary shares	500	500	500	500
- Redeemable non-cumulative convertible preference shares ("RNCCPS")	127,820	127,320	127,820	127,320
	128,320	127,820	128,320	127,820
Share of post-acquisition reserves	(23,611)	(23,460)	-	-
	104,709	104,360	128,320	127,820
Interest on shareholder's loan	38,294	38,294	38,294	38,294
	143,003	142,654	166,614	166,114
Less: Unrealised profit	(55,292)	(55,292)	-	-
	87,711	87,362	166,614	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 (%)	
		2023	2022
Vacaron Company Sdn Bhd ("VCSB") (Financial year end: 30 September)	Property development / Strategic to the property development activities of the Group	50	50

During the financial year, the Company subscribed for additional 500 RNCCPS at issue price of RM1,000 each in VCSB.

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	
	2023 RM'000	2022 RM'000
Summarised financial information		
As at 30 September		
Non-current assets	5	5
Current assets	286,358	285,679
Current liabilities	(76,964)	(76,982)
Net assets	209,399	208,702
Year ended 30 September		
Revenue	-	-
Loss for the year	(302)	(386)

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN A JOINT VENTURE (CONTINUED)

	Group	
	2023 RM'000	2022 RM'000
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	104,700	104,351
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	87,711	87,362
Group's share of loss for the year	(151)	(193)

The joint venture had no contingent liabilities or capital commitments as at 30 September 2023 and 2022. 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.

RNCCPS terms

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:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Property, plant and equipment	20	5	(126,753)	(110,834)	(126,733)	(110,829)
Right-of-use assets	-	-	(8,770)	(12,306)	(8,770)	(12,306)
Investment properties	1,826	127	(814)	(651)	1,012	(524)
Intangible assets	-	-	(28,318)	(3,624)	(28,318)	(3,624)
Employee benefit plans	7,663	6,412	-	-	7,663	6,412
Tax loss carry-forwards and unutilised capital allowances	4,483	5,965	-	-	4,483	5,965
Unutilised tax incentives	20,251	25,134	-	-	20,251	25,134
Lease liabilities	3,423	13,116	-	-	3,423	13,116
Provisions, contract liabilities and others	20,179	7,654	-	-	20,179	7,654
Tax assets/(liabilities)	57,845	58,413	(164,655)	(127,415)	(106,810)	(69,002)
Set off of tax	(46,175)	(53,235)	46,175	53,235	-	-
Net tax assets/(liabilities)	11,670	5,178	(118,480)	(74,180)	(106,810)	(69,002)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2023 RM'000	2022 RM'000
Unutilised reinvestment allowances	79,978	112,141
Unutilised green investment tax allowance	9,057	7,788
Unutilised capital allowances	6,220	6,220
Tax loss carry-forwards	5,180	3,251
	100,435	129,400

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 (2022: 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 (2022: ten) consecutive years of assessment.

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets (continued)

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:

	2023 RM'000	2022 RM'000
Utilisation period		
Expire in year of assessment ("YA") 2025	47,677	79,841
Expire in YA 2027	20,946	20,946
Expire in YA 2028	12,546	12,546
Expire in YA 2029	2,059	2,059
Expire in YA 2030	1,929	-
Unlimited	15,278	14,008
	100,435	129,400

Movement in temporary differences during the financial year

	At 1 October 2022 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 2023 RM'000
Group						
Property, plant and equipment	(110,829)	(6,084)	-	(9,695)	(125)	(126,733)
Right-of-use assets	(12,306)	12,344	-	(6,436)	(2,372)	(8,770)
Investment properties	(524)	2,350	-	(814)	-	1,012
Intangible assets	(3,624)	841	-	(25,535)	-	(28,318)
Employee benefit plans	6,412	1,442	(245)	-	54	7,663
Tax loss carry-forwards and unutilised capital allowances	5,965	(1,482)	-	-	-	4,483
Unutilised tax incentives	25,134	(4,883)	-	-	-	20,251
Lease liabilities	13,116	(9,929)	-	-	236	3,423
Provisions, contract liabilities and others	7,654	10,075	-	-	2,450	20,179
	(69,002)	4,674	(245)	(42,480)	243	(106,810)

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the financial year (continued)

	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
Group					
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)

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Trade receivables from contracts with customers		581,182	528,974	-	-
Less: Allowance for impairment losses		(7,213)	(5,899)	-	-
		573,969	523,075	-	-
Other receivables					
- Prepayments	12.1	11,943	223,286	-	-
- Deposits		11,952	4,431	-	-
- Staff loans		439	650	-	-
- Sundry debtors	12.2	10,210	16,479	-	-
- Other tax recoverable		3,836	4,685	314	-
- Interest		939	159	9	8
- Insurance claim receivables		13,002	18,002	-	-
- Other receivables		6,284	3,290	3,165	887
		58,605	270,982	3,488	895
Amounts due from related parties					
- Subsidiaries	12.3	-	-	1,939	256,762
- Related companies	12.4	68,918	63,479	-	-
- Related parties	12.5	11,839	8,822	-	-
- Joint venture	12.6	11	11	-	-
		80,768	72,313	1,939	256,762
		713,342	866,369	5,427	257,657

12.1 Included in prepayments was consideration paid in previous financial year for the acquisition of Ladang Permai Damai Sdn Bhd amounted to RM215,588,160 (Note 8(b)).

12.2 Included in sundry debtors is mainly down payment to suppliers of RM10,352,000 (2022: RM16,186,000).

12.3 The amounts due from subsidiaries were non-trade in nature, unsecured, receivable on demand and interest free. In the previous financial year, included within was a loan portion of RM254,049,000 which borne interest at KLIBOR +1.25% per annum.

12.4 The amounts due from related companies are trade in nature, except for non-trade portion of RM28,724,000 (2022: RM24,362,000). Non-trade amounts are unsecured, receivable on demand and interest free. Related companies refer to the subsidiaries of Fraser and Neave, Limited.

12.5 The amounts due from related parties are trade in nature, except for non-trade portion of RM70,000 (2022: RM64,000). 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	
		2023 RM'000	2022 RM'000
Finished goods		250,575	278,794
Raw materials		392,436	486,131
Packaging materials		90,379	106,028
Other inventories	13.1	30,792	30,424
		764,182	901,377
Recognised in profit or loss			
Inventories recognised as cost of sales		3,072,771	2,887,339
Inventories written off			
- due to flood	25	-	20,607
- others	25	7,025	6,356
Inventories written down	25	10,853	7,716
Reversal of inventories written down	25	(7,570)	(5,355)

13.1 Other inventories comprise engineering spares and machine consumables.

14. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2023			2022		
	Nominal value '000	Assets RM'000	Liabilities RM'000	Nominal value '000	Assets RM'000	Liabilities RM'000
Group						
Forward foreign exchange contracts (less than 1 year)						
- USD	-	-	-	246	88	(27)
- AUD	1,748	49	(24)	928	-	(37)
		49	(24)		88	(64)

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.

NOTES TO THE FINANCIAL STATEMENTS

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	539,765	367,365	1,341	10,370
Short-term deposits	491,769	94,522	20,900	23,000
	1,031,534	461,887	22,241	33,370

16. CAPITAL AND RESERVES

(a) Share capital

	Group and Company			
	2023		2022	
	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			
	2023		2022	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At 1 October 2022/2021	287	6,387	164	4,626
Acquired	541	13,020	301	6,744
Reissued pursuant to SGP	(384)	(8,517)	(178)	(4,983)
At 30 September	444	10,890	287	6,387

The Company established a trust ("SGP Trust") for its eligible executives pursuant to the SGP.

16. CAPITAL AND RESERVES (CONTINUED)

(b) Shares held by SGP Trust (continued)

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		
2023	20.95	26.89	24.99	541	13,020
2022	20.58	26.68	22.25	301	6,744

(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) F&NHB Share Grant Plan 2012 ("F&NHB SGP 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.

NOTES TO THE FINANCIAL STATEMENTS

16. CAPITAL AND RESERVES (CONTINUED)

(c) Share grants under F&NHB share grant plans (continued)

(i) F&NHB Share Grant Plan 2012 (“F&NHB SGP 2012”) (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”) was to have been released at the end of 2022 after the expiry of F&NHB SGP 2012, shares which were to have been 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 (as defined in Note 16(c)(ii) below) 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 were released in accordance with the original vesting schedule at the end of 2022 and were not 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”) were to have been released at the end of 2022 and end of 2023 respectively after the expiry of F&NHB SGP 2012, shares which were to have been 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 released in accordance with the original vesting schedule at the end of 2022 and to be released at the end of 2023 respectively were not 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 would have traversed the expiry of F&NHB SGP 2012 and further, no shares would 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 16(c)(ii) below) by shareholders of the Company.

The Remuneration Committee had determined that the performance period for F&NHB RSP Year 10 would remain at two years. The first tranche of shares pursuant to this grant (being 50% of the relevant F&NHB Final Awards) would be vested to eligible participants after the end of the two-year performance period. The balance 50% would be vested in two equal instalments over the following two years.

F&NHB PSP

There were no grants made under the F&NHB PSP since the F&NHB SGP 2012 was established.

(ii) F&NHB Share Grant Plan 2021 (“F&NHB SGP 2021”) (continued)

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.

16. CAPITAL AND RESERVES (CONTINUED)

(c) Share grants under F&NHB share grant plans (continued)

(ii) F&NHB Share Grant Plan 2021 (“F&NHB SGP 2021”) (continued)

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.

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 1.10.2022/ grant date	Achievement factor	Vested	Lapsed *	At 30.9.2023	
<u>F&NHB SGP 2012</u>						
F&NHB RSP Year 8 (22.12.2018)	29,650	-	(29,650)	-	-	31.12.2020 - 31.12.2022
F&NHB RSP Year 9 (23.12.2019)	88,450	-	(44,225)	(2,825)	41,400	31.12.2021 - 31.12.2023
<u>F&NHB SGP 2021</u>						
F&NHB RSP Year 10 ** (15.02.2021)	288,000	(8,500)	(139,750)	(5,350)	134,400	31.12.2022 - 31.12.2024
F&NHB RSP Year 11 (16.02.2022)	415,600	102,100	(170,841)	(19,899)	326,960	31.12.2022 - 31.12.2024
F&NHB RSP Year 12 (31.03.2023)	481,700	-	-	(13,500)	468,200	31.12.2023 - 31.12.2025
	1,303,400	93,600	(384,466)	(41,574)	970,960	

* 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.

NOTES TO THE FINANCIAL STATEMENTS

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 estimated fair value of shares granted during the financial year ranged from RM24.40 to RM25.55. The fair value of equity-settled contingent award of shares are determined using the Black Scholes Valuation Model (2022: Monte Carlo Valuation Model), which involves projection of future outcomes using statistical distributions of key variables including share price and volatility of returns. The inputs to the model used are as follows:

	RSP			
	2023	2022	2021	2020
Dividend yield (%)	2.31	3.09	2.24	2.33
Expected volatility (%)	22.59	13.95	12.83	13.30
Risk-free interest rate (%)	3.14 - 3.35	2.27 - 2.97	1.88 - 2.09	2.95 - 3.14
Expected term (years)	0.75 - 2.75	0.87 - 2.87	1.87 - 3.87	2.02 - 4.02
Share price at date of grant (RM)	26.00	23.84	30.08	34.66

(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 (2022: 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.

(f) Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment (Note 3) upon transfer of properties to investment properties following change in use. It is the difference arising at the date of transfer between the carrying amount of the properties and its fair value.

17. LOANS AND BORROWINGS

			Group	
			2023 RM'000	2022 RM'000
Non-current				
IMTN - unsecured	Malaysian Ringgit ("MYR")	17.1	610,000	110,000
Term loan - unsecured	MYR	17.2	96,000	100,000
			706,000	210,000
Current				
Term loan - unsecured	MYR	17.2	4,000	-
Term loans - unsecured	Thai Baht ("THB")	17.3	-	36,833
			4,000	36,833
			710,000	246,833

17.1 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 the 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 and a profit rate of 2.45% per annum. This IMTN was fully repaid during the previous 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 issue date and 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 (Note 8(b)).

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS (CONTINUED)

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

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 issue date and 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 (Note 8(c)) and for working capital purposes.

As at 30 September 2023, the outstanding IMTNs amounted RM610,000,000 (2022: RM110,000,000).

As at 30 September 2023, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,390,000,000 (2022: RM2,890,000,000).

17.2 Term loan of RM100,000,000

On 25 July 2022, a subsidiary of the Company, Dagang Sejahtera Sdn Bhd 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 ranged from 3.95% to 5.09% per annum. The proceeds from this term loan were used to partially finance the acquisition of Ladang Permai Damai Sdn Bhd (Note 8(b)). As at 30 September 2023, the RM100,000,000 (2022: RM100,000,000) term loan remained outstanding.

17.3 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 issue date. The interest rates of the term loans ranged from 1.25% to 1.50% per annum. The term loans were fully repaid during the financial year.

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.

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	
		2023 RM'000	2022 RM'000
Balance at 1 October 2022/2021		35,696	43,440
Included in profit or loss			
Current service cost		2,251	3,081
Past service credit		131	(731)
Interest cost		1,442	1,293
	25	3,824	3,643
Included in other comprehensive income			
Remeasurement gain			
- Actuarial gain arising from:			
- demographic assumptions		-	(584)
- financial assumptions		(240)	(4,972)
- experience adjustments		(752)	(1,696)
		(992)	(7,252)
Effect of movements in exchange rates		577	(163)
		(415)	(7,415)
Others			
Benefits paid		(3,612)	(3,724)
Transfer		(22)	(248)
		(3,634)	(3,972)
Balance at 30 September		35,471	35,696
Principal actuarial assumptions used			
Discount rate (%)		2.18 - 4.70	1.11 - 5.96
Rate of increase in salaries (%)		3.00 - 6.00	3.00 - 6.00
Mortality rate (%)		0.02 - 3.00	0.02 - 3.00
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 (2022: 11 years).

NOTES TO THE FINANCIAL STATEMENTS

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.

	Discount rate		Rate of change in salaries	
	1% increase RM'000	1% decrease RM'000	1% increase RM'000	1% decrease RM'000
Group				
2023				
(Decrease)/Increase in defined benefit obligation	(2,862)	3,295	3,136	(2,783)
2022				
(Decrease)/Increase in defined benefit obligation	(2,866)	3,298	3,132	(2,780)

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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Trade payables		309,773	320,335	-	-
Other payables					
- Accrued expenses		63,915	70,725	1,820	1,384
- Advertising and promotion		37,635	26,898	-	-
- Deposits	19.1	28,436	23,925	-	-
- Distributor incentives, discounts and rebates		64,752	54,486	-	-
- Interest		12,539	2,165	-	-
- Staff costs		61,334	49,715	8	6
- Sundry creditors		45,782	45,578	30	71
- Others		49,940	53,146	1	-
		364,333	326,638	1,859	1,461
Amounts due to related parties					
- Subsidiaries	19.2	-	-	91,023	46
- Related companies	19.3	39,310	39,664	132	30
- Related parties	19.4	11,345	6,380	-	10
		50,655	46,044	91,155	86
		724,761	693,017	93,014	1,547

19. TRADE AND OTHER PAYABLES (CONTINUED)

19.1 Included in deposits are amounts received from distributors amounting to RM12,926,000 (2022: RM13,800,000) which bear interest at rate ranging from 2.50% to 3.00% (2022: 1.75% to 2.50%) per annum.

19.2 The amounts due to subsidiaries are non-trade in nature, unsecured, repayable on demand and interest free, except for loan portion of RM90,700,000 (2022: RM Nil) which bears interest at 4.26% (2022: Nil) per annum.

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 RM19,704,000 (2022: RM19,280,000) and RM132,000 (2022: RM30,000) 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 RM6,860,000 (2022: RM2,210,000) and RM Nil (2022: RM10,000) 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	
	2023 RM'000	2022 RM'000
Trade incentives	76,558	60,117
Customers' down payments	8,709	6,879
	85,267	66,996

(a) 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.

(b) 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

21. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers	5,000,574	4,469,484	-	-
Other revenue				
Rental income	777	679	-	-
Dividend income	-	-	369,356	217,611
	777	679	369,356	217,611
Total revenue	5,001,351	4,470,163	369,356	217,611

(a) Disaggregation of revenue

	F&B Malaysia		F&B Thailand		Property		Others		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group										
Primary geographical markets										
South East Asia	2,504,683	2,214,999	2,094,891	2,010,313	120	120	2,720	3,746	4,602,414	4,229,178
Middle East and Africa	161,954	81,638	7,105	4,690	-	-	-	-	169,059	86,328
Greater China	143,645	87,108	33,268	27,138	-	-	-	-	176,913	114,246
Other countries	41,266	34,340	10,922	5,392	-	-	-	-	52,188	39,732
	2,851,548	2,418,085	2,146,186	2,047,533	120	120	2,720	3,746	5,000,574	4,469,484
Timing and recognition										
At a point in time	2,851,548	2,418,085	2,146,186	2,047,533	120	120	2,720	3,746	5,000,574	4,469,484
Revenue from contracts with customers	2,851,548	2,418,085	2,146,186	2,047,533	120	120	2,720	3,746	5,000,574	4,469,484
Other revenue	-	-	-	-	641	554	136	125	777	679
Total revenue	2,851,548	2,418,085	2,146,186	2,047,533	761	674	2,856	3,871	5,001,351	4,470,163

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	13,552	4,327	108	7,457
- other finance income	86	-	1,859	1,443
	13,638	4,327	1,967	8,900
Recognised in profit or loss	13,638	4,327	1,967	8,900

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- bank borrowings	31,617	1,824	-	-
Interest expense on lease liabilities	3,643	3,714	-	-
Other finance costs	410	265	8,427	486
	35,670	5,803	8,427	486
Recognised in profit or loss	35,670	5,803	8,427	486

24. INCOME TAX EXPENSE

Recognised in profit or loss

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense				
Current year	88,688	59,366	459	1,599
Prior years	(1,370)	(470)	35	(3)
	87,318	58,896	494	1,596
Deferred tax expense				
Origination of temporary differences	8,465	20,054	-	-
Over provision in prior year	(13,139)	(7,169)	-	-
11	(4,674)	12,885	-	-
Total income tax expense	82,644	71,781	494	1,596

24. INCOME TAX EXPENSE (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reconciliation of income tax expense				
Profit before tax	624,672	454,050	354,473	236,541
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	149,921	108,972	85,074	56,770
Effect of tax rates in foreign jurisdictions	(15,376)	(11,113)	-	-
Tax exempt income	(55,233)	(20,725)	(88,981)	(55,957)
Non-deductible expenses	18,069	2,944	4,366	786
(Over)/Under provision in prior year	(14,509)	(7,639)	35	(3)
Foreign withholding tax	675	1,165	-	-
Others	(903)	(1,823)	-	-
Total income tax expense	82,644	71,781	494	1,596
Effective tax rate	13%	16%	0%	1%

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:

- exemption from payment of import duty on machinery approved by the Thailand Board of Investment.
- 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.
- 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.

As a promoted company, F&N Dairies (Thailand) Limited must comply with certain terms and conditions prescribed in the promotional certificate.

NOTES TO THE FINANCIAL STATEMENTS

25. PROFIT FOR THE YEAR

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year is arrived at after charging/ (crediting):					
Auditors' remuneration					
Audit fees:					
- KPMG PLT		1,191	607	126	100
- Overseas affiliates of KPMG PLT		276	251	-	-
- Other auditors		36	24	-	-
Non-audit fees:					
- KPMG PLT		253	194	224	194
- Local affiliates of KPMG PLT		129	115	-	-
- Overseas affiliates of KPMG PLT		44	47	-	-
Material expenses/(income)					
Advertising and promotion expenses		217,841	152,400	-	-
Amortisation of intangible assets	7	6,613	2,833	-	-
Bad debts recovered		(58)	(54)	-	-
Change in fair value of investment properties	5	7,080	-	-	-
Depreciation of property, plant and equipment	3	116,794	104,007	-	-
Depreciation of right-of-use assets	4	22,894	19,317	-	-
Distributor incentives, discounts and rebates		813,730	711,609	-	-
Impairment loss:					
- Investment in subsidiaries	8	-	-	5,144	-
- Plant and equipment	3	36,725	3,185	-	-
Insurance claim receivables		(8,000)	(18,002)	-	-
Inventories written down	13	10,853	7,716	-	-
Inventories written off:					
- due to flood	13	-	20,607	-	-
- others	13	7,025	6,356	-	-
Gain on liquidation of a subsidiary	8	-	-	-	(14,396)
Net (gain)/loss on disposal of plant and equipment		(560)	92	-	-
Net realised foreign exchange (gain)/loss		(5,238)	(5,855)	-	45
Net unrealised foreign exchange gain		(2,770)	(4,358)	-	(1,053)

25. PROFIT FOR THE YEAR (CONTINUED)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Material expenses/(income) (continued)					
Plant and equipment written off		1,095	681	-	-
Rental income from premises		(866)	(510)	-	-
Remeasurement gain of the previously held equity interest in an associate	a	(89,256)	-	-	-
Reversal of impairment loss on plant and equipment	3	(3,042)	(3,553)	-	-
Reversal of inventories written down	13	(7,570)	(5,355)	-	-
Royalties:					
- Related companies		75,013	66,849	-	-
- Related parties		75	15	-	-
- Third parties		98,153	90,031	-	-
Personnel expenses (including compensation of key management personnel)					
- Contributions to state plans		30,361	25,634	-	-
- Expenses related to defined benefit plans	18	3,824	3,643	-	-
- Employee share-based expense		12,037	8,085	-	-
- Wages, salaries and others		326,136	254,784	-	-
- Restructuring costs		-	1,953	-	-
Expenses arising from leases:					
Expenses relating to short-term leases	b	1,247	3,323	-	-
Expenses relating to leases of low-value assets	b	1,663	1,634	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		11,467	9,435	-	-

Note a

During the financial year, the Group acquired additional shares in its associate and has obtained control over the associate, Cocoland Holdings Berhad ("Cocoland"). This relates to one-off gain arising from remeasurement of the Group's previously held equity interest in Cocoland at its acquisition-date, as required under MFRS 3, *Business Combinations* following the step acquisition of Cocoland (Note 8(c)).

Note b

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.

NOTES TO THE FINANCIAL STATEMENTS

26. OTHER COMPREHENSIVE INCOME

	Note	2023 RM'000	2022 RM'000
Group			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	18	992	7,252
Revaluation of property, plant and equipment upon transfer of properties to investment properties	3	2,282	-
Deferred tax		(245)	(1,547)
		3,029	5,705
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		41,937	(6,437)
		44,966	(732)

27. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 September 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit for the year attributable to owners of the Company	536,899	383,208
	2023 '000	2022 '000
Weighted average number of ordinary shares net of shares held by SGP Trust	366,427	366,652
Basic earnings per ordinary share (sen)	146.5	104.5

27. EARNINGS PER ORDINARY SHARE (CONTINUED)

(b) Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 30 September 2023 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	
	2023 RM'000	2022 RM'000
Profit for the year attributable to owners of the Company	536,899	383,208
	2023 '000	2022 '000
Weighted average number of ordinary shares net of shares held by SGP Trust	366,427	366,652
Adjustment for dilutive potential shares under SGP plan	971	822
Adjusted weighted average number of ordinary shares net of shares held by SGP Trust	367,398	367,474
Diluted earnings per ordinary share (sen)	146.1	104.3

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2023			
Final 2022 ordinary	33.0	121,037	10 February 2023
Interim 2023 ordinary	27.0	99,030	1 June 2023
		220,067	
2022			
Final 2021 ordinary	33.0	121,037	9 February 2022
Interim 2022 ordinary	27.0	99,030	31 May 2022
		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 2023 ordinary	33.0	121,037
Special 2023	17.0	62,352
		183,389

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.

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 2023	Note	F&B Malaysia RM'000	F&B Thailand RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue		2,851,548	2,183,587	2,730	86,975	5,124,840
Inter-segment		-	(37,401)	(1,969)	(84,119)	(123,489)
External		2,851,548	2,146,186	761	2,856	5,001,351
Results						
Operating profit		204,265	371,846	(9,017)	75,848	642,942
Finance income	29.1	-	-	-	-	13,638
Finance costs	29.1	-	-	-	-	(35,670)
Share of profit of equity-accounted associate, net of tax		-	-	-	3,913	3,913
Share of loss of equity-accounted joint venture, net of tax		-	-	(151)	-	(151)
Income tax expense		(37,877)	(41,518)	1,953	(5,202)	(82,644)
Profit for the year						542,028
Other information						
Segment assets		2,591,258	1,039,710	108,284	241,450	3,980,702
Investment in a joint venture		-	-	87,711	-	87,711
Deferred tax assets		3,244	6,395	2,031	-	11,670
Cash and cash equivalents	29.1	-	-	-	-	1,031,534
Total assets						5,111,617
Segment liabilities		481,852	403,004	812	17,731	903,399
Loans and borrowings	29.1	-	-	-	-	710,000
Deferred tax liabilities		117,817	-	547	116	118,480
Current tax liabilities		8,010	17,973	(109)	2,263	28,137
Total liabilities						1,760,016
Others						
Purchase of property, plant and equipment and intangible assets		78,242	18,455	-	11,701	108,398
Depreciation of property, plant and equipment and amortisation of intangible assets		85,607	35,171	275	2,354	123,407
Purchase of right-of-use assets		7,526	889	-	-	8,415
Depreciation of right-of-use assets		13,057	6,596	-	3,241	22,894

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONTINUED)

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)

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
South East Asia	4,603,191	4,229,857	2,502,988	1,774,765
Middle East & Africa	169,059	86,328	94	139
Greater China	176,913	114,246	47	-
Other countries	52,188	39,732	-	-
	5,001,351	4,470,163	2,503,129	1,774,904

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment	1,592,064	1,458,344
Right-of-use assets	359,766	122,133
Investment properties	63,000	47,569
Properties held for development	54,933	54,933
Intangible assets	433,366	91,925
	2,503,129	1,774,904

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	
		2023 RM'000	2022 RM'000
Customer A	F&B Thailand	516,285	471,270

NOTES TO THE FINANCIAL STATEMENTS

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").

	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2023				
Financial assets				
Group				
Trade and other receivables	30.1	683,993	-	683,993
Derivative financial assets	14	49	49	-
Cash and cash equivalents	15	1,031,534	-	1,031,534
		1,715,576	49	1,715,527
Company				
Other receivables	12	5,113	-	5,113
Cash and cash equivalents	15	22,241	-	22,241
		27,354	-	27,354
Financial liabilities				
Group				
Trade and other payables	30.2	708,318	-	708,318
Derivative financial liabilities	14	24	24	-
Loans and borrowings	17	710,000	-	710,000
		1,418,342	24	1,418,342
Company				
Other payables	19	93,014	-	93,014

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2022				
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

30.1 Trade and other receivables of the Group and of the Company amounting to RM29,349,000 (2022: RM245,503,000) and RM314,000 (2022: RM Nil) respectively are not regarded as financial assets. These include prepayments, deposits paid and other tax recoverable.

30.2 Trade and other payables of the Group amounting to RM16,443,000 (2022: RM20,091,000) are not regarded as financial liabilities. These include provision for unconsumed annual leave and other tax payable.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net (losses)/gains on:				
Fair value through profit or loss				
- Mandatorily required by MFRS 9	(2)	190	-	-
Financial assets at amortised cost	20,213	12,140	1,967	9,908
Financial liabilities at amortised cost	(32,028)	(2,089)	8,427	486
	(11,817)	10,241	10,394	10,394

(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 RM177,106,000 (2022: RM153,332,000) in respect of RM573,969,000 (2022: RM523,075,000) 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 expected credit losses ("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.

NOTES TO THE FINANCIAL STATEMENTS

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.

	2023			2022		
	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
Group						
Current (not past due)	447,321	(460)	446,861	438,700	(502)	438,198
1-30 days past due	104,182	(607)	103,575	81,244	(571)	80,673
31-60 days past due	4,499	(139)	4,360	1,840	(161)	1,679
61-90 days past due	691	(284)	407	1,054	(162)	892
	556,693	(1,490)	555,203	522,838	(1,396)	521,442
Credit impaired						
More than 90 days past due	21,603	(2,837)	18,766	3,434	(1,801)	1,633
Individually impaired	2,886	(2,886)	-	2,702	(2,702)	-
	581,182	(7,213)	573,969	528,974	(5,899)	523,075

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:

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
Balance at 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 2022/1 October 2022	3,197	2,702	5,899
Amount written off	-	(431)	(431)
Net remeasurement of loss allowance	873	560	1,433
Acquisition of subsidiaries	257	-	257
Effect of movements in exchange rates	-	55	55
Balance at 30 September 2023	4,327	2,886	7,213

As at 30 September 2023, RM431,000 (2022: RM47,000) 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.

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 the subsidiaries. The Company monitors the ability of the subsidiary to service its loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM824,488,000 (2022: RM290,859,000) 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 the 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.

(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.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Liquidity risk (continued)

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
2023							
Group							
Interest-bearing borrowings	17	710,000	3.95 – 5.09	824,488	35,691	704,856	83,941
Financial guarantees		-	-	22,866	22,866	-	-
Trade and other payables		695,392	-	695,392	695,392	-	-
Other payables - interest-bearing deposits	30(f)(ii)	12,926	2.50 - 3.00	13,292	13,292	-	-
Lease liabilities		57,876	3.80 - 6.27	91,111	12,881	23,605	54,625
		1,476,194		1,647,149	780,122	728,461	138,566
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	14	24	-	1,239	1,239	-	-
Inflow		-	-	(1,215)	(1,215)	-	-
		1,476,218		1,647,173	780,146	728,461	138,566
Company							
Financial guarantees		-	-	824,488	824,488	-	-
Other payables	19	93,014	-	93,014	93,014	-	-
		93,014		917,502	917,502	-	-

NOTES TO THE FINANCIAL STATEMENTS

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							
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	754,935	174,282	148,078
Derivative financial liabilities							
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
Company							
Financial guarantees		-	-	290,859	290,859	-	-
Other payables	19	1,547	-	1,547	1,547	-	-
		1,547		292,406	292,406	-	-

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:

	Denominated in		
	USD RM'000	SGD RM'000	AUD RM'000
Group			
2023			
Balances recognised in the statement of financial position			
Cash and cash equivalents	73,486	-	-
Receivables	50,527	3,123	-
Payables	(34,863)	(439)	(1,069)
	89,150	2,684	(1,069)
Forecast transactions			
Forecast purchases	-	-	(5,279)
Forward exchange contract on forecast purchases	-	-	(25)
	-	-	(5,304)
Net exposure	89,150	2,684	(6,373)
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)

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Market risk (continued)

(f)(i) Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in		
	USD RM'000	SGD RM'000	AUD RM'000
Group			
2022			
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)

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% (2022: 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	
	2023 RM'000	2022 RM'000
USD	8,915	3,303
SGD	268	260
AUD	(637)	(370)

A 10% (2022: 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.

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:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments					
Short-term deposits	15	471,737	94,522	20,900	23,000
Cash and bank balances	15	-	604	-	-
Loans and borrowings	17	(610,000)	(146,833)	-	-
Other payables - interest-bearing deposits	30(e)	(12,926)	(13,800)	-	-
		(151,189)	(65,507)	20,900	23,000
Floating rate instruments					
Loan to a subsidiary	12.2	-	-	-	254,049
Short-term deposits		20,032	-	-	-
Cash and bank balances	15	527,033	164,543	1,340	-
Loans and borrowings	17	(100,000)	(100,000)	-	-
Loan from a subsidiary		-	-	(90,700)	-
		447,065	64,543	(89,360)	254,049

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Floating rate instruments	4,471	645	(894)	2,540

NOTES TO THE FINANCIAL STATEMENTS

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 loan and borrowing approximate its fair value as it is 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.

		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	RM'000	RM'000
Group											
2023											
Financial asset											
Derivative financial assets	14	-	49	-	49	-	-	-	-	49	49
Financial liabilities											
Derivative financial liabilities	14	-	24	-	24	-	-	-	-	24	24
Fixed-rate loans and borrowings	17	-	-	-	-	-	-	606,337	606,337	606,337	610,000
		-	24	-	24	-	-	606,337	606,337	606,361	610,024
2022											
Financial asset											
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

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 (2022: 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.

NOTES TO THE FINANCIAL STATEMENTS

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	
		2023 RM'000	2022 RM'000
Total loans and borrowings	17	710,000	246,833
Total lease liabilities		57,876	63,291
Total debts		767,876	310,124
Equity attributable to owners of the Company		3,343,200	2,982,523
Debt to equity ratio		23%	10%

32. CAPITAL AND OTHER COMMITMENTS

Capital expenditure commitments

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment		
Contracted but not provided for	106,421	83,468

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, subsidiaries, non-controlling interest, related companies, related parties 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 Notes 12 and 19.

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
A. F&NL Group					
Sales of goods		285,584	279,718	-	-
Purchases of goods		(153,279)	(192,677)	-	-
Royalties paid		(75,013)	(66,849)	-	-
Receipt of corporate service fees		2,907	4,015	-	-
B. Subsidiaries					
Dividend income	21	-	-	369,356	217,611
Finance income		-	-	108	7,457
C. Non-controlling interest					
Acquisition of leasehold land	33.1	215,588	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

33. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
D. Thai Beverage Public Company Limited Group	33.2				
Sales of goods		8,558	7,020	-	-
Purchases of goods		(1,896)	(6,820)	-	-
Marketing expenses		(26,488)	(11,948)	-	-
Corporate service fees paid		(1,955)	(1,948)	-	-
Purchase of plant and machinery		(311)	(4,081)	-	-
Other (expenses)/income		(1,558)	370	-	-
E. BJC Group	33.2				
Sales of goods		58,312	58,088	-	-
Purchases of goods		(2,682)	(5,172)	-	-
F. Frasers Property Limited Group					
Rental expenses		(6,216)	(5,807)	-	-
G. Other related parties of TCC Group	33.2				
Purchases of goods		(33,511)	(35,719)	-	-
Insurance premium paid		(1,736)	(3,050)	-	-
Other expenses		(1,751)	(1,119)	-	-
H. Key management personnel					
Non-Executive Directors					
Fees		1,592	1,304	1,592	1,304
Estimated monetary value of benefits-in-kind		49	35	49	35
		1,641	1,339	1,641	1,339
Other key management personnel					
Remuneration		15,725	13,073	-	-
Contributions to defined contribution plan		1,283	1,030	-	-
Share-based payments		1,142	1,448	-	-
		18,150	15,551	-	-
		19,791	16,890	1,641	1,339

33. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

33.1 The acquisition of leasehold land is deemed a related party transaction by virtue of the Chairman and Non-Independent Non-Executive Director of F&NHB, Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail ibni Almarhum Tuanku Syed Putra Jamalullail, being the brother of D.Y.M.M Tuanku Syed Sirajuddin ibni Almarhum Tuanku Syed Putra Jamalullail, Raja Perlis, who wholly-owns Dagang Permai Sdn Bhd (the non-controlling interest of Dagang Sejahtera Sdn Bhd ("DSSB")) and Y.A.M. Dato' Seri DiRaja Syed Razlan ibni Almarhum Tuanku Syed Putra Jamalullail, who is a director of DSSB.

Please refer to Note 8(b) on the details of acquisition.

33.2 These refer to companies and entities which are controlled by Tan Sri Charoen Sirivadhanabhakdi who has 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	
	2023	2022
0 – 50,000	2	3
50,001 – 100,000	-	3
100,001 – 150,000	8	7
150,001 – 200,000	2	-
200,001 – 250,000	-	1
250,001 – 300,000	1	-

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 178 to 277 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 2023 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:

.....
Y.A.M. Tengku Syarif Bendahara Perlis
Syed Badarudin Jamalullail ibni
Almarhum Tuanku Syed Putra Jamalullail
Director
Selangor, Malaysia

.....
Mr. Hui Choon Kit
Director
Singapore

Date: 15 November 2023

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Mr. 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 178 to 277 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 Mr. Tiong Yean Yau, I/C No: 731203-08-5577, at Selangor, Malaysia on 15 November 2023.

.....
Mr. Tiong Yean Yau

Before me:

Commissioner of Oaths
Malaysia



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 2023 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 178 to 277.

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 2023, 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.

A. Advertising and promotion expenses, and distributor incentives, discounts and rebates

Refer to the financial statements Note 19 – Trade and other payables, Note 20 – Contract liabilities and Note 25 – Profit for the year.

The key audit matter

During the financial year, the Group incurred advertising and promotion expenses, and distributor incentives, discounts and rebates of RM218 million and RM814 million respectively. A total of RM102 million and RM77 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.

KEY AUDIT MATTERS (CONTINUED)

A. 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 approval and accrual process, evaluated the design and implementation and tested the operating effectiveness of controls over the process;
- We performed substantive procedures and checked samples of these expenses to supplier's and customer's claim;
- We checked accruals and contract liabilities balances 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 on either side of the year-end date as well as debit notes issued after year-end date to ascertain these are recognised in the correct period; and
- We evaluated advertising and promotion expenses, and distributor incentives, discounts and rebates spend against approved budgets.

B. Purchase price allocation ("PPA") arising from acquisition of Cocoaland Holdings Berhad

Refer to the financial statements Note 2(a)(ii) – Significant accounting policies: Business combinations and Note 8 – Investments in subsidiaries to the financial statements.

The key audit matter

Cocoaland Holdings Berhad was an associate with 27.62% owned by the Group in prior year. On 4 November 2022, the Group completed the purchase of the remaining interests not held and the associate became a wholly-owned subsidiary of the Group. We have identified the PPA exercise as a key audit matter because determination of fair values in the identifiable assets acquired, and liabilities assumed, including the identification of intangible assets, requires significant judgement by management in estimating the underlying assumptions to be applied. Based on the PPA performed, the fair value of the net identifiable assets acquired is RM438 million, of which RM164 million relates to fair value adjustments. The goodwill recognised amounted to RM238 million. The amounts allocated to brands and customer relationships are RM68 million and RM38 million respectively.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We evaluated the appropriateness of the Group's assessment on the fair value of identifiable assets and liabilities, with the involvement of KPMG's valuation specialist;
- We evaluated the cash flow projections by performing retrospective assessment of the key assumptions used in the entity' cash flow projections to the latest Board approved budget and plan, the historical accuracy of the entities' estimates in the previous years and our understanding of the future prospects of the business or investments;
- KPMG valuation specialists was involved to challenge the revenue growth rate, royalty rate, discount rates and long-term growth rates, and comparing these assumptions to economic and industry forecasts where available;
- We obtained confirmations that the key assumptions were subject to oversight from the Directors;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FRASER & NEAVE HOLDINGS BHD

(Registration No. 196101000155 (4205-V))

(Incorporated in Malaysia)

KEY AUDIT MATTERS (CONTINUED)

B. Purchase price allocation ("PPA") arising from acquisition of Cocoaland Holdings Berhad (continued)

How the matter was addressed in our audit (continued)

- We evaluated the appropriateness of the discount rate used by comparing it with our expectations based on our knowledge of the industry;
- We assessed the appropriateness of the key estimates and assumptions used in the cash flows projection to determine that they were appropriate;
- We recomputed the goodwill and intangible assets arising from the business combination to determine the mathematical accuracy; and
- We assessed the adequacy of the disclosures in respect of the acquisition in the Group's financial statements.

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.
- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FRASER & NEAVE HOLDINGS BHD

(Registration No. 196101000155 (4205-V))

(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries 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: 15 November 2023

Chong Dee Shiang

Approval Number: 02782/09/2024 J

Chartered Accountant

SHAREHOLDINGS STATISTICS

as at 15 November 2023

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	741	10.828	7,420	0.002
100 to 1,000 shares	3,487	50.957	1,844,705	0.502
1,001 to 10,000 shares	2,040	29.811	7,307,499	1.992
10,001 to 100,000 shares	457	6.678	13,714,455	3.739
100,001 to less than 5% of issued shares	115	1.680	76,859,728	20.955
5% and above of issued shares	3	0.043	267,044,694	72.808
	6,843	100.00	366,778,501	100.00

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	60,000	0.016	-	-

SHAREHOLDINGS STATISTICS

as at 15 November 2023

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	Y. Bhg. Tan Sri Charoen Sirivadhanabhakdi	-	-	203,470,910	55.475*
8	The estate of the late Y. Bhg. Puan Sri Wanna Sirivadhanabhakdi	-	-	203,470,910	55.475*
9	TCC Assets Limited	-	-	203,470,910	55.475*
10	Employees Provident Fund Board	43,206,930	11.780	-	-
11	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	27,576,000	7.518	-	-
		274,253,840	74.773		

* 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	35,997,784	9.814
3.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	27,576,000	7.518
4.	Kumpulan Wang Persaraan (Diperbadankan)	11,206,800	3.055
5.	Amanahraya Trustees Berhad - Amanah Saham Malaysia	3,598,600	0.981
6.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	3,415,000	0.931
7.	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd	3,286,600	0.896
8.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	2,600,000	0.708
9.	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	2,284,900	0.622
10.	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	2,203,500	0.600
11.	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB for Syed Badarudin Jamalullail (PB)	2,062,000	0.562
12.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aham Am)	2,035,800	0.555
13.	HSBC Nominees (Asing) Sdn Bhd - JPMCB Na for Vanguard Total International Stock Index Fund	2,007,408	0.547
14.	HSBC Nominees (Asing) Sdn Bhd - JPMCB Na for Vanguard Emerging Markets Stock Index Fund	1,954,500	0.532
15.	Cartaban Nominees (Tempatan) Sdn Bhd – PAMB for Prulink Equity Fund	1,935,400	0.527
16.	Permodalan Nasional Berhad	1,867,200	0.509
17.	Amanahraya Trustees Berhad – Public Islamic Equity Fund	1,830,600	0.499
18.	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (West CLT OD67)	1,787,500	0.487
19.	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 14)	1,288,300	0.351
20.	Amanahraya Trustees Berhad – Public Ittikal Sequel Fund	1,216,200	0.331
21.	Cartaban Nominees (Tempatan) Sdn Bhd – Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	1,094,000	0.298
22.	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 19)	952,171	0.259
23.	HSBC Nominees (Asing) Sdn Bhd – JPMCB Na for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	937,200	0.255
24.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	925,700	0.252
25.	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (CGS CIMB)	914,446	0.249
26.	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	790,000	0.215
27.	HSBC Nominees (Asing) Sdn Bhd – JPMSE Lux for Robeco Capital Growth Funds	774,900	0.211
28.	Amanah Raya Berhad – Kumpulan Wang Bersama Syariah	771,900	0.210
29.	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 - Wawasan	750,000	0.204
30.	Amanahraya Trustees Berhad – Public Islamic Select Enterprises Fund	735,700	0.200
Total		322,271,019	87.865

LIST OF PROPERTIES

Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Carrying amount as at 30 September 2023 RM'000	Date of last revaluation/ acquisition
JOHOR						
Lot 6, Jalan Tampoi 81200 Johor Bahru Johor	59,895	Detached house/ Vacant	Freehold	56	1,161	February 1990
Batu 4¾, Jalan Tampoi 81200 Johor Bahru Johor	241,022	Industrial/ Warehouse and office	Freehold	56	9,929	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	54	5,548	October 1995
No. 79 & 81, Jalan Tun Perak 30100 Ipoh, Perak	51,828	Industrial/ Leased premises	Freehold and leasehold expiring 2066 and 2118	117	463	October 1995
PULAU PINANG						
No. 3724, Jalan Sungai Nyior 12100 Butterworth Pulau Pinang	138,848	Industrial/ Warehouse and office	Freehold	69	3,840	October 1995
No. 3725 & 3726 (Lot 3633) Jalan Sungai Nyior 12100 Butterworth Pulau Pinang	106,450	Detached house/ Warehouse and office	Freehold	68	2,244	October 1995
KELANTAN						
Lot 9 & 10, Pengkalan Chepa Industrial Estate 16100 Kota Bharu, Kelantan	203,861	Industrial/ Warehouse and office	Leasehold expiring 2043	43	540	October 1995
PAHANG						
Lot 85, Mar Lodge, Tanah Rata 39000 Brinchang Cameron Highland, Pahang	90,931	Detached house/ Holiday bungalow	Leasehold expiring 2037	56	426	October 1995
Lot 7399 & 8081 Jalan Mempaga, Mukim Sabai 28600 Karak, Pahang	217,065	Industrial/ Factory	Freehold	16	13,767	2007

Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Carrying amount as at 30 September 2023 RM'000	Date of last revaluation/ acquisition
KUALA LUMPUR						
F&N Point No. 3, Jalan Metro Pudu 1 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	7,208	Commercial/ Office	Freehold	16	10,466	2007
Techno Centre & Car Park Kompleks Metro Pudu No. 1, Jalan Metro Pudu 2 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	87,847	Commercial/ Vacant building and leased car park	Freehold	14	53,000	2023
Lot 682 Seksyen 92 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	40,763	Commercial/ Leased premise	Freehold	-	5,598	2018
MELAKA						
No. 10, Jalan Bukit Gedong 75050 Melaka	104,000	Industrial/ Warehouse and office	Freehold and leasehold expired in 2023 *	98	570	October 1995
NEGERI SEMBILAN						
Ladang Londah Lot No. 4044, 13450, PT 3479 & PT 2400 Mukim Gemas District of Tampin Negeri Sembilan	111,598,716	Agricultural land	Leasehold expiring 2088 to 2093	-	72,271	2023
Ladang Pasir Besar Lot No. 12477 & PT3919 Mukim Gemas District of Tampin Negeri Sembilan	87,123,091	Agricultural land	Leasehold expiring 2091	-	67,074	2023
Ladang Bukit Rokan Lot No. 11848, Mukim Gemencheh Lot No. 1850, Mukim Gemas District of Tampin Negeri Sembilan	104,741,459	Agricultural land	Leasehold expiring 2090 and 2092	-	75,159	2023

* Application to renew the leasehold land is in progress

LIST OF PROPERTIES

Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Carrying amount as at 30 September 2023 RM'000	Date of last revaluation/ acquisition
SELANGOR						
No. 1, Jalan Bukit Belimbing 26/38 Persiaran Kuala Selangor Section 26, 40400 Shah Alam Selangor	1,373,447	Industrial/ Factory, warehouse and office	Freehold	26	184,226	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 and office	Leasehold expiring 2097	15	179,672	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
No.41, Jalan E1/4 Kawasan Perusahaan Taman Ehsan 52100 Kepong Selangor	26,000	Industrial/ Warehouse and office	Leasehold expiring 2078	43	10,000	2023
Lot 100, Jalan Industri 3/4 Rawang Integrated Industrial Park 48000 Rawang Selangor	190,898	Industrial/ Factory and warehouse	Freehold	25 to 30	34,297	2023
Lot 5, Jalan Industri 3/4 Rawang Integrated Industrial Park 48000 Rawang Selangor	89,394	Industrial/ Factory, warehouse and office	Freehold	22	17,823	2023
Lot 88, Jalan Industri 3/3 Rawang Integrated Industrial Park 48000 Rawang Selangor	326,426	Industrial/ Factory and warehouse	Leasehold expiring 2114	15	58,930	2023
Lot 28 Rawang Integrated Industrial Park 48000 Rawang Selangor	113,699	Industrial/ Factory and warehouse	Freehold	-	22,000	2023
Lot 30 Rawang Integrated Industrial Park 48000 Rawang Selangor	98,630	Industrial/ Warehouse and office	Freehold	26	17,906	2023

Location	Land area (sq. ft)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Carrying amount as at 30 September 2023 RM'000	Date of last revaluation/ acquisition
SARAWAK						
No. 94, Batu 11, Jalan Matang 93050 Kuching, Sarawak	118,776	Industrial/ Factory	Freehold	17	5,555	2006
Lot 1581, Block 4 Matang Land District 93050 Kuching, Sarawak	261,338	Commercial/ Warehouse	Leasehold expiring 2071	17	7,856	2006
3½ Mile, Jalan Penrissen 93250 Kuching, Sarawak	308,709	Industrial/ Factory, warehouse and office	Leasehold expiring 2074	-	22,611	October 1995
Lot 142, Lorong Abang Abdul Rahim 5A 93450 Kuching, Sarawak	1,540	Commercial/ Vacant	Leasehold expiring 2784	17	344	2006
SABAH						
5½ Mile, Jalan Tuaran 88818 Kota Kinabalu, Sabah	142,140	Industrial/ Vacant	Leasehold expiring 2062	13	1,130	October 1995
5½ Mile, Jalan Tuaran Inanam, 88818 Kota Kinabalu Sabah	142,578	Industrial/ Factory, warehouse and office	Leasehold expiring 2062	52	4,618	October 1995
Lot 808 Kota Kinabalu Industrial Park Sabah	929,135	Industrial/ Warehouse and office	Leasehold expiring 2096	-	35,406	2017
THAILAND						
90 Moo 8 Mittraparp Road Phayayen District, Amphur Pakchong Nakornratchasima Province 30320 Thailand	125,857	Industrial/ Factory	Leasehold expiring 2037	16	-	2007
668 Moo 4 Rojana Industrial Park Zone 2 U-thai, Phra Nakhon Si Ayutthaya 13210 Thailand	990,280	Industrial/ Factory	Freehold	14	151,684	2010
888 Moo 1 Salaeng Phan Wang Muang, Saraburi 18220 Thailand	562,953	Industrial/ Factory	Leasehold expiring 2053	1	32,400	2023
Total					1,164,378	

CORPORATE DIRECTORY

HEADQUARTERS

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

CORPORATE OFFICES

F&N Dairies (Thailand) Limited

The PARQ Building,
8th Floor Unit 8W01-08
88 Ratchadaphisek Road
Klongtoei, Bangkok
10110 Thailand
Phone : +66(0) 2821 6988
Fax : +66(0) 2821 6989

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

Sri Nona Food Manufacturing Sdn Bhd

(Formerly known as COCOALAND INDUSTRY SDN BHD)
Lot 100, Jalan Industri 3/4
Rawang Integrated Industrial Park
48000 Rawang
Selangor, Malaysia
Phone : +603 6099 2991

PLANTS

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

F&N Beverages Manufacturing Sdn Bhd (Kuching)

3½ Mile Jalan Penrissen
93250 Kuching
Sarawak, Malaysia
Phone : +6082 451 411
Fax : +6082 452 488

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 421 623

F&N Beverages Manufacturing Sdn Bhd (Kota Kinabalu)

Lot 808, Jalan 7A off Jalan 7
KKIP Timur, Industrial Zone 8
Kota Kinabalu Industrial Park
88460 Kota Kinabalu
Sabah, Malaysia

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

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

Borneo Springs Sdn Bhd (Bentong)

Lot 7399, Jalan Mempaga
Mukim Sabai
28600 Karak
Pahang, Malaysia
Phone : +6010 820 7013

Sri Nona Food Manufacturing Sdn Bhd

(Formerly known as COCOALAND INDUSTRY SDN BHD)
Lot 5, Jalan Industri 3/4
Rawang Integrated Industrial Park
48000 Rawang
Selangor, Malaysia

Sri Nona Food Manufacturing Sdn Bhd

(Formerly known as COCOALAND INDUSTRY SDN BHD)
Lot 88, Jalan Industri 3/3
Rawang Integrated Industrial Park
48000 Rawang
Selangor, Malaysia

Sri Nona Foods Sdn Bhd

(Formerly known as L.B. FOOD SDN BHD)
Lot 30, Rawang Integrated Industrial Park
48000 Rawang
Selangor, Malaysia

Sri Nona Food Manufacturing Sdn Bhd

(Formerly known as COCOALAND INDUSTRY SDN BHD)
Lot 28, Rawang Integrated Industrial Park
48000 Rawang
Selangor, Malaysia

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

F&N Dairies (Thailand) Limited (Wang Muang)

888 Moo 1, Salaeng Phan
Wang Muang, Saraburi
18220 Thailand
Phone : +66(0) 2821 6388

SALES OFFICES

F&N Beverages Marketing Sdn Bhd (Kuala Lumpur)

F&N Point, No.3, Jalan Metro Pudu 1
Fraser Business Park
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

F&N Beverages Marketing Sdn Bhd (Johor)

Batu 4¾, Jalan Tampoi
81200 Johor Bahru
Johor, Malaysia
Phone : +607 332 2433
Fax : +607 332 8018

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 (Kluang)

No. 11, Jalan 2 Taman Perindustrian Sinaran
86000 Kluang
Johor, Malaysia
Phone : +607 787 8816
Fax : +607 787 8817

F&N Beverages Marketing Sdn Bhd (Melaka)

No. 10, Jalan Bukit Gedong
75050
Melaka, Malaysia
Phone : +606 282 8011
Fax : +606 284 7458

F&N Beverages Marketing Sdn Bhd (Butterworth)

No. 3724, Jalan Sungai Nyior
12100 Butterworth
Pulau Pinang, Malaysia
Phone : +604 314 8600

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
Jalan Alor Mengkudu
05350 Alor Setar
Kedah, Malaysia
Phone : +604 731 7687

F&N Beverages Marketing Sdn Bhd (Kuantan)

Block A, Lot 95
Kawasan Perindustrian Semambu
25350 Kuantan
Pahang, Malaysia
Phone : +609 560 1880

F&N Beverages Marketing Sdn Bhd (Kota Bharu)

Lot 9 & 10, Pengkalan Chepa
Industrial Estate
16100 Kota Bharu
Kelantan, Malaysia
Phone : +609 771 5641
+609 771 5645

F&N Beverages Marketing Sdn Bhd (Kuala Terengganu)

Lot PT 7012K
Kawasan Perindustrian Gong Badak
21300 Kuala Terengganu
Terengganu, Malaysia
Phone : +609 667 0007

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
96000 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 491 642

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 421 623

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)

TB11800, Lot 11A, Perdana Square
Batu 3, Jln Apas
91000, Tawau
Sabah, Malaysia
Phone : +6089 749 008

F&N Beverages Marketing Sdn Bhd (Lahad Datu)

MDLD 141B, Jalan Sinar
Peti Surat 60019
91110 Lahad Datu
Sabah, Malaysia
Phone : +6016-588 9262

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 62nd 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 Wednesday, 17 January 2024 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 2023 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 and a special single tier dividend of 17 sen per share for the financial year ended 30 September 2023.	Resolution 1
3.	To re-elect the following Directors who retire in accordance with Clause 100 of the Company’s Constitution, as Directors: (i) Mdm. Tan Fong Sang (ii) Puan Aida Binti Md Daud (iii) Puan Faridah Binti Abdul Kadir (iv) Y.Bhg. Datuk Mohd Anwar Bin Yahya	Resolution 2 Resolution 3 Resolution 4 Resolution 5
4.	To approve the payment of Directors’ fees and benefits of up to RM1,810,000 for the period from 18 January 2024 until the next annual general meeting (“AGM”) of the Company (2023 AGM: up to RM1,810,000), payable monthly in arrears after each month of completed service of the Directors.	Resolution 6
5.	To re-appoint Messrs KPMG PLT, the retiring auditors, as the auditors of the Company for the financial year ending 30 September 2024 and to authorise the Directors to fix their remuneration.	Resolution 7
SPECIAL BUSINESS		
6.	ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY “ 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	Resolution 8

- (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.”

7. **ORDINARY RESOLUTION**
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“**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 Section 2.4.1, Part B of the Statement/Circular to Shareholders dated 19 December 2023 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.”

8. To transact any other business of which due notice shall have been given.

Resolution 9

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the 62nd Annual General Meeting of the Company, the proposed payment of a final single tier dividend of 33 sen per share and a special single tier dividend of 17 sen per share for the financial year ended 30 September 2023 will be paid to shareholders on 6 February 2024. The entitlement date for the proposed dividends shall be on 19 January 2024.

A depositor shall qualify for the entitlement to the dividend only in respect of:

- (a) Shares transferred to the depositor’s securities account before 4:30 p.m. on 19 January 2024 in respect of ordinary transfer; and
- (b) 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 2023

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 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 62nd 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 62nd 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, 8 January 2024. Only a depositor whose name appears on the Record of Depositors as at Monday, 8 January 2024 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 to 5)

The Board, through the Nominating Committee (“NomCom”), has assessed individual Directors for the financial year 2023 based on their self/peer assessments and Independent Directors’ annual confirmations of independence. Furthermore, the NomCom has evaluated the retiring Directors in terms of their character and integrity, competency, commitment, contribution and ability to act in the best interests of the Company based on the criteria outlined in the Group’s Fit and Proper Policy (“Fit and Proper Criteria”). The Board is satisfied that the retiring Directors meet the Fit and Proper Criteria for re-election to the Board and can continue to diligently discharge their duties as Directors.

The Board recommends that shareholders approve the re-election of the retiring Directors, who have offered themselves for re-election at the 62nd 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 2023.

(iii) 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 2023, shareholders approved the payment of Directors’ fees and benefits (“Directors’ Remuneration”) of up to RM1,810,000 for the period from 18 January 2023 until 17 January 2024. Total Directors’ Remuneration paid for the financial year ended 30 September 2023 amounted to RM1,640,677 as detailed in the Corporate Governance Overview Statement.

In determining the estimated Directors’ fees and benefits of up to RM1,810,000, the Board has taken into account various factors, including the number of scheduled and ad-hoc meetings of the Board and Board Committees and the AGM, along with Directors’ benefits.

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 2023 for more details.

(ii) Proposed Renewal of Existing 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 2023 for more details.

ADMINISTRATIVE DETAILS

For The 62nd 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 WEDNESDAY, 17 JANUARY 2024 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 to the e-polling system using 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 hardcopy form
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 Monday, 15 January 2024 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 (62ND ANNUAL GENERAL MEETING) from the list of Meeting Event(s) and click “Enter”
 - Click “Submit eProxy Form”.
 - For Corporate Shareholders, select the company you would like to represent (if more than one) (Boardroom Smart Investor Portal now facilitates the registration of Corporate Shareholders)
 - Enter your CDS account no. and number of shares held. Read and accept the General Terms and Conditions by clicking “Next”
 - Then, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate “Discretionary”.
 - Review and confirm your proxy/proxies appointment and click “Next”.
 - Download or print the eProxy form as acknowledgement.

eProxy Form to be lodged not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Monday, 15 January 2024 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.**

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 or via electronic means (as the case may be) 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.

SUBMISSION OF PRE-AGM QUESTION(S)

- Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2023 commencing from Tuesday, 19 December 2023 and in any event no later than 10.00 a.m., Monday, 8 January 2024 via Boardroom’s website at <https://investor.boardroomlimited.com> using the same user ID and password provided by Boardroom, and select “SUBMIT QUESTION” to pose questions.
- The Board will endeavour to respond to Pre-AGM Meeting Questions and questions raised on the day of the 62nd AGM.

HEALTH AND SAFETY MEASURES

- Attendees are highly encouraged to wear a face mask during the AGM despite the use of face masks indoor is now optional.
- A shareholder/ proxy who has symptoms of being unwell with sore throat, flu, fever, cough or other common symptoms of Covid-19 is advised not to attend the AGM.

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/ar2023/> :

- Annual Report 2023
- Notice of the 62nd AGM and Proxy Form
- Sustainability Report 2023
- Circular in relation to the Share Buy-Back Statement and the Proposed Shareholders’ Mandate for Recurrent Related Party Transactions
- Corporate Governance Report 2023

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.
- When the Chairman opens the poll, please vote using your smartphone/ tablet with the special QR code, which will be generated during registration.

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
Darul Ehsan Malaysia
General Line : 603-7890 4700 (Helpdesk)
Fax Number : 603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

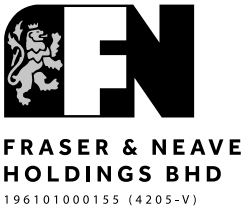
PERSONAL DATA POLICY

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;
- communicating with shareholders and proxy holders who participate at the AGM for redemption of door gift;
- responding to shareholders’ and proxy holders’ enquiries;
- for internal record keeping;
- sending 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
- complying 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



I/We _____ NRIC/ Company No. _____
(full name in block letters)
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 62nd 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 **Wednesday, 17 January 2024 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 and a special single tier dividend of 17 sen per share for the financial year ended 30 September 2023.	1		
To re-elect Mdm. Tan Fong Sang who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	2		
To re-elect Puan Aida Binti Md Daud who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	3		
To re-elect Puan Faridah Binti Abdul Kadir who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	4		
To re-elect Y.Bhg. Datuk Mohd Anwar Bin Yahya who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	5		
To approve the payment of Directors' fees and benefits of up to RM1,810,000.00 for the period from 18 January 2024 until the next annual general meeting ("AGM") of the Company (2023 AGM: up to RM1,810,000.00), 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 2024 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 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.

This page is intentionally left blank.

Dated this _____ day of _____, 20

Number of shares held:	
CDS Account No.:	

Signature(s)/Common Seal of Shareholder(s)

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

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 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 62nd 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 62nd 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, 8 January 2024. Only a depositor whose name appears on the Record of Depositors as at Monday, 8 January 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

Members Entitled to Attend the AGM

- (6) For the purpose of determining a member who shall be entitled to attend the 62nd 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, 8 January 2024. Only a depositor whose name appears on the Record of Depositors as at Monday, 8 January 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.





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

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