



**FRASER & NEAVE HOLDINGS BHD**  
(Company No: 196101000155 (4205-V))  
(Incorporated in Malaysia)

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**For immediate release**

## **QUARTERLY FINANCIAL REPORT**

### 3<sup>rd</sup> Quarter Ended 30 June 2022

The Directors are pleased to release the unaudited quarterly financial report for the quarter and nine months ended 30 June 2022.

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 financial year ended 30 September 2021:

- 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 standard 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 financial year had been followed throughout this quarterly financial report.

By Order of the Board  
Kuala Lumpur  
3 August 2022

**Schedule A : Unaudited Condensed Consolidated Income Statement**

For the quarter and nine months ended 30 June 2022

RM'000	Individual 3 <sup>rd</sup> quarter			Cumulative 3 <sup>rd</sup> quarter		
	30/06/2022	30/06/2021	% chg	30/06/2022	30/06/2021	% chg
Revenue	1,118,249	1,059,642	5.5%	3,332,554	3,234,612	3.0%
Cost of sales	(826,828)	(751,600)		(2,467,018)	(2,264,577)	
Gross profit	291,421	308,042	-5.4%	865,536	970,035	-10.8%
Other income	4,942	2,707		13,165	11,793	
Net loss on impairment of financial instruments	(62)	(191)		(939)	(39)	
Operating expenses	(184,538)	(193,401)		(549,270)	(569,917)	
Operating profit	111,763	117,157	-4.6%	328,492	411,872	-20.2%
Finance income	936	1,234		2,986	3,404	
Finance costs	(1,224)	(674)		(3,281)	(2,339)	
Share of profit of equity-accounted associate, net of tax <sup>^</sup>	2,979	1,547		6,491	4,738	
Share of loss of equity-accounted joint venture, net of tax <sup>#</sup>	(44)	(73)		(146)	(204)	
Profit before tax	114,410	119,191	-4.0%	334,542	417,471	-19.9%
Tax expense (Schedule G, Note 5)	(16,943)	(23,049)		(50,269)	(81,025)	
<b>Profit for the period</b>	<b>97,467</b>	<b>96,142</b>	<b>1.4%</b>	<b>284,273</b>	<b>336,446</b>	<b>-15.5%</b>
<b>Profit for the period attributable to:</b>						
Owners of the Company	97,500	96,156	1.4%	284,320	336,473	-15.5%
Non-controlling interests	(33)	(14)		(47)	(27)	
Profit for the period	97,467	96,142	1.4%	284,273	336,446	-15.5%
Basic earnings per ordinary share (sen) (Schedule G, Note 10)	26.6	26.2		77.5	91.8	
Diluted earnings per ordinary share (sen) (Schedule G, Note 10)	26.5	26.2		77.4	91.5	

<sup>^</sup> 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 31 March 2022 dated 31 May 2022. The cumulative results are the sum total of its quarterly result recognised by the Group for the nine months ended 31 March 2022.

<sup>#</sup> 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 nine months ended 30 June 2022.

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 financial year ended 30 September 2021.

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

For the quarter and nine months ended 30 June 2022

RM'000	Individual 3 <sup>rd</sup> quarter			Cumulative 3 <sup>rd</sup> quarter		
	30/06/2022	30/06/2021	% chg	30/06/2022	30/06/2021	% chg
Profit for the period	97,467	96,142	1.4%	284,273	336,446	-15.5%
<b>Other comprehensive income/(expense), net of tax: Item that is or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences for foreign operations	2,385	(21,083)		9,222	(9,776)	
<b>Total comprehensive income for the period</b>	<b>99,852</b>	<b>75,059</b>	<b>33.0%</b>	<b>293,495</b>	<b>326,670</b>	<b>-10.2%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	99,885	75,073	33.1%	293,542	326,697	-10.1%
Non-controlling interests	(33)	(14)		(47)	(27)	
	<b>99,852</b>	<b>75,059</b>	<b>33.0%</b>	<b>293,495</b>	<b>326,670</b>	<b>-10.2%</b>

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 financial year ended 30 September 2021.

**Schedule C : Unaudited Condensed Consolidated Statement of Financial Position**  
As at 30 June 2022

RM'000	30/06/2022	30/09/2021
<b>Non-current assets</b>		
Property, plant and equipment	1,449,010	1,372,249
Right-of-use assets	124,789	125,367
Investment properties	47,569	47,569
Properties held for development	54,933	54,933
Intangible assets	89,374	88,319
Investment in an associate ( <i>Schedule F, Note 8</i> )	92,178	85,687
Investment in a joint venture ( <i>Schedule F, Note 9</i> )	87,409	87,555
Deferred tax assets	5,517	5,240
	<u>1,950,779</u>	<u>1,866,919</u>
<b>Current assets</b>		
Trade and other receivables	727,890	545,932
Inventories	875,441	659,745
Current tax asset	-	3,770
Derivative financial assets ( <i>Schedule F, Note 18</i> )	51	-
Cash and cash equivalents	374,649	555,380
	<u>1,978,031</u>	<u>1,764,827</u>
<b>Total assets</b>	<u>3,928,810</u>	<u>3,631,746</u>
<b>Equity</b>		
Share capital and reserves	2,895,892	2,818,965
Non-controlling interests	2,758	(195)
<b>Total equity</b>	<u>2,898,650</u>	<u>2,818,770</u>
<b>Non-current liabilities</b>		
Lease liabilities	56,277	53,904
Employee benefits	44,354	43,440
Deferred tax liabilities	70,104	59,754
	<u>170,735</u>	<u>157,098</u>
<b>Current liabilities</b>		
Trade and other payables	624,301	* 540,089
Contract liabilities	90,786	* 73,979
Loans and borrowings ( <i>Schedule G, Note 7</i> )	120,015	1,000
Lease liabilities	9,058	10,143
Current tax liabilities	15,139	30,501
Derivative financial liabilities ( <i>Schedule F, Note 18</i> )	126	166
	<u>859,425</u>	<u>655,878</u>
<b>Total liabilities</b>	<u>1,030,160</u>	<u>812,976</u>
<b>Total equity and liabilities</b>	<u>3,928,810</u>	<u>3,631,746</u>
Net assets per share (RM) attributable to owners of the Company	<u>7.90</u>	<u>7.69</u>

\* The comparatives for the financial year ended 30 September 2021 have been restated as disclosed in Schedule F, Note 21.

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 financial year ended 30 September 2021.

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

For the nine months ended 30 June 2022

RM'000	Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021
<b>Cash flows from operating activities</b>		
Profit before tax	334,542	417,471
Add/(less) non-cash items:		
- Depreciation of property, plant and equipment and amortisation of intangible assets	79,701	82,691
- Depreciation of right-of-use assets	15,041	19,527
- Finance costs	3,281	2,339
- Finance income	(2,986)	(3,404)
- Net impairment loss/(reversal of impairment loss) on property, plant and equipment	6,191	(25)
- Net (gain)/loss on disposal of property, plant and equipment	(19)	55
- Property development costs written off	-	25
- Property, plant and equipment written off	468	345
- Employee share-based expense	4,414	6,928
- Share of profit of equity-accounted associate, net of tax	(6,491)	(4,738)
- Share of loss of equity-accounted joint venture, net of tax	146	204
- Others	635	(337)
Changes in working capital	(296,499)	129,151
Tax paid	(51,875)	(84,602)
<b>Net cash from operating activities</b>	<b>86,549</b>	<b>565,630</b>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(2,144)	(1,435)
Acquisition of property, plant and equipment	(157,975)	(90,987)
Acquisition of subsidiaries	-	(49,868)
Dividends received	-	4,977
Interest received	1,757	3,285
Proceeds from disposal of property, plant and equipment	735	280
Proceeds from issue of shares by a new subsidiary to non-controlling interests	3,000	-
<b>Net cash used in investing activities</b>	<b>(154,627)</b>	<b>(133,748)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to owners of the Company	(220,067)	(220,067)
Interest paid	(1,940)	(3,299)
Payment of lease liabilities	(13,110)	(18,154)
Proceeds from loans and borrowings	119,015	-
Purchase of shares by Share Grant Plan ("SGP") Trust	(814)	(5,794)
Repayment of loans and borrowings	-	(90,775)
<b>Net cash used in financing activities</b>	<b>(116,916)</b>	<b>(338,089)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(184,994)</b>	<b>93,793</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>4,263</b>	<b>(7,980)</b>
<b>Cash and cash equivalents at 1 October 2021/2020</b>	<b>555,380</b>	<b>493,615</b>
<b>Cash and cash equivalents at 30 June</b>	<b>374,649</b>	<b>579,428</b>
Cash and bank balances	333,242	453,993
Short term deposits with licensed banks with a maturity period of 3 months or less	41,407	125,435
<b>Cash and cash equivalents at 30 June</b>	<b>374,649</b>	<b>579,428</b>

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 financial year ended 30 September 2021.

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

For the nine months ended 30 June 2022

RM'000	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Non-distributable				Distributable					
	Share capital	Shares held by SGP Trust (Note a)	Loss on purchase of shares for SGP (Note b)	Translation reserve	Share-based payment reserve	Legal reserve	Retained earnings			
<b>At 1 October 2021</b>	816,770	(4,626)	(9,275)	48,002	12,926	9,934	1,945,234	2,818,965	(195)	2,818,770
Total comprehensive income	-	-	-	9,222	-	-	284,320	293,542	(47)	293,495
<b>Transactions with owners:</b>										
Shares vested under SGP	-	4,983	298	-	(5,281)	-	-	-	-	-
Purchase of shares by SGP Trust	-	(814)	-	-	-	-	-	(814)	-	(814)
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	3,000	3,000
Employee share-based expense	-	-	-	-	4,266	-	-	4,266	-	4,266
Dividends to owners of the Company	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
<b>Total transactions with owners</b>	-	4,169	298	-	(1,015)	-	(220,067)	(216,615)	3,000	(213,615)
<b>At 30 June 2022</b>	816,770	(457)	(8,977)	57,224	11,911	9,934	2,009,487	2,895,892	2,758	2,898,650
<b>At 1 October 2020</b>	816,770	(4,688)	(7,733)	94,284	14,434	9,934	1,767,600	2,690,601	(161)	2,690,440
Total comprehensive income	-	-	-	(9,776)	-	-	336,473	326,697	(27)	326,670
<b>Transactions with owners:</b>										
Shares vested under SGP	-	6,627	(1,542)	-	(5,085)	-	-	-	-	-
Purchase of shares by SGP Trust	-	(5,794)	-	-	-	-	-	(5,794)	-	(5,794)
Employee share-based expense	-	-	-	-	6,572	-	-	6,572	-	6,572
Dividends to owners of the Company	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
<b>Total transactions with owners</b>	-	833	(1,542)	-	1,487	-	(220,067)	(219,289)	-	(219,289)
<b>At 30 June 2021</b>	816,770	(3,855)	(9,275)	84,508	15,921	9,934	1,884,006	2,798,009	(188)	2,797,821

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

Note b: 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 nine months ended 30 June 2022 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 3 August 2022.

### 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 financial year ended 30 September 2021.

The audited consolidated financial statements of the Group for the year ended 30 September 2021 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 financial year ended 30 September 2021. 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 financial year ended 30 September 2021.

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 financial year ended 30 September 2021, except for the adoption of the following new and amended MFRSs, and Issues Committee (IC) Interpretations mandatory for annual financial periods beginning on or after 1 October 2021:

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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

### 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 financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above standards, interpretations and amendments are not expected to have any material impact on the financial statements in the period of initial application.

### 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.



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

6. Unusual items due to their nature, size and incidence

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter other than as disclosed in Schedule G, Note 11.

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 an associate

RM'000	<u>30/06/2022</u>	<u>30/09/2021</u>
Quoted shares at cost	68,727	68,727
Share of post-acquisition reserves	85,234	78,743
Dividends received	<u>(61,783)</u>	<u>(61,783)</u>
	<u>92,178</u>	<u>85,687</u>
Market value of investment in an associate for which there is published price quotation	<u>180,413</u>	<u>120,068</u>

The summarised financial information of the associate is as follows:

RM'000	<u>30/06/2022</u>	<u>30/09/2021</u>
Total assets	304,844	274,310
Total liabilities	<u>(37,229)</u>	<u>(25,952)</u>

RM'000	Individual 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	<u>30/06/2022</u>	<u>30/06/2021</u>	<u>30/06/2022</u>	<u>30/06/2021</u>
Revenue	65,744	54,118	174,444	160,718
Profit	<u>10,545</u>	<u>5,688</u>	<u>23,468</u>	<u>17,422</u>

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

9. Investment in a joint venture

RM'000	30/06/2022	30/09/2021
Unquoted shares, at cost	127,820	127,820
Share of post-acquisition reserves	(23,413)	(23,267)
	104,407	104,553
Interest on shareholder's loan	38,294	38,294
	142,701	142,847
Less: Unrealised profit	(55,292)	(55,292)
	87,409	87,555

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

RM'000	30/06/2022	30/09/2021
Total assets	285,770	286,027
Total liabilities	(76,974)	(76,939)

RM'000	Individual 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Revenue	-	-	-	-
Loss	(88)	(146)	(292)	(409)

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:

RM'000	Date of payment	Sen per share	Total amount
<u>Nine months ended 30 June 2022</u>			
Final 2021 ordinary	9 February 2022	33.0	121,037
Interim 2022 ordinary	31 May 2022	27.0	99,030
			220,067
<u>Nine months ended 30 June 2021</u>			
Final 2020 ordinary	5 February 2021	33.0	121,037
Interim 2021 ordinary	16 June 2021	27.0	99,030
			220,067

Please refer to *Schedule G, Note 9* for dividend declared in this quarter.

**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 current, preceding and last year same quarter are as follows:

RM'000	Revenue				Total
	F&B Malaysia	F&B Thailand	Property	Others	
<b><u>3<sup>rd</sup> quarter - 30/06/2022</u></b>					
Total revenue	626,837	492,954	856	19,023	1,139,670
Inter-segment	-	(2,877)	(684)	(17,860)	(21,421)
External	626,837	490,077	172	1,163	1,118,249
<b><u>3<sup>rd</sup> quarter - 30/06/2021</u></b>					
Total revenue	540,175	528,593	867	19,167	1,088,802
Inter-segment	-	(10,648)	(670)	(17,842)	(29,160)
External	540,175	517,945	197	1,325	1,059,642
<b><u>2<sup>nd</sup> quarter - 31/03/2022</u></b>					
Total revenue	615,095	496,421	850	17,377	1,129,743
Inter-segment	-	(4,575)	(679)	(16,800)	(22,054)
External	615,095	491,846	171	577	1,107,689
<b><u>Cumulative 3<sup>rd</sup> quarter - 30/06/2022</u></b>					
Total revenue	1,817,517	1,525,034	2,518	55,286	3,400,355
Inter-segment	-	(13,268)	(2,023)	(52,510)	(67,801)
External	1,817,517	1,511,766	495	2,776	3,332,554
<b><u>Cumulative 3<sup>rd</sup> quarter - 30/06/2021</u></b>					
Total revenue	1,672,527	1,589,000	2,549	57,526	3,321,602
Inter-segment	-	(30,835)	(1,956)	(54,199)	(86,990)
External	1,672,527	1,558,165	593	3,327	3,234,612





**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 cash and cash equivalents.

RM'000	<u>30/06/2022</u>	<u>30/09/2021</u>
F&B Malaysia	2,099,192	1,848,805
F&B Thailand	1,128,891	931,861
Property	201,160	201,536
Others	124,918	94,164
	<u>3,554,161</u>	<u>3,076,366</u>

**Segment liabilities**

The total of segment liabilities is measured based on all liabilities excluding loans and borrowings.

RM'000	<u>30/06/2022</u>	<u>30/09/2021</u>
F&B Malaysia	535,048	408,148
F&B Thailand	369,592	398,264
Property	1,633	1,985
Others	3,872	3,579
	<u>910,145</u>	<u>811,976</u>

13. Significant events

There were no significant events that have not been reflected in the current quarter other than as follows:

- a) On 22 April 2022, F&NHB via its wholly-owned subsidiary, Usahaniaga Abadi Sdn Bhd ("UASB"), had subscribed for 5,570,000 ordinary shares of Dagang Sejahtera Sdn Bhd ("DSSB") at RM1.00 each, representing 65% of the issued share capital of DSSB. As a result, DSSB become an indirect 65%-owned subsidiary of F&NHB. The principal activity of DSSB is investment holding.
- b) F&NHB indirect 65%-owned subsidiary, DSSB (the "Purchaser"), had on 25 April 2022 entered into a conditional share sale agreement with:
  - (i) Dupont & Leosk Enterprises Sdn Bhd (the "Vendor") as beneficial owner of 25,000,000 ordinary shares of RM1.00 each in Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd) ("Ladang Permai Damai") (the "Sale Shares") and
  - (ii) Malaysia Nominees (Tempatan) Sdn Bhd as registered owner of the Sale Shares and nominee company of OCBC Bank (Malaysia) Berhad holding the Sale Shares as nominee and chargee for the benefit of OCBC Bank (Malaysia) Berhad,

to acquire the Sale Shares representing the Vendor's 100% equity interest in Ladang Permai Damai for a total cash consideration of RM215,588,160 (the "Proposed Acquisition").

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

13. Significant events (cont'd)

- c) On 3 June 2022, F&NHB had announced the proposed acquisition by F&NHB and/or its nominees, of the entire equity interest in Cocoland Holdings Berhad ("Cocoland") not already owned by F&NHB to be undertaken by way of members' scheme of arrangement under Section 366 of the Companies Act, 2016 between Cocoland and all the shareholders of Cocoland, other than F&NHB ("Scheme Shareholders") involves the acquisition by F&NHB and/or its nominees and transfer of all the Cocoland Shares owned by the Scheme Shareholders ("Scheme Shares") to F&NHB and/or its nominee(s) ("Scheme") ("Proposed Privatisation).

F&NHB will acquire the Scheme Shares: (i) free from all moratoriums, claims, charges, liens, pledge, encumbrances, options, rights of pre-emption, third party rights and equities from the date of sanction of the Scheme by the High Court of Malaya ("High Court"); and (ii) with all the rights, benefits and entitlements attached thereto.

In consideration of the acquisition and transfer of each Scheme Share from the Scheme Shareholders to F&NHB and/or its nominee(s) pursuant to the Scheme, F&NHB shall pay RM1.50 for each Scheme Share ("Offer Price") which shall be satisfied entirely in cash.

Based on 325,431,068 Cocoland Shares held by the Scheme Shareholders as at latest practicable date, representing approximately 72.34% of the share capital of Cocoland, the total consideration for the Proposed Privatisation is approximately RM488,146,602 which shall be satisfied in cash ("Total Cash Consideration").

It is the intention of F&NHB not to maintain the listing status of Cocoland and accordingly, upon completion of the Proposed Privatisation and subject to Bursa Securities' approval, Cocoland Shares will be delisted from the Main Market of Bursa Securities.

Upon completion of the Proposed Privatisation, Cocoland will become a wholly-owned subsidiary of F&NHB.

On 15 June 2022, F&NHB had received a letter from Cocoland that the Board of Directors of Cocoland (other than the interested directors), after having considered the preliminary views of the independent adviser and the terms and conditions of the Proposed Privatisation had decided to present the Proposed Privatisation to the Scheme Shareholders for consideration at a Court Convened Meeting.

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 during the quarter

There were no changes in the composition of the Group during the quarter other than as disclosed in *Schedule F, Note 13(a)*.

16. Contingent liabilities

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

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

17. Contingent assets

There were no contingent assets of a material nature since the last annual reporting date other than insurance claims in respect of the flood event disclosed in Q1, FY2022 quarterly announcement which would be recognised in due course when the claims for property damage and business interruption are finalised with the insurers. Submission of claims and assessment of damages for plant and machinery, for example, is still in progress at the time of this report and subject to availability and lead time for obtaining replacement parts/components and repairs. The full extent of the property damage will only be known after restoration/repair works has been completed.

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>30/06/2022</u>	<u>30/09/2021</u>
Derivative financial assets	51	-
Derivative financial liabilities	<u>126</u>	<u>166</u>

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 RM47,569,000 (2021: RM47,569,000) carried at Level 3: significant unobservable inputs.

19. Capital commitments

**Capital expenditure commitments**

The outstanding capital commitments are as follows:

RM'000	<u>30/06/2022</u>	<u>30/09/2021</u>
<u>Property, plant and equipment</u> Contracted but not provided for	<u>104,285</u>	<u>175,991</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 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
<u>Fraser and Neave, Limited Group</u>				
Sales	66,091	63,757	210,042	198,364
Purchases	(37,749)	(37,637)	(141,397)	(132,170)
Royalties paid	(17,679)	(14,484)	(49,646)	(45,541)
Receipt of corporate service fees	1,199	1,459	2,885	3,733
<u>Cocoaland Holdings Berhad Group</u>				
Dividend income	-	-	-	4,977
<u>Thai Beverage Public Company Limited Group</u>				
Sales	1,876	1,197	4,786	4,014
Purchases	(2,101)	(1,218)	(5,440)	(3,916)
Marketing expenses	(3,930)	(4,686)	(10,491)	(15,783)
Corporate service fees paid	(482)	(567)	(1,474)	(1,708)
Purchase of property, plant and equipment	(262)	-	(4,107)	-
<u>Berli Jucker Public Company Limited Group</u>				
Sales	12,374	16,304	44,857	46,446
Purchases	(814)	(540)	(4,428)	(4,776)
Transportation expenses	-	(2,121)	-	(6,652)
<u>Fraser Property Limited Group</u>				
Rental expenses	(1,468)	-	(4,382)	-
<u>Other related parties of TCC Assets Limited Group</u>				
Purchases	(7,323)	(16,473)	(27,828)	(48,713)
Insurance premium paid	(716)	(817)	(2,298)	(2,549)
<u>Compensation</u>				
Compensation of key management personnel of the Group	(3,823)	(3,669)	(11,179)	(10,817)
Directors' fees and remuneration	(340)	(319)	(979)	(980)

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

20. Related party disclosures (cont'd)

**Related party balances**

The related party balances are shown below:

RM'000	30/06/2022	30/09/2021
<u>Amount due from related parties</u>		
Fraser and Neave, Limited Group	70,822	55,466
Vacaron Company Sdn Bhd	38,304	38,306
Thai Beverage Public Company Limited Group	1,038	559
Berli Jucker Public Company Limited Group	10,656	13,882
Other related parties of TCC Assets Limited Group	14	51
<u>Amount due to related parties</u>		
Fraser and Neave, Limited Group	(31,497)	(25,238)
Frasers Property Limited Group	(527)	(491)
Thai Beverage Public Company Limited Group	(3,438)	(2,050)
Berli Jucker Public Company Limited Group	(414)	(700)
Other related parties of TCC Assets Limited Group	(2,521)	(5,929)

21. Change in comparatives

The comparatives for the financial year ended 30 September 2021 have been restated as follows:

RM'000	As previously stated	Adjustment (Note a)	As restated
<u>Statement of Financial Position</u>			
<u>As at 30 September 2021</u>			
Trade and other payables	558,253	(18,164)	540,089
Contract liabilities	55,815	18,164	73,979

*Note a: Being reclassification to conform with current year's presentation.*

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

1. Operations review

Current quarter ("Q3") ended 30 June 2022 vs corresponding quarter ended 30 June 2021

RM'000	Individual 3 <sup>rd</sup> quarter		% chg
	30/06/2022	30/06/2021	
Revenue	1,118,249	1,059,642	5.5%
Operating profit	111,763	117,157	-4.6%
Adjusted operating profit *	108,171	126,064	-14.2%
Profit before tax	114,410	119,191	-4.0%
Adjusted profit before tax *	110,818	128,098	-13.5%

\* Adjustments for one-off non-operating items:

Flood related items:

Reversal of inventories written down ^	(20,607)	-
Inventories written off ^	20,607	-
Reversal of impairment loss on plant and machinery) ^ #	(263)	-
Reversal of repair expenses of plant and machinery **	(3,100)	-
Other flood related items	(504)	-
	(3,867)	-
Restructuring costs	275	8,907
	<u>(3,592)</u>	<u>8,907</u>

^ Schedule G, Note 11

# Reversal of impairment loss as the plant and machinery can be repaired.

\*\* Reversal of overprovision of repair expenses incurred in previous quarter.

The Group recorded 5.5% revenue growth for its third quarter ended 30 June 2022 to RM1,118.2 million (Q3 FY2021: RM1,059.6 million). Positive momentum from the recovery of economic activities and the strong festive sales in Malaysia as well as price adjustments, moderated the lower revenue in Thailand and export markets.

The Group profit before tax declined by 4.0%, at RM114.4 million (Q3 FY2021: RM119.2 million), attributed to commodity price pressures, stronger USD, foreign exchange translation loss from a weaker Thai Baht (THB) and partially mitigated by improvement in margins from price adjustment. Excluding one-off non-operating items, Group profit before tax declined by 13.5% to RM110.8 million.

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

1. Operations review (cont'd)

Current quarter ("Q3") ended 30 June 2022 vs corresponding quarter ended 30 June 2021 (cont'd)

• F&B Malaysia

RM'000	Individual 3 <sup>rd</sup> quarter		% chg
	30/06/2022	30/06/2021	
Revenue	<u>626,837</u>	<u>540,175</u>	16.0%
Operating profit	50,402	17,146	194.0%
Adjustment for one-off non-operating items:			
Flood related items:			
Reversal of inventories written down	(20,607)	-	
Inventories written off	20,607	-	
Reversal of impairment loss on plant and machinery *	(263)	-	
Reversal of repair expenses of plant and machinery **	(3,100)	-	
Other flood related items	(504)	-	
	(3,867)	-	
Restructuring costs	<u>275</u>	<u>7,248</u>	
	<u>(3,592)</u>	<u>7,248</u>	
Adjusted operating profit	<u>46,810</u>	<u>24,394</u>	91.9%

\* Reversal of impairment loss as the plant and machinery can be repaired.

\*\* Reversal of overprovision of repair expenses incurred in previous quarter.

F&B Malaysia revenue for the quarter surged by 16.0% to RM626.8 million (Q3 FY2021: RM540.2 million), on the back of higher sales from Hari Raya festivities, successful execution of promotion campaigns, easing of movement restrictions as well as lifting of travel restrictions in May 2022.

Beverage sales grew double-digit for the quarter, supported by high festive sales, greater out-of-home consumption and higher selling prices. F&B Malaysia also launched 'Hari Hidrasi Sedunia 100PLUS/100PLUS World Hydration Day' in a 4-day carnival from 23 June 2022 until 26 June 2022.

Dairies revenue improved despite a volume decline following price adjustments undertaken to ease the sharp rise in input cost.

Revenue for food products were lower due to early sell-in for Hari Raya Puasa festive season in previous quarter.

Exports from Malaysia were impacted in price-sensitive markets and in Greater China amidst strict COVID-19 lockdown measures. Improvement in margin and customer/country mix contributed to higher operating profit for Exports despite lower revenue versus last year.

Higher sales, improved margins from price adjustment, logistic savings from partial utilisation of our new Automated Storage Retrieval Systems ("ASRS") Warehouse as well as prudent cost management helped mitigate pressures from higher input and freight cost and contributed to higher operating profit for F&B Malaysia in Q3 FY2022. F&B Malaysia's adjusted operating profit improved by 91.9% to RM46.8 million (Q3 FY2021: RM24.4 million).

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

1. Operations review (cont'd)

Current quarter ("Q3") ended 30 June 2022 vs corresponding quarter ended 30 June 2021 (cont'd)

• F&B Thailand

	Individual 3 <sup>rd</sup> quarter		% chg
	30/06/2022	30/06/2021	
Revenue (RM'000)	490,077	517,945	-5.4%
Revenue (THB'000)	3,865,462	3,957,247	-2.3%
Operating profit (RM'000)	58,731	98,742	-40.5%
Operating profit (THB'000)	462,848	755,780	-38.8%

F&B Thailand revenue in THB terms for the quarter declined by 2.3%, whilst revenue in RM terms was more adversely impacted (-5.4%) due to unfavourable foreign exchange translation from a weaker THB.

While the Thailand economy is gradually recovering as the tourism industry improves, the domestic sales declined for evaporated milk category affected by price adjustments, partially mitigated by growth in sales for condensed milk category. Sales for liquid milk category grew with the launch of new products under F&N Magnolia. F&B Thailand continued to gain in market share for sweetened condensed milk and evaporated milk categories through strong promotions and loyalty programs.

Exports from Thailand faced volume decline due to higher prices. However, new orders and expansion into new markets helped mitigate weaker domestic demand.

Indochina sales grew mainly due to higher sales in Cambodia and partially offset by weaker sales in Laos. The weaker THB against USD aided growth in sales volume in Cambodia. Sales to Laos were impacted as Laos economy crisis worsens amidst soaring inflation.

Operating profit declined by 40.5% (-38.8% in THB terms) to RM58.7 million during the quarter as price adjustment since March has not fully offset the significantly higher input costs.

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

1. Operations review (cont'd)

Cumulative three quarters vs corresponding period last year

RM'000	Cumulative 3 <sup>rd</sup> quarter		% chg
	30/06/2022	30/06/2021	
Revenue	3,332,554	3,234,612	3.0%
Operating profit	328,492	411,872	-20.2%
Adjusted operating profit *	348,884	422,025	-17.3%
Profit before tax	334,542	417,471	-19.9%
Adjusted profit before tax *	354,934	427,624	-17.0%

\* Adjustments for one-off non-operating items:

Flood related items:

Inventories written off ^	20,607	-
Impairment loss on plant and machinery ^	6,302	-
Repair expenses of plant and machinery	8,548	-
Other flood related items	984	-
Interim insurance claim receivable in respect of inventories damaged due to flood ^	(18,002)	-
	18,439	-
Restructuring costs	1,953	10,153
	<u>20,392</u>	<u>10,153</u>

^ *Schedule G, Note 11*

For the nine months ended 30 June 2022, Group revenue grew 3.0% to RM3,332.6 million (FY2021: RM3,234.6 million) from the corresponding period last year amidst recovery of economic activities, lifting of travel restrictions and strong festive sales in Malaysia.

Despite higher revenue, the Group recorded lower profit before tax of RM334.5 million compared to the same period last year. This is mainly due to significantly higher commodity prices, flood impact, and foreign exchange translation loss from a weaker THB. The rise in global commodity prices amounted to an additional RM300.0 million cost of goods sold impact for the nine months. Through rigorous cost management measures, including price and trade discount adjustments, the Group has significantly reduced the impact to its bottom line. Excluding one-off non-operating items, Group profit before tax declined by RM72.7 million (-17.0%) to RM354.9 million (FY2021: RM427.6 million).

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

1. Operations review (cont'd)

Cumulative three quarters vs corresponding period last year (cont'd)

• F&B Malaysia

RM'000	Cumulative 3 <sup>rd</sup> quarter		% chg
	30/06/2022	30/06/2021	
Revenue	1,817,517	1,672,527	8.7%
Operating profit	118,208	88,427	33.7%
Adjustment for one-off non-operating items:			
Flood related items:			
Inventories written off	20,607	-	
Impairment loss on plant and machinery	6,302	-	
Repair expenses of plant and machinery	8,548	-	
Other flood related items	868	-	
Interim insurance claim receivable in respect of inventories damaged due to flood	(18,002)	-	
	18,323	-	
Restructuring costs	1,573	8,456	
	19,896	8,456	
Adjusted operating profit	138,104	96,883	42.5%

F&B Malaysia revenue grew by 8.7% to RM1,817.5 million (FY2021: RM1,672.5 million). This was driven by strong 2<sup>nd</sup> and 3<sup>rd</sup> quarter performance on the back of strong festive sales, lifting of movement restrictions, reopening of borders and additional one quarter revenue from Food pillar (acquired in January 2021). The growth momentum was partly dampened by lower Export revenue and the impact of the flood on Shah Alam operations.

Excluding one-off non-operating items, F&B Malaysia operating profit grew by 42.5% to RM138.1 million (FY2021: RM96.9 million), attributed to higher beverages sales, higher selling prices, improved margin for dairy products, improvement in export customer/country mix, logistic savings realised from partial utilisation of ASRS warehouse and contribution from Food pillar.

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

1. Operations review (cont'd)

Cumulative three quarters vs corresponding period last year (cont'd)

• F&B Thailand

	Cumulative 3 <sup>rd</sup> quarter		% chg
	30/06/2022	30/06/2021	
Revenue (RM'000)	1,511,766	1,558,165	-3.0%
Revenue (THB'000)	11,986,359	11,722,077	2.3%
Operating profit (RM'000)	200,945	320,347	-37.3%
Operating profit (THB'000)	1,593,234	2,409,970	-33.9%

Strong double-digit growth in domestic and export sales in the first quarter contributed to F&B Thailand recording higher revenue in the nine months, up by 2.3% (in THB terms) as sales dampened in 2<sup>nd</sup> and 3<sup>rd</sup> quarter in domestic and export markets affected by price increase. To mitigate impact of lower sales from price increase, F&B Thailand continued with strong loyalty campaign promotions, expanding distribution coverage via van sales, and launched new products under F&N Magnolia. However, unfavourable foreign exchange translation led to lower revenue in RM terms, registering a 3.0% decline to RM1,511.8 million.

Operating profit declined by 37.3% (33.9% in THB terms) to RM200.9 million due to significantly higher input costs (especially tin can and milk powder) and difficulty in passing on the higher input costs to customers, as its products are on the Thai government price watch list. Price increase was implemented in March to mitigate pressures from margins.

2. Comment on material change in Group profit before tax for the quarter ended 30 June 2022 vs preceding 2<sup>nd</sup> quarter ("Q2") ended 31 March 2022

RM'000	Individual quarter		% chg
	30/06/2022	31/03/2022	
Revenue	1,118,249	1,107,689	1.0%
Operating profit	111,763	109,528	2.0%
Adjusted operating profit *	108,171	108,385	-0.2%
Profit before tax	114,410	111,985	2.2%
Adjusted profit before tax *	110,818	110,842	-0.0%

\* Adjustments for one-off non-operating items:

Flood related items:

Reversal of inventories written down	(20,607)	-
Inventories written off	20,607	-
Net reversal of impairment loss on plant and machinery #	(263)	(13,474)
(Reversal of)/Repair expenses of plant and machinery **	(3,100)	11,647
Other flood related items	(504)	604
	(3,867)	(1,223)

Restructuring costs	275	80
	<u>(3,592)</u>	<u>(1,143)</u>

# Reversal of impairment loss as the plant and machinery can be repaired.

\*\* Reversal of overprovision of repair expenses incurred in previous quarter.



**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 June 2022 vs preceding 2<sup>nd</sup> quarter ("Q2") ended 31 March 2022 (cont'd)

Group profit before tax improved by 2.2% to RM114.4 million (Q2 FY2022: RM112.0 million) due to one-off non-operating items. Excluding one-off non-operating items, the Group profit before tax is flat against preceding quarter mainly due to higher Hari Raya festive sales for F&B Malaysia and price increase efforts which mitigated the impact of lower earnings from F&B Thailand.

3. Prospects

The Group anticipate the headwinds to continue into the last quarter of the financial year, with ongoing disruptions in supply chain, raw material shortages, historically high input prices, and geopolitical uncertainties continue to put pressure on the Group's margin. Additionally, rising inflation and MYR and THB depreciation against the USD will add further cost pressures, although the impact will be mitigated partially by export receipts in USD. Nonetheless, we are confident that the reopened borders in Malaysia and Thailand will spur tourist arrivals, consumer spending and economic activity.

Moving forward, we will intensify effort on upholding our leadership positions in the market and executing the upcoming initiatives that will enable us to boldly take strategic steps toward new product offerings, integrated farming and potential partnership development.

Our warehouse in Kota Kinabalu Industrial Park (KKIP) was completed this quarter and our Solar Photovoltaic systems energised at two plants in Malaysia (Shah Alam and Pulau Indah). We are looking forward towards the completion of our ASRS Warehouse in Shah Alam (pending full repairs and replacement of parts affected by the flood), Drinking Water production plant at KKIP, new Liquid Milk & Plant-Based Beverages factory in Thailand, and Plant-Based Beverages capability at our Pulau Indah plant by the end of 2022.

The Group's latest proposed acquisition of Ladang Permai Damai Sdn Bhd and proposed privatisation of Cocoaland Holdings Berhad will drive our future growth prospects and will bring us closer to our ambition to be a stable and sustainable Food and Beverage leader in ASEAN.

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 expense

The details of the tax expense are as follows:

RM'000	Individual 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Current income tax	11,825	24,678	40,585	70,290
Deferred tax – origination and reversal of temporary differences	7,212	3,180	12,371	14,662
Under/(Over) provision in respect of previous years				
- Income tax	1	(8)	(455)	1,029
- Deferred tax	(2,095)	(4,801)	(2,232)	(4,956)
	<u>16,943</u>	<u>23,049</u>	<u>50,269</u>	<u>81,025</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 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Profit before tax	<u>114,410</u>	<u>119,191</u>	<u>334,542</u>	<u>417,471</u>
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	27,458	28,606	80,290	100,193
Effect of tax rates in foreign jurisdictions	(2,266)	(4,066)	(8,155)	(13,536)
Tax exempt income	(3,243)	(6,555)	(14,458)	(23,270)
Non-deductible expenses	1,275	415	(82)	1,683
Deferred tax benefits not recognised	(3,654)	-	(3,724)	-
Over provision of income and deferred tax in prior years	(2,094)	(4,809)	(2,687)	(3,927)
Foreign withholding tax	173	9,812	610	20,971
Others	(706)	(354)	(1,525)	(1,089)
<b>Total income tax expense</b>	<u>16,943</u>	<u>23,049</u>	<u>50,269</u>	<u>81,025</u>
<b>Effective income tax rate</b>	<u>14.8%</u>	<u>19.3%</u>	<u>15.0%</u>	<u>19.4%</u>

6. Status of corporate proposals

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

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

7. Loans and borrowings

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

RM'000	Currency	30/06/2022	30/09/2021
<u>Current (unsecured)</u>			
Islamic Medium Term Notes	RM	1,000	1,000
Term loan	THB	119,015	-
		<u>120,015</u>	<u>1,000</u>

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

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

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

To activate the Programmes, the Issuer had on 30 August 2021 issued IMTN of RM1,000,000 with a tenure of one (1) year from the issued date. As at 30 June 2022, the outstanding IMTN with profit rate of 2.45% per annum amounted to RM1,000,000.

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

Term loans of THB950,000,000

On 24 June 2022, a subsidiary of the Company, F&N Dairies (Thailand) Limited was granted term loans of THB950,000,000 with tenures of three (3) months and six (6) months from the issued date. The interest rates of the term loans ranging from 1.25% to 1.50% per annum. As at 30 June 2022, the outstanding balances for the term loans amounted to THB950,000,000 (2021: Nil).

8. Material litigation

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

9. Dividend declared in this quarter

On 27 April 2022, the Directors have declared an interim single tier dividend of 27 sen per share (2021: 27 sen) for the financial year ending 30 September 2022. This dividend amounting to approximately RM99.0 million was paid on 31 May 2022 (entitlement date for the dividend was 17 May 2022).

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

10. Earnings per ordinary share (EPS)

- (a) The calculation of basic earnings per ordinary share at 30 June 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Individual 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Profit for the period attributed to owners of the Company (RM'000)	<u>97,500</u>	<u>96,156</u>	<u>284,320</u>	<u>336,473</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,596</u>	<u>366,540</u>	<u>366,706</u>	<u>366,640</u>
Basic earnings per ordinary share (sen)	<u>26.6</u>	<u>26.2</u>	<u>77.5</u>	<u>91.8</u>

- (b) The calculation of diluted earnings per ordinary share at 30 June 2022 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Individual 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Profit for the period attributed to owners of the Company (RM'000)	<u>97,500</u>	<u>96,156</u>	<u>284,320</u>	<u>336,473</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,596	366,540	366,706	366,640
Adjustments pursuant to the SGP ('000)	<u>837</u>	<u>1,053</u>	<u>837</u>	<u>1,053</u>
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>367,433</u>	<u>367,593</u>	<u>367,543</u>	<u>367,693</u>
Diluted earnings per ordinary share (sen)	<u>26.5</u>	<u>26.2</u>	<u>77.4</u>	<u>91.5</u>

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

11. Notes to the Condensed Consolidated Income Statement

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

RM'000	Individual 3 <sup>rd</sup> quarter		Cumulative 3 <sup>rd</sup> quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
(a) Bad debts recovered	(30)	(3)	(46)	(22)
(b) Depreciation of property, plant and equipment and amortisation of intangible assets	26,771	28,059	79,701	82,691
(c) Depreciation of right-of-use assets	4,856	6,092	15,041	19,527
(d) Insurance claim receivables	-	-	(18,002)	-
(e) Inventories written off				
- due to flood	20,607	-	20,607	-
- others	885	638	2,381	1,282
(f) Net fair value loss/(gain) on derivatives	1,126	409	(91)	(548)
(g) Net (reversal of impairment loss)/impairment loss on property, plant and equipment				
- due to flood	(263)	-	6,302	-
- others	(75)	(8)	(111)	(25)
(h) Net impairment loss on receivables	62	191	939	39
(i) Net (reversal of inventories written down)/inventories written down				
- due to slow moving inventories	(1,478)	(836)	1,379	2,033
- due to flood	(20,607)	-	-	-
(j) Net loss on disposal/write-offs of property, plant and equipment	149	100	449	400
(k) Net gain on foreign exchange	(4,953)	(1,373)	(5,829)	(1,435)
(l) Property development costs written off	-	25	-	25

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

12. 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:

	30/06/2022		30/09/2021	
	Notional value	Fair value RM'000	Notional value	Fair value RM'000
Forward foreign exchange contracts (less than 1 year)				
USD ('000)	188	35	-	-
AUD ('000)	1,191	(110)	2,356	(166)
		<u>(75)</u>		<u>(166)</u>

There is no significant change for the financial derivatives in respect of the following since the financial year ended 30 September 2021:

- (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 current period, the Group recognised a total net gain of RM91,000 (2021: RM548,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 30 June 2022.