



FRASER & NEAVE HOLDINGS BHD.  
(Company No: 004205-V, Incorporated in Malaysia)

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**For immediate release**

## **QUARTERLY FINANCIAL REPORT**

### Financial year ended 30 September 2017

The Directors are pleased to release the unaudited quarterly financial report for the quarter and financial year ended 30 September 2017.

The contents of the financial report comprise the following attached unaudited condensed consolidated financial statements, explanatory notes and additional disclosures and these must be read in conjunction with the Group's audited financial statements for the year ended 30 September 2016:

- Schedule A : Unaudited Condensed Consolidated Income Statement
- Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income
- Schedule C : Unaudited Condensed Consolidated Statement of Financial Position
- Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows
- Schedule E : Unaudited Condensed Consolidated Statement of Changes in Equity
- Schedule F : Selected Explanatory Notes
- Schedule G : Additional Disclosures

The unaudited quarterly financial report has been prepared in accordance with the accounting standards on interim financial reporting issued by the Malaysian Accounting Standards Board and contains additional disclosures prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless specified otherwise, the same accounting policies and methods of computation applied to the Group's financial statements for the previous year had been followed throughout this quarterly financial report.

By Order of the Board

Mayeen Wong May Fun  
Secretary

Kuala Lumpur  
7 November 2017

### Schedule A : Unaudited Condensed Consolidated Income Statement

For the quarter and year ended 30 September 2017

RM'000	Individual 4 <sup>th</sup> quarter			Cumulative 4 <sup>th</sup> quarter		
	30/09/2017	30/09/2016	% chg	30/09/2017	30/09/2016	% chg
Revenue	976,275	976,500	0.0%	4,101,374	4,167,567	-1.6%
Cost of sales	(685,158)	(637,641)		(2,732,883)	(2,683,553)	
Gross profit	291,117	338,859	-14.1%	1,368,491	1,484,014	-7.8%
Other income	4,534	5,486		20,106	38,834	
Operating expenses	(276,346)	(295,225)		(1,043,531)	(1,089,474)	
Operating profit	19,305	49,120	-60.7%	345,066	433,374	-20.4%
Finance income	3,707	3,885		14,776	15,791	
Finance costs	(3,826)	(3,792)		(15,305)	(14,356)	
Share of results of a joint venture #	(1,779)	(444)		(2,083)	(1,614)	
Share of results of an associate ^	1,983	2,938		11,259	9,742	
Profit before tax (PBT)	19,390	51,707	-62.5%	353,713	442,937	-20.1%
Tax credit/(expense) (Schedule G, Note 5)	245	(2,119)		(30,366)	(57,567)	
<b>Profit after tax (PAT)</b>	<b>19,635</b>	<b>49,588</b>	<b>-60.4%</b>	<b>323,347</b>	<b>385,370</b>	<b>-16.1%</b>
<b>Attributable to:</b>						
Owners of the Company	19,648	49,589		323,377	385,372	
Non-controlling interests	(13)	(1)		(30)	(2)	
Profit after tax	19,635	49,588		323,347	385,370	
Basic earnings per share (sen) attributable to owners of the Company	5.4	13.6		88.3	105.3	
Diluted earnings per share (sen) attributable to owners of the Company	5.3	13.5		88.0	104.8	

# The share of results of a joint venture for the quarter refers to Vacaron Company Sdn Bhd and is derived from its unaudited management accounts for the quarter and year ended 30 September 2017.

^ The share of results of an associate for the quarter refers to Cocoland Holdings Berhad and is derived from its unaudited quarterly announcement for the quarter ended 30 June 2017 dated 28 August 2017. The cumulative results are the sum total of its quarterly results recognised by the Group for the four quarters ended 30 June 2017.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2016.

**Schedule B: Unaudited Condensed Consolidated Statement of Comprehensive Income**

For the quarter and year ended 30 September 2017

RM'000	Individual 4 <sup>th</sup> quarter			Cumulative 4 <sup>th</sup> quarter		
	30/09/2017	30/09/2016	% chg	30/09/2017	30/09/2016	% chg
Profit after tax	19,635	49,588	-60.4%	323,347	385,370	-16.1%
<b>Other comprehensive income, net of tax:</b>						
<i>Item that is not to be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit plans	596	(1,514)		596	(1,514)	
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	533	24,279		30,176	(8,912)	
Exchange differences on settlement of a net investment	-	-		-	(33,117)	
	1,129	22,765		30,772	(43,543)	
<b>Total comprehensive income</b>	<b>20,764</b>	<b>72,353</b>	<b>-71.3%</b>	<b>354,119</b>	<b>341,827</b>	<b>3.6%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	20,777	72,354		354,149	341,829	
Non-controlling interests	(13)	(1)		(30)	(2)	
	20,764	72,353	-71.3%	354,119	341,827	3.6%

**Schedule C : Unaudited Condensed Consolidated Statement of Financial Position**

As at 30 September 2017

RM'000	30/09/2017	30/09/2016
<b>Non-current assets</b>		
Property, plant and equipment	1,193,851	1,112,752
Investment properties	49,315	49,286
Properties held for development	56,047	55,317
Investment in a joint venture <i>(Schedule F, Note 8)</i>	89,822	84,303
Investment in an associate <i>(Schedule F, Note 9)</i>	83,768	78,730
Intangible assets	122,218	125,111
Deferred tax assets	25,726	32,034
	1,620,747	1,537,533
<b>Current assets</b>		
Inventories	540,716	517,329
Trade and other receivables	620,185	542,949
Current tax asset	25,280	14,248
Derivative financial assets	137	260
Cash and short term deposits	424,433	593,554
	1,610,751	1,668,340
<b>Total assets</b>	3,231,498	3,205,873
<b>Equity</b>		
Share capital and reserves	2,132,558	1,988,960
Non-controlling interests	172	202
<b>Total equity</b>	2,132,730	1,989,162
<b>Non-current liabilities</b>		
Loans and borrowings	181,639	374,712
Employee benefits	38,070	41,937
Deferred tax liabilities	29,944	32,638
	249,653	449,287
<b>Current liabilities</b>		
Trade and other payables	636,090	730,894
Loans and borrowings	197,458	29,885
Current tax liabilities	14,020	6,555
Derivative financial liabilities	1,547	90
	849,115	767,424
<b>Total liabilities</b>	1,098,768	1,216,711
<b>Total equity and liabilities</b>	3,231,498	3,205,873
Net assets per share (RM) attributable to owners of the Company	5.82	5.43

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2016.

**Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows**

For the year ended 30 September 2017

RM'000	30/09/2017	30/09/2016
<b>Cash flows from operating activities</b>		
Profit before tax	353,713	442,937
Add non-cash items:		
- Depreciation and amortisation	91,725	96,875
- Impairment of property, plant and equipment	2,999	1,901
- Impairment loss on receivables	816	758
- Inventories written down	3,351	6,683
- Inventories written off	6,266	10,525
- Bad debts recovered	(24)	(53)
- Share-based payment transactions expense	9,216	9,576
- Property, plant and equipment written off	1,444	1,190
- Intangible assets written off	-	17
- Reversal of provisions for litigation claims	(5,749)	-
- Change in fair value of investment properties	(29)	(108)
- Net loss on disposal of property, plant and equipment	678	161
- Net fair value loss on derivatives	1,580	5,531
- Finance costs	15,305	14,356
- Finance income	(14,776)	(15,791)
- Share of results of a joint venture	2,083	1,614
- Share of results of an associate	(11,259)	(9,742)
- Others	(7,886)	(2,919)
Changes in working capital #	(199,163)	(15,694)
Tax paid	(30,311)	(59,411)
<b>Net cash from operating activities</b>	<b>219,979</b>	<b>488,406</b>
<b>Cash flows from investing activities</b>		
Interest received	9,879	9,298
Dividend received	6,221	13,920
Loan to a joint venture	(2,000)	-
Proceeds from disposal of property, plant and equipment	1,252	541
Purchase of property, plant and equipment	(155,356)	(149,675)
Purchase of intangible assets	(291)	(163)
<b>Net cash used in investing activities</b>	<b>(140,295)</b>	<b>(126,079)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(210,761)	(229,088)
Interest paid	(15,798)	(13,610)
(Repayment)/proceeds of borrowings	(25,500)	104,597
Purchase of shares by Share Grant Plan ("SGP") Trust	(9,006)	(12,072)
Proceeds from the exercise of the Executives' Share Options Scheme ("ESOS")	-	1,912
<b>Net cash used in financing activities</b>	<b>(261,065)</b>	<b>(148,261)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(181,381)</b>	<b>214,066</b>
<b>Effects of foreign exchange rate changes</b>	<b>12,260</b>	<b>(29,655)</b>
<b>Cash and cash equivalents at 1 October</b>	<b>593,554</b>	<b>409,143</b>
<b>Cash and cash equivalents at 30 September</b>	<b>424,433</b>	<b>593,554</b>

# Included the interest amounting to RM5,602,000 (2016: RM5,721,000) accrued on loan to a joint venture.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2016.

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**Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows (cont'd)**

For the year ended 30 September 2017

RM'000	30/09/2017	30/09/2016
Cash and cash equivalents comprise:		
Cash and bank balances	244,435	286,808
Short term deposits with licensed banks with a maturity period of 3 months or less	179,998	306,746
Cash and short term deposits	424,433	593,554

**Schedule E : Unaudited Condensed Consolidated Interim Statement of Changes in Equity**

For the year ended 30 September 2017

<----- Attributable to owners of the Company ----->  
<----- Non-distributable ----->      Distributable

RM'000	Share capital	Share premium	Treasury shares	Shares held by SGP Trust (Note b)	Loss on purchase of shares for SGP (Note c)	Foreign exchange reserve	Share-based payment reserve	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>At 1 October 2016</b>	366,779	449,991	(1,716)	(12,060)	(797)	55,734	15,416	9,934	1,105,679	1,988,960	202	1,989,162
<b>Total comprehensive income</b>	-	-	-	-	-	30,176	-	-	323,973	354,149	(30)	354,119
<b>Transactions with owners:</b>												
Issuance of shares upon vesting of SGP	-	-	-	8,987	(1,295)	-	(7,692)	-	-	-	-	-
Purchase of shares by SGP Trust	-	-	-	(9,006)	-	-	-	-	-	(9,006)	-	(9,006)
Employee share-based payment expense	-	-	-	-	-	-	9,216	-	-	9,216	-	9,216
Dividends paid	-	-	-	-	-	-	-	-	(210,761)	(210,761)	-	(210,761)
Transition to no-par value regime on 31 January 2017 (Note a)	449,991	(449,991)	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	449,991	(449,991)	-	(19)	(1,295)	-	1,524	-	(210,761)	(210,551)	-	(210,551)
<b>At 30 September 2017</b>	816,770	-	(1,716)	(12,079)	(2,092)	85,910	16,940	9,934	1,218,891	2,132,558	172	2,132,730
<b>At 1 October 2015</b>	366,647	447,904	(1,716)	(7,733)	(190)	97,763	13,285	9,934	950,909	1,876,803	204	1,877,007
<b>Total comprehensive income</b>	-	-	-	-	-	(42,029)	-	-	383,858	341,829	(2)	341,827
<b>Transactions with owners:</b>												
Issuance of shares upon exercise of ESOS and SGP	132	2,087	-	7,745	(607)	-	(7,445)	-	-	1,912	-	1,912
Purchase of shares by SGP Trust	-	-	-	(12,072)	-	-	-	-	-	(12,072)	-	(12,072)
Employee share-based payment expense	-	-	-	-	-	-	9,576	-	-	9,576	-	9,576
Dividends paid	-	-	-	-	-	-	-	-	(229,088)	(229,088)	-	(229,088)
<b>Total transactions with owners</b>	132	2,087	-	(4,327)	(607)	-	2,131	-	(229,088)	(229,672)	-	(229,672)
<b>At 30 September 2016</b>	366,779	449,991	(1,716)	(12,060)	(797)	55,734	15,416	9,934	1,105,679	1,988,960	202	1,989,162

Note a: In accordance with section 74 of the Companies Act, 2016, the Company's shares no longer have a par or nominal value with effect from 31 January 2017. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition. In accordance with the transitional provisions set out in section 618 of the Companies Act, 2016, any amount standing to the credit of the share premium account becomes part of the Company's share capital. Companies have twenty-four months upon the commencement of Companies Act, 2016 to utilise the credit. During the financial year, the Company has utilised none of the credit of the share premium account which have now become part of the share capital.

Note b: The "Shares held by SGP Trust" relates to shares purchased by the Company for the SGP.

Note c: Upon vesting of share awards, there will be a difference between total purchase price paid by SGP Trust 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 consolidated into Group's consolidated financial statements as a deduction from equity and classified as "loss on purchase of shares for SGP" reserve.

## Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

### 1. Corporate information

Fraser & Neave Holdings Bhd (“F&NHB” or “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 condensed consolidated interim financial statements of the Group (“interim financial statements”) as at and for the year ended 30 September 2017 comprise the Company and its subsidiaries (together referred to as the Group) and the Group’s interest in an associate and a joint venture.

These interim financial statements were approved by the Board of Directors on 7 November 2017.

### 2. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 September 2016.

The audited consolidated financial statements of the Group for the year ended 30 September 2016 are available upon request from the Company’s registered office at Level 3A, F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur, Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2016. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 September 2016.

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 September 2016.

### 3. Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group’s and the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 107 *Disclosure Initiative*
- Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*
- Annual Improvements to MFRSs 2014-2016 Cycle

## Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

### 3. Standards issued but not yet effective (cont'd)

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9 *Financial Instruments*
- MFRS 15 *Revenue from Contracts with Customers*
- Clarifications to MFRS 15 *Revenue from Contracts with Customers*
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4 *Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts* \*
- Amendments to MFRS 140 *Transfer of Investment Property*
- Annual Improvements to MFRSs 2014-2016 Cycle

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17 *Insurance Contracts* \*

#### MFRSs, interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

\* not applicable

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

#### MFRS 9 *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

#### MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

3. Standards issued but not yet effective (cont'd)

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

4. Auditors' report

The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

5. Comment on seasonality or cyclicity of operation

The Group's performance is normally not affected by seasonal or cyclical events on a year to year basis. However, on a quarter to quarter basis, the demand for certain products such as soft drinks and evaporated milk may be skewed towards major festivities and weather pattern.

6. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the year ended 30 September 2017.

7. Significant estimates and changes in estimates

There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.

8. Investment in a joint venture

RM'000	30/09/2017	30/09/2016
Unquoted shares, at cost	500	500
Share of post-acquisition reserves	(8,841)	(6,758)
	<u>(8,341)</u>	<u>(6,258)</u>
Shareholder's loan	126,820	124,820
Interest on shareholder's loan	26,635	21,033
	<u>145,114</u>	<u>139,595</u>
Less: Unrealised profit	(55,292)	(55,292)
	<u>89,822</u>	<u>84,303</u>

The summarised financial information of the joint venture is as follows:

RM'000	30/09/2017	30/09/2016
Total assets	290,581	280,647
Total liabilities	<u>(307,282)</u>	<u>(293,181)</u>

  

RM'000	Individual 4 <sup>th</sup> quarter		Cumulative 4 <sup>th</sup> quarter	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Revenue	-	-	-	-
Loss	<u>(3,558)</u>	<u>(886)</u>	<u>(4,166)</u>	<u>(3,227)</u>

**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

9. Investment in an associate

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
Quoted shares at cost	68,727	68,727
Share of post-acquisition reserves	47,585	36,326
Dividend received	<u>(32,544)</u>	<u>(26,323)</u>
	<u>83,768</u>	<u>78,730</u>
 Fair value of investment in an associate for which there is published price quotation	 <u>174,192</u>	 <u>120,690</u>

The summarised financial information of the associate is as follows:

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
Total assets	277,154	272,646
Total liabilities	<u>(35,853)</u>	<u>(49,873)</u>

RM'000	Individual 4 <sup>th</sup> quarter		Cumulative 4 <sup>th</sup> quarter	
	<u>30/09/2017</u>	<u>30/09/2016</u>	<u>30/09/2017</u>	<u>30/09/2016</u>
Revenue	63,412	67,360	269,893	262,126
Profit	<u>7,293</u>	<u>10,805</u>	<u>41,408</u>	<u>35,833</u>

10. Issuance or repayments of debt/equity securities

There has been no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter.

11. Dividends paid

The following dividends were declared and paid by the Company:

	<u>Date of payment</u>	<u>Sen per share</u>	<u>Total amount RM'000</u>
<u>Year ended 30 September 2017</u>			
Final 2016 ordinary dividends	6 February 2017	30.5	111,795
Interim 2017 ordinary dividends	15 June 2017	27.0	<u>98,966</u>
			<u>210,761</u>
 <u>Year ended 30 September 2016</u>			
Final 2015 ordinary dividends	4 February 2016	35.5	130,122
Interim 2016 ordinary dividends	15 June 2016	27.0	<u>98,966</u>
			<u>229,088</u>

**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

12. Segmental information

**Segment results**

For management purposes, the Group's operating businesses are organised according to products and services, namely Food and Beverages Malaysia ("F&B Malaysia"), Food and Beverages Thailand ("F&B Thailand"), Property and Others segments. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements, where applicable, are determined on a commercial basis. The results by segments for the quarter, preceding and previous quarter are as follows.

RM'000	Revenue				Total
	F&B Malaysia	F&B Thailand	Property	Others	
<u>4<sup>th</sup> quarter - 30/09/2017</u>					
Total revenue	535,372	443,278	1,342	22,626	1,002,618
Inter-segment	-	(2,558)	(1,151)	(22,634)	(26,343)
External	535,372	440,720	191	(8)	976,275
<u>4<sup>th</sup> quarter - 30/09/2016</u>					
Total revenue	566,660	412,628	2,350	33,740	1,015,378
Inter-segment	(14)	(3,074)	(2,167)	(33,623)	(38,878)
External	566,646	409,554	183	117	976,500
<u>3<sup>rd</sup> quarter - 30/06/2017</u>					
Total revenue	592,454	451,227	1,234	29,862	1,074,777
Inter-segment	(3)	(2,677)	(1,056)	(29,764)	(33,500)
External	592,451	448,550	178	98	1,041,277
<u>Cumulative 4<sup>th</sup> quarter - 30/09/2017</u>					
Total revenue	2,318,846	1,793,005	4,864	113,713	4,230,428
Inter-segment	(5)	(11,531)	(4,131)	(113,387)	(129,054)
External	2,318,841	1,781,474	733	326	4,101,374
<u>Cumulative 4<sup>th</sup> quarter - 30/09/2016</u>					
Total revenue	2,530,827	1,650,043	5,465	116,618	4,302,953
Inter-segment	(3,674)	(10,810)	(4,753)	(116,149)	(135,386)
External	2,527,153	1,639,233	712	469	4,167,567











**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

12. Segmental information (cont'd)

**Segment assets**

The total of segment assets is measured based on all assets excluding deferred tax assets, cash and short term deposits, joint venture and associate.

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
F&B Malaysia	1,724,166	1,562,850
F&B Thailand	748,673	684,636
Property	117,759	117,447
Others	17,151	52,319
	<u>2,607,749</u>	<u>2,417,252</u>

**Segment liabilities**

The total of segment liabilities is measured based on all liabilities excluding deferred tax liabilities, provision for taxation and bank borrowings.

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
F&B Malaysia	386,470	464,084
F&B Thailand	282,117	264,834
Property	1,143	2,030
Others	5,977	41,973
	<u>675,707</u>	<u>772,921</u>

13. Significant events

There were no significant events during the quarter.

14. Subsequent events

There were no material events subsequent to the end of the quarter that have not been reflected in the current quarter.

15. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter.

16. Contingent liabilities

There were no contingent liabilities of a material nature since the last annual reporting date.

17. Contingent assets

There were no contingent assets of a material nature since the last annual reporting date.

**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

18. Fair value hierarchy

The Group held foreign currency forward contracts carried at fair value based on Level 2: significant observable inputs for identical assets or liabilities as follows:

RM'000	Fair value	
	<u>30/09/2017</u>	<u>30/09/2016</u>
Derivative financial assets	137	260
Derivative financial liabilities	1,547	90

There was no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset during the quarter.

The Group held investment properties amounting to RM49,315,000 (30 September 2016: RM49,286,000) carried at Level 3: significant unobservable inputs.

19. Capital and lease commitments

**Capital commitments**

The outstanding capital commitments are as follows:

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
<u>Property, plant and equipment</u>		
Contracted but not provided for	111,079	51,910
Authorised but not contracted for	257,545	286,137
	<u>368,624</u>	<u>338,047</u>

**Lease commitments**

The balances of the non-cancellable operating lease rentals payable under rental agreements are as follows:

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
<u>Non-cancellable operating lease commitments - Group as lessee</u>		
Future minimum rentals payable:		
- Not later than 1 year	13,927	12,276
- Later than 1 year and not later than 5 years	22,315	23,797
- Later than 5 years	1,052	1,063
	<u>37,294</u>	<u>37,136</u>

**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

20. Related party disclosures

**Significant related party transactions**

Related party transactions had been entered into in the ordinary course of business on normal commercial terms. The following are significant related party transactions:

RM'000	Individual 4 <sup>th</sup> quarter		Cumulative 4 <sup>th</sup> quarter	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
<u>Fraser and Neave, Limited ("F&amp;N Limited") Group</u>				
Sales	(68,585)	(64,432)	(276,432)	(249,195)
Receipt of corporate service fees	-	-	(62)	-
Rental income	(79)	(108)	(349)	(436)
Purchases	43,703	62,937	182,314	248,434
Royalties paid	12,368	12,452	52,202	57,069
Corporate charges paid	436	743	1,764	2,220
Internal audit fees paid	302	679	1,412	1,559
Other expenses	-	-	-	1
<u>Vacaron Company Sdn Bhd</u>				
Sales	-	-	(2)	(4)
Receipt of corporate service fees	(30)	(134)	(192)	(547)
Finance income	(1,416)	(2,819)	(5,602)	(5,721)
Shareholder's loan granted	-	-	2,000	-
<u>Cocoaland Holdings Berhad Group</u>				
Purchases	1,832	2,105	5,809	6,948
<u>Thai Beverage Public Company Limited Group</u>				
Sales	(233)	(153)	(984)	(628)
Purchases	2,009	1,294	8,527	7,663
Marketing expenses	5,391	38	41,137	86
<u>Berli Jucker Public Company Limited Group</u>				
Sales	(14,522)	(18)	(50,367)	(327)
Purchases	5,781	8,493	28,864	49,466
Other expenses	84	129	295	318
<u>Fraser Centrepoint Limited Group</u>				
Other expenses	2	-	2	-
<u>Other related parties of TCC Group</u>				
Sales	(97)	(2,148)	(915)	(4,113)
Purchases	9,426	1,406	31,450	1,462
Management fees	504	450	2,488	2,011
Insurance premium paid	13	58	2,758	3,423
Other expenses	366	8	666	26
<u>Permodalan Nasional Berhad ("PNB") Group *</u>				
Sales	(10,688)	(12,900)	(59,637)	(70,250)
Purchases	10,106	32,871	42,185	54,342
Rental of equipment paid	619	547	2,547	2,181
Other expenses	76	69	305	273
<u>Compensation</u>				
Compensation of key management personnel of the Group	2,482	3,359	12,024	11,370
Directors' fees	318	636	1,279	1,288

**Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)**

20. Related party disclosure (cont'd)

**Related party balances**

The related party balances are shown below:

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
<u>Amount due from related parties</u>		
F&N Limited Group	102,305	67,203
Vacaron Company Sdn Bhd	153,455	145,958
Cocoaland Holdings Berhad Group	4	-
Thai Beverage Public Company Limited Group	487	888
Berli Jucker Public Company Limited Group	9,006	-
Other related parties of TCC Group	38	1,016
PNB Group	8,577	9,870
<u>Amount due to related parties</u>		
F&N Limited Group	(39,470)	(50,728)
Frasers Centrepoint Limited Group	(3)	-
Vacaron Company Sdn Bhd	(34)	-
Cocoaland Holdings Berhad Group	(936)	(393)
Thai Beverage Public Company Limited Group	(3,951)	(647)
Berli Jucker Public Company Limited Group	(2,793)	(2,417)
Other related parties of TCC Group	(3,855)	(1,651)
PNB Group	(1,987)	(16,836)

\* Permodalan Nasional Berhad ("PNB") is deemed a related party to F&NHB by virtue of PNB holding 30,094,000 shares as of 30 September 2017 through Amanahraya Trustees Berhad, representing 8.21% equity interest in F&NHB and having two nominee directors on the Board of F&NHB.

## Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements

1. Operations review

Current quarter ended 30 September 2017 vs corresponding quarter ended 30 September 2016

Current quarter Group revenue maintained at RM976 million. However, profit before tax declined by 62.5% to RM19.4 million. Excluding one-off items, profit before tax declined by 5.8% to RM52.0 million.

RM'000	Individual 4 <sup>th</sup> quarter		% chg
	30/09/2017	30/09/2016	
Revenue	976,275	976,500	0.0%
Profit before tax	19,390	51,707	-62.5%
<u>One-off items:</u>			
- Restructuring costs	25,270	3,493	
- Others	7,359	-	
	32,629	3,493	
Profit before tax excluding one-off items	52,019	55,200	-5.8%

- F&B Malaysia

F&B Malaysia revenue declined by 5.5% to RM535.4 million compared with the corresponding quarter due to earlier sell-in for the 2017 Hari Raya Puasa festive season (which took place in the third quarter ended 30 June 2017) coupled with intense pricing pressure from competitors. Double digit growth in F&B Malaysia exports helped to ease the decline in domestic sales.

F&B Malaysia operating loss of RM11.5 million, was due to lower revenue, higher input cost, particularly sugar and restructuring costs, partly offset by lower overheads and advertising and promotions spending. Excluding one-off items, operating profit improved by 59.3% to RM18.8 million.

RM'000	Individual 4 <sup>th</sup> quarter		% chg
	30/09/2017	30/09/2016	
Revenue	535,372	566,646	-5.5%
Operating (loss)/profit	(11,468)	10,285	-211.5%
<u>One-off items:</u>			
- Restructuring costs	24,937	1,500	
- Others	5,306	-	
	30,243	1,500	
Operating profit excluding one-off items	18,775	11,785	59.3%

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

1. Operations review (cont'd)  
Current quarter ended 30 September 2017 vs corresponding quarter ended 30 September 2016 (cont'd)

• F&B Thailand

F&B Thailand revenue grew by 7.6% to RM440.7 million due to the successful launches of 2 new variants; Bear Brand Sterilised Milk High Folate and Bear Brand Gold Goji Berry, double digit growth in exports to Indochina region and partly aided by favourable Ringgit Malaysia/Thai Baht translation.

F&B Thailand operating profit declined by 18.8% to RM31.6 million due to higher input costs (milk powder), higher tactical trade spending but partially mitigated by lower advertising and promotions spending. Excluding one-off item, operating profit is declined by 13.5% to RM33.7 million.

RM'000	Individual 4 <sup>th</sup> quarter		% chg
	30/09/2017	30/09/2016	
Revenue	440,720	409,554	7.6%
Operating profit	31,641	38,954	-18.8%
<u>One-off item:</u>			
- Others	2,053	-	
Operating profit excluding one-off item	33,694	38,954	-13.5%

Full financial year vs corresponding last financial year

Group revenue (RM4.1 billion) and profit before tax (RM353.7 million) declined by 1.6% and 20.1% respectively. Excluding one-off items, profit before tax declined by 2.3% to RM406.4 million.

RM'000	Financial year		% chg
	30/09/2017	30/09/2016	
Revenue	4,101,374	4,167,567	-1.6%
Profit before tax	353,713	442,937	-20.1%
<u>One-off items:</u>			
- Reversal of provision for litigation claims	(5,749)	-	
- Restructuring costs	48,388	3,493	
- Insurance claim on East Coast flood	-	(3,771)	
- Realisation of the foreign exchange gain on redemption of zero-coupon bond by F&N Dairies (Thailand) Limited	-	(18,080)	
- Recovery of withholding tax on royalties paid	-	(8,376)	
- Others	10,096	-	
Profit before tax excluding one-off items	406,448	416,203	-2.3%

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

1. Operations review (cont'd)

Full financial year vs corresponding last financial year (cont'd)

• F&B Malaysia

F&B Malaysia revenue declined by 8.2% to RM2.3 billion mainly due to the continuing weak consumer sentiment and intense pricing pressure from competitors. The strong double digit growth in F&B Malaysia exports helped ease the decline in domestic sales.

F&B Malaysia operating profit declined by 44.8% to RM120.7 million from lower revenue, higher input costs, particularly sugar, partly offset by lower discounts, advertising and promotions spending and overheads. Excluding one-off items, operating profit declined by 21.7% to RM169.6 million.

RM'000	Financial year		% chg
	30/09/2017	30/09/2016	
Revenue	2,318,841	2,527,153	-8.2%
Operating profit	120,706	218,765	-44.8%
<u>One-off items:</u>			
- Restructuring costs	43,569	1,500	
- Insurance claim on East Coast flood	-	(3,771)	
- Others	5,306	-	
	48,875	(2,271)	
Operating profit excluding one-off items	169,581	216,494	-21.7%

• F&B Thailand

F&B Thailand revenue grew by 8.7% to RM1.8 billion, mainly aided by favourable Ringgit Malaysia/Thai Baht translation, double digit growth in Indochina market and successful launches of 2 new Bear Brand variants and Teapot Tube.

F&B Thailand operating profit grew by 14.3% to RM228.0 million from favourable input and packaging costs and lower advertising and promotions spending. Excluding one-off items, operating profit increased by 21.8% to RM232.8 million.

RM'000	Financial year		% chg
	30/09/2017	30/09/2016	
Revenue	1,781,474	1,639,233	8.7%
Operating profit	228,000	199,531	14.3%
<u>One-off items:</u>			
- Recovery of withholding tax on royalties paid	-	(8,376)	
- Others	4,790	-	
	4,790	(8,376)	
Operating profit excluding one-off items	232,790	191,155	21.8%

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

2. Comment on material change in Group profit before tax for the quarter ended 30 September 2017 vs preceding 3<sup>rd</sup> quarter ended 30 June 2017

Current quarter Group revenue (RM976.3 million) and profit before tax (RM19.4 million) declined by 6.2% and 73.6% respectively. Excluding one-off items, profit before tax declined by 42.1% to RM52.0 million.

RM'000	Individual quarter		% chg
	30/09/2017	30/06/2017	
Revenue	976,275	1,041,277	-6.2%
Profit before tax	19,390	73,528	-73.6%
<u>One-off items:</u>			
- Restructuring costs	25,270	13,529	
- Others	7,359	2,737	
	32,629	16,266	
Profit before tax excluding one-off items	52,019	89,794	-42.1%

- F&B Malaysia

F&B Malaysia revenue declined by 9.6% to RM535.4 million compared with the preceding quarter due to earlier sell-in for the 2017 Hari Raya Puasa festive season (which took place in the third quarter ended 30 June 2017) and intense price pressure from competitors but partly offset by higher exports.

F&B Malaysia operating loss of RM11.5 million was mainly due lower revenue, higher advertising and promotions spending, and lower exports contribution in the current quarter. Excluding one-off items, operating profit declined by 46.9%.to RM18.8 million.

RM'000	Individual quarter		% chg
	30/09/2017	30/06/2017	
Revenue	535,372	592,451	-9.6%
Operating (loss)/profit	(11,468)	24,217	-147.4%
<u>One-off items:</u>			
- Restructuring costs	24,937	11,129	
- Others	5,306	-	
	30,243	11,129	
Operating profit excluding one-off items	18,775	35,346	-46.9%

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

2. Comment on material change in Group profit before tax for the quarter ended 30 September 2017 vs preceding 3<sup>rd</sup> quarter ended 30 June 2017 (cont'd)

• F&B Thailand

Compared with the preceding quarter, F&B Thailand revenue declined marginally by 1.7% to RM440.7 million compared with the preceding quarter whilst operating profit (excluding one-off item) declined by 37.9% to RM33.7 million mainly due to higher trade spend and input costs.

RM'000	Individual quarter		% chg
	30/09/2017	30/06/2017	
Revenue	440,720	448,550	-1.7%
Operating profit	31,641	51,548	-38.6%
<u>One-off item:</u>			
- Others	2,053	2,737	
Operating profit excluding one-off item	33,694	54,285	-37.9%

3. Prospects

The Malaysian business environment is expected to remain challenging, as a result of competitive price pressure and weak consumer demand. Management has undertaken an operational productivity transformation initiative in Malaysia towards improving organisational productivity and efficiency through process improvement. The operational cost savings from this initiative are expected to contribute positively to the Malaysian operations in the new financial year.

The business outlook in Thailand is positive but management remains cautious about the state of consumer sentiment.

Input and packaging material costs have been rising, which affects both the Malaysian and Thai businesses.

Management will continue to be vigilant and responsive to changes in the external environment and consumer trends, take necessary action to maintain long term sustainable growth and continuously grow the export pillar.

4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter in a public document.

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

5. Tax credit/(expense)

The details of the tax expense are as follows:

RM'000	Individual 4 <sup>th</sup> quarter 30/09/2017	30/09/2016	Cumulative 4 <sup>th</sup> quarter 30/09/2017	30/09/2016
Current income tax	(3,088)	74	27,620	44,598
Deferred tax – origination and reversal of temporary differences	(620)	6,804	1,561	19,028
Under/(over) provision in respect of previous years				
- Income tax	-	(4,479)	(863)	(5,045)
- Deferred tax	3,463	(280)	2,048	(1,014)
	<u>(245)</u>	<u>2,119</u>	<u>30,366</u>	<u>57,567</u>

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

RM'000	Individual 4 <sup>th</sup> quarter 30/09/2017	30/09/2016	Cumulative 4 <sup>th</sup> quarter 30/09/2017	30/09/2016
Profit before tax	<u>19,390</u>	<u>51,707</u>	<u>353,713</u>	<u>442,937</u>
Tax at Malaysian statutory tax rate of 24% (2016: 24%)	4,653	12,410	84,891	106,305
Different tax rates in other countries	(1,598)	(1,934)	(10,719)	(9,507)
Income not subject to tax	(3,397)	(4,412)	(49,968)	(48,659)
Expenses not deductible for tax purposes	2,001	688	9,511	8,789
Recognition of previously unrecognised tax losses	(3,214)	-	(8,618)	-
Deferred tax assets not recognised	(3,093)	748	2,789	4,558
Under/(over) provision in respect of previous years				
- Income tax	-	(4,479)	(863)	(5,045)
- Deferred tax	3,463	(280)	2,048	(1,014)
Share of results of a joint venture	427	106	500	387
Share of results of an associate	(476)	(705)	(2,702)	(2,338)
Others	989	(23)	3,497	4,091
<b>Total tax (credit)/expense</b>	<u>(245)</u>	<u>2,119</u>	<u>30,366</u>	<u>57,567</u>
<b>Effective income tax rate</b>	<u>-1.3%</u>	<u>4.1%</u>	<u>8.6%</u>	<u>13.0%</u>

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

6. Status of corporate proposals

There were no outstanding corporate proposals or announcements made in the current quarter.

7. Group borrowings and debt securities

The details of the Group's borrowings are as follows:

RM'000	Currency	30/09/2017	30/09/2016
<u>Current</u>			
Medium term notes ("MTN")	RM	150,000	-
Term loan	THB	47,458	29,885
		197,458	29,885
<u>Non-current</u>			
MTN	RM	150,000	300,000
Term loan	THB	31,639	74,712
		181,639	374,712
		379,097	404,597

On 26 September 2013 and 7 October 2013, a subsidiary of the Company, F&N Capital Sdn Bhd issued MTN of RM150 million each with the tenure of five (5) years from the issue date. These MTN bear interest at rates of 4.38% and 4.24% per annum respectively and are payable semi-annually in arrears.

On 1 December 2015, a subsidiary of the Company, F&N Dairies (Thailand) Limited, was granted a term loan facility of Baht 1,000,000,000. This term loan bears interest at a rate of 2.35% per annum and are payable semi-annually in six instalments over three (3) years.

8. Material litigation

There is no material litigation to be disclosed in these interim financial statements.

9. Proposed dividend

The Directors recommend a final single tier dividend of 30.5 sen per share (2016: 30.5 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company. If approved by shareholders, the total dividend for the year would amount to 57.5 sen per share (2016: 57.5 sen per share).

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

10. Earnings per share (EPS)

- (a) The basic EPS were computed by dividing the Group attributable profit to owners of the Company by the weighted average number of ordinary shares in issue (net of treasury shares and shares held by SGP Trust).

	Individual 4 <sup>th</sup> quarter		Cumulative 4 <sup>th</sup> quarter	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Group attributable profit to owners of the Company (RM'000)	<u>19,648</u>	<u>49,589</u>	<u>323,377</u>	<u>385,372</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,120</u>	<u>365,961</u>	<u>366,215</u>	<u>366,077</u>
Basic earnings per share (sen)	<u>5.4</u>	<u>13.6</u>	<u>88.3</u>	<u>105.3</u>

- (b) The diluted EPS were computed by dividing the Group attributable profit to owners of the Company by the weighted average number of ordinary shares in issue (net of treasury shares and shares held by SGP Trust), adjusted for the dilutive effects of potential ordinary shares, i.e. share grants granted pursuant to the SGP.

	Individual 4 <sup>th</sup> quarter		Cumulative 4 <sup>th</sup> quarter	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Group attributable profit to owners of the Company (RM'000)	<u>19,648</u>	<u>49,589</u>	<u>323,377</u>	<u>385,372</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,120</u>	<u>365,961</u>	<u>366,215</u>	<u>366,077</u>
Adjustments pursuant to the SGP ('000)	<u>1,303</u>	<u>1,498</u>	<u>1,303</u>	<u>1,498</u>
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>367,423</u>	<u>367,459</u>	<u>367,518</u>	<u>367,575</u>
Diluted earnings per share (sen)	<u>5.3</u>	<u>13.5</u>	<u>88.0</u>	<u>104.8</u>

## Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

### 11. Disclosure of realised and unrealised portions of the retained earnings

The breakdown of the retained earnings of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
Total retained earnings of the Company and its subsidiaries		
- Realised	1,212,843	1,066,563
- Unrealised	(4,590)	96
	<u>1,208,253</u>	<u>1,066,659</u>
Total share of retained earnings of a joint venture		
- Realised	(10,627)	(7,852)
- Unrealised	1,786	1,094
	<u>(8,841)</u>	<u>(6,758)</u>
Total share of retained earnings of an associate		
- Realised	17,339	12,590
- Unrealised	(2,298)	(2,587)
	<u>15,041</u>	<u>10,003</u>
Consolidation adjustments	4,438	35,775
Total Group retained earnings as per financial statements	<u>1,218,891</u>	<u>1,105,679</u>

### 12. Notes to the Condensed Consolidated Income Statement

Profit before tax is arrived at after charging/(crediting) the following items:

RM'000	<u>Individual 4<sup>th</sup> quarter 30/09/2017</u>	<u>30/09/2016</u>	<u>Cumulative 4<sup>th</sup> quarter 30/09/2017</u>	<u>30/09/2016</u>
(a) Depreciation and amortisation	23,082	25,406	91,725	96,875
(b) Net impairment loss on property, plant and equipment	1,462	2,545	494	1,383
(c) Net impairment loss on receivables	520	913	520	109
(d) Bad debts recovered	(1)	(2)	(24)	(53)
(e) Inventories written down	2,580	4,959	3,351	6,683
(f) Reversal of inventories written down	(15)	(97)	(146)	(3,908)
(g) Inventories written off	2,123	1,773	6,266	10,525
(h) Net loss on disposal/write offs of property, plant and equipment/intangible assets	221	470	2,122	1,368
(i) Foreign exchange loss/(gain)	324	(2,056)	10,455	(19,213)
(j) Loss/(gain) on forward foreign exchange contracts	867	(312)	1,580	5,531
(k) Change in fair value of investment properties	(29)	(108)	(29)	(108)

**Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)**

13. Outstanding derivatives

- (a) Outstanding derivatives consist of foreign exchange contracts which are measured at fair value together with their corresponding notional value amounts as follows:

RM'000	<u>30/09/2017</u>	<u>30/09/2016</u>
Forward foreign exchange contracts (Less than 1 year)		
- Notional value	79,571	25,798
- Fair value	<u>(1,410)</u>	<u>170</u>

There is no significant change for the financial derivatives in respect of the following since the year ended 30 September 2016:

- (i) The credit risk, market risk and liquidity risk associated with these financial derivatives;
  - (ii) The cash requirements of the financial derivatives;
  - (iii) The policy in place for mitigating or controlling the risks associated with these financial derivatives; and
  - (iv) The related accounting policies.
- (b) Disclosure of gains/loss arising from fair value changes of derivative financial instruments

During the year ended 30 September 2017, the Group recognised a total net loss of RM1,580,000 (2016: RM5,531,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 30 Sep 2017.