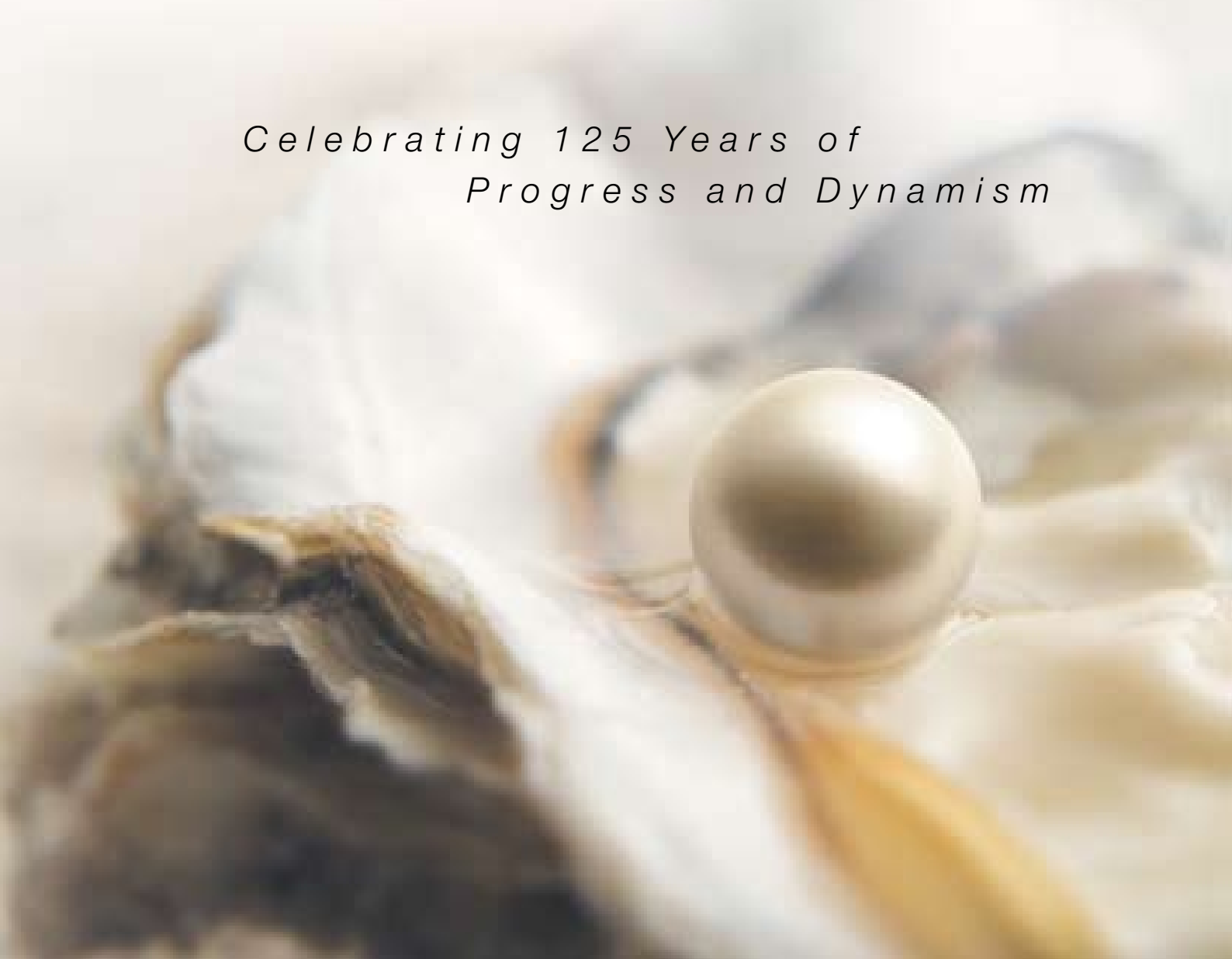




The formation of a pearl does not occur overnight. In fact, it takes a very long time for a pearl to fully develop, layer upon successive layer, into an iridescent thing of beauty that is admired worldwide. Similar to the pearl, we too have grown from strength to strength since our humble beginnings back in 1883. Through sheer perseverance, hard work and dedication over the years, we are now an internationally-recognised establishment renowned for its professionalism, dynamism and growth. We will continue to build on this success as we celebrate our 125<sup>th</sup> year in business.

*Celebrating 125 Years of  
Progress and Dynamism*



# FINANCIAL CALENDAR

## Financial Results Announcements

---

First quarter	13 February 2008
Second quarter	07 May 2008
Third quarter	07 August 2008
Fourth quarter	06 November 2008

## Dividend

---

### *Interim*

• Announcement	07 May 2008
• Entitlement	09 June 2008
• Payment	08 July 2008

### *Proposed Final*

• Announcement	24 December 2008
• Entitlement	05 February 2009
• Payment	03 March 2009

## Press Conference & Analysts Briefings Held

---

Half year	08 May 2008
Full year	07 November 2008

## General Meeting

---

Annual	21 January 2009
--------	-----------------



# CONTENTS

004 Five-Year Group Performance

005 Five-Year Group  
Performance Charts

006 Statement of Value Added  
Distribution of Value Added

## Corporate Review

008 Chairman's Statement

018 Board of Directors

020 Profile of Board of Directors

026 Corporate Information

027 Corporate Structure

## Business Review

030 Group Performance Overview

032 Soft Drinks

040 Dairy Products

050 Glass Containers

054 Property

## Corporate Responsibility

058 Human Resources

060 Corporate Social Responsibility

## Corporate Governance

068 Statement on Corporate Governance

072 Report on Audit Committee

075 Statement on Internal Controls

077 Statement on Directors' Responsibility

## Financial Statements

080 Directors' Report

085 Statement by Directors and  
Statutory Declaration

086 Report of the Auditors

087 Income Statements

088 Balance Sheets

090 Statements of Changes in Equity

092 Cash Flow Statements

094 Notes to the Financial Statements

## Other Information

150 List of Properties

155 Shareholdings Statistics

157 Share Price Charts

158 Notice of Annual General Meeting

## Proxy Form

## FIVE-YEAR GROUP PERFORMANCE

Year Ended 30 September	2008	2007	2006	2005	2004
-------------------------	------	------	------	------	------

### Results (RM million)

Revenue	3,591.2	2,865.1	1,943.6	1,935.1	1,728.1
Profit before taxation (PBT)	239.7	220.9	194.2	183.8	157.1
Attributable profits	166.8	152.9	142.8	132.0	116.4

### Dividend

Per share					
- Earnings (sen)	46.8	42.9	40.1	37.0	32.7
- Dividend - net (sen)	40.1*	34.2	32.7	30.0	25.0
- Dividend - cover (times)	1.2	1.3	1.2	1.2	1.3

### Balance Sheet (RM million)

Share capital	356.5	356.5	356.5	356.5	356.5
Shareholders' equity	1,182.2	1,157.0	1,115.3	1,084.9	1,050.2
Total assets	2,514.1	2,455.7	1,739.5	1,676.6	1,652.1
Long term borrowings	359.4	83.1	16.9	23.2	32.1
Net assets per share (RM)	3.32	3.25	3.13	3.04	2.95

### Ratio

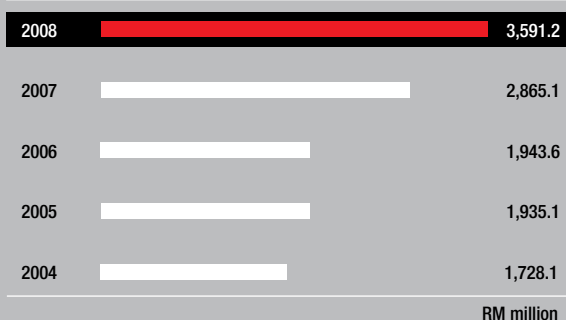
PBT on revenue (%)	6.7	7.7	10.0	9.5	9.0
Return on shareholders' equity (%)	14.1	13.2	12.8	12.2	11.1
Debt to equity ratio (net) (%)	20.1	17.0	NIL	NIL	NIL

\* Include proposed dividend of 22.5 sen, which will only be recognised in the financial statements upon shareholders' approval.

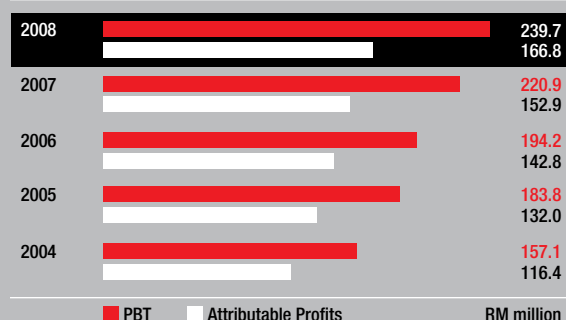


# FIVE-YEAR GROUP PERFORMANCE CHARTS

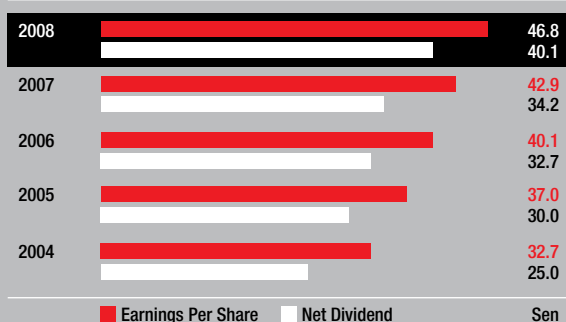
## Revenue



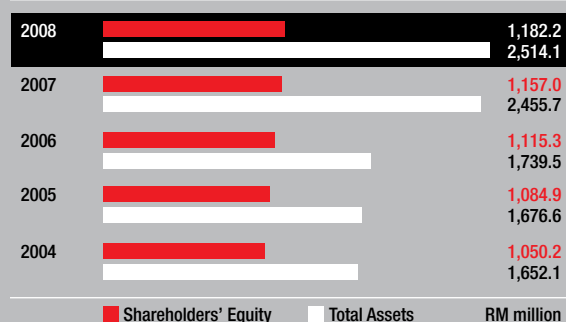
## PBT / Attributable Profits



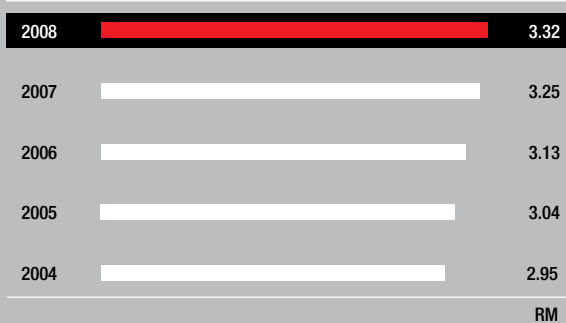
## Earnings Per Share / Net Dividend



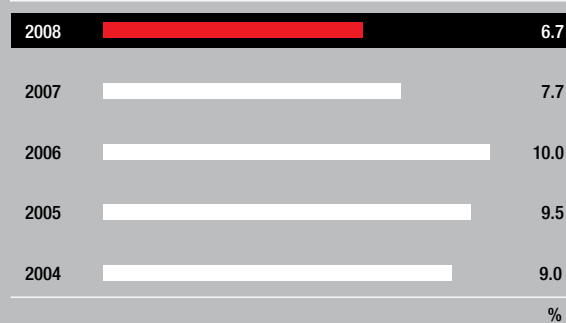
## Shareholders' Equity / Total Assets



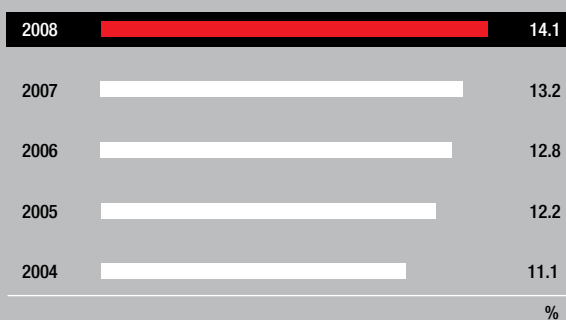
## Net Assets Per Share



## PBT on Revenue



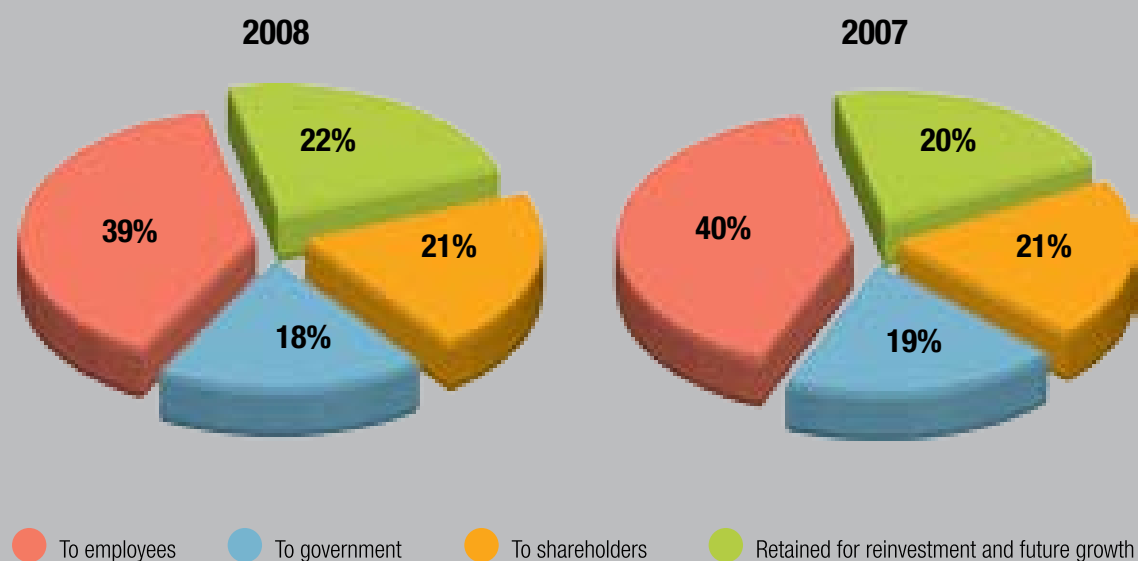
## Return on Shareholders' Equity



## STATEMENT OF VALUE ADDED

	2008 RM'000		2007 RM'000	
<b>VALUE ADDED</b>				
Revenue	3,591,204		2,865,068	
Purchase of goods and services	(2,893,691)		(2,260,938)	
Value added available for distribution	697,513		604,130	
<b>DISTRIBUTION</b>				
To employees	272,244	39%	244,526	40%
To government as taxation (Direct & Indirect)	126,090	18%	114,892	19%
To shareholders	149,103	21%	124,415	21%
Retained for reinvestment and future growth	150,076	22%	120,297	20%
	697,513	100%	604,130	100%

## DISTRIBUTION OF VALUE ADDED



# CORPORATE REVIEW

Chairman's Statement	008
Board of Directors	018
Profile of Board of Directors	020
Corporate Information	026
Corporate Structure	027



## **CHAIRMAN'S STATEMENT**

2008 was another good year for F&N and indeed the 8th consecutive year of record revenue and profits. Underscoring the success of the Group was the food and beverage division, which delivered double-digit growth in revenue and operating results despite facing many challenges.



**“ The Group’s ability to surmount the major challenges during this financial year attests to the strong fundamentals of our businesses. A combination of world-class brands, market leadership, innovative and impactful marketing programmes, undisputed distribution prowess and strong management are critical elements for a sustainable and profitable growth. ”**

Consumer sentiment and discretionary spending were soft in our core markets of Malaysia and Thailand as higher fuel and energy costs and a sharp rise in inflation dampened demand. The cost of raw and packaging materials remained at elevated levels although it stabilised with a downward bias towards the end of the financial year. The catastrophic earthquake in China interrupted production at our glass plant in Chengdu, China and although the factory was not damaged and all employees were safe, the supply chain and access to raw materials were disrupted for several months, thereby affecting the performance of the glass division.

The Group’s ability to surmount the major challenges during this financial year attests to the strong fundamentals of our businesses. A combination of world-class brands, market leadership, innovative and impactful marketing programmes, undisputed distribution prowess and strong management are critical elements for a sustainable and profitable growth.

In 2008, Group revenue grew by 25 per cent to RM3.59 billion, driven by robust growth in the soft drinks, dairies and glass divisions. Group operating profit rose by 13 per cent to RM256.7 million while profit before tax rose 9 per cent to RM239.7 million after accounting for higher interest cost. However, the operating profits of the food and beverage (F&B) division — comprising the soft drinks, dairies and glass businesses — improved by 22 per cent to RM246.9 million compared with RM202.9 million last year. Contribution from the property division declined by 62 per cent due to the completion of Phase I of Fraser Business Park and lower revenue from Phase II developments. This pulled down our overall profit growth.

After accounting for tax and minority interest, net profit improved by 9 per cent to RM166.8 million, marking FY07/08 as the eighth successive year of record profit.

The acquired dairy business contributed RM1.18 billion to revenue and generated RM50.0 million in operating profit for a full 12 months compared with the 8 months’ results last year of RM734.6 million and RM18.5 million respectively.

The significant improvement in the results of the acquired business was due to efficient supply chain management and improved operating results in Thailand in spite of the difficult business environment. Construction of the new dairy factory at Rojana, Thailand has begun and is due for completion by late next year. The Group has also purchased a piece of land at the Halal Hub in Pulau Indah, Malaysia, and planning is in progress to relocate the 40-year-old dairy plant in Petaling Jaya.

## SHAREHOLDERS’ RETURNS

2008 was once again rewarding for our shareholders.

Shareholders will recall that a special dividend of 5 sen net was paid in July 2008 to commemorate our 125th anniversary together with the interim dividend of 12.58 sen net. In view of the improved financial performance, the Board is proposing a final gross dividend of 30 sen (net 22.50 sen). Together with the interim and special dividend, total dividend for the year would amount to 40.08 sen. This is 17 per cent higher than last year’s total dividend payment and represents a payout ratio of 86 per cent of net profit, consistent with the level paid last year. In all, shareholders will receive net dividend totalling RM142.7 million for this financial year.

## CHAIRMAN'S STATEMENT

In spite of the weakened global equity market, our share price appreciated by 13 per cent over the past 12 months, reflecting the confidence of shareholders. Total shareholder return for 2008 was approximately 30 per cent and market capitalisation stood at RM3.22 billion, an improvement of RM373.5 million compared with RM2.85 billion a year ago. Our market capitalisation has seen a compounded growth rate of 21 per cent compared to five years ago when it stood at RM1.20 billion.

Since 2004, the Group has consistently recorded year-on-year improvements in revenue and operating profit. Shareholders were also rewarded with an increased payout of dividends.

We will endeavour to maintain or increase dividend payout each year, depending on the performance of the Group. Although the dividend policy is to pay a minimum payout ratio of 50 per cent, we have consistently achieved a ratio of about 80 per cent of net profit for the past five years. This has been possible due to the healthy cash flow from operations.

## GROUP INVESTMENTS

As I have alluded earlier, the Group is currently building a new dairy plant in Rojana, Thailand and will also be relocating the PJ dairy plant to Pulau Indah. When completed in 2009 and 2010/11 respectively, these state-of-the-art plants will provide the Group a strong platform to sustain future earning growth.

The Group will proceed with other planned capital investment prudently, mindful of the more uncertain economic situation ahead but recognising the need to continuously reinvest for the future.

## CORPORATE GOVERNANCE

F&N is driven by the commitment of the Board of Directors and management and we continuously strive to build a culture of responsibility, accountability, transparency, excellence and trust in our people. A sound internal controls system and policies are in place to ensure the Group's long-term viability and protect shareholders' value. Further information can be obtained in the Statement on Corporate Governance found in the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

As part of our 125th anniversary celebrations, F&N launched the Out-Do-Yourself Award (OYA) which recognises the outstanding achievements of individuals in Malaysia in nation building, sports, the academic or business fields, or for special deeds of bravery, chivalry, kindness or compassion in other areas over and beyond the call of duty. Annually, a maximum of twelve individuals will be identified and rewarded.

Since its inception in 2003 in conjunction with our 120th anniversary, the Chairman's Award has seen a total payout of RM1.1 million to 898 high-achieving children of our employees. This year, in celebration of our 125th anniversary, we have decided to top up the Award with an additional allocation of RM1.25 million to recognise these high achievers.

Our Corporate Social Responsibility (CSR) initiatives, which involve a range of programmes — from educational and environmental preservation efforts to health and safety activities and sports sponsorships — are highlighted in our CSR section found further on in this Annual Report.



## OUTLOOK AND PROSPECTS

The economies of Malaysia and Thailand are expected to slow down as global uncertainties intensify. This will negatively affect demand and consumption of our products. While prices of key raw and packaging materials are showing signs of weakening, the depreciation of the local currencies will offset partially or fully their potential savings.

The Group will step up investment in creative marketing initiatives that capitalise on our superior knowledge of our consumers, and continue to leverage and strengthen our already formidable distribution network. We expect sales and demand for our products to remain stable even under such a trying external environment. However, the Board will be vigilant against unexpected challenges and deterioration of the external environment.

## BOARD DEVELOPMENTS

On 1 August 2008, Datuk Fong Weng Phak resigned from the Board after more than 8 years of dedicated service to the Group. I would like to express my deepest appreciation for his invaluable contributions as the Group has benefited from his wise counsel and guidance.

I would also like to welcome Mr Koh Poh Tiong as a new director to the Board. Mr Koh is CEO of Fraser and Neave Limited's Food & Beverage Division. He was previously the CEO of Asia Pacific Breweries for 15 years. He will be able to give insightful guidance to the F&B businesses and I look forward to his future contributions.

## ACKNOWLEDGEMENTS

As we enter into the 126th anniversary of the founding of F&N, I wish to acknowledge the contributions of our staff and management team of the Group. F&N's ability to deliver outstanding performance depends on them. On behalf of the Board, we would like to thank them for their commitment and dedication. Our appreciation also goes to our customers, business associates and partners for their continued support. Last but not least, thanks must go to our shareholders for their continued confidence in the Group.

Yours sincerely

**TENGGU SYARIF BENDAHARA PERLIS SYED BADARUDIN**  
**JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**

Chairman  
30 November 2008

## KENYATAAN Pengerusi

*F&N sekali lagi telah mencatat pencapaian cemerlang bagi tahun kewangan 2007/2008. Ini bermakna, ia telah memperolehi hasil dan keuntungan menggalakkan selama lapan tahun berturut-turut. Bahagian makanan dan minuman Kumpulan menikmati pertumbuhan dua angka dari aspek hasil dan keuntungan operasi walaupun menghadapi pelbagai cabaran getir.*

*Sentimen dan perbelanjaan para pengguna di pasaran Malaysia dan Thailand agak perlahan akibat kos bahan api dan tenaga yang melambung tinggi, serta kejadian inflasi. Kos bahan mentah dan pembungkusan kekal di paras yang tinggi walaupun semakin stabil di penghujung tahun kewangan. Gempa bumi di China telah merencatkan pengeluaran syarikat di kilang kaca Chengdu, China. Sungguhpun kilang tersebut tidak mengalami kerosakan dan semua kakitangannya selamat, rangkaian bekalan dan akses kepada bahan-bahan mentah telah terganggu selama beberapa bulan dan telah menjejaskan prestasi bahagian kaca.*

*Keupayaan Kumpulan untuk mengatasi pelbagai cabaran utama di sepanjang tahun kewangan adalah disebabkan oleh kemantapan dasar perniagaan kita. Gabungan jenama yang bertaraf dunia, kepimpinan pasaran, inovasi, program pemasaran yang berkesan, kepakaran pengedaran dan keutuhan pengurusan merupakan elemen-elemen penting bagi pertumbuhan yang berkekalan dan menguntungkan.*

*Dalam tahun kewangan 2007/2008 ini, hasil Kumpulan telah meningkat sebanyak 25 peratus kepada RM3.59 bilion. Pencapaian ini dijana oleh pertumbuhan pesat dalam bahagian minuman ringan, tenusu dan kaca. Keuntungan operasi Kumpulan meningkat sebanyak 13 peratus kepada RM256.7 juta sementara keuntungan sebelum cukai bertambah sebanyak 9 peratus kepada RM239.7 juta selepas mengambil kira kos faedah yang lebih tinggi. Walau bagaimanapun, keuntungan operasi bahagian makanan dan minuman yang merangkumi perniagaan minuman ringan, tenusu dan kaca telah meningkat 22 peratus kepada RM246.9 juta berbanding RM202.9 juta pada tahun lepas. Sumbangan daripada bahagian hartanah merosot 61 peratus disebabkan oleh tamatnya pembangunan bagi Fasa I, Taman Perniagaan Fraser serta pendapatan rendah daripada pembangunan bagi Fasa II. Keadaan ini telah mengurangkan pertumbuhan keuntungan. Selepas mengambil kira cukai dan kepentingan minoriti, keuntungan bersih bertambah sebanyak 9 peratus kepada RM166.8 juta, menjadikan tahun kewangan 2007/2008 adalah tahun kelapan berturut-turut keuntungan dicatatkan.*

*Perniagaan tenusu yang diperolehi telah menyumbang RM1.18 bilion kepada hasil Kumpulan dan telah menjana RM50.0 juta keuntungan operasi bagi 12 bulan penuh berbanding hasil 8 bulan tahun lalu masing-masing sebanyak RM734.6 juta dan RM18.5 juta.*

*Peningkatan hasil perniagaan berpunca daripada kecekapan pengurusan rangkaian bekalan dan peningkatan kendalian di Thailand walaupun terpaksa berdepan dengan kesukaran suasana perniagaan. Pembinaan kilang tenusu baru di Rojana, Thailand telah pun bermula dan dijangka siap menjelang akhir tahun depan. Kumpulan juga telah membeli sebidang tanah di Hab Halal, Pulau Indah dan perancangan teliti sedang dilakukan untuk memindahkan kilang tenusu berusia 40 tahun di Petaling Jaya ke sana.*

### PULANGAN PARA PEMEGANG SAHAM

*Tahun 2008 sekali lagi telah membawa tuah kepada para pemegang saham.*

*Para pemegang saham telah menikmati dividen khas 5 sen bersih dalam bulan Julai 2008 sempena memperingati ulang tahun syarikat yang ke-125 dan dividen interim sebanyak 12.58 sen bersih. Ekoran daripada peningkatan prestasi kewangan, Lembaga Pengarah telah mencadangkan dividen kasar akhir sebanyak 30 sen (22.50 sen bersih). Dengan gabungan dividen interim dan khas ini, jumlah dividen bagi tahun ini ialah sebanyak 40.08 sen. Ini adalah 17 peratus lebih tinggi berbanding jumlah pembayaran dividen pada tahun lepas, dan merupakan nisbah pembayaran 86 peratus daripada keuntungan bersih sejajar dengan paras yang dibayar pada tahun lalu. Pada keseluruhannya, para pemegang saham akan menerima dividen bersih berjumlah RM142.7 juta bagi tahun kewangan ini.*



Walaupun pasaran ekuiti sedunia didapati lemah, harga saham syarikat meningkat sebanyak 13 peratus sejak 12 bulan lalu. Ini telah membuktikan keyakinan para pemegang saham terhadap syarikat. Jumlah pulangan bagi para pemegang saham untuk tahun 2008 dianggarkan sebanyak 30 peratus dan modal pasaran adalah RM3.22 bilion, iaitu peningkatan sebanyak RM373.5 juta berbanding RM2.85 bilion setahun yang lalu. Modal pasaran syarikat telah mencatat kadar pertumbuhan sebanyak 21 peratus berbanding lima tahun lalu sebanyak RM1.20 bilion.

Sejak tahun 2004 lagi, Kumpulan telah berjaya mencatatkan peningkatan hasil dan keuntungan operasi. Susulan dari prestasi cemerlang tersebut, para pemegang saham turut menikmati pertambahan pembayaran dividen.

Kami akan berusaha sebaik mungkin untuk mengekalkan serta meningkatkan lagi pembayaran dividen pada tahun-tahun yang akan datang tetapi semua ini bergantung kepada prestasi dan pencapaian keseluruhan Kumpulan. Walaupun dasar dividen ialah untuk membayar nisbah minimum sebanyak 50 peratus, kami telah mencapai nisbah 80 peratus untung bersih sejak lima tahun yang lalu. Ini adalah hasil daripada aliran tunai yang sihat daripada operasi kami.

### **PELABURAN KUMPULAN**

Seperti yang telah saya perkatakan sebelum ini, Kumpulan kini sedang membina sebuah kilang tenusu baru di Rojana, Thailand dan akan memindahkan kilang tenusu di Petaling Jaya ke Pulau Indah. Apabila pembinaan serta pemindahan tersebut siap kelak dalam tahun 2009 dan 2010/11, kilang-kilang ini akan menyediakan satu platform yang kukuh untuk Kumpulan bagi mengekalkan pertumbuhan pendapatan pada masa akan datang.

Kumpulan akan meneruskan pelaburan modal yang telah dirancang di samping berhati-hati terhadap situasi ekonomi sekarang yang tidak menentu. Kumpulan juga sedar betapa perlunya untuk terus melabur demi masa depan.

### **KAWAL SELIA KORPORAT**

Lembaga pengarah syarikat dan pihak pengurusan amat komited terhadap F&N. Di samping itu, kami akan terus membina satu budaya kerja yang bertanggungjawab, mengutamakan akauntabiliti, ketelusan, kecemerlangan dan keyakinan terhadap para kakitangan. Dasar dan sistem kawalan dalaman yang mantap telah dilandaskan untuk memastikan daya maju jangka panjang Kumpulan serta melindungi nilai para pemegang saham. Maklumat lanjut mengenai perkara ini boleh diperolehi daripada Penyata Kawal Selia Korporat yang terdapat dalam Laporan Tahunan.

### **TANGGUNGJAWAB SOSIAL KORPORAT**

Sempena sambutan ulang tahun yang ke-125, F&N telah melancarkan Anugerah 'Out-Do-Yourself Award' (OYA) bagi menghargai pencapaian cemerlang individu-individu di Malaysia dalam lapangan pembangunan negara, sukan, akademik, perniagaan, atau di atas sikap keberanian, kesateriaan, kebaikan hati dan belas kasihan. Pada setiap tahun, seramai 12 individu akan dikenalpasti dan diberikan anugerah.

Sejak diperkenalkan pada tahun 2003, sempena ulang tahun F&N yang ke-120, Anugerah Pengerusi telah menyampaikan sejumlah RM1.1 juta kepada 898 anak-anak kakitangan yang cemerlang. Pada tahun ini, sempena ulang tahun yang ke-125, kami telah memutuskan untuk menambah RM1.25 juta lagi bagi menghargai pencapaian kanak-kanak cemerlang.

Inisiatif Tanggungjawab Sosial Korporat (CSR) yang membabitkan pelbagai program, dari pendidikan dan pemeliharaan alam sekitar hingga ke bidang kesihatan, aktiviti keselamatan dan tajaan sukan, telah dipaparkan dalam bahagian CSR yang dinyatakan dalam Laporan Tahunan ini.

## KENYATAAN PENERUS

### MASA DEPAN DAN PROSPEK

Ekonomi Malaysia dan Thailand yang dijangka lembap akibat ekonomi global yang tidak menentu sekarang boleh menjejaskan permintaan dan penggunaan produk-produk kami. Walaupun harga bahan mentah dan pembungkusan didapati semakin menurun, depresiasi matawang tempatan akan menjejaskan simpanan.

Kumpulan akan meningkatkan pelaburan dalam bidang pemasaran kreatif yang memanfaatkan pengetahuan terhadap para pengguna di samping terus memantapkan lagi rangkaian edaran syarikat. Kami menjangkakan bahawa jualan dan permintaan terhadap produk-produk syarikat akan terus stabil walaupun terpaksa berdepan dengan tekanan luaran.

Walaupun bagaimanapun, pihak Lembaga Pengarah akan terus berwaspada terhadap cabaran-cabaran yang tidak diduga termasuk kemerosotan ekonomi.

### PERKEMBANGAN DALAM LEMBAGA PENGARAH

Pada 1 Ogos 2008, Datuk Fong Weng Phak telah meletakkan jawatan dari Lembaga Pengarah selepas lebih 8 tahun berbakti kepada Kumpulan. Sehubungan itu, sukacita saya merakamkan setinggi-tinggi penghargaan dari pihak kami kepada beliau di atas sumbangan besar, tunjuk ajar dan nasihat yang telah beliau berikan kepada Kumpulan.

Tidak lupa juga, saya ingin mengalu-alukan En Koh Pong Tiong sebagai pengarah baru kepada Lembaga Pengarah. Ketika ini beliau adalah CEO, Bahagian Makanan dan Minuman, Fraser and Neave Limited. Sebelum ini, beliau bertugas sebagai CEO Asia Pacific Breweries selama 15 tahun. En Koh akan menggunakan pengalaman serta pengetahuannya untuk menyumbang kepada perniagaan bahagian makanan dan minuman.

### PENGHARGAAN

Sempena mengalu-alukan kedatangan ulang tahun F&N yang ke-126, bagi pihak Lembaga Pengarah saya ingin mengucapkan jutaan terima kasih dan syabas kepada semua kakitangan Kumpulan dan pihak pengurusan di atas komitmen, dedikasi dan sumbangan besar mereka kepada Kumpulan. Keupayaan F&N untuk menghasilkan prestasi yang terbaik amat bergantung kepada usaha mereka. Setinggi-tinggi penghargaan juga kami huluskan kepada para pelanggan, rakan niaga dan rakan kongsi kami di atas sokongan padu yang telah diberikan. Akhir kata, syabas, tahniah dan sanjungan yang tidak terhingga kepada para pemegang saham kami di atas keyakinan yang diberikan kepada Kumpulan.

Yang benar

**TENGKU SYARIF BENDAHARA PERLIS SYED BADARUDIN  
JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**

Pengerusi  
30 November 2008



## 主席献词

2007/2008年度为星狮集团(F&N)业绩取得良好表现的又一年。实际上，集团已一连8年取得破记录的收益及盈利。为集团的成功作出巨大贡献的是饮食部，尽管面对各种挑战，这个部门仍取得了双位数的收益及营运成长。

在我们的大马和泰国核心市场，由于燃料费和电费调高造成大幅通货膨胀，消费人情绪趋软及采取谨慎开销态度。在本财政年即将结束之际，虽然原料和包装材料价格已稳定下来及有下调迹象，但成本仍处于高水平。中国的严重大地震，虽未摧毁我们在成都的玻璃包装工厂，而且员工们都安全，但供应链和原料供应已中断了多个月，进而干扰了工厂的生产操作和玻璃部业绩表现。

集团能够在本财政年克服重大的挑战，印证了我们的业务是建立在强大的基础上。世界级的品牌、市场的领导地位、创新和具市场冲击力的策划，以及强大的经销网络和管理能力，都是集团赖以取得持续盈利的关键要素。

集团在2007/2008年财政度的总收益，因汽水、乳制品和玻璃包装业务的大幅成长而增加了25%至35亿9000万令吉。营运盈利则增加了13%至2亿5670万令吉。扣除了高利息成本的税前盈利增加了9%至2亿3970万令吉。不过，由汽水、乳制品和玻璃包装业组成的饮食部，取得了比去年同期高出22%至2亿4690万令吉的营运盈利。产业部的贡献因为星狮商业园第一阶段计划经已完成及第二阶段计划的收益较低而跟着降低，并使到集团的整体盈利成长被挫低。

在扣除税务及小股东利益后，集团净盈利仍增加了9%至1亿6680万令吉，意味着集团在2007/2008年度已是一连8年取得破记录的盈利增长。

所收购的乳制品业务对集团收益贡献了11亿8000万令吉，并为全年12个月带来了5000万令吉的营运盈利，高于去年的8个月业绩所记录的7亿3460万令吉收益和1850万令吉营运盈利。

所收购的业务能取得具体改善的业绩，应归功于泰国供应链的妥善管理和更佳的营运业绩，尽管面对了不利的商业环境。在泰国洛查纳的新乳制品工厂已动工兴建，并预计可在明年底建竣。集团也在大马英达岛上的清真业务枢纽购置了一块土地，目前正着手将设在八打灵再也已有40年历史的乳制品工厂迁移该处。

## 股东回酬

我们的股东在2008年再次高唱丰收。

股东们当记得配合我们成立125周年纪念在2008年7月分派的净5仙特别股息和净12.58仙的中期股息。鉴于业绩继续表现良好，董事部已建议分派30仙(净22.50仙)的末期股息。这加上中期股息及特别股息，分派给股东们的股息总共达到40.08仙，比去年总共分派的股息高出17%，意味着派息比率高达净利的86%，与去年的水平不分轩輊。总的来说，股东们在本财政年可获派净息高达1亿4270万令吉。

## 主席献词

虽然全球股市疲弱，但我们的股价在过去12个月却升扬了13%，反映出股东对我们的信心。2008年的总股东回酬为将近30%，而市场资本维持在32亿2000万令吉，比一年前的28亿5000万令吉增加了3亿7350万令吉。与5年前相比，我们的市场资本取得了21%的复合增长率而达到12亿令吉。

集团自2004年以来，持续在收益及营运盈利方面取得逐年增长。股东派息也逐年增加。

我们将致力于维持或增加每年派息，派息率视集团的业绩表现而定。虽然集团的目标为至少达到50%的派息率，但我们在过去5年的派息率，因稳健的流动现金而一直能够维持在净盈利的大约80%水平。

## 集团投资

正如我在之前所提到，集团目前正在泰国洛查纳动工兴建新乳制品工厂，我们也将把设在八打灵再也的乳制品工厂迁移至英达岛。当这两项计划分别于2009年及2010/11年完成时，这两间设备先进的工厂将为集团的未来盈利成长，奠定一个强大的基础。

在当前的经济情况不明朗之际，集团将谨慎展开其他已拟定的资本投资计划，以取得持续成长。

## 企业监管

星狮集团将在董事部和管理层的带动下继续打造一个负责任、可信任、透明、卓越及获我们的员工信赖的运作方式。集团已采取一项健全的内部管理系统以确保长期成长和维护股东价值。进一步详情可从常年报告的企业监管声明中获取。

## 企业社会责任

配合集团欢庆125周年纪念，星狮集团推展了自我超越奖(OYA)。此奖项在于表扬在建国、体育、学术或商业领域，或是在其他责任上发挥出无惧、勇敢、仁慈或热忱精神方面有杰出表现的大马人。每年都会有12人获得表扬。

自从F&N主席奖学金于2003年配合集团的120周年纪念而设立以来，至今已总共发放了110万令吉予898名取得杰出表现的员工子女。配合今年欢庆125周年纪念，我们决定额外拨出125万令吉的款项用在这方面的表扬。

我们所提到的企业社会责任(CSR)计划，范围涵盖从教育以至环保、卫生、安全和体育赞助的一系列活动。此常年报告的CSR部份将提供详细的汇报。



## 展望与前景

马来西亚和泰国的经济预料会因为环球不景气加剧而放缓。这将对我们的产品的需求与消费起负面影响。主要原料和包装材料价格虽然显示下调趋势，但马币汇率贬值将部份或全部抵销这方面的节省。

集团将加紧投资在具创意及充份利用我们对消费者的卓越洞察能力的市场计划，并继续致力于加强我们的原已强大的经销网络。我们预期产品的销售与需求将得以维持，尽管面对艰难的外来环境因素。

## 董事部人事变动

拿督Fong Weng Phak于2008年8月辞卸担任了8年多的董事一职。我要由衷的感谢他对集团作出的珍贵贡献，集团已因为他的明智谘询及引导而从中受惠。

我同时也要欢迎星狮集团饮食部首席执行官Mr Koh Poh Tiong成为新任董事。他曾在亚洲太平洋酿酒厂担任首席执行官一职长达15年之久。他将凭着本身的经验，为集团的业务提供具洞察力的引导。我期望他能在未来为集团作出巨大的贡献。

## 铭谢

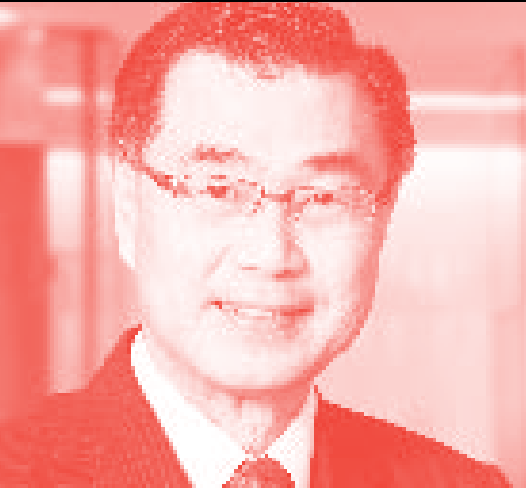
在星狮集团迎向成立126周年纪念之际，我要感谢员工们和领导层的贡献。集团能够取得杰出的业绩表现，有赖于他们的努力。我谨代表董事部同仁感谢他们的忠于职守。同时要感谢我们的顾客、商业同仁和伙伴的继续支持。最后，感谢我们的股东们给予集团的持续信心。

谨此致意

**TENGGU SYARIF BENDAHARA PERLIS SYED BADARUDIN  
JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**

主席  
2008年11月30日

# BOARD OF DIRECTORS



	1				
	2	3	6	7	8
4		5	9	10	
					11

1 Y.A.M. Tengku Syed Badarudin Jamalullail

2 Mr Tan Ang Meng

3 Y.Bhg. Dato' Dr Nik Norzrul Thani bin Nik Hassan Thani

4 Mr Koh Poh Tiong

5 Mr Leslie Oswin Struys

6 Y.Bhg. Dato' Anwarrudin bin Ahamad Osman

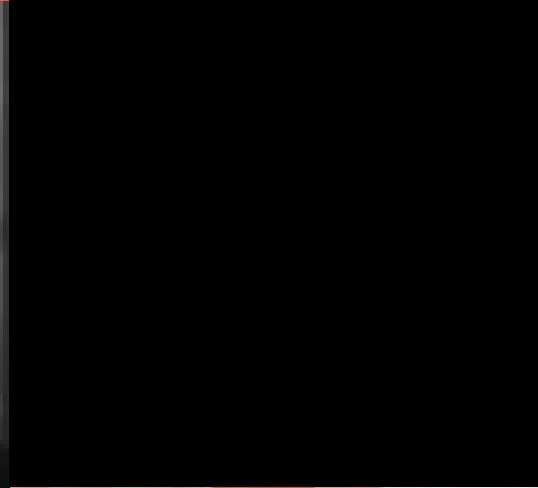
7 Mr Anthony Cheong Fook Seng

8 Y.Bhg. Tan Sri Dato' Dr Lin See Yan

9 Mr Lee Kong Yip

10 Y.Bhg. Dato' Dr Mohd Shahar bin Sidek

11 Mr Wang Eng Chin



## PROFILE OF BOARD OF DIRECTORS

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

*Malaysian, age 63*

*Chairman of the Board, Independent and non-executive director*

*Chairman of the Nominating and Remuneration Committees*

*Member of the Audit Committee*

Tengku Syed Badarudin graduated from Cambridge University in 1968 with a Master of Arts degree in Law & History. From 1968 to 1978, he was employed and held various executive positions in Fraser & Neave (Malaya) Sdn Bhd. Currently Tengku is involved in his family business and he is a Director of Hwang-DBS (Malaysia) Berhad / Hwang-DBS Investment Bank Berhad. He is also a board member of Yayasan Tuanku Syed Putra, a charitable foundation.

He was appointed to the Board on 24 February 1987 and on 27 February 2001 was appointed its Chairman. During the financial year, he attended all the eight scheduled meetings of the Board. 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.

### **Y.BHG. TAN SRI DATO' DR LIN SEE YAN**

*Malaysian, age 69*

*Independent and non-executive director*

*Chairman of the Audit Committee*

*Member of the Nominating Committee*

Tan Sri Lin is an independent strategic and financial consultant. Qualified as Malaysia's first Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received 3 degrees, including a PhD in economics). He is also Professor of Economics (Adjunct), Universiti Utara Malaysia, Professor of International Finance and Business (Adjunct), Universiti Malaysia Sabah and an Eisenhower Fellow.

Prior to 1998, he was Chairman/President and CEO of Pacific Bank and for 14 years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. Dr. Lin continues to serve the public interest; some current appointments include: Member of the PM's Economic Council & National Innovation Council and member of the National Steering Committee to Transform Higher Education; Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia; Member, Asian Shadow Financial Regulatory Committee; Pro-Chancellor, Universiti Sains Malaysia; Governor, Asian Institute of Management, Manila; Member, Advisory Board of the Malaysian-Japanese University Centre; Trustee, Malaysia University for Science & Technology and Monash University (Sunway Campus); and Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA) as well as Regional Director for Asia, Harvard Alumni Association at the University, and President, Harvard Club of Malaysia. Tan Sri advises and sits on the Boards of a number of publicly listed and private businesses in Malaysia, Singapore, Indonesia and Hong Kong including Chairman, Cabot (Malaysia) Sdn Bhd and is Director of Ancom Berhad, Genting Berhad, Resorts World Bhd, Wah Seng Bhd, Jobstreet Corporation Bhd and KrisAssets Holdings Bhd.

He was appointed to the Board on 12 March 1996. During the financial year, he attended all the eight scheduled meetings of the Board. 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.


**MR KOH POH TIONG**

*Singaporean, age 61*

*Non-independent and non-executive director*

*Member of the Nominating and Remuneration Committees*

Mr Koh Poh Tiong, 61, is the Chief Executive Officer, Food & Beverage of Fraser and Neave, Limited. Previously, he held the position of Chief Executive Officer of Asia Pacific Breweries Limited (APB) from October 1993 to September 2008. He remains as a director of APB and retains directorships in most of APB's operating companies in the region.

He is Chairman of the Singapore Kindness Movement (SKM), Chairman of the School Advisory Committee (SAC) of Gan Eng Seng School, a Director of National Healthcare Group Pte Ltd, PSA International Ltd and PSA Corporation Ltd, The Great Eastern Life Assurance Co Ltd and Board member of the Singapore Youth Olympic Games (YOG) Organizing Committee.

From April 2000 to March 2008, he was Chairman of the Agri-Food & Veterinary Authority (AVA); and, a member of the APEC Business Advisory Council representing Singapore from January 1999 to August 2001. His previous directorships include the Media Corporation of Singapore Pte Ltd, Television Corporation of Singapore Pte Ltd, Wildlife Reserves Singapore Pte Ltd and Jurong BirdPark Pte Ltd.

For his contributions to AVA, he was bestowed the Public Service Medal at the National Day Awards 2007. He also received the Service to Education Award from the Ministry of Education in 2007 and the 1998 DHL/The Business Times Outstanding CEO of the Year Award.

He was appointed as a director on 1 October 2008. 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 except in his capacity as the Chief Executive Officer, Food & Beverage of Fraser and Neave, Limited, a major shareholder of the Company.

**MR ANTHONY CHEONG FOOK SENG**

*Malaysian, age 54*

*Non-independent and non-executive director*

*Member of the Audit Committee*

Mr Anthony Cheong is a member of the Institute of Chartered Accountants in England & Wales and the Institute of Certified Public Accountants in Singapore.

He worked in the Audit & Corporate Advisory Services Division of Ernst & Young till 1989 when he joined CarnaudMetalbox Asia Ltd as Internal Audit Manager, later on assuming the position of Company Secretary. He joined the F&N Group in Times Publishing Ltd as Corporate General Manager (Group Finance) and Company Secretary in 2001. He was appointed the Group Company Secretary of the Fraser and Neave, Limited Group on 1 October 2002 and was a director from 1 February 2005 to 31 January 2008. He represents the F&N Group on the boards of a number of subsidiaries.

He was appointed to the Board on 1 October 2002. During the financial year, he attended 7 of the 8 scheduled meetings of the Board. Except for his position as the Group Company Secretary of Fraser and Neave, Limited, a major shareholder of the Company, 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.

## PROFILE OF BOARD OF DIRECTORS

### **Y.BHG. DATO' DR MOHD SHAHAR BIN SIDEK**

*Malaysian, age 61*

*Non-independent and non-executive director*

Dato' Dr Mohd Shahar bin Sidek graduated from the University of Malaya with a Bachelor of Economics (Accounting) Hons in 1971. Upon graduation, he joined the Federal Treasury of Malaysia as Assistant Secretary. In 1980, he was transferred to INTAN as a lecturer where he completed his Masters in Economics (Public Administration) at the University of Malaya in the same year. He pursued his PhD in Public Finance at the Temple University, USA and completed it in 1989.

Upon completion of his doctorate in Finance, Dato' Dr Mohd Shahar joined the Penang State as its State Financial Officer in 1991 and held the position until 1994. He was promoted as the Director General of Biro Tata Negara in 1994. In 1997, he was posted to the Federal Treasury of Malaysia as Secretary for the Supply and Procurement Division and was transferred to MAMPU as Deputy Director General in 1999. He was promoted as Director General of the Road Transport Department in the Ministry of Transport in 2000 until his retirement in April 2003.

He was appointed to the Board on 30 September 2003. During the financial year, he attended 7 of the 8 scheduled meetings of the Board. 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 except that he is a nominee director of Permodalan Nasional Berhad, a major shareholder of the Company.

### **MR LEE KONG YIP**

*Malaysian, age 64*

*Non-independent and non-executive director*

*Member of the Remuneration Committee*

Mr Lee graduated from the University of Malaya with a Bachelor in Economics (Hons) majoring in statistics in 1969. He completed the Executive Program in the Graduate School of Business Administration in the University of California Berkeley, USA in 1988.

From 1969 to 1994, he has held various executive positions in the Oversea-Chinese Banking Corporation Limited and its finance subsidiary, the Oversea-Chinese Finance Company Berhad. In 1995, he was appointed the Executive Vice President and director of the OCBC Bank (Malaysia) Berhad, a post he held until his retirement in April 2000. He is a director of Overseas Assurance Corporation (Malaysia) Berhad, Overseas Assurance Corporation (Holdings) Bhd, Great Eastern Capital (Malaysia) Sdn Bhd and Great Eastern Life Assurance (Malaysia) Berhad.

He was appointed to the Board on 10 May 2000. During the financial year, he attended 7 of the 8 scheduled meetings of the Board. 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 except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company.

**MR TAN ANG MENG***Malaysian, age 53**Non-independent and executive director**Chief Executive Officer*

Mr Tan is a Certified Public Accountant and was admitted to the membership of the Malaysian Institute of Certified Public Accountants in 1980.

From 1975 to 1981, he was employed in the Kuala Lumpur office of PriceWaterhouseCoopers, then known as Price Waterhouse. He then joined UMW. In 1983, he joined Guinness Malaysia Berhad as Assistant Chief Accountant. Following the merger between Guinness Malaysia Bhd and Malayan Breweries (M) Sdn Bhd, he was transferred to Malayan Breweries Limited in 1991 (which later changed its name to Asia Pacific Breweries Ltd) and worked in various executive capacities as well as in various regional offices in the group. His last position held was that of Regional Director based in Singapore with responsibility for the brewery operations in China, Vietnam, Cambodia and Myanmar. In March 2001, he was appointed the Chief Executive Officer of the Company. Mr Tan was appointed as the first director of F&N Capital Sdn Bhd upon the incorporation of the Company on 16 May 2008.

He was appointed to the Board on 24 May 2001. During the financial year, he attended all the eight scheduled meetings of the Board. 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.

**Y.BHG. DATO' DR NIK NORZRUL THANI BIN NIK HASSAN THANI***Malaysian, age 48**Non-independent and non-executive director*

Dato' Dr Nik holds a Ph.D. in Law from the School of Oriental and African Studies (SOAS), University of London and a Masters in Law from Queen Mary College, University of London. He read law at the University of Buckingham, United Kingdom.

Dato' Dr Nik also holds a Post-Graduate diploma in Syariah Law and Practice (with Distinction) from the International Islamic University of Malaysia. He is a Barrister of Lincoln's Inn and an Advocate & Solicitor of the High Court of Malaya. He was called to the Bar of England and Wales in 1985 and to the Malaysian Bar in 1986. He was a Visiting Fulbright Scholar, Harvard Law School in 1996 to 1997, and was formerly the Acting Dean/Deputy Dean of the Faculty of Laws, International Islamic University Malaysia. Dato' Dr Nik is a Fellow of the Chartered Institute of Marketing (United Kingdom) and is also a Fellow of the Financial Services Institute of Australia (FINSIA).

Currently, Dato' Dr Nik Norzrul Thani is a practising lawyer with Zaid Ibrahim & Co. Prior to joining Zaid Ibrahim & Co., Dato' Dr Nik was with Baker & McKenzie (International Lawyers), Singapore.

He was appointed to the Board on 7 November 2006. During the financial year, he attended all the eight scheduled meetings of the Board. 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 except that he is a nominee director of Permodalan Nasional Berhad, a major shareholder of the Company.

## PROFILE OF BOARD OF DIRECTORS

### Y.BHG. DATO' ANWARRUDIN BIN AHAMAD OSMAN

*Malaysian, age 65*

*Independent and non-executive director*

*Member of the Audit Committee*

Dato' Anwarudin Ahamad Osman graduated from the University of Malaya in 1966 with a Bachelor of Arts degree.

Upon graduation, he joined the Malaysian Civil Service in 1966 and served in the Ministry of Defence. In May 1975, he joined Petronas and served in various capacities until his retirement on 1 September 1998 as MD/CEO of Petronas Dagangan Berhad.

During the 23 years in Petronas, Dato' Anwarudin held various senior positions. He was the General Manager of Corporate Planning Division in 1984, General Manager, Human Resources Management Division in 1985 before heading the International Marketing Division of Petronas responsible for sales of crude and products and processing of crude. He was a member of the Asean Council On Petroleum (ASCOPE) technical committee for several years and spoke at the ASCOPE oil marketing management seminars and local seminars on prospects of bumiputera in the marketing and distribution industry; represented Malaysia in the OPEC/NON-OPEC dialogues from 1989 – 1991.

Currently, Dato' Anwarudin holds directorship positions in KKB Engineering Bhd, UEM Builders Bhd and Aker Kvaerner Process System Asia Pacific Sdn Bhd. He is also Executive Vice-Chairman of TDW Sdn Bhd and Chairman of Tokai Engineering Sdn Bhd.

He was appointed to the Board on 19 January 2005. During the financial year, he attended all the eight scheduled meetings of the Board. 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.

### MR LESLIE OSWIN STRUYS

*Singaporean, age 71*

*Senior independent and non-executive director*

*Member of the Audit, Nominating and Remuneration Committees*

Mr Struys graduated from the University of Malaya in 1960 with a Bachelor of Arts degree in Economics.

He joined Fraser and Neave, Limited in 1960 and in his career worked in numerous capacities in sales, marketing and production. He was based in various locations including KL and Ipoh and was the first Branch Manager of the new F&N bottling plant in Johor which was built in 1967. His last position was Product Manager in the soft drinks operations in Malaysia and Singapore in 1972. He was then transferred to Malaya Glass Berhad (which later became Fraser & Neave Holdings Bhd.) as its General Manager and held that position until his retirement in December 1997. He was also a director of Malaya Glass Berhad from 1985 and later of Fraser & Neave Holdings Bhd. until December 1997. He is also a director of Leeden Ltd based in Singapore.

He was re-appointed to the Board on 24 May 2001. During the financial year, he attended all the eight scheduled meetings of the Board. 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.

**MR WANG ENG CHIN***Malaysian, age 49**(Alternate Director to Anthony Cheong Fook Seng)**Non-independent and non-executive*

Mr Wang Eng Chin holds a Bachelor of Business Administration (1984) and a Master of Business Administration (1987) from the University of Mississippi, USA.

Mr Wang is the Group General Manager, Operations – Food & Beverage, F&N Group. Prior to his appointment as Group General Manager, Operations from 1 October 2008, he was Acting Chief Executive Officer – F&B and General Manager at various F&N's F&B subsidiaries. He has been with F&N Group for 20 years and has gained substantial experience in the fast moving consumer goods (FMCG) business in Singapore, Malaysia and Vietnam. Mr Wang is also on the boards of Vietnam Dairy Products Joint Stock Company and a number of subsidiaries of the F&N Group. Prior to joining the F&N Group, he was with Cold Storage (S) Pte Ltd from 1987 to 1991.

He was appointed as an alternate director on 13 February 2007. During the financial year, he attended 5 of the 8 scheduled meetings of the Board. 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 except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company.

*Note: None of the above directors have any disclosable offences as required under the Listing Requirements of Bursa Malaysia Securities Berhad.*

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### NON-EXECUTIVE DIRECTORS

**Y.A.M. Tengku Syarif Bendahara Perlis**  
**Syed Badarudin Jamalullail Ibni Almarhum**  
**Tuanku Syed Putra Jamalullail**  
*Chairman & Independent Director*  
*Chairman of the Nominating Committee*  
*Chairman of the Remuneration Committee*  
*Member of the Audit Committee*

**Y.Bhg. Tan Sri Dato' Dr Lin See Yan**  
*Independent Director*  
*Chairman of the Audit Committee*  
*Member of the Nominating Committee*

**Mr Koh Poh Tiong**  
*(Appointed on 1 October 2008)*  
*Member of the Nominating Committee*  
*Member of the Remuneration Committee*

**Mr Anthony Cheong Fook Seng**  
*Member of the Audit Committee*

**Mr Lee Kong Yip**  
*Member of the Remuneration Committee*

**Mr Leslie Oswin Struys**  
*Senior Independent Director*  
*Member of the Audit Committee*  
*Member of the Nominating Committee*  
*Member of the Remuneration Committee*

**Y.Bhg. Dato' Dr Mohd Shahr bin Sidek**

**Y.Bhg. Dato' Anwarudin bin**  
**Ahamad Osman**  
*Member of the Audit Committee*

**Y.Bhg. Dato' Dr Nik Norzrul Thani bin**  
**Nik Hassan Thani**

**Mr Wang Eng Chin**  
*(Alternate to Mr Anthony Cheong Fook Seng)*

### EXECUTIVE DIRECTOR

**Mr Tan Ang Meng**

## COMPANY SECRETARIES

**Mr Joseph Tan Eng Guan, (MIA 8834)**  
**Ms Gan Mee Ling, LLB (LS01360)**

## GROUP MANAGEMENT

**Mr Tan Ang Meng, MICPA**  
*Chief Executive Officer*

**Mr Joseph Tan Eng Guan, ACCA, MBA**  
*Chief Financial Officer*

**Mr Brian Tan Chuen Yeang, CPA (Aust), ICAEW CF**  
*Senior Manager, Corporate Planning*

**Mr Jeffrey Bok, B. Sc (Hons.)**  
*Group Human Resource Manager*

**Ms Gan Mee Ling, LLB Hons. (Malaya)**  
*Group Company Secretarial Manager*

**Mr Ong Kok Choon, MA (UK), FCMA (UK), CIA (USA)**  
*Group Internal Audit Manager*

**Mr Loong Wei Hin,**  
*B.Econs (Hons.) Harvard B. School (1991)*  
*Senior Manager, Business Development, Export*

**Ms Tiah Oon Su,**  
*B.Econs (Accounting), LLB Monash University Australia*  
*Head, Group Legal*

## BUSINESS UNIT SENIOR MANAGEMENT

### SOFT DRINKS:

**Mr James Teo Hong Beng, B.A.Sc., MBA**  
*Managing Director*

### DAIRY PRODUCTS:

**Mr Tony Lee Cheow Fui, B.Com, CA (Aust.)**  
*Chief Operating Officer*

**Mr Edward Liew Fui Ping, MA-Marketing (London)**  
*General Manager, Malaysia*

**Mr Somsak Chayapong,**  
*BSc (Chula), PED (IMD Business School, Lausanne)*  
*Country Head - Thailand & Indochina*

### GLASS CONTAINERS:

**Mr Mogan Muniandy, B.Soc. Sc. (Mgmt), MBA, MCIPS**  
*General Manager*

### PROPERTY:

**Mr Cheah Hong Chong,**  
*BSc (Hons), M. Phil (Cantab), MBA MIEM, P.E.*  
*General Manager*

## REGISTERED ADDRESS

Level 8, F&N Point  
No. 3 Jalan Metro Pudu 1  
Fraser Business Park  
Off Jalan Yew, 55100 Kuala Lumpur  
Tel: 03-9235 2288 Fax: 03-9222 7878  
Email: cosec@fn.com.my

## SHARE REGISTRAR AND TRANSFER OFFICE

Tenaga Koperat Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel: 03-2264 3883 Fax: 03-2282 1886

## AUDITORS

Ernst & Young, Kuala Lumpur

## PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad  
Deutsche Bank (Malaysia) Berhad  
Citibank Berhad

## STOCK EXCHANGE LISTING

Bursa Malaysia: Main Board  
Name & Code: F&N and 3689  
Stock Sector: Consumer Products

# CORPORATE STRUCTURE

## Soft Drinks

- 90% F&NCC Beverages Sdn Bhd
  - 100% Borneo Springs Sdn Bhd
- 90% F&N Coca-Cola (Malaysia) Sdn Bhd

## Dairy Products

- 100% F&N Dairies (Malaysia) Sdn Bhd
- 100% F&N Foods Sdn Bhd
- 100% Premier Milk (Malaya) Sdn Bhd
- 100% F&N Dairies (Thailand) Limited
- 100% Arols Singapore Pte Limited
- 100% Lion Share Management Limited
- 100% PML Dairies Sdn Bhd

## Glass Containers

- 100% Malaya Glass Products Sdn Bhd
  - 70% Malaya-Vietnam Glass Limited
  - 60% Sichuan Malaya Glass Co Ltd
  - 70% Thai Malaya Glass Company Limited
- 100% Kuala Lumpur Glass Manufacturers Company Sdn Bhd

## Property

- 100% Wimanis Sdn Bhd
- 100% Brampton Holdings Sdn Bhd
- 100% Vacaron Company Sdn Bhd
- 100% Elsinburg Holdings Sdn Bhd
- 100% Greenclipper Corporation Sdn Bhd
- 100% Nuvak Company Sdn Bhd
- 100% Utas Mutiara Sdn Bhd
- 100% F&N Properties Sdn Bhd (formerly known as Radiant Worth Sdn Bhd)
- 100% Tropical League Sdn Bhd
- 70% Lettricia Corporation Sdn Bhd

## Others

- 100% Fraser & Neave (Malaya) Sdn Bhd
- 100% Four Eights Sdn Bhd
- 100% F&N Capital Sdn Bhd



# BUSINESS REVIEW

Group Performance Overview	030
Soft Drinks	032
Dairy Products	040
Glass Containers	050
Property	054

# GROUP PERFORMANCE OVERVIEW

## RECORD PERFORMANCE AMIDST CHALLENGING TIMES

The financial year 2007/2008 saw the Group record a robust performance, consolidating its position in the marketplace while successfully mitigating market and consumer sentiments in the face of uncertainty and rising costs, particularly sharp increases in fuel and energy prices.

The Group persevered to build on anticipating and exceeding consumer and customer demand through a strong focus on product innovation, brand experience and presence in every sphere of an increasingly-discerning marketplace.

The F&B operations, including glass containers, delivered credible, positive performances particularly as raw material prices continued to remain at elevated prices despite some respite in the later quarters of the financial year.

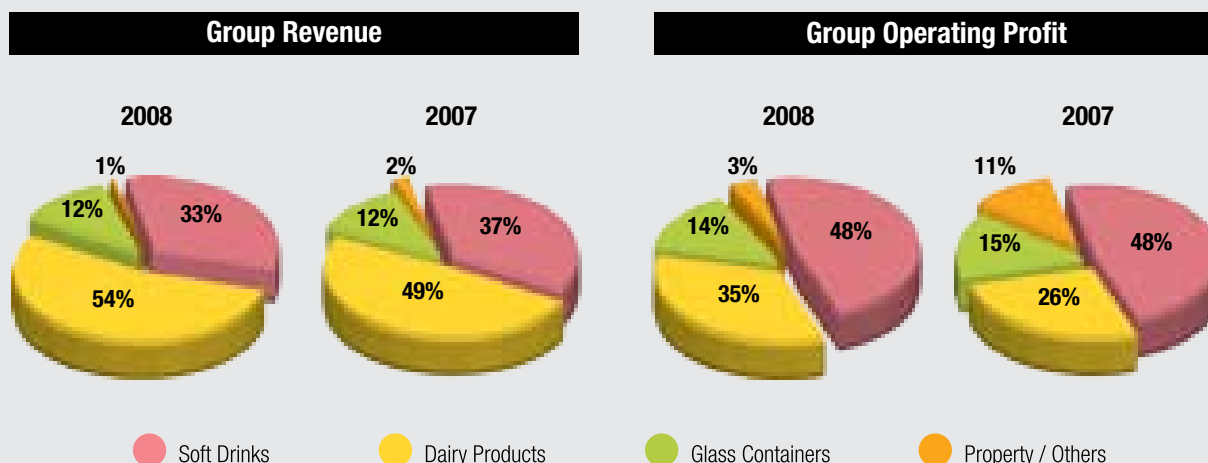
The soft drinks division maintained its pivotal role as the main contributor to top-and bottom-line performance, thanks to a strong festive uptake, which saw higher consumption during the first half of the year while mitigating dampened consumer sentiment in the last two quarters.

The year under review also saw the inclusion of the maiden, full-year contribution from Thailand following the successful consolidation of the Nestle business. This buoyed the dairies division's overall revenue and operating profit by a hefty 39 per cent and 47 per cent respectively. F&N Dairies (Thailand) Limited joined the ranks of major players in the non-alcoholic Thai F&B market.

The glass division leveraged on newly-installed capacity in Thailand to build on continued encouraging performances in Malaysia and Vietnam to achieve its growth targets. While achieving commendable increases of 5 per cent and 24 per cent respectively in operating profits and revenue, our operations were significantly affected by an inclement environment exacerbated by rising raw material and energy costs and a massive earthquake in Sichuan.

The completion of Phase I of Fraser Business Park and lower contribution from Phase II saw a decline in revenue and operating profits of 46 per cent and 62 per cent respectively for the property division.

Overall, the Group performed commendably, achieving its eighth consecutive year of record revenue and profits.





## Heads of Department



Tan Ang Meng  
(Chief Executive Officer)

Joseph Tan  
(Chief Financial Officer)

Brian Tan Chuen Yeang  
(Senior Manager,  
Corporate Planning)

Loong Wei Hin  
(Senior Manager,  
Business Development, Export)

Jeffrey Bok  
(Group Human  
Resource Manager)

Gan Mee Ling  
(Group Company Secretarial  
Manager)

Ong Kok Choon  
(Group Internal Audit  
Manager)

Tiah Oon Su  
(Head, Group Legal)

## ALLOCATION AND MANAGEMENT OF FUNDS

As part of the Group's strategy to fund business expansion, F&N has, via its wholly-owned subsidiary F&N Capital Sdn Bhd, obtained the approval of the Securities Commission on 17 June 2008 to implement the Commercial Paper/Medium Term Notes Program (CP/MTN), of up to RM1 billion issuance. The program, with a tenure of seven years, has been assigned a AA1/P1 rating by RAM Ratings, and reaffirmed the Group's strong financial standing and long-term credit worthiness.

The CP/MTN Program effectively broadens the sources of the Group's medium- and long-term funds and enables the Group to better match its borrowing to the cash-flow profile of its capital investments. Fixed rate MTN of three and five-year tenures amounting to RM300 million have been issued to-date. Going forward, F&N remains on a comfortable gear and well within the norm as the Group has strong operating cash-flows to support borrowings.

## THE YEAR AHEAD

At the time of writing, a global recession was already unraveling and threatening to engulf the economies of the world. To forecast expectations of an uncertain year is conservative at best, and we envisage yet more challenges in the 12 months ahead.

While there is much uncertainty on how we will be impacted in Malaysia and Thailand, dampened consumption is very much certain although weakening raw material prices and the downward trend in fuel prices may provide some insulation.

Barring any significant slump in consumption, we are cautiously optimistic for the year ahead and will institute various measures to minimise the impact on our operating environment.

The F&B division will continue to invest in product innovation and IT infrastructure while pursuing capacity expansion and cost-saving initiatives. Greater emphasis will also be placed on market execution and increased training of front-line sales support.

The Group, together with the respective brand owners, will continue to focus on and invest in strategic brand activities to build market share and volume growth for existing and new products. More efforts will also be made to explore export opportunities, in particular dairy products to the Middle East markets, while leveraging on the Malaysian halal certification for our products.

The glass division's operations in Malaysia, Vietnam, Thailand and China will continue to build and grow their domestic markets. In tandem with these measures, the Malaysian and Vietnam operations will explore greater export opportunities. The division will also leverage on its regional supplier strength in high-value export markets and strengthen long-term partnerships with export customers.

Meanwhile, the property division will focus on completing Phase II of Fraser Business Park and development planning efforts for its portfolio of development land, including unlocking the value of its existing land bank in Petaling Jaya and Kota Kinabalu.