



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

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For immediate release

QUARTERLY FINANCIAL REPORT

Financial Year Ended 30 September 2022

The Directors are pleased to release the unaudited quarterly financial report for the quarter and financial year ended 30 September 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
8 November 2022

Schedule A : Unaudited Condensed Consolidated Income Statement

For the quarter and year ended 30 September 2022

RM'000	Individual 4 th quarter			Cumulative 4 th quarter		
	30/09/2022	30/09/2021	% chg	30/09/2022	30/09/2021	% chg
Revenue	1,137,609	896,260	26.9%	4,470,163	4,130,872	8.2%
Cost of sales	(829,053)	(672,137)		(3,296,071)	(2,936,714)	
Gross profit	308,556	224,123	37.7%	1,174,092	1,194,158	-1.7%
Other income	7,729	6,195		20,894	17,988	
Net loss on impairment of financial instruments	(1,461)	(1,099)		(2,400)	(1,138)	
Operating expenses	(195,375)	(168,805)		(744,645)	(738,722)	
Operating profit	119,449	60,414	97.7%	447,941	472,286	-5.2%
Finance income	1,341	1,566		4,327	4,970	
Finance costs	(2,522)	(840)		(5,803)	(3,179)	
Share of profit of equity-accounted associate, net of tax [^]	1,287	886		7,778	5,624	
Share of loss of equity-accounted joint venture, net of tax [#]	(47)	(86)		(193)	(290)	
Profit before tax	119,508	61,940	92.9%	454,050	479,411	-5.3%
Tax expense (Schedule G, Note 5)	(21,512)	(3,256)		(71,781)	(84,281)	
Profit for the period	97,996	58,684	67.0%	382,269	395,130	-3.3%
Profit for the period attributable to:						
Owners of the Company	98,888	58,691	68.5%	383,208	395,164	-3.0%
Non-controlling interests	(892)	(7)		(939)	(34)	
Profit for the period	97,996	58,684	67.0%	382,269	395,130	-3.3%
Basic earnings per ordinary share (sen) (Schedule G, Note 10)	27.0	16.0		104.5	107.8	
Diluted earnings per ordinary share (sen) (Schedule G, Note 10)	26.9	16.0		104.3	107.6	

[^] 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 2022 dated 30 August 2022. The cumulative results are the sum total of its quarterly result recognised by the Group for the year ended 30 June 2022.

[#] 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 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 year ended 30 September 2022

RM'000	Individual 4 th quarter			Cumulative 4 th quarter		
	30/09/2022	30/09/2021	% chg	30/09/2022	30/09/2021	% chg
Profit for the period	97,996	58,684	67.0%	382,269	395,130	-3.3%
Other comprehensive income/(expense), net of tax:						
<i>Item that is not to be reclassified subsequently to profit or loss:</i>						
Remeasurement of defined benefit plan	5,705	2,537		5,705	2,537	
<i>Item that is or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	(15,659)	(36,506)		(6,437)	(46,282)	
	(9,954)	(33,969)		(732)	(43,745)	
Total comprehensive income for the period	88,042	24,715	>100%	381,537	351,385	8.6%
Total comprehensive income attributable to:						
Owners of the Company	88,934	24,722	>100%	382,476	351,419	8.8%
Non-controlling interests	(892)	(7)		(939)	(34)	
	88,042	24,715	>100%	381,537	351,385	8.6%

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 September 2022

RM'000	30/09/2022	30/09/2021
Non-current assets		
Property, plant and equipment	1,458,344	1,372,249
Right-of-use assets	122,133	125,367
Investment properties	47,569	47,569
Properties held for development	54,933	54,933
Intangible assets	91,925	88,319
Investment in an associate (<i>Schedule F, Note 8</i>)	93,465	85,687
Investment in a joint venture (<i>Schedule F, Note 9</i>)	87,362	87,555
Deferred tax assets	5,178	5,240
	1,960,909	1,866,919
Current assets		
Trade and other receivables	866,369	545,932
Inventories	901,377	659,745
Current tax asset	-	3,770
Derivative financial assets (<i>Schedule F, Note 17</i>)	88	-
Cash and cash equivalents	461,887	555,380
	2,229,721	1,764,827
Total assets	4,190,630	3,631,746
Equity		
Share capital and reserves	2,982,523	2,818,965
Non-controlling interests	1,866	(195)
Total equity	2,984,389	2,818,770
Non-current liabilities		
Loans and borrowings (<i>Schedule G, Note 7</i>)	210,000	-
Lease liabilities	53,021	53,904
Employee benefits	35,696	43,440
Deferred tax liabilities	74,180	59,754
	372,897	157,098
Current liabilities		
Trade and other payables	693,017	558,253
Contract liabilities	66,996	55,815
Loans and borrowings (<i>Schedule G, Note 7</i>)	36,833	1,000
Lease liabilities	10,270	10,143
Current tax liabilities	26,164	30,501
Derivative financial liabilities (<i>Schedule F, Note 17</i>)	64	166
	833,344	655,878
Total liabilities	1,206,241	812,976
Total equity and liabilities	4,190,630	3,631,746
Net assets per share (RM) attributable to owners of the Company	8.13	7.69

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 year ended 30 September 2022

RM'000	Cumulative 4 th quarter	
	30/09/2022	30/09/2021
Cash flows from operating activities		
Profit before tax	454,050	479,411
Add/(less) non-cash items:		
- Depreciation of property, plant and equipment and amortisation of intangible assets	106,840	110,761
- Depreciation of right-of-use assets	19,317	25,094
- Finance costs	5,803	3,179
- Finance income	(4,327)	(4,970)
- Impairment loss on intangible assets	294	-
- Net (reversal of impairment loss)/impairment loss on property, plant and equipment	(368)	2,377
- Net loss on disposal of property, plant and equipment	92	46
- Property development costs written off	-	25
- Property, plant and equipment written off	681	373
- Employee share-based expense	8,085	4,062
- Share of profit of equity-accounted associate, net of tax	(7,778)	(5,624)
- Share of loss of equity-accounted joint venture, net of tax	193	290
- Others	(180)	(3,590)
Changes in working capital	(416,963)	90,132
Tax paid	(58,730)	(84,469)
Net cash from operating activities	107,009	617,097
Cash flows from investing activities		
Acquisition of intangible assets	(2,459)	(2,162)
Acquisition of property, plant and equipment	(197,697)	(145,188)
Acquisition of subsidiaries	-	(49,868)
Dividends received	-	11,198
Interest received	4,164	5,004
Proceeds from disposal of property, plant and equipment	887	299
Net cash used in investing activities	(195,105)	(180,717)
Cash flows from financing activities		
Dividends paid to owners of the Company	(220,067)	(220,067)
Drawdown of loans and borrowings	326,639	1,000
Interest paid	(5,602)	(4,081)
Payment of lease liabilities	(16,610)	(23,134)
Proceeds from issue of shares by a new subsidiary to non-controlling interests	3,000	-
Purchase of shares by Share Grant Plan ("SGP") Trust	(6,744)	(6,565)
Repayment of loans and borrowings	(80,806)	(86,582)
Net cash used in financing activities	(190)	(339,429)
Net (decrease)/increase in cash and cash equivalents	(88,286)	96,951
Effects of exchange rate fluctuations on cash and cash equivalents	(5,207)	(35,186)
Cash and cash equivalents at 1 October 2021/2020	555,380	493,615
Cash and cash equivalents at 30 September	461,887	555,380
Cash and bank balances	367,365	389,913
Short term deposits with licensed banks with a maturity period of 3 months or less	94,522	165,467
Cash and cash equivalents at 30 September	461,887	555,380

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 year ended 30 September 2022

RM'000	Attributable to owners of the Company						Distributable		Non-controlling interests	Total equity
	Non-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	Total		
At 1 October 2021	816,770	(4,626)	(9,275)	48,002	12,926	9,934	1,945,234	2,818,965	(195)	2,818,770
Total comprehensive income	-	-	-	(6,437)	-	-	388,913	382,476	(939)	381,537
Transactions with owners:										
Shares vested under SGP	-	4,983	297	-	(5,280)	-	-	-	-	-
Purchase of shares by SGP Trust	-	(6,744)	-	-	-	-	-	(6,744)	-	(6,744)
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	3,000	3,000
Employee share-based expense	-	-	-	-	7,893	-	-	7,893	-	7,893
Dividends to owners of the Company	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners	-	(1,761)	297	-	2,613	-	(220,067)	(218,918)	3,000	(215,918)
At 30 September 2022	816,770	(6,387)	(8,978)	41,565	15,539	9,934	2,114,080	2,982,523	1,866	2,984,389
At 1 October 2020	816,770	(4,688)	(7,733)	94,284	14,434	9,934	1,767,600	2,690,601	(161)	2,690,440
Total comprehensive income	-	-	-	(46,282)	-	-	397,701	351,419	(34)	351,385
Transactions with owners:										
Shares vested under SGP	-	6,627	(1,542)	-	(5,085)	-	-	-	-	-
Purchase of shares by SGP Trust	-	(6,565)	-	-	-	-	-	(6,565)	-	(6,565)
Employee share-based expense	-	-	-	-	3,577	-	-	3,577	-	3,577
Dividends to owners of the Company	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners	-	62	(1,542)	-	(1,508)	-	(220,067)	(223,055)	-	(223,055)
At 30 September 2021	816,770	(4,626)	(9,275)	48,002	12,926	9,934	1,945,234	2,818,965	(195)	2,818,770

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 year ended 30 September 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 8 November 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>30/09/2022</u>	<u>30/09/2021</u>
Quoted shares at cost	68,727	68,727
Share of post-acquisition reserves	86,521	78,743
Dividends received	<u>(61,783)</u>	<u>(61,783)</u>
	<u>93,465</u>	<u>85,687</u>
Market value of investment in an associate for which there is published price quotation	<u>184,146</u>	<u>120,068</u>

The summarised financial information of the associate is as follows:

RM'000	<u>30/09/2022</u>	<u>30/09/2021</u>
Total assets	309,004	274,310
Total liabilities	<u>(36,735)</u>	<u>(25,952)</u>

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	<u>30/09/2022</u>	<u>30/09/2021</u>	<u>30/09/2022</u>	<u>30/09/2021</u>
Revenue	56,474	47,481	230,918	208,199
Profit	<u>4,654</u>	<u>3,259</u>	<u>28,122</u>	<u>20,685</u>

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

9. Investment in a joint venture

RM'000	30/09/2022	30/09/2021
Unquoted shares, at cost	127,820	127,820
Share of post-acquisition reserves	(23,460)	(23,267)
	104,360	104,553
Interest on shareholder's loan	38,294	38,294
	142,654	142,847
Less: Unrealised profit	(55,292)	(55,292)
	87,362	87,555

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

RM'000	30/09/2022	30/09/2021
Total assets	285,684	286,027
Total liabilities	(76,982)	(76,939)

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Revenue	-	-	-	-
Loss	(94)	(172)	(386)	(580)

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>Year ended 30 September 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>Year ended 30 September 2021</u>			
Final 2020 ordinary	5 February 2021	33.0	121,037
Interim 2021 ordinary	16 June 2021	27.0	99,030
			220,067

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	
<u>4th quarter - 30/09/2022</u>					
Total revenue	600,568	542,949	879	18,081	1,162,477
Inter-segment	-	(7,182)	(700)	(16,986)	(24,868)
External	600,568	535,767	179	1,095	1,137,609
<u>4th quarter - 30/09/2021</u>					
Total revenue	457,928	445,707	569	13,582	917,786
Inter-segment	-	(9,516)	(569)	(11,441)	(21,526)
External	457,928	436,191	-	2,141	896,260
<u>3rd quarter - 30/06/2022</u>					
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
<u>Cumulative 4th quarter - 30/09/2022</u>					
Total revenue	2,418,085	2,067,983	3,397	73,367	4,562,832
Inter-segment	-	(20,450)	(2,723)	(69,496)	(92,669)
External	2,418,085	2,047,533	674	3,871	4,470,163
<u>Cumulative 4th quarter - 30/09/2021</u>					
Total revenue	2,130,455	2,034,707	3,118	71,108	4,239,388
Inter-segment	-	(40,351)	(2,525)	(65,640)	(108,516)
External	2,130,455	1,994,356	593	5,468	4,130,872

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>30/09/2022</u>	<u>30/09/2021</u>
F&B Malaysia	2,136,711	1,848,805
F&B Thailand	1,073,411	931,861
Property	200,843	201,536
Others	317,778	94,164
	<u>3,728,743</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>30/09/2022</u>	<u>30/09/2021</u>
F&B Malaysia	555,745	408,148
F&B Thailand	395,127	398,264
Property	1,686	1,985
Others	6,850	3,579
	<u>959,408</u>	<u>811,976</u>

13. Significant and subsequent events

Significant events during the financial year and subsequent events after 30 September 2022 up to the date of this report are as follows:

- (a) The operations at Shah Alam plant were adversely affected by the flash floods from 18 to 19 December 2021. The Group has in place property damage and business interruption insurance cover in respect of the operations affected by flood.

Based on management's assessment to-date, the estimated costs and losses amounted to RM34,937,000, covering inventories and property damage, repairs, and other flood related costs are recognised as part of "other expenses" in statement of profit or loss.

We have recognised preliminarily RM18,002,000 as interim insurance claim receivable (*Schedule G, Note 11*) for finished goods, raw material, and packaging materials. We will continue to engage our insurers to ascertain the quantum of damages and to expedite the processing of insurance claims. Further insurance receivables would be recognised in due course.

- (b) On 25 April 2022, its indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd ("DSSB" or the "Purchaser"), entered into a conditional share sale agreement (the "Share Sale Agreement") with:

- (i) Dupont & Leosk Enterprises Sdn Bhd ("Dupont & Leosk" or the "Vendor") as beneficial owner of 25,000,000 ordinary shares of RM1.00 each in Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd) ("Ladang Permai Damai") (the "Sale Shares") and

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

13. Significant and subsequent events for the year (cont'd)

- (b) (ii) Malaysia Nominees (Tempatan) Sdn Bhd as registered owner of the Sale Shares and nominee company of OCBC Bank (Malaysia) Berhad holding the Sale Shares as nominee and chargee for the benefit of OCBC Bank (Malaysia) Berhad,

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

35% of the issued share capital of DSSB is owned by Dagang Permai Sdn Bhd, a company which is wholly-owned by D.Y.M.M. Tuanku Syed Sirajuddin ibni Almarhum Tuanku Syed Putra Jamalullail, Raja Perlis ("DYMM Tuanku Raja Perlis").

The Acquisition is deemed a related party transaction by virtue of the Chairman and Non-Independent Non-Executive Director of F&NHB Y.A.M. Tengku Syed Badarudin Jamalullail, being the brother of DYMM Tuanku Raja Perlis and Y.A.M. Dato' Seri DiRaja Syed Razlan ibni Almarhum Tuanku Syed Putra Jamalullail, who is a director of DSSB.

The transactions contemplated under the Share Sale Agreement was completed on 11 October 2022. The acquisition was financed via internal funds and bank borrowings.

- (c) On 3 June 2022, F&NHB submitted a formal proposal to the Board of Cocoaland Holdings Berhad ("Cocoaland") in respect of the proposed acquisition of the entire equity interest in Cocoaland not already owned by F&NHB to be undertaken by Cocoaland by way of members' scheme of arrangement pursuant to Section 366 of the Companies Act, 2016 ("the Scheme") (the "Privatisation"), at a consideration of RM1.50 for each ordinary share in Cocoaland ("Cocoaland shares") not already owned by F&NHB ("the Scheme Shares").

The Privatisation was approved at a court convened general meeting of all shareholders of Cocoaland other than F&NHB (the "Scheme Shareholders") held on 18 August 2022.

The total consideration paid for the acquisition of the Scheme Shares which amounted to RM489,194,802, was satisfied in cash on 4 November 2022. The acquisition was financed via the Group's internal funds and bank borrowings.

Pursuant to the Scheme, F&NHB nominated its wholly-owned subsidiary, Awana Citra Sdn Bhd to receive the transfer of 326,129,868 Cocoaland Shares held by the Scheme Shareholders.

On 16 November 2022, all ordinary shares in Cocoaland are to be de-listed from the Main Market of Bursa Malaysia Securities Berhad.

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

14. Changes in the composition of the Group during the quarter

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

15. Contingent liabilities

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

16. 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.

17. 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>30/09/2022</u>	<u>30/09/2021</u>
Derivative financial assets	88	-
Derivative financial liabilities	<u>64</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.

18. Capital commitments

Capital expenditure commitments

The outstanding capital commitments are as follows:

RM'000	<u>30/09/2022</u>	<u>30/09/2021</u>
<u>Property, plant and equipment</u> Contracted but not provided for	<u>83,468</u>	<u>175,991</u>

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

19. 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 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
<u>Fraser and Neave, Limited Group</u>				
Sales	69,676	68,179	279,718	266,543
Purchases	(51,280)	(22,343)	(192,677)	(154,513)
Royalties paid	(17,203)	(12,585)	(66,849)	(58,126)
Receipt of corporate service fees	1,130	2,179	4,015	5,912
<u>Cocoaland Holdings Berhad Group</u>				
Dividend income	-	6,221	-	11,198
<u>Thai Beverage Public Company Limited Group</u>				
Sales	2,234	1,066	7,020	5,080
Purchases	(1,380)	(1,303)	(6,820)	(5,219)
Marketing expenses	(1,457)	(2,143)	(11,948)	(17,926)
Corporate service fees paid	(474)	(565)	(1,948)	(2,273)
Purchase of property, plant and equipment	26	(2,801)	(4,081)	(2,801)
<u>Berli Jucker Public Company Limited Group</u>				
Sales	13,231	19,397	58,088	65,843
Purchases	(744)	(831)	(5,172)	(5,607)
Transportation expenses	-	(647)	-	(7,299)
<u>Fraser Property Limited Group</u>				
Rental expenses	(1,425)	(1,159)	(5,807)	(1,159)
<u>Other related parties of TCC Assets Limited Group</u>				
Purchases	(7,891)	(13,137)	(35,719)	(61,850)
Insurance premium paid	(752)	(788)	(3,050)	(3,337)
Other expenses	(451)	(35)	(1,119)	(176)
<u>Compensation</u>				
Compensation of key management personnel of the Group	(4,373)	(3,362)	(15,551)	(14,178)
Directors' fees and remuneration	(360)	(358)	(1,339)	(1,338)

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

19. Related party disclosures (cont'd)

Related party balances

The related party balances are shown below:

RM'000	30/09/2022	30/09/2021
<u>Amount due from related parties</u>		
Fraser and Neave, Limited Group	63,479	55,466
Vacaron Company Sdn Bhd	38,305	38,306
Thai Beverage Public Company Limited Group	1,070	559
Berli Jucker Public Company Limited Group	7,734	13,882
Other related parties of TCC Assets Limited Group	18	51
<u>Amount due to related parties</u>		
Fraser and Neave, Limited Group	(39,664)	(25,238)
Frasers Property Limited Group	(579)	(491)
Thai Beverage Public Company Limited Group	(2,232)	(2,050)
Berli Jucker Public Company Limited Group	(770)	(700)
Other related parties of TCC Assets Limited Group	(2,799)	(5,929)

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

1. Operations review

Current quarter ended 30 September 2022 vs corresponding quarter ended 30 September 2021

RM'000	Individual 4 th quarter		% chg
	30/09/2022	30/09/2021	
Revenue	1,137,609	896,260	26.9%
Operating profit	119,449	60,414	97.7%
Adjusted operating profit *	117,945	71,145	65.8%
Profit before tax	119,508	61,940	92.9%
Adjusted profit before tax *	118,004	72,671	62.4%

* Adjustments for one-off non-operating items:

Flood related items:

Plant and machinery written off ^
 Reversal of impairment loss on plant and machinery #
 Repair expenses of plant and machinery
 Other flood related items

235	-
(2,051)	-
116	-
196	-
(1,504)	-
-	10,731
(1,504)	10,731

Restructuring costs

^ Schedule G, Note 11

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

The Group recorded revenue of RM1,137.6 million (Q4 FY2021: RM896.3 million) for Q4 FY2022, representing a 26.9% growth from the corresponding quarter last year, which underwent movement and travel restrictions in Malaysia and Thailand. The improvement was driven by the positive momentum from the recovery of economic activities, Out-of-Home (OOH) consumption and trade restocking, reflecting business returning to pre-pandemic level.

The Group profit before tax for Q4 FY2022 increased to RM119.5 million (Q4 FY2021: RM61.9 million). Strong demand and margin recovery from price adjustments have largely offset the adverse commodity price impact. Excluding one-off non-operating items, Group profit before tax grew from RM72.7 million to RM118.0 million.

The Group profit after tax for Q4 FY2022 grew by 67.0% to RM98.0 million in comparison to corresponding period last year (Q4 FY2021: RM58.7million), mainly due to low effective income tax rate for Q4 FY2021 as a result of lower profits generated.

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

1. Operations review (cont'd)

Current quarter ended 30 September 2022 vs corresponding quarter ended 30 September 2021 (cont'd)

• F&B Malaysia

RM'000	Individual 4 th quarter		% chg
	30/09/2022	30/09/2021	
Revenue	600,568	457,928	31.1%
Operating profit	49,792	9,306	>100%
Adjustment for one-off non-operating items:			
Flood related items:			
Plant and machinery written off	235	-	
Reversal of impairment loss on plant and machinery *	(2,051)	-	
Repair expenses of plant and machinery	116	-	
Other flood related items	196	-	
	(1,504)	-	
Restructuring costs	-	10,112	
	(1,504)	10,112	
Adjusted operating profit	48,288	19,418	>100%

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

F&B Malaysia revenue for Q4 FY2022 increased by 31.1% to RM600.6 million (Q4 FY2021: RM457.9 million), on the back of double-digit volume growth in beverages and improved sales of dairy products from successful market activations and recovery of OOH consumption in the domestic market despite higher selling prices.

Excluding one-off non-operating items, F&B Malaysia operating profit improved from RM19.4 million to RM48.3 million during the quarter, further contributed by savings realised from the partial utilisation of the integrated Automatic Storage & Retrieval System (ASRS) warehouse in Shah Alam.

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

1. Operations review (cont'd)

Current quarter ended 30 September 2022 vs corresponding quarter ended 30 September 2021 (cont'd)

• F&B Thailand

	Individual 4 th quarter		
	<u>30/09/2022</u>	<u>30/09/2021</u>	<u>% chg</u>
Revenue (RM'000)	535,767	436,191	22.8%
Revenue (THB'000)	4,349,276	3,459,958	25.7%
Operating profit (RM'000)	75,006	49,086	52.8%
Operating profit (THB'000)	608,358	402,338	51.2%

Amidst progressive recovery in tourism industry and OOH consumption, F&B Thailand recorded double digit revenue growth for the Q4 FY2022 of 22.8% (25.7% in Thai Baht) to RM535.8 million (Q4 FY2021: RM436.2 million) due to new product innovations, effective loyalty programmes and expansion of distribution coverage.

F&B Thailand's operating profit increased by 52.8% (51.2% in Thai Baht) to RM75.0 million (Q4 FY2021: RM49.1 million), supported by lower advertising and promotion expenses and price adjustments, and moderated by higher commodity costs.

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

1. Operations review (cont'd)

Cumulative financial year vs corresponding last financial year

RM'000	Cumulative 4 th quarter		% chg
	30/09/2022	30/09/2021	
Revenue	4,470,163	4,130,872	8.2%
Operating profit	447,941	472,286	-5.2%
Adjusted operating profit *	466,829	493,170	-5.3%
Profit before tax	454,050	479,411	-5.3%
Adjusted profit before tax *	472,938	500,295	-5.5%

* Adjustments for one-off non-operating items:

Flood related items:

Inventories written off ^	20,607	-
Plant and machinery written off ^	235	-
Impairment loss on plant and machinery	4,251	-
Repair expenses of plant and machinery	8,664	-
Other flood related items	1,180	-
Interim insurance claim receivable in respect of inventories damaged due to flood ^	(18,002)	-
	16,935	-
Restructuring costs	1,953	20,884
	<u>18,888</u>	<u>20,884</u>

^ *Schedule G, Note 11*

For the full year ended 30 September 2022 (FY2022), Group revenue grew by 8.2% to RM4,470.2 million (FY2021: RM4,130.9 million), underpinned by strong domestic demand in Malaysia and Thailand, price adjustment strategy, and the first full-year contribution from the Group's Food business.

Improved revenue and cost management measures, including price and trade discount adjustments, had significantly mitigated the impact of higher commodity and freight costs, flood recovery expenses and foreign exchange translation loss from a weaker Thai Baht. The Group recorded RM454.1 million in profit before tax, at 5.3% below FY2021, and RM382.3 million in profit after tax, at 3.3% below FY2021.

The improved profits for the Group were also due to the completion of several capex projects implemented, which is part of its effort to further strengthen its financial and operational footing by investing for the future through capacity building. This includes the integrated warehouse in Shah Alam and the RM52 million regional distribution centre in Rojana, Thailand. Equipped with the latest technologies, including the ASRS, both began operations during the year. They are expected to deliver more than RM10 million annual savings in logistics cost, as well as shorten delivery lead-time to customers and reduce carbon footprint for the Group.

During the year, the Group also launched its new in-sourced transportation service in Malaysia with five new delivery trucks to better manage supply chain activities and have better control of the service quality and costs.

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

1. Operations review (cont'd)

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

The solar photovoltaic (PV) systems at three plants in Malaysia and a plant in Thailand have begun generating renewable energy progressively since August. Meanwhile, the Group's new factory in Wang Muang, Thailand, which is fully operational since October 2022 will enable the Group to expand its presence in the liquid milk segment and build its brand in plant-based beverages segment in Thailand.

• F&B Malaysia

RM'000	Cumulative 4 th quarter		% chg
	30/09/2022	30/09/2021	
Revenue	2,418,085	2,130,455	13.5%
Operating profit	168,000	97,733	71.9%
Adjustment for one-off non-operating items:			
Flood related items:			
Inventories written off	20,607	-	
Plant and machinery written off	235	-	
Impairment loss on plant and machinery	4,251	-	
Repair expenses of plant and machinery	8,664	-	
Other flood related items	1,064	-	
Interim insurance claim receivable in respect of inventories damaged due to flood	(18,002)	-	
	16,819	-	
Restructuring costs	1,573	18,568	
	18,392	18,568	
Adjusted operating profit	186,392	116,301	60.3%

In Malaysia, OOH consumption rose progressively with the end of the Movement Control Order. Successful trade execution and price adjustment exercise supported F&B Malaysia's revenue growth for the year, which increased by 13.5% to RM2,418.1 million (FY2021: RM2,130.5 million).

Higher revenue, improved margins and operational savings realised from completed projects led to growth in F&B Malaysia's operating profit, up by 71.9% to RM168.0 million (FY2021: RM97.7 million). This was also supported by contribution from Exports due to better region and product mix, as well as foreign exchange gain despite registering lower volume mainly to Greater China amidst COVID-19 restrictions, and price-sensitive markets this year. Excluding one-off non-operating items, F&B Malaysia operating profit grew by 60.3% to RM186.4 million (FY2021: RM116.3 million).

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

1. Operations review (cont'd)

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

• F&B Thailand

	Cumulative 4 th quarter		% chg
	30/09/2022	30/09/2021	
Revenue (RM'000)	2,047,533	1,994,356	2.7%
Revenue (THB'000)	16,335,635	15,182,035	7.6%
Operating profit (RM'000)	275,951	369,433	-25.3%
Operating profit (THB'000)	2,201,592	2,812,308	-21.7%

Recovery in OOH channels, new product innovations and double-digit growth in exports to Cambodia contributed to F&B Thailand recording 7.6% revenue growth in Thai Baht (2.7% in RM). Export OEM sales was lower due to lower orders and slower off-take.

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

During the year, F&B Thailand launched F&N Nom Aroi, its own online e-commerce platform in Thailand.

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 2022 vs preceding 3rd quarter ("Q3") ended 30 June 2022

RM'000	Individual quarter		% chg
	30/09/2022	30/06/2022	
Revenue	1,137,609	1,118,249	1.7%
Operating profit	119,449	111,763	6.9%
Adjusted operating profit *	117,945	108,171	9.0%
Profit before tax	119,508	114,410	4.5%
Adjusted profit before tax *	118,004	110,818	6.5%

* Adjustments for one-off non-operating items:

Flood related items:

Reversal of inventories written down	-	(20,607)
Inventories written off	-	20,607
Plant and machinery written off	235	-
Net reversal of impairment loss on plant and machinery #	(2,051)	(263)
Repair expenses/(Reversal of repair expenses) of plant and machinery **	116	(3,100)
Other flood related items	196	(504)

Restructuring costs

	(1,504)	(3,867)
	-	275
	<u>(1,504)</u>	<u>(3,592)</u>

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

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

Group revenue for the quarter grew 1.7% to RM1,137.6 million (Q3 FY2022: RM1,118.2 million) compared to preceding 3rd quarter, mainly contributed by higher revenue and volume from F&B Thailand due to price adjustments effected in Q4 FY2022 whilst F&B Malaysia sales was comparatively lower due to festive Ramadhan sales occurring in Q3 FY2022.

Group profit before tax improved by 4.5% to RM119.5 million (Q3 FY2022: RM114.4 million) against preceding 3rd quarter mainly due to improved margins from F&B Thailand, offset by rising input costs and higher operational expenses. Excluding one-off non-operating items, the Group profit before tax increased by 6.5% to RM118.0 million.

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

3. Prospects

Despite continuing macro uncertainties, we have seen encouraging momentum of economic activity recovery in Malaysia and Thailand. We will continue to drive sales for the coming festive seasons.

Whilst some commodity prices began to stabilise, prices of tin plate/cans, milk and palm oil are expected to stay elevated into 2023. Rising inflation and the weakening of Malaysian Ringgit and Thai Baht in the face of the strong US Dollar will further compound the cost pressure.

Exports remain a key focus for the Group, which also serve as a natural hedge to cushion the forex impact. The Group will continue to act proactively to navigate the volatile environment and take deliberate steps to enhance our resiliency through the forward purchase of key commodities and hedging strategy.

At the same time, we remain focused on accelerating innovation and driving operational efficiency, commercial excellence and fiscal discipline across our value chain.

With the completion of Ladang Permai Damai acquisition on 11 October 2022, the Group is also on track to resume its plans on the upstream fresh milk business for downstream production and distribution of fresh milk.

The Group strengthened its Halal packaged food pillar with the proposed acquisition of Cocoaland Holdings Bhd ("Cocoaland"). The acquisition was completed on 4 November 2022 and Cocoaland is today a wholly-owned subsidiary of the F&NHB Group. This investment will not only add a range of established Malaysian confectionery and snack brands to the Group's portfolio but will also serve as a platform to expand into more Halal food segments and to meet the rising demand for packaged food products.

As the above two new acquisitions are funded through a mixture of bank borrowings and internal funds, financing costs will be incurred. The acquisition of Cocoaland will add positive contribution to our Group's earnings, growth and enhance business synergies, while the integrated dairy farming business is expected to generate positive contribution in the medium term.

The Group is on track with its mid and long-term strategies to raise cost efficiency and build up its fourth business pillar, Halal Packaged Food.

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 4 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Current income tax	18,781	7,142	59,366	77,432
Deferred tax – origination and reversal of temporary differences	7,683	(496)	20,054	14,166
Over provision in respect of previous years				
- Income tax	(15)	(1,799)	(470)	(770)
- Deferred tax	(4,937)	(1,591)	(7,169)	(6,547)
	<u>21,512</u>	<u>3,256</u>	<u>71,781</u>	<u>84,281</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 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Profit before tax	<u>119,508</u>	<u>61,940</u>	<u>454,050</u>	<u>479,411</u>
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	28,682	14,866	108,972	115,059
Effect of tax rates in foreign jurisdictions	(2,958)	(2,264)	(11,113)	(15,800)
Tax exempt income	(6,267)	(6,583)	(20,725)	(29,853)
Non-deductible expenses	3,026	397	2,944	2,080
Deferred tax benefits not recognised	3,724	-	-	-
Over provision of income and deferred tax in prior years	(4,952)	(3,390)	(7,639)	(7,317)
Foreign withholding tax	555	421	1,165	21,392
Others	(298)	(191)	(1,823)	(1,280)
Total income tax expense	<u>21,512</u>	<u>3,256</u>	<u>71,781</u>	<u>84,281</u>
Effective income tax rate	<u>18.0%</u>	<u>5.3%</u>	<u>15.8%</u>	<u>17.6%</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	30/09/2022	30/09/2021
<u>Non-current (unsecured)</u>			
Islamic Medium Term Notes	RM	110,000	-
Term loan	RM	100,000	-
		<u>210,000</u>	<u>-</u>
<u>Current (unsecured)</u>			
Islamic Medium Term Notes	RM	-	1,000
Term loans	THB	36,833	-
		<u>36,833</u>	<u>1,000</u>
		<u>246,833</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 years from the first issue date whilst the tenure of the IMTN Programme is perpetual.

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

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

On 3 August 2022, the Issuer had issued the second tranche of IMTN amounting to RM110,000,000 with a tenure of three years from the issued date and a profit rate of 4.01% per annum. The proceeds from this IMTN are used to partially finance the acquisition of the entire equity interest in Ladang Permai Damai Sdn Bhd (*Schedule F, Note 13(b)*). As at 30 September 2022, the IMTN of RM110,000,000 remained outstanding.

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

On 5 October 2022, the Issuer had issued the third and fourth tranche of IMTN of RM250,000,000 each with a tenure of three and five years from the issued date and profit rates of 4.21% and 4.68% per annum, respectively. The proceeds from issuance of the IMTNs are used to partially finance the acquisition of remaining Cocoaland Shares held by the Scheme Shareholders (*Schedule F, Note 13(c)*) and for working capital purposes.

Term loans of THB950,000,000

On 24 June 2022, a subsidiary of the Company, F&N Dairies (Thailand) Limited was granted term loans amounting to THB950,000,000 in total with tenures of three months and six months from the issued date. The interest rates of the term loans ranged from 1.25% to 1.50% per annum. As at 30 September 2022, the outstanding balance for the term loans is THB300,000,000.

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

7. Loans and borrowings (cont'd)

Term loan of RM100,000,000

On 25 July 2022, a subsidiary of the Company, DSSB was granted a term loan of RM100,000,000 with a tenure of up to seven years from the date of the first drawdown of the facility. DSSB had made full drawdown of the term loan on 22 August 2022 at floating interest rate of 3.95% per annum. The proceeds from this term loan are used to partially finance the acquisition of Ladang Permai Damai Sdn Bhd (*Schedule F, Note 13 (b)*). As at 30 September 2022, the RM100,000,000 term loan remained outstanding.

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 33.0 sen per share (2021: 33.0 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company. If approved by shareholders, the total dividends for the year would amount to 60.0 sen per share (2021: 60.0 sen per share).

10. Earnings per ordinary share (EPS)

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

	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Profit for the period attributed to owners of the Company (RM'000)	<u>98,888</u>	<u>58,691</u>	<u>383,208</u>	<u>395,164</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,332</u>	<u>366,637</u>	<u>366,652</u>	<u>366,738</u>
Basic earnings per ordinary share (sen)	<u>27.0</u>	<u>16.0</u>	<u>104.5</u>	<u>107.8</u>

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

	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Profit for the period attributed to owners of the Company (RM'000)	<u>98,888</u>	<u>58,691</u>	<u>383,208</u>	<u>395,164</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,332	366,637	366,652	366,738
Adjustments pursuant to the SGP ('000)	<u>822</u>	<u>635</u>	<u>822</u>	<u>635</u>
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>367,154</u>	<u>367,272</u>	<u>367,474</u>	<u>367,373</u>
Diluted earnings per ordinary share (sen)	<u>26.9</u>	<u>16.0</u>	<u>104.3</u>	<u>107.6</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 4 th quarter		Cumulative 4 th quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
(a) Bad debts recovered	(8)	(9)	(54)	(31)
(b) Depreciation of property, plant and equipment and amortisation of intangible assets	27,139	28,070	106,840	110,761
(c) Depreciation of right-of-use assets	4,276	5,567	19,317	25,094
(d) Impairment loss on intangible assets	294	-	294	-
(e) Insurance claim receivables	-	-	(18,002)	-
(f) Inventories written off				
- due to flood	-	-	20,607	-
- others	3,975	3,359	6,356	4,641
(g) Net fair value (gain)/loss on derivatives	(99)	351	(190)	(197)
(h) Net (reversal of impairment loss)/impairment loss on property, plant and equipment				
- due to flood	(6,277)	-	25	-
- others	(282)	2,402	(393)	2,377
(i) Net impairment loss on receivables	1,461	1,099	2,400 p	1,138
(j) Net inventories written down	982	2,111	2,361	4,144
(k) Net loss on disposal/write-offs of property, plant and equipment				
- due to flood	235	-	235	-
- others	89	19	538	419
(l) Net gain on foreign exchange	(4,385)	(4,852)	(10,214)	(6,287)
(m) Property development costs written off	-	-	-	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:

	30/09/2022		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)	246	61	-	-
AUD ('000)	928	(37)	2,356	(166)
		<u>24</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 RM190,000 (2021: RM197,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 30 September 2022.