

23



Growing
TOGETHER

ANNUAL REPORT

卓越



ABOUT US

Established in 1883, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, F&N provides key resources and sets strategic directions and objectives for its subsidiaries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia and the Americas, and employs over 7,200 people worldwide.

OUR REPORTING SUITE

Our annual reporting suite comprises two reports – the Annual Report 2023 and Sustainability Report 2023. Each includes content tailored to its specific audience and cross-references to the other reports where relevant.



F&N Annual Report 2023 is the primary report to our stakeholders, detailing our strategies and business activities, as well as initiatives toward sustainable value creation.



The Sustainability Report 2023 carries an assurance statement by LRQA on selected indicators. Prepared in accordance with the GRI Universal Standards 2021, it details F&N's efforts and commitment toward creating a sustainable business, and positioning F&N for long-term success.

F&N Sustainability Report 2023 can be downloaded at www.fraserandneave.com/investor-relations/corporate-sustainability.

#GOPAPERLESS

1 In line with the Group's efforts towards greater environmental conservation, we have elected for electronic transmission of our Annual Report and Sustainability Report. The electronic version of our Annual Report 2023 is available on Fraser and Neave, Limited's website (www.fraserandneave.com/investor-relations/annual-reports). Shareholders and other interested parties who wish to receive a printed copy may order it through the website (www.fraserandneave.com/contact-us/request-annual-report), e-mail (ir@fraserandneave.com) or telephone ((65) 6318 9393).

Our Sustainability Report 2023 is only available in electronic version, and can be downloaded at www.fraserandneave.com/investor-relations/corporate-sustainability.

2 These reports cover the period from 01 October 2022 to 30 September 2023, unless otherwise stated.

3 Unless specifically stated otherwise, all figures in these reports are quoted in Singapore Dollars.

4 Due to rounding, numbers and percentages in these documents may not always add up precisely to the totals or absolute figures stated.



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'PURE ENJOYMENT. PURE GOODNESS'

Vision

To be a stable, sustainable and profitable Food & Beverage leader in the ASEAN region.

Mission

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value, the community, diversity and the environment.

Values

Collaboration • Creating Value •
Caring for Stakeholders



1883- 2023

GROWING TOGETHER

Every great journey begins with a single step, as ours started more than a century ago. As we celebrate this significant milestone in our illustrious history of 140 years, we extend gratitude to the visionaries, leaders, and partners who have played pivotal roles in shaping our humble beginnings into the formidable entity we are today. The enduring strength and innovative spirit of our people, along with their dedication to building a sustainable business, form the bedrock of our continued success. Nurtured by our rich heritage and propelled by a forward-looking vision, our commitment remains steadfast – to strive for excellence and foster growth. This is our pledge as we foster unity and continue *'Growing Together'*.

MILESTONES

Our JOURNEY



1883



John Fraser and David Chalmers Neave established The Singapore and Straits Aerated Water Company to produce carbonated soft drinks.

1959



Entered a joint venture with Beatrice Foods of Chicago to build the region's first sweetened condensed milk plant in Petaling Jaya, Malaysia.

1992



F&N Coca-Cola Pte Ltd was formed as an anchor bottler for The Coca-Cola Company in Singapore, Malaysia, Brunei, Vietnam, Cambodia, Sri Lanka, Nepal and Pakistan.

1898



The Singapore and Straits Aerated Water Company went public as Fraser and Neave, Limited.

1968



Dairy production commenced in Singapore.

1995



F&N entered Myanmar's beer market.

1931



Formation of Malayan Breweries Limited (renamed Asia Pacific Breweries Ltd ("APB") in 1990) with Heineken N.V. of Holland to produce beer. Tiger Beer was launched the next year.

1985



Relocated its Singapore brewery and soft drinks plant to free up the prime sites for development.

1996



Restructured Malaysia's soft drinks, dairies and glass businesses under Fraser & Neave Holdings Bhd, in compliance with Malaysia's New Economic Policy.

1990



Restructured Cold Storage Holdings - Centrepont Properties became a member of F&N, and the Group acquired Cold Storage Holdings' dairy operations in Singapore.

1999



Acquired 20.1% stake in Times Publishing Group. A takeover offer was subsequently launched for the company.

T GETHER



2006

F&N acquired Nestle's liquid canned milk business in Singapore, Malaysia, Thailand and Brunei.



2012

Divested APB for a cash consideration of \$5.6 billion.



2013

F&N became a part of Thailand's TCC Group, one of the largest companies in Thailand with businesses in food and beverage, real estate, industrial trading and consumer products, insurance and agriculture.



2015

F&N secured a 22-year licensing agreement with Nestle for the manufacture and distribution of Nestle's canned milk products in ASEAN.



2016

Acquired Warburg, a leading player in Singapore's vending market.



2017

Vietnam Dairy Products Joint Stock Company ("Vinamilk") became an associated company of F&N.



2019

Established Emerald Brewery Myanmar Limited to brew, distribute and market CHANG BEER.



2021/2022

F&N entered the packaged food business with the acquisitions of Sri Nona Group of Companies and Cocoaland Holdings Bhd.



2023

F&N commenced the construction of an integrated dairy farm in Malaysia.

OUR PERFORMANCE

Creating **VALUE** **TOGETHER**



BUILDING SUCCESS

REVENUE

\$2,099m

F&B and P&P excellence drove a 5% topline increase (+10% on a constant currency basis)

PROFIT BEFORE INTEREST & TAXATION

\$249m

Rose 6% (+12% on a constant currency basis) on effective cost management and increased sales

PROFIT AFTER TAXATION

\$205m

Grew 16%, lifted by exceptional gains

DIVIDEND PER SHARE

5.5 cents

Up from 5.0 cents per share last year, in celebration of our 140th anniversary

EARNINGS PER SHARE

9.2 cents

Up from 8.9 cents in FY2022

NET ASSET VALUE PER SHARE

\$2.03

Down from \$2.11 in FY2022

STRENGTHENING MARKET POSITION



100PLUS

- Carbonated Soft Drink in Malaysia
- Isotonic Drink in Singapore and Malaysia



F&N ICE MOUNTAIN

Water Brand in Singapore



F&N NUTRISOY

Soya Milk Brand in Singapore



F&N, TEAPOT & CARNATION

Condensed and Evaporated Milk Brands in Malaysia and Thailand



F&N SEASONS, OYOSHI & F&N

Tea Brands in Malaysia



SUSTAINABILITY HIGHLIGHTS

Growing SUSTAINABLY



Operational Eco-Efficiency



Greenhouse gas emissions intensity ratio reduced by 6% even as energy intensity ratio increased by **2%** from a 2020 baseline



Total solid waste generated reduced by 7% however total solid waste sent to landfill increased by **4%** from a 2020 baseline



Water intensity ratio increased by 5% from a 2020 baseline



Ground-up initiatives to improve water and energy efficiencies

including enhancing the efficiency of equipment, increasing renewable energy sourcing and implementing zero-discharge initiatives



All manufacturing plants implemented energy, water and/or waste reduction initiatives

Value Chain Impacts



25% of beverage and dairy packaging contains recycled materials



99% of total packaging is recyclable



Committed to supporting conservation efforts and sustainable land management practices to safeguard high biodiversity value areas



Creating Value for Society



73% of beverage and dairy products¹ qualify as healthier options



61% reduction in sugar index (grams of sugar content per 100 ml) since 2004 for beverage products across Singapore and Malaysia



At least one healthier option in **14 out of 15** product categories



Impactful annual community initiatives across all markets



100% of the Group's operations in Singapore, Malaysia and Thailand actively engaged with local communities, conducted impact assessments, and implemented development programmes



Human Rights Policy was developed in accordance with related human rights principles under international standards. Human Rights Due Diligence and Risk Assessments were undertaken



Promoting human rights across our operations
100% of our key operations in Singapore, Malaysia and Thailand conducted Human Rights Risks Assessments

Empowering Our People



Over 7,200 employees



34% female representation in total workforce



48% female representation in managerial positions



28.71 training hours per employee in the executive category; **11.24** training hours per employee for the non-executive category



26% reduction in Lost Time Injury Frequency Rate from a 2020 baseline

Note:

¹ % of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) are in compliance with Nutritional Guidelines

T GETHER



Responsible Product Stewardship



Over 80% of manufacturing plants are Food Safety System Certification ("FSSC") 22000 and/or halal certified



30+ new products introduced



Portfolio of healthier products, including:

- ★ Low-sugar drinks
- ★ Zero-sugar drinks
- ★ Plant-based milk drinks
- ★ Micro-nutrients fortified drinks

Responsible Supply Chain



98% of active key suppliers

have accepted and are complying with F&N's Supplier Code of Practice



Attained 5% product innovation

for commercialised F&N products



Achieved interim target of purchasing physical Roundtable on Sustainable Palm Oil ("RSPO") Certified Sustainable Palm Oil ("CSPO") and credits for total palm oil consumption

★ 60% physical RSPO CSPO

★ 40% RSPO credits



Engages stakeholders to maintain high halal standards

★ F&NHB's partnership with the Halal Industry Development Corporation for the Halal Sourcing Partnership Programme enables us to provide technical advice and knowledge to SMEs

★ Successfully redirected vendors to supply F&N with specific products that adhere to stringent halal standards



Sustainability AT F&N



Climate-related disclosures

based on the recommendations of the TCFD, were enhanced to include quantification of material climate-related risks



External recognition

- ★ F&NHB remains a constituent member of the F4GBM Index for the fifth year, with improved rating to **4.6** from **4.4** in 2022, for ESG practices. It is also a member of the F4GBMS Index for the third consecutive year
- ★ F&NHB has also been recognised for excellence in sustainability and strong ESG practices by being presented with the Platinum Award (for Best Sustainability Reporting) at the NACRA 2022
- ★ F&N Foods Pte Ltd ranked 63rd among over 1,700 employers in the Singapore's Best Employers 2023 study



THIS IS F&N

Fraser and Neave, Limited ("**F&N**" or the "**Group**") originated more than a century ago from the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia ("**SEA**") in 1883.

The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries

Limited ("**APB**"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2006, it acquired Nestle's liquid canned milk business in Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited ("**FCL**", now known as Frasers Property Limited) to become one of the leading property companies in Singapore with multi-national businesses in

residential, hospitality, retail, commercial and industrial properties.

In 2012, F&N divested its equity stake in APB to realise a substantial value for shareholders. In 2014, the Group demerged FCL through a listing on the Singapore Stock Exchange, thereby transferring value to shareholders.

Today, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, as well as years of acquisition experience, the Group provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia and the Americas, and employs over 7,200 people worldwide.



FRASER AND NEAVE, LIMITED

Food & Beverage ("**F&B**")

- Non-Alcoholic Beverage
- Beer
- Packaged Food

Publishing & Printing ("**P&P**")

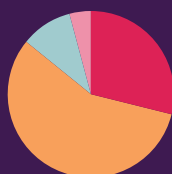
- Publishing
- Print
- Retail
- Distribution



Contribution by Segment

Revenue

\$2,099m



BEVERAGES
29%

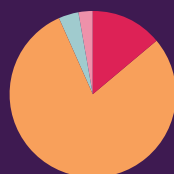
DAIRIES
57%

PUBLISHING
& PRINTING
10%

OTHERS
4%

Profit Before Interest & Taxation ("**PBIT**")

\$249m



BEVERAGES
15%

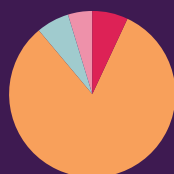
DAIRIES
86%

PUBLISHING
& PRINTING
-4%

OTHERS
3%

Attributable Profit Before Fair Value Adjustment & Exceptional Items ("**APBFE**")

\$133m



BEVERAGES
9%

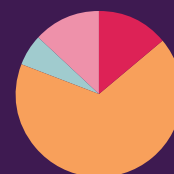
DAIRIES
105%

PUBLISHING
& PRINTING
-8%

OTHERS
-6%

Total Assets

\$5,122m



BEVERAGES
14%

DAIRIES
67%

PUBLISHING
& PRINTING
6%

OTHERS
13%

Our Global Values serve as a compass for our actions and describe how we behave in our organisation

Collaboration

We leverage our inherent strengths and diversity to create synergies and commit to team goals

Creating Value

We are passionate about applying new ideas and grasping opportunities to make a positive impact on our organisation and the world

Caring for Stakeholders

We embrace our stakeholders' perspectives with good intentions and right mindsets to create long-term, sustainable partnerships



Employees

7,200+

Female
Male

By Geography

Singapore	22%
Malaysia	49%
Thailand	19%
Others	10%

50+

F&B and P&P brands

of which

- F&B owns 75% brands
- P&P owns 25% brands

80+

Offices, manufacturing and warehousing facilities in 11 countries

of which

- 28 offices in 11 countries
- 21 manufacturing facilities in 5 countries
- 41 warehousing facilities in 4 countries

140+

Export markets

Key Export Markets

- Africa
- Australia
- China
- Hong Kong
- Indonesia
- Mexico
- Philippines

**FY2023
Revenue**

\$2,099m

**FY2023
Profit After Taxation**

\$205m

Singapore

Revenue	\$424m
PBIT	(\$11m)
APBFE	(\$28m)
Total Assets	\$539m



F&N HQ

Malaysia

Revenue	\$833m
PBIT	\$63m
APBFE	\$24m
Total Assets	\$1,159m



Thailand

Revenue	\$659m
PBIT	\$112m
APBFE	\$54m
Total Assets	\$600m










Vietnam¹










Revenue	\$0m
PBIT	\$89m
APBFE	\$89m
Total Assets	\$2,523m



Other Countries

Revenue	\$184m
PBIT	(\$4m)
APBFE	(\$6m)
Total Assets	\$300m

Brunei	
Chile	
China	    
Hong Kong	

Indonesia	 
Myanmar	   
United Arab Emirates	 
USA	

Legend:

	Manufacturing Plants	Offices
Dairies		
Soft Drinks		
Beer		
Packaged Food		
Publishing & Printing		

Note:

¹ Largely from F&N's 20.4% investment in Vinamilk

OUR Business Model

Key Risk Categories ▶

Reputational

Strategic

Currency

Operational

Country

Financial

1 WHAT WE DEPEND ON

Relationships

Human

Over **7,200** talented people across the Group

By Geography

Singapore	22%
Malaysia	49%
Thailand	19%
Others	10%

Social & Relationship

Our relationships with governments and other organisations helped drive change in our communities

We collaborated with over **3,700** suppliers to produce products

Resources

Intellectual

Brands, R&D capabilities, and intellectual property set us apart

- **40+** brands in **17** beverage categories
- Internally developed systems, customised customer solutions and manufacturing processes

Manufactured

We operate **17** F&B manufacturing plants and **4** printing plants in Singapore, Malaysia, Myanmar, Thailand and China

Financial

Appropriate cash, equity and debt to invest for the long-term

- Share Capital **\$864M**
- Equity **\$3,403M**
- Debt Capital **\$1,134M**

Natural

Our operations are dependent on renewable and non-renewable resources particularly land, water, forests and soils

2 WHAT GUIDES US

Vision, Strategy, Values, Sustainability Targets

Our Vision

To be a stable, sustainable and profitable Food & Beverage leader in the ASEAN region

Our Strategy

To deliver long-term growth and sustainable value creation:

Winning with **INNOVATIONS**

Winning in **MARKETPLACE**

Winning with **BRANDS**

Winning with **PEOPLE**

Our Global Values

Collaboration

Creating Value

Caring for Stakeholders



SUSTAINABLE DEVELOPMENT GOALS

Primary



Secondary



Note:

1 Refer to F&N Sustainability Report 2023 for details

2025 Sustainability Targets¹

Environment

1. Reduce solid waste to landfill by **30%**
2. Reduce energy intensity ratio by **8%**
3. Reduce GHG emissions intensity ratio by **8%**
4. Reduce water intensity ratio by **8%**
5. **25%** of packaging uses recycled materials

Social

6. Provide an average of at least 18 hours of training to Executives and **11** hours of training to Non-Executives
7. Zero Lost Time Injury Frequency Rate
8. **72%** of F&N products to comply with Nutritional Guidelines
9. Increase community engagement programs by **10%**

Economic

10. All key active suppliers to accept and comply with F&N's Supplier Code of Practice
11. Rollout **10%** new products
12. All plants to be FSSC 22000 and/or halal certified

DRIVES SUSTAINABLE GROWTH

Creating Shared Value ►

Understanding Societal Needs and Stakeholder Expectations

Communicating Through Stakeholder Engagement

3 THE VALUE WE CREATE

Relationships



Human

- Paid **\$270M** in remuneration in FY2023
- Female representation:
 - **22%** of Board
 - **34%** of total employees
 - **48%** of total managerial positions
- Supported employees growth by providing **>77,000** training hours



Social & Relationship

- Upheld strong human rights practices in our operations and supply chain
- **92%** of our suppliers were local
- **\$1.2B** paid to suppliers; close to **90%** local purchase value
- **98%** active suppliers who accepted F&N's Supplier Code of Practice
- Over **3,700** suppliers were evaluated using social criteria

Resources



Intellectual/Consumers

- Continued to fulfill consumers' demand for safe and quality products
- Adopted many channels to make our products available to consumers in over **140** countries
- Introduced over **30** new products in FY2023 to meet the needs of consumers
- Excited consumers with the rollout of various limited edition beverages



Manufactured

- Over **80%** of manufacturing plants are FSSC 22000 and/or halal certified
- **99%** of total packaging is recyclable
- Reduction in greenhouse gas emissions and solid waste



Natural

- Adhered to sustainable practices to protect stakeholders
- Received several environmental excellence recognition
- Total production volume of **1.2M** MT



Financial Outcomes

- Revenue **\$2,099M**
- Dividends **\$80M**
- APBFE **\$133M**
- Economic Value Retained **\$254M**

4 VALUE CHAIN

Activities & Focus Areas

UPSTREAM



Innovation

Our Marketing and R&D teams, combining consumer insights, technical excellence and in collaboration with suppliers, develop products that consumers want and need



Sourcing

We work closely with our suppliers to ensure their goods and services meet quality, environmental and social standards, in addition to our stringent internal standards



Production

We implement a standardised safe production process, in accordance with international standards, throughout most of our operations. We also strive for eco-efficient processes, to provide good value and maximum benefit without polluting the environment

DOWNSTREAM



Distribution

Our extensive distribution system and network ensure that our products are efficiently distributed to our consumers. Across our operations, we strive to minimise environmental and social impacts from transportation by managing our energy use, while safeguarding the safety of our personnel and local communities



Marketing & Sales

We demonstrate consumer and societal responsibility by providing healthier product options and informative product labels. We also seek feedback from our customers on our products to create sustainable value for consumers and for our business



Post-Consumption Packaging Management

We minimise the impact of post-consumer waste through research and development to deliver innovative and environmental-friendly packaging. We also promote environmental awareness to the communities where we operate

5 STAKEHOLDERS

Internal

Our People

We aim to reward people fairly for the work they do, and help them reach their potential

Consumers & Customers

We aim to provide superior and quality products that promote good health

Suppliers & Business Partners

We partner with thousands of suppliers to deliver quality products, and support mutual growth

Regulators & Communities

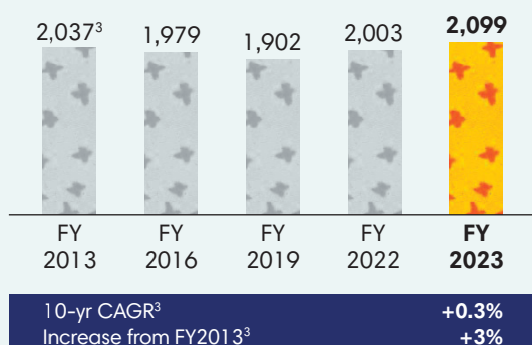
We aim to develop business and social partnerships while managing environmental and other social impacts

Shareholders

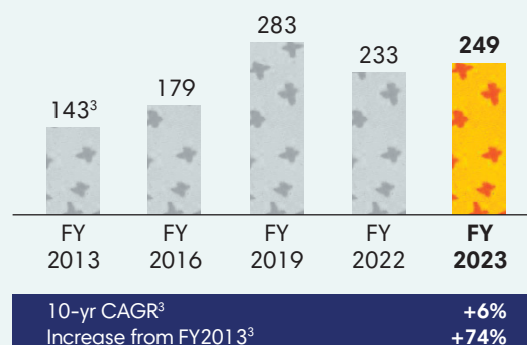
We aim to maximise financial returns, responsibly, through operating savings, revenue enhancements and high asset utilisation

PERFORMANCE AT A GLANCE

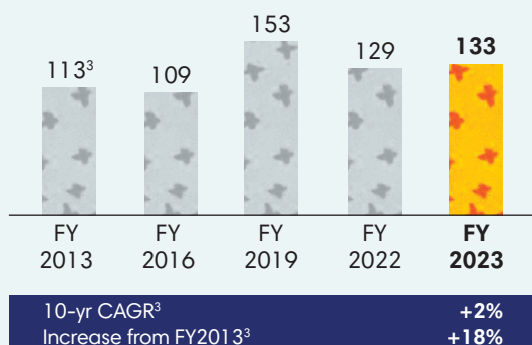
Revenue (\$m)



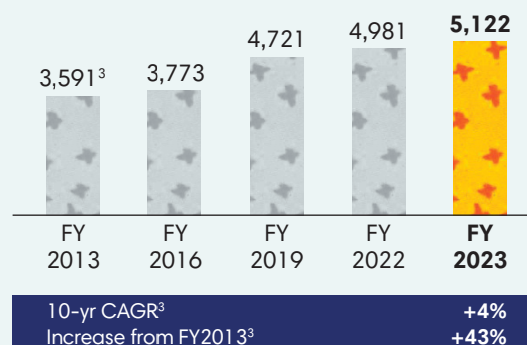
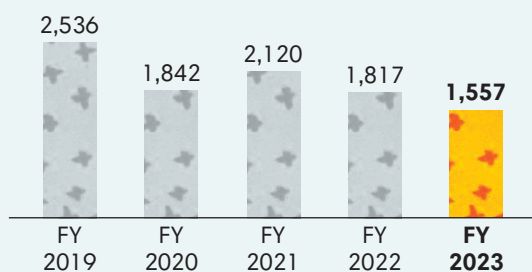
Profit Before Interest & Taxation (\$m)



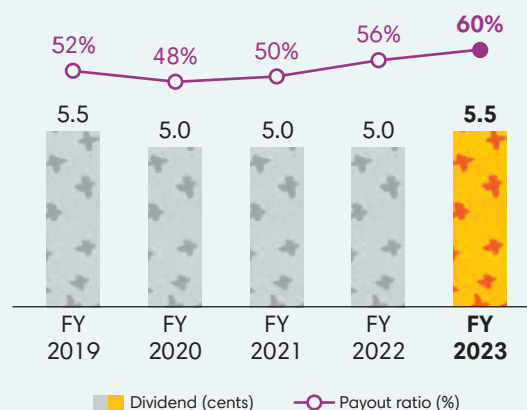
Attributable Profit Before Fair Value Adjustment & Exceptional Items (\$m)



Total Assets (\$m)

Market Capitalisation⁴ (\$m)

Dividend Distribution



Notes:

- 1 FY2013, FY2016, FY2019 and FY2022: As previously reported
- 2 Upon the disposal of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd ("APB/APIPL") and Myanmar Brewery Limited ("MBL"), and the distribution in-specie of Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited), their respective results have been classified as discontinued operations
- 3 Excludes discontinued operations of APB/APIPL, FCL and MBL
- 4 Based on issued shares at close of business on the first trading day after preliminary announcement of results

GROUP FINANCIAL PERFORMANCE

5-YEAR STATISTICS



Year ended 30 September		FY2019	FY2020	FY2021	FY2022	FY2023
Notes						
1	Profit Statement (\$ million)					
	Revenue	1,902	1,834	1,879	2,003	2,099
	Profit before taxation					
	- before interest	283	267	262	233	249
	- before fair value adjustment & exceptional items	269	245	239	210	217
	- after fair value adjustment & exceptional items	268	244	230	202	224
	Attributable profit					
2	- before fair value adjustment & exceptional items	153	150	145	129	133
	- after fair value adjustment & exceptional items	152	149	140	125	133
1	Balance Sheet (\$ million)					
3	Net asset value	2,933	2,969	3,019	3,070	2,947
	Total assets employed	4,721	4,775	4,921	4,981	5,122
	Long-term borrowings	820	796	499	838	794
	Market Capitalisation (\$ million)					
	at close of business on the first trading day after preliminary announcement of results	2,536	1,842	2,120	1,817	1,557
1	Financial Ratio (%)					
	Return on average shareholders' equity					
	- profit before fair value adjustment, taxation & exceptional items	9.3	8.3	8.0	6.9	7.2
2	- attributable profit before fair value adjustment & exceptional items	5.3	5.1	4.9	4.3	4.4
4	Gearing ratio					
	- without non-controlling interests	14.0	18.6	15.1	20.0	23.8
	- with non-controlling interests	12.3	16.3	13.2	17.6	20.6
1	Per Share					
	Profit before fair value adjustment, taxation & exceptional items (cents)	18.5	16.9	16.5	14.4	14.9
	Attributable profit (cents) (basic)					
	- before fair value adjustment & exceptional items	10.6	10.4	10.0	8.9	9.2
	- after fair value adjustment & exceptional items	10.5	10.3	9.7	8.6	9.2
3	Net asset value (\$)	2.02	2.05	2.08	2.11	2.03
	Dividend					
	- net (cents)	5.5	5.0	5.0	5.0	5.5
5	- cover (times)	1.9	2.1	2.0	1.8	1.7
	Stock Exchange Prices (\$)					
	at close of business on the first trading day after preliminary announcement of results	1.75	1.27	1.46	1.25	1.07

Notes:

- 1 FY2019 - FY2022: As previously reported
- 2 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items
- 3 Net asset value: Share capital and reserves
- 4 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity
- 5 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share

CORPORATE STRUCTURE



SGX Code: F99

Listed on the mainboard of the Singapore Exchange Securities Trading Limited

Number of ordinary shares outstanding (as at 5 December 2023): 1,455,298,220

BEVERAGES & DAIRIES¹

86%

Subsidiary Companies:

- Emerald Brewery Myanmar Limited (80.0%)
- F&N Foods Pte Ltd (100.0%)
- F&N Creameries Group (100.0%)
- Fraser & Neave Holdings Bhd Group (55.5%)
- Warburg Group (100.0%)
- Yoke Food Industries Group (100.0%)

Associated Company:

- Vietnam Dairy Products Joint Stock Company (20.4%)

This segment comprises the businesses upon which F&N was founded. Established in 1883, F&N today holds market leading positions in a range of categories within the food & beverage market in Singapore, Malaysia and Thailand. Some of F&N's leading brands are 100PLUS, F&N NUTRISOY, F&N MAGNOLIA and F&N SEASONS. The Group is also licensed by Nestlé, Sunkist Growers and ThaiBev to use the CARNATION, BEAR BRAND, SUNKIST, OYOSHI and CHANG brands, respectively.



PUBLISHING & PRINTING¹

10%

Subsidiary Company:

- Times Publishing Group (100.0%)

A leading publishing and printing company in Singapore. Its diverse publishing, printing, distribution and retail businesses are based on the Total Service Concept, spanning conceptualisation to consumption. The Group has a global network of publishing offices, printing plants, retail outlets, distributors, direct sales teams and value-added suppliers worldwide.



OTHERS¹

4%

Subsidiary Companies:

- Cocoland Holdings Berhad Group (55.5%)
- Sri Nona Group (55.5%)

Joint Venture Companies:

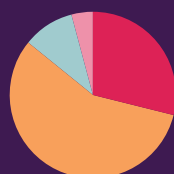
- F&N International Holdings Co., Ltd (49.0%)
- F&N Retail Connection Co., Ltd (74.0%)

In addition to focusing on its core business, the Group also seeks to develop other strategic investment projects to enhance income stream and maximise shareholder value. These investments add to F&N's key competitive advantage.

Contribution by Segment

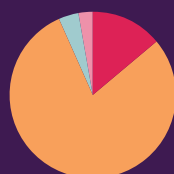
Revenue

\$2,099m

BEVERAGES
29%DAIRIES
57%PUBLISHING
& PRINTING
10%OTHERS
4%

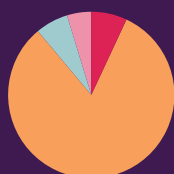
Profit Before Interest & Taxation ("PBIT")

\$249m

BEVERAGES
15%DAIRIES
86%PUBLISHING
& PRINTING
-4%OTHERS
3%

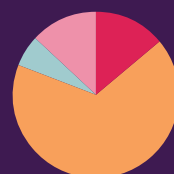
Attributable Profit Before Fair Value Adjustment & Exceptional Items ("APBFE")

\$133m

BEVERAGES
9%DAIRIES
105%PUBLISHING
& PRINTING
-8%OTHERS
-6%

Total Assets

\$5,122m

BEVERAGES
14%DAIRIES
67%PUBLISHING
& PRINTING
6%OTHERS
13%

Notes:

- ¹ The list highlights Key Operating Units of the F&N Group. For a detailed listing, please refer to Significant Subsidiary, Joint Venture and Associated Companies on pages 192 to 198

CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr Charoen Sirivadhanabhakdi
(Chairman)

Mr Ng Tat Pun
(Lead Independent Director)

Mr Chan Heng Wing

Ms Suong Dao Nguyen

Mr Charles Mak Ming Ying

Dr Sujittra Sombuntham

Mr Koh Poh Tiong

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah
(Alternate Director to
Mr Thapana Sirivadhanabhakdi)

Mr Prapakon Thongheppairot
(Alternate Director to
Mr Sithichai Chaikriangkrai)



AUDIT COMMITTEE

Mr Ng Tat Pun
(Chairman)

Mr Chan Heng Wing
Mr Sithichai Chaikriangkrai



REGISTERED OFFICE

438 Alexandra Road
#20-00 Alexandra Point
Singapore 119958
Tel: (65) 6318 9393
Fax: (65) 6271 0811



NOMINATING COMMITTEE

Mr Ng Tat Pun
(Chairman)

Ms Suong Dao Nguyen
Mr Thapana Sirivadhanabhakdi



SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Barbinder Share
Registration Services
9 Raffles Place,
Republic Plaza, Tower I, #26-01
Singapore 048619
Tel: (65) 6236 3333



BOARD EXECUTIVE COMMITTEE

Mr Koh Poh Tiong
(Chairman)

Mr Thapana Sirivadhanabhakdi
(Vice-Chairman)

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongheppairot



REMUNERATION COMMITTEE

Mr Chan Heng Wing
(Chairman)

Mr Ng Tat Pun
Mr Thapana Sirivadhanabhakdi



AUDITOR

KPMG LLP
Partner-in-charge:
Mr Jeya Poh Wan Suppiah
(with effect from financial year 2021)



SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Mr Koh Poh Tiong
(Chairman)

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongheppairot



LEADERSHIP TEAM

Mr Hui Choon Kit
(Chief Executive Officer)

Mr Lim Yew Hoe
(Chief Executive Officer,
Fraser & Neave Holdings Bhd)

Mr Siew Peng Yim
(Chief Executive Officer,
Times Publishing Group)

Ms See Kwan Kit Jennifer
(Managing Director,
Singapore and Yoke Food Industries
Malaysia, F&N Foods Pte Ltd)

Mr Leong Chi How Christopher
(Senior Director, Group Finance)



PRINCIPAL BANKERS

Oversea-Chinese Banking
Corporation Limited
DBS Bank Ltd
CTBC Bank Co. Ltd
Crédit Industriel et Commercial
Standard Chartered Bank



CHAIRMAN'S MESSAGE

CHAROEN SIRIVADHANABHAKDI

In 2023, we mark the significant occasion of our Company's 140th anniversary. This milestone not only serves as a tribute to our illustrious heritage but also stands as a testament to our steadfast dedication to sustainable growth. As we celebrate this remarkable milestone, we also take a moment to reflect on the year that has unfolded – a year filled with challenges that have, in turn, presented new growth opportunities.

Over the decades, our Company has undergone a remarkable transformation, adapting to the changing landscapes of business and technology. From our humble beginnings, we have transformed into a dynamic entity that embraces innovation as a core value. Our innovative product development initiatives have not only met the evolving needs of our customers but have also positioned us as market leaders in the categories we participate in, future-proofing us. Our embrace of the digital age through strategic digital transformation efforts has allowed us to optimise operations, enhance customer engagement, and elevate our competitiveness in an increasingly digital world.

The essence of our journey lies in our resilience in the face of adversity. Economic challenges have tested our ability to navigate uncharted waters, and we have responded with agility and resourcefulness. Supply chain disruptions have also revealed our capacity to pivot swiftly, ensuring that our products reach our customers when they need them most. This year, despite the headwinds of higher input costs, volatile foreign currency exchange rates and higher financing costs, we have not only safeguarded our market share but also achieved notable growth in top- and bottom-lines.

SUSTAINABILITY COMMITMENT

Our commitment to enhancing our financial performance goes hand in hand with our unwavering dedication to building a sustainable future. Our sustainability strategy is not merely a vision; it is a tangible commitment that drives meaningful action. This year, we've quantified the business impact of three of our most critical climate-related physical and transition risks, and will expand our assessment next year. These efforts represent a significant stride in our climate



In 2023, we mark the significant occasion of our Company's 140th anniversary. This milestone not only serves as a tribute to our illustrious heritage but also stands as a testament to our steadfast dedication to sustainable growth.



Growing TOGETHER



strategy. As we explore decarbonisation pathways, we deepen our understanding of green technologies, their costs and benefits, and the greenhouse gas emissions (“GHG”) reduction potential. These insights will guide us toward achieving our ambitious 2040 net-zero Scope 1 and 2 GHG emissions target.

DIVIDENDS

Remaining steadfast in our promise to shareholders, the Group upholds its commitment to our dividend policy. In celebration of the Company’s 140th anniversary, and in recognition of our shared journey, the Board recommends a final dividend of 4.0 cents per share for approval at the upcoming Annual General Meeting. If endorsed, this dividend will be disbursed on 16 February 2024. The total dividend for the fiscal year, combining the interim dividend from June 2023, will amount to 5.5 cents per share, marking an increase of 0.5 cents from last year’s distribution of 5.0 cents, and representing 60% of the Group’s attributable profit before exceptional items.

IN MEMORY

The year 2023 was marked by profound loss with the passing of our esteemed Vice-Chairman, Khunying Wanna Sirivadhanabhakdi. The Board and the entire F&N family join me in mourning her passing. Khunying Wanna made invaluable contributions to our Company during her tenure as Non-Executive and Non-Independent Vice-Chairman. She was not only a guiding force within our organisation but also played a key role in various charitable and community services, particularly in the areas of education and public health. Her legacy will forever be a part of our Company’s history, and she will continue to be dearly missed.

A LOOK TO THE FUTURE

As we celebrate our 140th anniversary, I extend my heartfelt gratitude to our directors, employees, customers, partners, shareholders, and stakeholders, both past and present, who have been instrumental in our journey. Your unwavering support has been a source of strength and inspiration for us throughout the years.



Looking ahead, we are committed to pursuing excellence, innovation, and sustainable growth. We will continue to address the challenges and opportunities presented by the evolving global landscape. Our dedication to sustainability and environmental, social and governance principles remains resolute, as we strive to contribute to a more sustainable future and embrace the imperatives of a circular economy and net-zero future.

With your continued support, I am confident that F&N will embark on its next 140 years with vigour and determination, building upon our legacy and creating a brighter future for all.

Thank you for being a part of our transformation and growth journey.

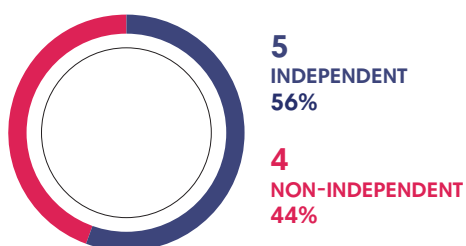
Charoen Sirivadhanabhakdi
Chairman

BOARD OF DIRECTORS

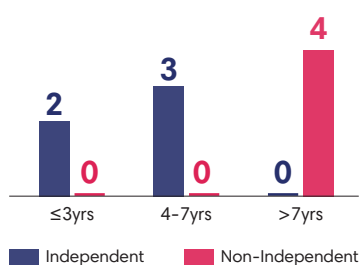
Guiding the Way TOGETHER



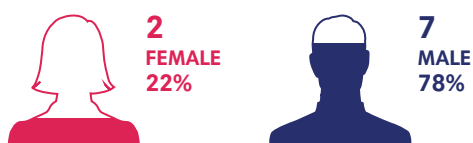
BOARD BALANCE*



BOARD TENURE*



GENDER DIVERSITY*



Mr Charoen Sirivadhanabhakdi

NI NE Page 22



Mr Ng Tat Pun

I NE Page 22



Mr Chan Heng Wing

I NE Page 23

NI Non-Independent | I Independent | NE Non-Executive

* Exclude Alternate Directors



Ms Suong Dao Nguyen

I NE Page 23



Mr Charles Mak Ming Ying

I NE Page 24



Dr Sujitra Sombuntham

I NE Page 24



Mr Koh Poh Tiong

NI NE Page 25



Mr Thapana Sirivadhanabhakdi

NI NE Page 26



Mr Sithichai Chaikriangkrai

NI NE Page 27



Mr Michael Chye Hin Fah

(Alternate Director to
Mr Thapana Sirivadhanabhakdi)
Page 28



Mr Prapakon Thongtheppairot

(Alternate Director to
Mr Sithichai Chaikriangkrai)
Page 29

BOARD OF DIRECTORS

Mr Charoen Sirivadhanabhakdi, 79

Chairman
Non-Independent and
Non-Executive Director

Date of first appointment as a director
28 Feb 2013

Date of last re-appointment as a director
18 Jan 2022

Country of principal residence
Thailand

Board Committee(s) Served On

- Nil

Academic & Professional Qualification(s)

- Honorary Doctoral Degree in Social Science (Social Work), Mahamakut Buddhist University, Thailand
- Honorary Doctoral Degree in Marketing, Rajamangala University of Technology Isan, Thailand
- Honorary Doctoral Degree in Buddhism (Social Work), Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Hospitality Industry and Tourism, Christian University of Thailand, Thailand
- Honorary Doctoral Degree in Sciences and Food Technology, Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in International Business Administration, University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Management, Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctor of Philosophy in Business Administration, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand

- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand

Present Directorship(s) (as at 05 Dec 2023)
Listed companies

- Asset World Corp Public Company Limited (Chairman)
- Berli Jucker Public Company Limited (Chairman)
- Frasers Property Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman/Executive Chairman)
- Thai Group Holdings Public Company Limited (Chairman)

Others

- International Beverage Holdings Limited (Chairman)
- Siriwana Co., Ltd. (Chairman)
- Sura Bangyikhan Group of Companies (Chairman)
- TCC Asset World Corporation Limited (Chairman)
- TCC Corporation Limited (Chairman)
- TCC Group of Companies (Chairman)
- TCC Land Co., Ltd. (Chairman)

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years
Listed companies

- Nil

Others

- Beer Thai (1991) Public Company Limited (Chairman)
- Red Bull Distillery Group of Companies (Chairman)
- Southeast Corporation Co., Ltd. (Chairman)

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- Nil

Past Principal Commitments Over The Preceding Five Years (other than Directorships)

- Nil

Others

- Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title 'Tan Sri' from Malaysia
- Royal Order of Sahametrei, Grand Officer of the Most Noble Order of the Rajamitrabhorn of Cambodia

Shareholding Interest In F&N Group

- Refer to Shareholding Statistics on pages 202 to 203

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Father of Mr Thapana Sirivadhanabhakdi (Director)
- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 95 for details on relationship with other substantial shareholders of F&N

Mr Ng Tat Pun, 78

Lead Independent and
Non-Executive Director

Date of first appointment as a director
01 Jan 2022

Date of last re-appointment as a director
18 Jan 2022

Country of principal residence
Singapore

Board Committee(s) Served On

- Audit Committee (Chairman)
- Nominating Committee (Chairman)
- Remuneration Committee

Academic & Professional Qualification(s)

- Bachelor of Arts Degree (Economics and History), University of Singapore, Singapore
- Director of Accreditation Program (DAP) 2006, Thai Institute of Directors Association
- Business Future Series (BFS 3), Singapore Institute of Directors

Present Directorship(s) (as at 05 Dec 2023)
Listed companies

- Nil

Others

- SP Chemicals Pte. Ltd.

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years

Listed companies

- EnGro Corporation Ltd.
- Sing Investments & Finance Limited
- Thai Beverage Public Company Limited

Others

- SP Chemicals Holdings Ltd.

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- Monetary Authority of Singapore: Corporate Governance Advisory Committee

Past Principal Commitments Over The Preceding Five Years (other than Directorships)

- Nil

Shareholding Interest In F&N Group

- Nil

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Nil

Additional Information

- Additional information on Ng Tat Pun, who is seeking re-appointment as a Director at the 125th Annual General Meeting, is provided on pages 212 to 217.

Mr Chan Heng Wing, 76

Independent and Non-Executive Director

Date of first appointment as a director
11 Jan 2018¹

Date of last re-appointment as a director
21 Jan 2021

Country of principal residence
Singapore

Board Committee(s) Served On

- Audit Committee
- Remuneration Committee (Chairman)

Academic & Professional Qualification(s)

- Master of Science, Columbia Graduate School of Journalism, USA
- Master of Arts, University of Singapore, Singapore
- Bachelor of Arts (Honours), University of Singapore, Singapore

Present Directorship(s) (as at 05 Dec 2023)

Listed companies

- EC World REIT

Others

- One Bangkok Holdings Limited

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years

Listed companies

- Banyan Tree Holdings Limited
- Frasers Property Limited

Others

- Precious Quay Pte. Ltd.
- Precious Treasure Pte Ltd

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- China Cultural Centre Singapore (Member, Executive Board)
- Ministry of Foreign Affairs (Non-resident Ambassador to Austria)

Past Principal Commitments Over The Preceding Five Years (other than Directorships)

- Milken Institute Asia Center (Senior Advisor)

Shareholding Interest In F&N Group

- Nil

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Nil

Additional Information

- Additional information on Chan Heng Wing, who is seeking re-appointment as a Director at the 125th Annual General Meeting, is provided on pages 212 to 217.

Note:

- 1 Mr Chan was appointed a Director of the Company on 28 February 2013 and resigned on 8 January 2014. He was reappointed a Director of the Company on 11 January 2018.

Ms Suong Dao Nguyen, 57

Independent and Non-Executive Director

Date of first appointment as a director
01 June 2022

Date of last re-appointment as a director
18 Jan 2023

Country of principal residence
Vietnam

Board Committee(s) Served On

- Nominating Committee

Academic & Professional Qualification(s)

- Juris Doctor, School of Law, University of California
- Bachelor's Degree in Classics (Greek & Latin), Harvard University
- Admission to the State Bar of New York
- Admission to the State Bar of California

Present Directorship(s) (as at 05 Dec 2023)

Listed companies

- Nil

Others

- BeerCo Limited
- KCN Vietnam Group Joint Stock Company

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years

Listed companies

- Nil

Others

- Nil

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- DN Legal Limited (Founder and Managing Partner)
- Vietnam Chapter of Entrepreneurs' Organisation (President)

Past Principal Commitments Over The Preceding Five Years (Other Than Directorships)

- Nil

Shareholding Interest In F&N Group

- Nil

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Nil

BOARD OF DIRECTORS

Mr Charles Mak Ming Ying, 71

Independent and
Non-Executive Director

Date of first appointment as a director
11 Jan 2018¹

Date of last re-appointment as a director
18 Jan 2023

Country of principal residence
Hong Kong

Board Committee(s) Served On

- Nil

Academic & Professional Qualification(s)

- Master of Business Administration, PACE University, USA
- Bachelor of Business Administration, PACE University, USA

Present Directorship(s) (as at 05 Dec 2023)

Listed companies

- Nil

Others

- BeerCo Limited

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years

Listed companies

- Frasers Property Limited

Others

- Nil

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- PACE University, USA (Board of Trustees)

Past Principal Commitments Over The Preceding Five Years (other than Directorships)

- Morgan Stanley Asia Pacific (Vice-Chairman)
- Morgan Stanley Asia's Investment Banking Division (Senior Advisor)
- Morgan Stanley International Wealth Management (President)
- Chairman and Director of Bank Morgan Stanley AG
- Director in Morgan Stanley Asia Limited and a member of Morgan Stanley's Asia Pacific Executive Committee, the Morgan Stanley Wealth Management Committee and the International Operating Committee
- Managing Director and Head of Morgan Stanley Asia Pacific Private Wealth Management
- Executive Director and Senior Investment Adviser of Morgan Stanley's Private Wealth Management Group

Shareholding Interest In F&N Group

- Nil

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Nil

Note:

¹ Mr Mak was appointed a Director of the Company on 28 February 2013 and resigned on 8 January 2014. He was reappointed a Director of the Company on 11 January 2018.

Dr Sujittra Sombuntham, 66

Independent and
Non-Executive Director

Date of first appointment as a director
11 Jan 2018

Date of last re-appointment as a director
18 Jan 2023

Country of principal residence
Thailand

Board Committee(s) Served On

- Nil

Academic & Professional Qualification(s)

- Medical Degree, Prince of Songkla University (First Class Honors, Valedictorian), Thailand
- Board of Internal Medicine, Chulalongkorn University, Thailand
- Diploma in Dermatology, University of London, United Kingdom
- Board of Family Medicine, The Royal College of Family Physicians of Thailand
- Certificate in Anti-Aging Medicine Specialisation, World Society of Anti-Aging Medicine, European Organisation of Scientific Anti-Aging Medicine
- American Board of Anti-Aging and Regenerative Medicine, USA
- Listed Entity Director Programme, Singapore Institute of Directors, Singapore

Present Directorship(s) (as at 05 Dec 2023)

Listed companies

- Nil

Others

- Bhatra Co., Ltd.
- DermScan Asia Co., Ltd.
- Springfield At Sea Co., Ltd.
- Springfield Holding Co., Ltd.
- Springfield Royal Club Co., Ltd.
- Thaniya Co., Ltd.
- Thaniya Dental Center Co., Ltd.
- Thaniya Holding Co., Ltd.
- Thaniya Medical Center Co., Ltd.
- Thaniya Real Estate Co., Ltd.
- Thaniyakit Co., Ltd.
- Thanyaville Co., Ltd.
- Yada Development Co., Ltd.

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years
Listed companies

- Nil

Others

- Nil

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- St. Joseph Hospital Foundation (Vice-President)
- DermScan Asia Co., Ltd (Clinical Director)
- Thai Society of Cosmetic Dermatology and Surgery (Vice-President)
- Thai Society of Anti-Aging
- Honorary Advisory Board of Dysport
- Mae Fah Luang University (Guest Lecturer)
- Chulalongkorn University (Guest Lecturer)
- Thaniya Medical Clinic (Physician)

Past Principal Commitments Over The Preceding Five Years (other than Directorships)

- Nil

Shareholding Interest In F&N Group

- Nil

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Nil

Mr Koh Poh Tiong, 76
 Non-Independent and Non-Executive Director, Adviser to The Board

Date of first appointment as a director
03 Apr 2013

Date of last re-appointment as a director
18 Jan 2022

Country of principal residence
Singapore

Board Committee(s) Served On

- Board Executive Committee (Chairman)
- Sustainability and Risk Management Committee (Chairman)

Academic & Professional Qualification(s)

- Bachelor of Science, University of Singapore, Singapore

Present Directorship(s) (as at 05 Dec 2023)

Listed companies

- Bukit Sembawang Estates Limited (Chairman)
- Saigon Beer-Alcohol-Beverage Corporation (Chairman)

Others

- Asia Breweries Limited
- BeerCo Limited (Chairman)
- Cambodia Breweries Pte. Ltd.
- Times Publishing Limited (Chairman)

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years

Listed companies

- Delfi Limited¹
- Raffles Medical Group Limited
- SATS Ltd

Others

- Great Eastern General Insurance (Malaysia) Berhad²
- Great Eastern Life Assurance (Malaysia) Berhad²
- National Kidney Foundation (Chairman)
- Singapore Kindness Movement (Chairman)
- Yunnan Yulinquan Liquor Co., Ltd. (Chairman)

Present Principal Commitments (other than Directorships) (as at 05 Dec 2023)

- Thai Beverage Public Company Limited (Member of Executive Committee)

Past Principal Commitments Over The Preceding Five Years (other than Directorships)

- Raffles Medical Group Limited (Senior Adviser to the Board)³

Shareholding Interest In F&N Group

- Deemed interest in 251,315 shares of Fraser and Neave, Limited

Relationship With Other Director, Executive Officer, F&N, Substantial Shareholder Of F&N Or Substantial Shareholder Of Principal Subsidiary

- Nil

Additional Information

- Additional information on Koh Poh Tiong, who is seeking re-appointment as a Director at the 125th Annual General Meeting, is provided on pages 212 to 217.

Notes:

- 1 Mr Koh Poh Tiong retired as a Director from Delfi Limited on 25 April 2023.
- 2 Mr Koh Poh Tiong retired as a Director from Great Eastern General Insurance (Malaysia) Berhad and Great Eastern Life Assurance (Malaysia) Berhad on 15 May 2023.
- 3 Mr Koh Poh Tiong stepped down as Senior Adviser to the Board of Raffles Medical Group Limited on 31 December 2022.

BOARD OF DIRECTORS

Mr Thapana Sirivadhanabhakdi, 48

Non-Independent and
Non-Executive Director

Date of first appointment as a director
19 Feb 2013

Date of last re-appointment as a director
18 Jan 2023

Country of principal residence
Thailand

Board Committee(s) Served On

- Board Executive Committee (Vice-Chairman)
- Nominating Committee
- Remuneration Committee
- Sustainability and Risk Management Committee

Academic & Professional Qualification(s)

- Honorary Doctoral Degree in Buddhism, Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctoral Degree in Business Administration, Chiang Mai University, Thailand
- Doctor of Business Administration (Business Innovation Management), Silpakorn University, Thailand
- Honorary Doctor of Arts in Art and Design, Bangkok University, Thailand
- Honorary Doctorate Degree in Business Administration (Management), Rajamangala University of Technology Isan, Thailand
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Science (Logistics Management), King Mongkut's Institute of Technology Ladkrabang, Thailand
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon, Thailand

- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep, Thailand
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University, Thailand
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University, Thailand
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University, Thailand
- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

**Present Directorship(s)
(as at 05 Dec 2023)**
Listed companies

- Amarin Corporations Public Company Limited (formerly known as Amarin Printing and Publishing Public Company Limited) (Vice-Chairman)
- Frasers Property Limited
- Sermasuk Public Company Limited (3rd Vice-Chairman)
- Thai Beverage Public Company Limited (President and CEO)
- Thai Group Holdings Public Company Limited
- The Siam Cement Public Company Limited (Independent Director)
- Univentures Public Company Limited (Vice-Chairman)

Others

- Adelfos Co., Ltd.
- Asia Breweries Limited
- Bistro Asia Co., Ltd. (Chairman)
- BeerCo Limited
- BeerCo Training Co., Ltd
- Beer Thai (1991) Public Company Limited (Chairman)

- Cambodia Breweries Pte. Ltd.
- Chang Beer Company Limited
- Chang Corporation Co., Ltd
- Food and Beverage United Co., Ltd
- InterBev Investment Limited
- International Beverage Holdings Limited (President and CEO)
- International Beverage Holdings (New Zealand) Limited (Chairman)
- Plantheon Co., Ltd.
- Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd.
- Red Bull Distillery Group of Companies (Chairman)
- SCG Chemicals Public Company Limited (formerly known as SCG Chemicals Co., Ltd.)
- Siam Breweries Limited
- South East Asia Logistics Pte. Ltd. (Chairman)
- Super Food Brands Company Pte. Ltd.
- TCC Group of Companies
- ThaiBev Co., Ltd.
- ThaiBev HC Development Co., Ltd.
- Thai Beverage Group of Companies
- The C Canvas Co., Ltd. (Chairman)
- Times Publishing Limited (Vice-Chairman)
- TSpace Digital Company Limited
- VietBev Company Limited (Chairman)

**Past Directorship(s) Other Than F&N
Held Over The Preceding Five Years**
Listed companies

- Berli Jucker Public Company Limited

Others

- GMM Channel Holding Co., Ltd.
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited (Vice-Chairman)
- Southeast Capital Co., Ltd. (Vice-Chairman)
- Southeast Insurance Public Company Limited (Vice-Chairman)
- Southeast Life Insurance Public Company Limited (Vice-Chairman)

**Present Principal Commitments
(other than Directorships)
(as at 05 Dec 2023)**

- Frasers Property Limited (Chairman of Executive Committee)
- Thai Beverage Public Company Limited (President & Chief Executive Officer)

**Past Principal Commitments
Over The Preceding Five Years
(other than Directorships)**

- Thai Beverage Public Company Limited (Chief Beer Product Group)

Shareholding Interest In F&N Group

- Nil

**Relationship With Other Director,
Executive Officer, F&N, Substantial
Shareholder Of F&N Or Substantial
Shareholder Of Principal Subsidiary**

- Son of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder)

Others

- Knight of the Legion of Honor (Chevalier de la Légion d'Honneur)

**Mr Sithichai Chaikriangkrai, 69
Non-Independent and
Non-Executive Director**

Date of first appointment as a director
22 Feb 2013

Date of last re-appointment as a director
18 Jan 2023

Country of principal residence
Thailand

Board Committee(s) Served On

- Audit Committee
- Board Executive Committee
- Sustainability and Risk Management Committee

**Academic & Professional
Qualification(s)**

- Bachelor of Accountancy (First Class Honors), Thammasat University, Thailand
- Diploma in Computer Management, Chulalongkorn University, Thailand
- Certificate of the Mini MBA Leadership Management, Kasetsart University, Thailand

**Present Directorship(s)
(as at 05 Dec 2023)**

Listed companies

- Asset World Corp Public Company Limited
- Berli Jucker Public Company Limited
- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited
- Sermasuk Public Company Limited
- Thai Beverage Public Company Limited
- Thai Group Holdings Public Company Limited
- Univentures Public Company Limited

Others

- Asia Breweries Limited
- BeerCo Limited
- Cambodia Breweries Pte. Ltd.
- Chang Beer Company Limited
- Eastern Seaboard Industrial Estate (Rayong) Company Limited
- Food and Beverage Holding Co., Ltd.

- Frasers Property Commercial Asset Management (Thailand) Co., Ltd. (formerly known as Univentures REIT Management Co., Ltd.)
- Petform (Thailand) Co., Ltd.
- Siam Breweries Limited
- South East Asia Logistics Pte. Ltd.
- TCC Assets (Thailand) Company Limited
- Thai Beverage Can Co., Ltd.
- Thai Breweries Limited

**Past Directorship(s) Other Than F&N
Held Over The Preceding Five Years
Listed companies**

- Nil

Others

- Big C Retail Holding Company Limited
- Siam Food Products Public Company Limited¹
- Oishi Group Public Company Limited²

**Present Principal Commitments
(other than Directorships)
(as at 05 Dec 2023)**

- Thai Beverage Public Company Limited (Senior Executive Vice-President)³

**Past Principal Commitments Over
The Preceding Five Years
(other than Directorships)**

- Nil

Shareholding Interest In F&N Group

- Nil

**Relationship With Other Director,
Executive Officer, F&N, Substantial
Shareholder Of F&N Or Substantial
Shareholder Of Principal Subsidiary**

- Nil

Notes:

- ¹ Delisted from the Stock Exchange of Thailand on 19 July 2023.
- ² Delisted from the Stock Exchange of Thailand on 6 September 2023.
- ³ Mr Sithichai Chaikriangkrai stepped down as Group CFO of Thai Beverage Public Company Limited on 1 October 2022. He will continue to serve as its Director and Senior Executive Vice-President.

BOARD OF DIRECTORS

Mr Michael Chye Hin Fah, 64

Alternate Director to Mr Thapana Sirivadhanabhakdi

Date of first appointment as an alternate director
08 Feb 2017

Country of principal residence
Singapore

Board Committee(s) Served On

- Board Executive Committee
- Sustainability and Risk Management Committee

Academic & Professional Qualification(s)

- Bachelor of Business Studies with First Class Honours in Accounting and Finance, Massey University, New Zealand
- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Fellow of the Institute of Singapore Chartered Accountants
- Associate Member of the Institute of Chartered Secretaries & Administrators
- Member of the Singapore Institute of Directors
- Associate Member of Chartered Secretaries Institute of Singapore

Present Directorship(s) (as at 05 Dec 2023)

Listed companies

- Fraser & Neave Holdings Bhd
- Saigon Beer-Alcohol-Beverage Corporation
- Vietnam Dairy Products Joint Stock Company

Others

- Alliance Asia Investment Private Limited
- Alliance Strategic Investments Pte. Ltd.
- Asia Breweries Limited
- ASM International Limited
- Beer Chang International Limited
- BeerCo (Cambodia) Co., Ltd.
- BeerCo Limited (incorporated in Hong Kong)
- BeerCo Limited (incorporated in Singapore)
- BevCo Limited (incorporated in Hong Kong)
- BevCo Limited (incorporated in Thailand)
- BevFood Holdings Pte. Ltd.
- Cambodia Breweries Pte. Ltd.
- Chang Beer Company Limited
- Chang Beer (Cambodia) Co., Ltd.
- Chang Beer UK Limited
- Chang Corporation Co., Ltd.
- Chang Holding Co., Ltd.
- Chang International Co., Ltd.
- F&N Retail Connection Co., Ltd.
- Grand Royal Group International Company Limited (formerly known as Myanmar Distillery Company Limited)
- Havi Food Distribution (Thailand) Co., Ltd.
- Havi Logistics (Thailand) Limited
- Heritas Capital Management Pte. Ltd.
- IMC Pan Asia Alliance Corporation
- InterBev (Singapore) Limited
- InterBev (Singapore) 2019 Limited
- InterF&B Pte. Ltd.
- International Beverage Holdings Limited
- International Beverage Holdings (New Zealand) Limited
- International Beverage Holdings (Singapore) Pte. Limited
- International Beverage Holdings (UK) Limited

- International Beverage Trading (Hong Kong) Limited
- International Breweries Limited
- Inver House Distillers Limited
- Inver House Distillers (ROI) Limited
- Max Asia Food and Beverage (Thailand) Co., Ltd.
- MLSC Myanmar Logistics and Supply Chain Company Limited
- Myanmar Supply Chain and Marketing Services Company Limited
- Prudence Holdings Limited
- SEA Logistics & Technology Pte. Ltd.
- Siam Breweries Limited
- So Water Company Limited
- South East Asia Logistics Pte. Ltd.
- Super Beer Brands Limited (formerly known as Beer Super Brands Limited)
- Super Brands Company Pte. Ltd.
- Super Food Brands Company Pte. Ltd.
- Thai Breweries Limited
- VietBev Company Limited
- Vietnam Beverage Company Limited (formerly known as Nga Son Beverage Joint Stock Company)
- Vietnam F&B Alliance Investment Joint Stock Company (formerly known as Nga Son Investment Joint Stock Company)
- Vietnam Logistics and Supply Chain Company Limited
- Wellwater Limited

Past Directorship(s) Other Than F&N Held Over The Preceding Five Years

Listed companies

- Nil

Others

- C A C Co., Ltd.
- DECCO 235
- International Beverage Trading Limited
- Marketing Magic Pte. Ltd.

**Present Principal Commitments
(other than Directorships)
(as at 05 Dec 2023)**

- BeerCo Limited, Singapore (Chief Executive Officer)
- Thai Beverage Public Company Limited (Chief Beer Product Group)
- Thai Beverage Public Company Limited (Executive Committee Member)
- Saigon Beer-Alcohol-Beverage Corporation (Member of the Board of Directors and Member of Audit Committee)
- Larsen le Cognac des Vikings (Member of the Supervisory Board)
- Vietnam Beverage Company Limited (Legal Representative/Director)
- Vietnam F&B Alliance Investment Joint Stock Company (Legal Representative/Chairman of Board of Management)

**Past Principal Commitments Over
The Preceding Five Years
(other than Directorships)**

- Thai Beverage Public Company Limited (Executive Vice-President, Finance and Accounting Group, Deputy Group CFO and Chief Finance Officer – International Business)
- International Beverage Holdings Limited (Group Chief Finance Officer)
- Super Brands Company Pte. Ltd. (Executive Director)

Shareholding Interest In F&N Group

- Nil

**Relationship With Other Director,
Executive Officer, F&N, Substantial
Shareholder Of F&N Or Substantial
Shareholder Of Principal Subsidiary**

- Nil

Mr Prapakon Thongtheppairot, 52
Alternate Director to Mr Sithichai
Chaikriangkrai

Date of first appointment as an
alternate director
21 March 2013

Country of principal residence
Thailand

Board Committee(s) Served On

- Board Executive Committee
- Sustainability and Risk Management Committee

**Academic & Professional
Qualification(s)**

- Advanced Management Programme, INSEAD, France
- Master of Science in Finance, Georgia State University, USA
- Master of Business Administration, Mercer University, USA
- Bachelor of Business Administration, Assumption University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors (SID), Singapore

**Present Directorship(s)
(as at 05 Dec 2023)**

Listed companies

- Nil

Others

- BeerCo Limited
- BevFood Holdings Pte. Ltd.
- BevFood Trading (Cambodia) Co., Ltd
- Digital and Technology Services Co., Ltd.
- International Beverage Holdings Limited
- MLSC Myanmar Logistics and Supply Chain Company Limited
- Thai Beverage Group of Companies
- ThaiBev Accounting and Business Services Co., Ltd. (Chairman)

**Past Directorship(s) Other Than F&N
Held Over The Preceding Five Years**
Listed companies

- Nil

Others

- Thai Beverage Marketing Co., Ltd.
- Times Publishing Limited

**Present Principal Commitments
(other than Directorships)
(as at 05 Dec 2023)**

- Thai Beverage Public Company Limited (Executive Vice-President – Group Chief Financial Officer and Chief Spirit Product Group)
- Larsen – Le Cognac Des Vikings (Member of Supervisory Board)

**Past Principal Commitments Over
The Preceding Five Years
(other than Directorships)**

- Held various senior executive positions in the TCC Group, namely Chief Route to Market, Senior Vice-President for Beer Product Group, and Deputy Group CFO and CFO-International Business in Thai Beverage Public Company Limited, Director and Chief Executive Officer in Thai Beverage Marketing Co., Ltd., Senior Executive Vice-President for Land Development and Investment Management in TCC Land Group, Senior Executive Vice-President for Corporate Services in Plantheon Group and TCC Land Group, and Senior Executive Vice-President for Finance in TCC Land Group.
- Prior to joining TCC Group, he worked for Standard Chartered Bank from 2002 to 2009 in Bangkok and Singapore; from 1995 to 2001 for JPMorgan Chase in New York, Singapore and Hong Kong; and, in 1991, for Morgan Grenfell in Bangkok.

Shareholding Interest In F&N Group

- Nil

**Relationship With Other Director,
Executive Officer, F&N, Substantial
Shareholder Of F&N Or Substantial
Shareholder Of Principal Subsidiary**

- Nil

LEADERSHIP TEAM



Mr Hui Choon Kit
Chief Executive Officer



Mr Lim Yew Hoe
Chief Executive Officer,
Fraser & Neave Holdings Bhd



Mr Siew Peng Yim
Chief Executive Officer,
Times Publishing Group



Ms See Kwan Kit Jennifer
Managing Director, Singapore and Yoke
Food Industries Malaysia, F&N Foods Pte Ltd



Mr Leong Chi How Christopher
Senior Director, Group Finance

Mr Hui Choon Kit, 59
Chief Executive Officer

Date of appointment
01 Feb 2022

Length of service in the F&N Group
(as at 30 Sep 2023)
23 years 08 months

Job Description

Mr Hui provides strategic leadership and oversees the Group to ensure that the Company's mission, vision and core values are effectively, purposefully, and sustainably put into practice and executed.

Academic & Professional Qualification(s):

- Master of Business Administration, Nanyang Technological University, Singapore
- Bachelor of Business, Curtin University of Technology, Australia
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

Working Experience

- Chief Financial Officer and Company Secretary, Fraser and Neave, Limited ("F&N")
- Group Financial Controller, F&N
- Deputy Group Financial Controller/ General Manager, Corporate Communications, F&N
- General Manager, Treasury and Budget, F&N
- General Manager, Corporate Communications & Special Projects/ Budget Manager, Chairman's Office, F&N
- Deputy General Manager, Corporate Planning & Business Development/ Budget Manager, Chairman's Office, F&N
- Assistant General Manager, Corporate Planning & Business Development, F&N
- Senior Manager, New Ventures, F&N
- Manager, Corporate Finance, Schroder International Merchant Bankers Limited
- Assistant Vice-President, Investment Banking, Keppel Bank of Singapore Limited
- Executive Consultant, Ernst & Young Consultants Pte Ltd

Others

- Chairman, Tender Committee, National Kidney Foundation
- Member, Finance Committee, National Kidney Foundation

Mr Lim Yew Hoe, 57
Chief Executive Officer,
Fraser & Neave Holdings Bhd

Date of appointment
01 Dec 2014

Length of service in the F&N Group
(as at 30 Sep 2023)
26 years 01 month

Job Description

Mr Lim is responsible for overseeing and driving the growth strategies of the Fraser & Neave Holdings Group's businesses.

Academic & Professional Qualification(s):

- Master of Business Administration (Banking and Finance), Nanyang Technological University
- Bachelor of Science (Estate Management), National University of Singapore

Working Experience

- Managing Director, Asia Pacific Brewery (Hanoi) Limited
- Managing Director, Myanmar Brewery Limited
- General Manager, Chief Executive Officer's Office, Asia Pacific Breweries Ltd ("APB")
- Cluster Director, Heineken Asia Pacific Breweries (China) Pte Ltd
- General Manager, Heineken Trading Shanghai Co. Ltd
- General Manager, Shanghai Asia Pacific Breweries Co. Ltd
- Commercial Director, Shanghai Asia Pacific Breweries Co. Ltd
- Sales Director, Shanghai Asia Pacific Breweries Co. Ltd
- Commercial Manager, Myanmar Brewery Limited
- Manager, Indochina Regional Director's Office, APB
- Airport Manager, Civil Aviation Authority of Singapore
- Assistant Airport Manager, Civil Aviation Authority of Singapore

Others

- Nil

Mr Siew Peng Yim, 54

Chief Executive Officer,
Times Publishing Group

Date of appointment
01 Oct 2014

Length of service in the F&N Group
(as at 30 Sep 2023)
11 years 05 months

Job Description

Mr Siew is responsible for overseeing and driving the growth strategies of the Group's Publishing & Printing and Ice-Cream businesses.

Academic & Professional Qualification(s):

- Bachelor of Accountancy, National University of Singapore, Singapore
- Fellow Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

Working Experience

- Chief Financial Officer and Chief Operating Officer, Times Publishing Limited ("TPL")
- Chief Financial Officer, TPL
- Chief Financial Officer, Chief Operating Officer and Executive Director, HTL International Holdings Ltd

- Chief Financial Officer, HTL International Holdings Ltd
- Group Financial Controller, HTL International Holdings Ltd
- Financial Controller, Pillar Corporation Pte Ltd
- Chief Financial Officer, Excel Machine Tools Ltd
- Senior Audit Manager, PricewaterhouseCoopers

Others

- Independent and Non-Executive Director, Chairman of the Audit and Risk Committee, and a Member of the Nominating and Remuneration Committees, APAC Reality Limited

Ms See Kwan Kit Jennifer, 58

Managing Director,
Singapore and Yoke Food Industries
Malaysia, F&N Foods Pte Ltd

Date of appointment
01 April 2018

Length of service in the F&N Group
(as at 30 Sep 2023)
37 years 00 months

Job Description

Ms See is responsible for overseeing and driving the growth strategies of the food and beverage business in Singapore and Yoke Food Industries Malaysia.

Academic & Professional Qualification(s):

- Masters of Science (Marketing), National University of Singapore
- Bachelor of Business Administration, National University of Singapore

Working Experience

- General Manager, Singapore and Indonesia, F&N Foods Pte Ltd ("FNF")
- General Manager, Singapore, FNF
- General Manager, Beverages (Singapore), Fraser & Neave (Singapore) Pte Limited ("FNS")
- General Manager, Corporate Marketing, FNS
- Deputy General Manager, Corporate Marketing, FNS
- Assistant General Manager, Corporate Marketing, FNS/Marketing, Asia Dairies Pte Ltd ("ADPL")
- Senior Marketing Manager, Corporate Dairies Division, FNS/Marketing, ADPL
- Marketing Manager, ADPL
- Business Development Manager, F&N Coca-Cola Pte Ltd ("FNCC")
- Deputy Marketing Manager, FNCC
- Marketing Services Manager, FNCC

Others

- Vice-Chairman for War on Diabetes Sub-Work Group, Food & Beverage Industry Group Main Committee, Singapore Manufacturing Federation
- Treasurer, Council, Singapore Kindness Movement

Mr Leong Chi How Christopher, 56

Senior Director, Group Finance

Date of appointment
01 Oct 2022

Length of service in the F&N Group
(as at 30 Sep 2023)
27 years 05 months

Job Description

Mr Leong is responsible for the Group Finance and Accounting, Treasury, Taxation and Risk Management functions.

Academic & Professional Qualification(s):

- Chartered Accountant Singapore, Institute of Singapore Chartered Accountants (ISCA)
- Fellow Chartered Certified Accountant, Association of Chartered Certified Accountants (ACCA)
- Bachelor of Accountancy (Honours), National University of Singapore

Working Experience

- Director, Group Finance, F&N
- Deputy Chief Financial Officer, F&N
- Financial Controller, F&N
- Head, Group Treasury, F&N
- Group Treasury Manager, F&N
- Senior Accountant, F&N
- Senior Accountant, Keppel Corporation Limited
- Audit Senior, Ernst & Young Singapore

Others

- Nil



CHIEF EXECUTIVE OFFICER'S MESSAGE

HUI CHOON KIT



Our steadfast commitment to brand management, innovation, focused execution and financial prudence continues to solidify our position as an industry leader.



Shaping the Future

T GETHER



CELEBRATING 140 YEARS OF RESILIENCE AND GROWTH

With profound pride and gratitude, we commemorate the remarkable 140-year journey of F&N, a testament to our enduring legacy of adaptability and resilience. Our journey, which began in 1883, has seen us weather numerous storms, navigate through challenging market environments, and grow amidst global uncertainties. Throughout this incredible journey, our steadfast commitment to brand management, innovation, focused execution and financial prudence continues to solidify our position as an industry leader.

HIGHLIGHTS FOR FY2023 FINANCIAL PERFORMANCE

As we reflect on 2023, a year marked by dynamic global economic shifts and unpredictable currency fluctuations, we recognise the resilience and adaptability that have become our hallmark. FY2023 showcased a commendable performance for the F&N Group. The Group achieved a solid 5% increase in revenue, reaching \$2,099M, up from \$2,003M in FY2022. The growth was achieved despite persistent challenges, notably unfavourable foreign exchange rates, which significantly impacted our financial performance. In constant



REVENUE

\$2,099m

\$2,003m in FY2022

Up 5% fueled by higher F&B and P&P performance (+10% on a constant currency basis)



PROFIT BEFORE INTEREST & TAXATION

\$249m

\$233m in FY2022

Rose 6% on effective cost management initiatives and increased sales (+12% on a constant currency basis)

currency terms, the Group's revenue demonstrated robust growth, at 10%.

Profit before interest and taxation ("PBIT") also recorded noteworthy growth, surging 12% in constant currency terms. This reflects our steadfast commitment to effective cost management practices, even in the face of inflationary pressures and a challenging market environment. Accounting for the negative forex translation, PBIT managed to rise 6%, reaching \$249M from \$233M in the prior year.

Profit after taxation grew 16%, to \$205M, up from \$177M in the prior year. This was lifted by a net exceptional gain of \$7M, arising largely from the fair value gain resulting from the remeasurement of the Group's investment in Cocoland Holding Bhd ("Cocoland").

These results underscore the enduring strength and adaptability that continue to be the foundation of F&N's longstanding legacy.

FOOD & BEVERAGE ("F&B") FY2023 PERFORMANCE

Our F&B division has demonstrated resilience, achieving a healthy performance, driven by focused execution and financial prudence.

In FY2023, the F&B segment posted notable results despite challenges stemming from unfavourable foreign currency translation. F&B revenue grew 2%, reaching \$1,798M, driven by strong Beer sales. Soft Drinks and Dairies faced marginal declines in revenue due to adverse forex translation.

CEO'S MESSAGE

In constant currency terms, F&B revenue growth was robust, at 7%, driven by increased selling prices, higher soft drinks and beer volumes, and improved canned milk sales to export markets. Beer remained the star performer, growing at 86% in constant currency; Soft Drinks and Dairies each recorded 4% growth.

Earnings in F&B rose 7%, reaching \$250M. Dairies, in particular, played a pivotal role in bolstering the F&B segment, achieving 9% earnings growth despite stagnant sales, impact from adverse forex translation and higher input costs. Conversely, Beverages (comprises Soft Drinks and Beer) recorded a decline of 2%, mainly due to unfavourable forex translation, higher sugar and packaging costs and higher brand spend.

In constant currency terms, F&B earnings showed robust growth of 13%, underpinned by both Beverages (+5%) and Dairies (+14%).

F&B: DAIRIES

Dairies, the largest contributor to the Group's earnings (86% of FY2023 earnings), stood out with the strongest profit performance. Its earnings grew 9%, to \$213M, even in the face of marginal sales decline caused by unfavourable forex translation.

Dairies revenue decreased marginally, to \$1,195M due to sales declines in Thailand and Singapore, partly offset by higher revenue from Dairies Malaysia, primarily through GOLD COIN, TEAPOT and CARNATION. Despite lower sales, Dairies earnings grew 9%, driven by contributions from Dairies Thailand and Dairies Malaysia resulting from price increases. However, the gains were partly offset by higher advertising and promotion expenses, supply disruptions in Dairies Singapore during its plant migration, and reduced share of profit from the Group's associated company in Vietnam, Vietnam Dairy Products Joint Stock Company ("Vinamilk").

Excluding forex translation impact, Dairies' earnings grew 14%.

F&B: BEVERAGES

The Beverages segment faced similar challenges posed by adverse foreign currency translation. It reported

increased revenue of \$35M, a 6% growth compared to the previous year, to \$604M. This growth was mainly from Beer operations in Myanmar, as a result of capacity expansion, despite unfavourable currency translation of \$17M due to the weakening of the Myanmar Kyat against the Singapore Dollar.

However, Soft Drinks' revenue saw a slight decline, mainly due to adverse forex translation on Soft Drinks Malaysia's sales. In constant currency, Soft Drinks in Malaysia increased revenue through improved festive sales and price adjustments.

Despite the overall revenue increase, Beverages PBIT declined 2% to \$37M, mainly due to adverse forex translation and increased brand investment spending.

Excluding forex translation impact, Beverages' earnings grew 5%.

PUBLISHING & PRINTING ("P&P") FY2023 PERFORMANCE

The Group's P&P segment, bolstered by increased sales and effective cost management measures, achieved a marginal reduction in losses compared to the previous year. In the current fiscal year, this segment reported losses totalling (\$10M), which included one-time adjustments, notably the prudent write-off of provisions for certain royalty income amounting to \$5M. Excluding these one-off adjustments, P&P's losses would have nearly halved for the year.

The remaining improvements in the segment's financial performance were primarily attributed to ongoing operational enhancements and cost-efficiency measures. Furthermore, the strategic restructuring initiatives undertaken in 2023, targeting three underperforming business entities within the segment, are expected to lead to P&P's improved profitability in 2024. The Group remains committed to enhancing the segment's profitability and anticipates that these restructuring efforts will contribute positively to the P&P segment's overall financial outlook in the near future.

F&B

Earnings grew 13%
(in constant
currency terms)



TRANSFORMATION PROGRAM - PASSION 2025: BUILD, STRENGTHEN, UNLOCK

This year, we are proud to spotlight our unwavering commitment to the four strategic pillars that have been the driving force behind our transformative journey as outlined in our “PASSION 2025” framework. These pillars serve as the bedrock upon which we have built a sustainable and dynamic foundation for our organisation.

PASSION 2025

Prioritising Innovation:

Innovation is the cornerstone of our strategy, and it continues to shape our path forward. We have dedicated substantial resources to building new capabilities that empower us to deliver better products and enhance our route-to-market strategies. Collaborating with stakeholders who share our vision for sustainable growth, we are pushing the boundaries of what is possible in our industry.

Investing in Brands:

Our commitment to strengthening our brands has never been stronger. We believe that brand value is an essential asset and an integral part of our growth. We’re enhancing our leadership in core markets by optimising our supply chain, embracing process innovation, and embracing digitalisation, all of which contribute to portfolio management that maximises the potential of our brands.

Building a Sustainable Supply Chain:

The sustainability of our supply chain is paramount to us. By investing in sustainable practices, we are not only mitigating our environmental impact but also future-proofing our operations. Simultaneously, our infrastructure optimisation initiatives streamline our operations, enhancing agility and responsiveness to market changes. This ensures that we fulfil our promises to customers and stakeholders with efficiency and sustainability at the core of our operations.

Expanding into New Businesses:

We are not content with the status quo. As part of our “PASSION 2025” vision, we are proactively exploring opportunities to expand into new businesses. This growth strategy is not limited to products alone; it extends to creating new partnerships and developing innovative revenue streams.

Each of these strategic pillars is the focal point of group-wide Transformation projects. These Transformation projects have at least one of three objectives, which we call Domains. These three domains are BUILD, STRENGTHEN and UNLOCK.

TO BE A STABLE, SUSTAINABLE & PROFITABLE F&B LEADER IN THE ASEAN REGION					
Strategic Pillar		Prioritising Innovation	Investing in Brands	Building a Sustainable Supply Chain	Expanding into New Business
Strategic Domain	BUILD Business Capabilities	✓	✓	✓	✓
	STRENGTHEN Core Markets	✓	✓	✓	✓
	UNLOCK Potential			✓	✓



Build Business Capabilities

We are building new capabilities that enhance our business on multiple fronts. This encompasses the development of superior products and refining our route-to-market strategies. We are also collaborating with key stakeholders to ensure that our growth is sustainable and shared with the wider community.



Strengthen Core Markets

Our commitment to our core markets is unwavering. We are doubling down on our supply chain, implementing innovative processes, and embracing digitalisation to fortify our leadership position. This extends to portfolio management, ensuring our brands are poised for enduring success.



Unlock Potential

We are seeking to unlock our potential to enhance shareholder value. Through strategic partnerships, we aim to diversify and expand our portfolio, enhancing the value of our assets. Furthermore, we are dedicated to cultivating a world-class workforce, as we understand that our people are our most valuable asset.

CEO'S MESSAGE

Our relentless commitment to these strategic pillars aims to shape our vision. These pillars are the compass guiding our journey towards innovation, brand strength, sustainability, efficiency, and expansion into new horizons. Within these pillars, we are building new capabilities, strengthening our core markets, and working to enhance shareholder value through a multifaceted approach. It's our unwavering dedication to these principles that sets the course for our continued success.

(A) PRIORITISING INNOVATION

We continued to drive packaging innovation by refreshing the packaging of F&N Fun Flavours and F&N MAGNOLIA Fresh Milk and F&N NUTRISOY Fresh Soya Milk, giving our products a refreshing new look. Festive demand was a key driver, and we rolled out attractive festive packaging for core brands, such as the Chinese New Year Variety Pack for F&N Sparkling and 100PLUS in Singapore and Malaysia.

We also took bold steps in product innovation, introducing fresh offerings that catered to evolving consumer preferences. Our F&B portfolio saw the launch of 100PLUS Active, a product aimed at health-conscious consumers in Singapore and Malaysia. We introduced OMILK, a new plant-based product that aligns with our health and wellness drive. Our ice cream category saw the introduction of the 100PLUS Hydration Bar and Slushie, along with a strategic partnership to roll out SUNKIST Tropical Orange ice confection. To keep the excitement alive, we introduced new flavors for the F&N MAGNOLIA Gotcha range. Our food business also played its part, presenting the Ketupat Wangi Haruman Pandan rice cake and LOT100 Kurma Gummy.

Innovation at F&N transcends product development alone; it extends to our processes,

digitalisation efforts, and sustainable practices. We embrace innovation across all facets of our operations to enhance efficiency, reduce our environmental footprint, and embrace technological advancements that elevate our capabilities. This holistic approach to innovation not only bolsters our product offerings but also optimises our internal processes, reinforcing our position as a forward-thinking organisation ready to meet the challenges of a rapidly evolving market landscape.

(B) INVESTING IN BRANDS

Sponsorships and marketing campaigns played a pivotal role in our brand investments. As in-person events and games returned post-COVID-19, we seized the opportunity by stepping up our sponsorships. Notable mentions included the HSBC Women's World Championship 2023 (Golf), The OCBC Cycle 2023, and the Tour de France Criterium in Singapore. These sponsorships reinforced our position as a champion of sports development and active lifestyles.



Our marketing campaigns were designed to support our new packaging, create brand awareness, and attract new consumers while retaining the existing ones. Brand activation campaigns were employed to boost visibility and ramp up sales during Raya and Ramadan, with a specific focus on Malaysia. Various marketing campaigns were executed in conjunction with F&N's 140th Anniversary and World Hydration Day. Key brand investment activities included the 100PLUS Zero Cuba Try Taste Campaign, Nonakan Harimu, Nona Dapur Tempur, F&N CSD relaunch, and F&N MAGNOLIA restage, among others.

For Thailand, a new brand ambassador, Thanapob Leeratanakachorn, was appointed for TEAPOT, contributing to brand building in the Thai market. Our commitment was further demonstrated through the CARNATION Consumer Campaign, which aimed to drive sales and strengthen the CARNATION brand.

(C) BUILDING A SUSTAINABLE SUPPLY CHAIN

Our journey toward sustainable energy solutions was exemplified by the deployment of a 10 MWp solar energy system across the rooftops of our plants in Shah Alam, Pulau Indah, and Bentong, making it one of the largest rooftop solar photovoltaic systems in Malaysia. These panels are estimated to replace a significant portion of our electricity needs with clean energy, resulting in substantial energy cost savings.

We have invested in new infrastructure to optimise our operations and enhance efficiency. In Malaysia, an integrated warehouse building in Shah Alam featuring the Automatic Storage & Retrieval System ("ASRS"), significantly improved storage efficiency and logistics, reducing our carbon footprint while saving operational costs.



As in-person events and games returned post-COVID-19, we seized the opportunity by stepping up our sponsorships.



The Group's expansion into the fast-growing liquid milk segment in Malaysia and Thailand was supported by the acquisition of Ladang Permai Damai Sdn Bhd, strengthening our supply of high-quality fresh milk and aligning with our goals for self-sufficiency in milk production.

The Group also took significant steps to expand our brewing capabilities in Myanmar.

In response to projected sales growth and the utilisation of our current brewery capacity in FY2022, we embarked on the construction of a new brewhouse and additional utility facilities, with an investment of US\$60 million. This expansion has significantly increased our brewery's capacity, to 1.5M hectoliters, enabling us to tap into Myanmar's growing beer consumption market and meet our long-term forecasts.

CEO'S MESSAGE

F&N has also constructed a smart factory in Singapore. The new facility boasts a state-of-the-art ASRS which supports improved vertical integration and connectivity within the supply chain. In addition, a dedicated R&D centre is also on-site to accelerate the translation of innovative ideas and concepts into finished products, including F&N's range of health and wellness beverages with sustainable packaging solutions.



F&N OPENS NEW MANUFACTURING PLANT IN SINGAPORE

This year, the F&N Group unveils its \$100-million state-of-the-art F&B manufacturing plant in Singapore. Featuring Southeast Asia's first integrated chilled manufacturing plant with cutting-edge Automated Storage and Retrieval Systems ("ASRS"), this facility marks a significant step in the Group's journey towards becoming a sustainable leader in the ASEAN F&B industry.

A 375,000-sqft facility, it significantly enhances F&N Singapore's capabilities in production, warehousing, and research and development, setting the stage for future growth and success.

With nearly 800 employees, this facility also includes the Group's innovation hub and Research and Development ("R&D") pilot plant,

serving as crucial spaces for rapid ideation and product development. Our commitment to innovation and product development is reflected in the dedicated R&D center, supporting researchers and scientists in translating innovative concepts into consumer-friendly products. Through these dedicated R&D efforts, we aim to meet the evolving needs of our consumers

and contribute to a healthier and more sustainable future.

Proudly, the facility has received the esteemed BCA Green Mark Platinum SLE award, recognising our environmentally sustainable practices, including a remarkable 30% reduction in energy and water consumption and the incorporation of innovative green features.



(D) EXPANDING INTO NEW BUSINESSES

Integrated Dairy Farming in Malaysia:

Through F&NHB, we achieved a significant milestone by breaking ground on our integrated dairy farm in Gemas, Negeri Sembilan. This groundbreaking marked our entry into the upstream fresh milk business, positioning us as a major milk producer in Malaysia.

The farm's vast expanse, spanning 2,726 hectares, was designed to accommodate 20,000 milking cows and was projected to produce an annual volume of 200 million liters of fresh milk. This RM1.3 billion investment not only demonstrated our commitment to providing high-quality fresh milk to Malaysian consumers but also to stimulate the local agricultural industry, generate job opportunities, and support local government objectives for agricultural self-sufficiency.

Packaged Food Segment:

In the Packaged Food Segment, the strategic acquisition of Cocoland in November 2022 marked a pivotal step in our

rapid expansion. The addition of this well-established Malaysian confectionery and snack brands to our portfolio, along with the earlier acquisition of Sri Nona in January 2021, has established a robust foundation for our growth in the thriving packaged food sector. The synergy between Cocoland's and F&N's brand marketing expertise, coupled with an extensive distribution network, has also accelerated our advancement in the packaged food domain. This strategic move aligns with our overarching goal of achieving a sustainable leadership position within the ASEAN F&B industry.

Sustainable Packaging Solutions:

Leveraging existing infrastructure in Printing, the Group opened its first eco-solutions manufacturing facility, Green Lab, in Singapore last year. Green Lab provides sustainable solutions for businesses in the ASEAN region, such as biodegradable and compostable kraft paper bags and food & beverage consumables. It also offers plastic bag substitutes made from recycled industrial waste cassava roots. Green Lab has since secured several customers for its sustainable packaging business.

OUTLOOK

As we embark on the journey into the upcoming fiscal year, our strategic pillars will steadfastly guide our path. With an unwavering belief in our capacity to surmount challenges within the ever-evolving global landscape, even in the face of inflationary pressures, we are fortified by the pillars of our strong foundation, unwavering commitment to sustainability, and the roadmap laid out by PASSION 2025.

While acknowledging the hurdles ahead, we commence the new fiscal year with a sense of cautious optimism. Our primary focus continues to center on nurturing brand growth, ensuring sustainability, and bolstering profitability. To achieve these objectives, we are actively engaged in cost optimisation, allowing us to reinvest in the business and further fortify our brands. Quality innovations will remain at the forefront, positioned for accelerated deployment across various markets.

As we navigate the path ahead, I am resolute in my conviction that our Group is entering this period from a position of strength. Armed with the right resources and a robust business model, we are prepared to confront and triumph over the challenges that lie before us. As we have demonstrated on numerous occasions in the past, we are unwavering in our determination to emerge from these current difficulties even more resilient and robust.



GREEN LAB

Provides sustainable solutions for businesses in the ASEAN region, such as biodegradable and compostable kraft paper bags and food & beverage consumables.

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140 YEARS



OF ENJOYMENT
AND GOODNESS

BUSINESS REVIEW



Mr Hui Choon Kit
Chief Executive Officer



Mr Lim Yew Hoe
Chief Executive Officer,
Fraser & Neave
Holdings Bhd



Mr Siew Peng Yim
Chief Executive Officer,
Times Publishing Group



Ms Jennifer See
Managing Director,
Singapore and Yoke
Food Industries Malaysia,
F&N Foods Pte Ltd



Mr Koh Tai Hong
Managing Director,
Emerald Brewery
Myanmar Limited



Mr Leong Chi How
Christopher
Senior Director,
Group Finance



Mr Lai Ming Kong
Managing Director,
Emerging & New Markets



Dr Ronnie Teo
Soon Keong
First Vice-President,
Marketing & Deputy Chief
People Officer



Dr Yap Peng Kang
Senior Director,
Group Research &
Development

BEVERAGES

MALAYSIA • SINGAPORE • MYANMAR

100PLUS

No. 1 Isotonic Brand in
Singapore & Malaysia

**F&N SEASONS,
OYOSHI & F&N**

No. 2 Tea Brands in Malaysia

F&N ICE MOUNTAIN

No. 1 Water Brand in Singapore



Strategically Expanding TOGETHER

BEVERAGES MALAYSIA:

Beverages Malaysia, our largest soft drinks market, recorded creditable improvements in performance over the year. Despite a challenging operating environment and cautious consumer spending, our core brands, namely 100PLUS, F&N SEASONS, OYOSHI, F&N and F&N Fun Flavours, maintained their leading positions in Malaysia. The successful execution of innovative product launches and in-market activities during festive periods contributed to our growth and bolstered brand awareness.

ISOTONIC: 100PLUS

100PLUS, F&N's flagship brand and Malaysia's No.1 Isotonic and Carbonated Soft Drink brand, continued to cement its position as the enabler of active lifestyles and a champion of sports development. This year, 100PLUS partnered with the Malaysian Hockey Confederation, serving as the Official Isotonic Partner to keep national athletes hydrated during training and competitions.

Furthermore, 100PLUS sponsored significant sporting events such as the KUALA LUMPUR OCBC CYCLE, 2023 MALAYSIA OPEN (Badminton), MPKJ HALF MARATHON and supported young golfers from PERBADANAN PADANG GOLF SUBANG. As the exclusive Official Beverage Sponsor for these events, 100PLUS provided hydration to participants across various categories.



BEVERAGES

MALAYSIA • SINGAPORE • MYANMAR



To highlight the importance of staying hydrated, 100PLUS organised an engaging on-ground activation during the 100PLUS WORLD HYDRATION DAY at One Utama Shopping Centre. The four-day event featured exciting games and activities, with participants having the chance to win prizes from 100PLUS's "gashapon" machine. As Malaysia's No.1 Hydration Partner, 100PLUS remains committed to keeping Malaysians hydrated, focused and energised as they pursue their passions.

In celebration of its 40th anniversary, 100PLUS launched 100PLUS PRO High Protein, a non-carbonated beverage specially formulated to support post-training needs for sports enthusiasts. Packed with electrolytes, vitamin B, protein and BCAA for muscle support and repair, this healthier choice product is available at select retail outlets, including supermarkets, convenience chains, petrol marts and sports retail channels across Malaysia.

CARBONATED SOFT DRINKS: F&N FUN FLAVOURS

F&N Fun Flavours, loved for generations, continued to delight consumers of all ages with its fresh brand-new packaging. The revamped design is tailored to appeal to the youth of Malaysia, making these popular carbonated soft drinks even cooler and more stylish. The launch of the new packaging was promoted through various out-of-home platforms such as vibrant murals on the walls of train stations and the interior and exterior of a train, generating interest of younger commuters.

ICE LEMON TEA: F&N SEASONS

F&N SEASONS also revealed a fresh and contemporary new look, reinforcing the brand's commitment to delivering a healthy and refreshing experience for Malaysians. Boasting the same great taste, F&N SEASONS redesigned the

packaging of its original ice lemon tea flavour in June, with plans to update the remaining flavours in the following months. In celebration of the new packaging rollout, F&N SEASONS joined forces with Lotus to engage shoppers through a series of in-store roadshows from June till November.

READY-TO-DRINK GREEN TEA: OYOSHI

Malaysia's favourite green tea brand, OYOSHI, was back in action by sponsoring the Japan Expo Malaysia 2023, the largest Japanese expo, attracting an estimated 120,000 fans over three days. As the proud sponsor of this highly anticipated event, OYOSHI interacted with consumers at drink stations, providing sampling and sales opportunities. OYOSHI also delighted attendees at the annual Bon Odori Festival, offering high quality Japanese green tea brewed using signature recipes to deliver an authentic Japanese flavour.



**F&N SEASONS,
OYOSHI & F&N**
No. 2 Tea Brands in Malaysia



BEVERAGES

MALAYSIA • SINGAPORE • MYANMAR

BEVERAGES SINGAPORE:

In the face of challenging and competitive market conditions, Singapore has maintained its leading market positions in core beverage categories – 100PLUS in Isotonic, F&N NUTRISOY in Soya and F&N ICE MOUNTAIN in Water.

ISOTONIC: 100PLUS

Specially created in 1983 to commemorate the Group's centennial, 100PLUS remains Singapore's No.1 isotonic brand. It continues to lead the way in promoting an active lifestyle and sports development.

As a longstanding hydration partner for major sporting events in Singapore, 100PLUS continued its support for the STANDARD CHARTERED SINGAPORE MARATHON, GREAT EASTERN WOMEN'S RUN, OCBC CYCLE and SAFRA ARMY HALF MARATHON. This year, 100PLUS extended its reach by sponsoring the inaugural TOUR DE FRANCE PRUDENTIAL SINGAPORE CRITERIUM.

Since its re-introduction to the F&B scene in May 2022, 100PLUS ACTIVE has experienced accelerated sales and gained market share in the non-carbonated isotonic segment. This year, 100PLUS continued to excite consumers with the launch of 100PLUS PRO High Protein in September. Formulated with vitamins B3, B6 and B12, protein, BCAA and electrolytes, this all-in-one functional drink not only provides hydration, but also supports muscle repair and recovery. Packed in 500ml PET bottles, this non-carbonated flavoured drink is now available across sports centers and major supermarkets in Singapore. 100PLUS PRO High Protein is also available in Malaysia.

WATER: F&N ICE MOUNTAIN

F&N ICE MOUNTAIN continues to maintain its position as Singapore's leading water brand, led by its Still and Sparkling water segments. The elevated awareness of sustainability has also driven the growth of F&N ICE MOUNTAIN sustainable packaging options and has boosted sales of our still water range in paper cartons and aluminium cans. In line with the growing trend toward healthier beverages and the introduction of Nutri-Grade in Singapore – F&N ICE MOUNTAIN range offers a Nutri-Grade "A" healthier beverage option for consumers to enjoy.



NEW
100PLUS PRO HIGH PROTEIN

FUEL YOUR PERFORMANCE AND RECOVERY[^]

Rehydrate | Repair* | Re-energize

BCAA 2g
for muscle
recovery

Vit B3
helps with
energy release



Protein 10g
for muscle
support

ELECTROLYTES
helps maintain
water balance

100PLUS
Remains Singapore's
No. 1 Isotonic Brand

F&N ICE MOUNTAIN

Is the No. 1 Water Brand in Singapore



ဦးပြည့်စုံသော ပေါင်းစပ်မှု



F&N NUTRISOY

Is the No. 1 Soya Milk Brand in Singapore

CARBONATED SOFT DRINKS: F&N SPARKLING DRINKS

Known for its fun and exciting flavours, F&N Fun Flavours carbonated drinks have been beloved for generations. This year, similar to Malaysia, a fresh packaging design for F&N Fun Flavours was also rolled out in Singapore.

In addition to F&N's classic flavours, its premium sparkling range caters to consumers who are looking for contemporary and sophisticated flavours. Currently available in two delicious flavours – Lemonade and Pink Grapefruit – this refreshing range is also certified "Healthier Choice".

SOYA: F&N NUTRISOY

F&N NUTRISOY remains the undisputed No.1 best-selling soya milk brand in Singapore, offering a wide range of fresh soya milk options for consumers. Beyond its delicious taste, F&N NUTRISOY is fortified with healthier ingredients, making it ideal for those pursuing a healthier and more mindful lifestyle. This year, F&N NUTRISOY introduced updated packaging for its entire fresh soya milk range, complemented by social media communications efforts to create awareness in the market.

F&N NUTRISOY continued to raise brand visibility and awareness of its range of vegan-friendly soya milk in Singapore. This wholesome range of fresh soya milk is not only rich in plant-based protein, but also boasts a low glycemic index, high calcium content, vitamin D3, natural lactose-free and cholesterol-free properties, and a low level of

saturated fat. It is the sole vegetable source that has all the nine essential building blocks of protein found only in foods. Certified as heart-friendly by the Singapore Heart Foundation and carrying the Healthier Choice Symbol accorded by the Health Promotion Board, it is also halal-certified.

BEVERAGES MYANMAR:

BEER: EMERALD BREWERY MYANMAR LIMITED ("EBML")

In FY2023, EBML achieved strong financial results, marked by double-digit growth in CHANG beer sales, thereby solidifying our market presence in Myanmar. This impressive performance not only reflected the success of our market strategies but also underscored the increasing demand for our products.

To meet the growing demand for CHANG beer, EBML successfully completed Phase 3 of its brewery expansion project in 2023. This strategic initiative significantly increased our production capacity, ensuring that we are well-equipped to satisfy the increasing demand for our products.

Despite these impressive achievements, our earnings were adversely impacted by unfavorable foreign exchange rates and elevated input costs. Nevertheless, EBML remains steadfast in navigating these challenges with resilience and innovation.

Building upon this strong financial performance, EBML continued to strengthen brand equity for CHANG beer in FY2023. To this end, EBML rolled out various marketing campaigns, including the nationwide initiative,

WIN MORE WITH CHANG, which provided consumers with opportunities to win cash prizes and enjoy complimentary CHANG beer. Supported by a comprehensive 360-degree marketing campaign that spanned outdoor, digital and print advertising, as well as point-of-sale advertising both off- and on-premise, this initiative significantly enhanced the visibility of CHANG beer and strengthened EBML's market reach.

CHANG sustained its brand-building momentum locally with the launch of THE PERFECT COMBINATION campaign, leveraging its five-year partnership as the Official Beer Partner of Leicester City Football Club. This strategic collaboration further solidified CHANG's reputation as the preferred beer among football fans, supported by a strong social media presence and eye-catching drive-through banners and posters.

CARING FOR THE COMMUNITY

At EBML, community support has become an integral part of our business philosophy. During the Thadingyut festival, EBML distributed CHANG Solar Lanterns – an eco-friendly lighting solution. These lanterns not only illuminated the festivities but also served as a sustainable lighting source during power shortages in Myanmar.

In our continuous commitment to community engagement, EBML has also undertaken various initiatives, including the construction of a nunnery school to support an orphanage, the establishment of a medical clinic, as well as the installation of solar panels in a monastery. EBML also provided essential aid to those impacted by Cyclone Mocha. To alleviate the impacts of inflation and the rising cost of living, EBML distributed daily necessities such as rice and cooking oil to its employees over a three-month period. The Group will continue to do our part in supporting the community and ensuring that no one is left behind.

DAIRIES

MALAYSIA • THAILAND • SINGAPORE • VIETNAM

TEAPOT & CARNATION

No. 1 in Sweetened Condensed & Evaporated Milk Brands in Thailand

F&N MAGNOLIA & BEAR BRAND

No. 1 Liquid Non-Chilled Milk Brand in Thailand



Innovating Growth TOGETHER

DAIRIES MALAYSIA:

Amidst the challenging market conditions, Dairies Malaysia maintained its undisputed leadership in the condensed and evaporated canned milk segment with F&N, TEAPOT, GOLD COIN and CARNATION brands. This leadership position was not merely sustained through adaptability to shifting market dynamics, but also through innovative product offerings and educational initiatives aimed at consumers.

Adhering to the mantra of "PURE ENJOYMENT. PURE GOODNESS", Dairies Malaysia continued its marketing efforts to drive the growth of its ready-to-drink liquid milk category. Leveraging the Group's in-house technical expertise, diverse product range and established consumer relationships, Dairies Malaysia made significant strides in expanding its presence of F&N MAGNOLIA and FARMHOUSE liquid milk products.

CANNED MILK: F&N/GOLD COIN/TEAPOT/ CARNATION

F&N, TEAPOT, GOLD COIN and CARNATION maintained its unchallenged leadership position in Malaysia's condensed and evaporated milk segments. This enduring leadership position is a testament to the Group's unwavering commitment to innovation, complemented by focused marketing campaigns highlighting the versatile applications of canned milk in food and beverage consumption.

In August, TEAPOT introduced the TEAPOT UHT Evaporated Creamer in Malaysia. Crafted specially for on-premise and HoReCa (Hotels, Restaurants and Catering) operators, this rich creamer is the perfect accompaniment for culinary creations. Launched in convenient packs, TEAPOT UHT Evaporated Creamer offers consumers not only ease of use, but also convenience in storage, anytime and anywhere.

In addition to new product launches, F&N rolled out its "MENGISI HATI SETIAP HARI" or "FILL YOUR HEART EVERY DAY" campaign for Malaysians in March. The campaign embodied F&N's commitment to delivering the best for your loved ones, going beyond the act of filling cups to touching hearts. Supporting this comprehensive campaign were various marketing activities, including television commercials, digital and mobile communications, and partnerships with social media influencers.



F&N BEVERAGES MALAYSIA

No.1 Manufacturer in the
Condensed & Evaporated
Milk Categories



DAIRIES

MALAYSIA • THAILAND • SINGAPORE • VIETNAM

READY-TO-DRINK MILK TEA: F&N TEH TARIK

F&N Teh Tarik continued to excite Malaysians with the "BIAR ORI, BARU SEMPOI" campaign, celebrating the beauty of originality. MK K-Clique, a popular homegrown singer and rapper, became the voice of F&N's first independent brand film, generating considerable hype among consumers. On top of that, the brand also served as the official beverage partner for the inaugural TikTok Malaysia Awards 2023, which recognised local content creators making a significant impact on the TikTok platform. The campaign, broadcasted live on TV and social media platforms, achieved unprecedented industry benchmarks with five million viewers and over five billion social media interactions. It was complemented by extensive sampling activities through F&N's interactive vending machines in major transit areas in Klang Valley, where 15,000 commuters had the opportunity to enjoy their own ice-cold F&N ready-to-drink Teh Tarik products. As the brand continues to stay true to its commitment to offer vibrant and delicious dairy-based beverages, consumers can expect more exciting activations in the future.

LIQUID MILK: F&N MAGNOLIA

In 2023, F&N MAGNOLIA revitalised its brand through the "TASTY GOODNESS" 360-degree campaign encompassing a comprehensive redesign of its product packaging, digital brand communications and trade activations. More than 300,000 in-store activations were deployed across AEON, AEON BIG, MYDIN, TUNAS MANJA, ECONSAVE and GIANT nationwide. The brand also ran an exclusive contest with these partners, offering consumers the opportunity to win shopping sprees!

Committed to delivering quality, fresh and delicious dairy goodness to every household, F&N MAGNOLIA will continue to play a bigger part in consumers' lives through nutritious products, while staying true to its promise of "LAZATNYA KEBAIKAN" or "DELICIOUS GOODNESS".

DAIRIES THAILAND:

Dairies Thailand has solidified its position as the leading provider of canned milk in Thailand, with CARNATION and TEAPOT. This impressive market leadership has been achieved through the successful introduction of innovative products, perfectly executed trade programs, and the extensive countrywide distribution network that supports them. Beyond bolstering domestic volume, Dairies Thailand has continued to expand and diversify its distribution throughout the SEA region. Similarly, through the launch of innovative products, Dairies Thailand has seized opportunities within Thailand's liquid milk sector and enhanced its presence in the ready-to-drink milk market with F&N MAGNOLIA and BEAR BRAND.

CANNED MILK: CARNATION

CARNATION, a Nestle's brand licensed to F&N, maintains its status as the leading brand in Thailand's canned milk sector. In 2007, our Group acquired Nestle's production facilities and equipment in Thailand, along with licensing rights to select Nestle canned and sterilised milk brands. Subsequently, the Nestle trademark license agreement was renewed in 2015 for 22 years, extending until 2037, allowing us to manufacture and distribute Nestle's products – CARNATION and BEAR BRAND – across Singapore, Thailand, Malaysia, Brunei, and Laos. Since then, these brands have seen substantial growth.

Through targeted brand marketing initiatives and the expansion of our distribution networks, CARNATION has achieved volume growth while solidifying its image as the preferred choice among Thai consumers for on-premise consumption, and as a beverage option for off-premise consumption. This year, CARNATION introduced the CARNATION PLUS campaign to stimulate in-home consumption in Thailand. Targeting young families, CARNATION launched television commercials, conducted below-the-line activities, offered samples at transit areas, and established partnerships with popular dessert cafes to encourage product trials and promote daily usage as part of Thai meal preparation.

Continuing our tradition, we rolled out nationwide loyalty campaigns this year to reward our customers and consumers. The eight-month-long campaign – CARNATION REWARDS – was executed to express our gratitude and reward consumers for selecting CARNATION as their preferred condensed milk in Thailand. Loyal customers were rewarded with instant prize redemptions and the opportunity to participate in a lucky

CARNATION

No. 1 Sweetened
Condensed & Evaporated
Milk in Thailand





TEAPOT Nom Yen

Expanded TEAPOT's Presence in Flavored Sweetened Condensed Milk

offline advertising, along with sampling activations at schools and universities, contributing to a 5% increase in sales compared to the previous year.

As Thailand's leading sterilised milk brand, BEAR BRAND continued to engage consumers with its new brand proposition, "FOR A HEALTHY BRAIN, BONES, AND BEAUTY", introduced in February. To educate consumers about the health benefits of this ready-to-drink milk and enhance brand relevance, BEAR BRAND relied on television commercials, extensive online and in-store communications, and sampling activations to reinforce its key message. To maintain top-of-mind awareness, BEAR BRAND launched a four-month-long BEAR BRAND POINT REWARDS nationwide campaign. The success of this nationwide campaign saw a 10% increase in participation rates, compared to the previous year. Through effective online communications on social media and on-ground activations, BEAR BRAND successfully maintained its leading position in the sterilised milk segment.

BEAR BRAND

No. 1 Position in the Sterilised Milk Category

draw. This on-ground activation yielded impressive results, with CARNATION sales recording double-digit growth and an increased market share compared to the previous year.

CANNED MILK: TEAPOT

Already established as Thailand's top-flavored Sweetened Condensed Milk ("SCM") in squeezable tubes, TEAPOT continued to captivate the market with the launch of its limited-edition flavor – TEAPOT Nom Yen – in August 2023. Packaged in convenient on-the-go squeezable tubes, this new aromatic addition is rich and creamy, delivering the delightful Nom Yen taste. To support the launch, TEAPOT conducted a series of digital campaigns, nationwide samplings, and various point-of-sale initiatives. Available nationwide in 150g squeezable tubes, the introduction of TEAPOT Nom Yen has expanded TEAPOT's presence in flavored SCM across all distribution channels and contributed to market share gains.

In an effort to strengthen TEAPOT's brand positioning in the SCM segment, we launched the "COLOUR UP YOUR LIFE" thematic campaign from April to June 2023. Utilising digital platforms and on-ground activations, TEAPOT engaged with consumers. Popular local actor Thanapob Leeratanakachorn, TEAPOT's new brand ambassador, was featured in television commercials, in-store advertisements, and on social media platforms such as Facebook, YouTube, and TikTok to reach young consumers. Through these effective brand communications, TEAPOT cultivated stronger relationships and brand loyalty with consumers in Thailand.

LIQUID MILK: F&N MAGNOLIA AND BEAR BRAND

Since its introduction in the liquid milk segment in 2019, F&N MAGNOLIA has consistently remained aligned with consumer needs and lifestyles by offering high-quality fresh and wholesome milk to nourish the people of Thailand. Building on the success of the F&N MAGNOLIA UHT Milk launch in February 2022, the brand continued to uphold its promise of "TASTY GOODNESS", providing consumers with a new and delightful drinking experience through its UHT milk range. Fortified with vitamin D for strong bones and teeth, F&N MAGNOLIA UHT Milk was specially formulated to enhance the natural sweetness of plain milk, allowing consumers to savor their daily dose of "TASTY GOODNESS" anytime, anywhere. This rollout received support through both online and

ดื่มนมตราหมีโกลด์ทุกวัน
ประโยชน์หลากหลาย อร่อยได้ในกระป๋องเดียว

วิตามินบี 12 มีส่วนช่วยในการทำงานตามปกติของระบบประสาท **สมอง**

แคลเซียม มีส่วนช่วยในกระบวนการสร้าง **กระดูก** และฟันที่แข็งแรง

วิตามินซี และ ี มีส่วนช่วยในกระบวนการ **ต่อต้านอนุมูลอิสระ**

Gold Milk, Cold Milk, Cold Milk, Cold Milk, Cold Milk

DAIRIES

MALAYSIA • THAILAND • SINGAPORE • VIETNAM

DAIRIES SINGAPORE:

As a major dairy manufacturer and beverage supplier, F&N's F&B operation in Singapore has demonstrated resilience and adaptability in the face of intense market competition. To reinforce F&N's standing in the dairy industry, we have continued our product expansion efforts to cater to changing consumer consumption patterns and growing demand for healthier alternatives. In addition, F&N's state-of-the-art smart integrated facility is set to enhance the Group's research and development and production capabilities. Spanning 375,000 square feet, this future-ready facility empowers F&N to expand our beverage offerings and sustainable packaging solutions, aligning with our vision as a sustainable leading F&B player in ASEAN.

LIQUID MILK AND YOGHURT SMOOTHIE: F&N MAGNOLIA

Nourishing families since 1937, F&N MAGNOLIA has been a breakfast table staple in many Singaporean households. This beloved brand not only offers liquid milk but also yoghurt, in a variety of unique and limited-edition flavours, bringing joy to family mornings.

This year, F&N MAGNOLIA thrilled consumers with the launch of a fresh, contemporary packaging design that covers both fresh milk and yoghurt smoothie range. This makeover was complemented by robust digital engagement, in-store promotions and outdoor communications.

A trusted brand for over 85 years, F&N MAGNOLIA remains dedicated to providing nutritious, delicious, and wholesome goodness for Singaporeans.



F&N MAGNOLIA

Excited Singaporeans with the launch of a fresh, contemporary packaging design for its fresh milk and yoghurt smoothie range

DAIRIES VIETNAM:

F&N's presence in Vietnam is facilitated through its 20.4% investment in Vinamilk. The Group's investments in Vietnam traced back to February 2005 when it initially acquired an approximate 5% stake in Vinamilk. In December 2016, the Group expanded its holdings by acquiring additional shares, representing approximately 5.4% interest, through a competitive bid process. Subsequently, through further market purchases, the Group continued to raise its stake in Vinamilk, ultimately reaching 20.4% as of 30 September 2023. With this significant shareholding and the appointment of two representatives to its board, the Group qualifies as having substantial influence over Vinamilk for accounting purposes, in compliance with the Singapore Financial Reporting Standards (International). As a result, starting from 16 April 2017, the Group has been employing the equity accounting method to record its share of Vinamilk's profits.

In FY2023, Vinamilk made a significant contribution of \$89M to F&N's PBIT, constituting 36% of the Group's total profit. Vinamilk, the largest F&B company listed on the Ho Chi Minh Stock Exchange, specialises primarily in the production, supply, and distribution of dairy products, including powdered, liquid, and condensed milk, cheese, ice cream, yogurt, cereals, as well as beverages such as soy milk, fruit juice, and yogurt drinks. It maintains a presence in over 50 countries globally and operates with the support of 16 dairy factories located in Vietnam, Cambodia, and the USA, in addition to 15 dairy farms in Vietnam and Laos.





DAIRIES: ICE CREAM

OVERVIEW

Ice Cream division boasts a strong presence in Malaysia, Singapore, and Thailand, anchored by trusted brands such as F&N MAGNOLIA, KING'S, and 100PLUS. With manufacturing facilities in Malaysia and Thailand, this division has consistently delivered popular ice cream products, staying ahead of consumer preferences through innovation and strategic marketing efforts.

MALAYSIA

Since the successful launch of 100PLUS Hydration Bar in October 2021, Malaysia continued to generate 100PLUS Hydration Bar awareness through continuous marketing events and engagement activities in Malaysia, emphasising the importance of hydration in hot weather. Malaysia organised large-scale sampling events coupled with fun games and activities to generate excitement.

SUNKIST's expansion into the ice cream category in March brought refreshing excitement. The launch of SUNKIST Tropical Orange Ice Cream Bar and Tub featured a comprehensive marketing campaign, leveraging social media influencers and prominent advertising spaces in popular shopping centers. The accompanying contest, "GOLD OF SUNKIST," witnessed a remarkable participation rate, with over 100,000 applicants.

In addition to new products and running marketing campaigns, Malaysia bolstered partnerships with key account

chains through sponsorships at events, including GIANT's Mega Roadshow and AEON's Big Orange Day.

THAILAND

Thailand has seen an eventful year, marked by the introduction of new flavours in the F&N MAGNOLIA range. Recognising the trend toward affordability, F&N MAGNOLIA launched two pocket-friendly ice cream variants, F&N MAGNOLIA Gotcha Pop Orange and F&N MAGNOLIA Gotcha Choco Dip, in October 2022, which garnered a positive response.

In February, F&N MAGNOLIA elevated its brand with a premium touch through the launch of two limited-edition flavours, F&N MAGNOLIA Mag-A-Cone Hokkaido Milk and F&N MAGNOLIA Mag-A-Cone Brown Sugar with Pearl. Riding the wave of brown sugar pearl desserts, F&N MAGNOLIA introduced another irresistible brown sugar pearl ice cream in stick format in April. Encouraged by the success, these new products were later brought to Singapore.

To further strengthen its presence in the kids' segment, F&N MAGNOLIA introduced its range of One Piece-themed ice cream in June, featuring two delicious flavours – F&N MAGNOLIA One Piece Jelly Cool Grape and F&N MAGNOLIA One Piece Pink Milk. This popular Japanese manga-inspired ice cream collection comes in eight captivating packaging options for kids to choose from.

In addition to these new products, Thailand launched the "MAKE IT WORTH EVERY BITE" campaign to establish F&N MAGNOLIA's brand proposition of "TASTY GOODNESS" among consumers. Targeted at kids

and young families, this campaign was supported by a 360-degree marketing strategy, including thematic videos on major online platforms such as Facebook, TikTok and YouTube, as well as point-of-sales materials in cart channels and supermarkets. The campaign generated significant engagement, accumulating over 25M views on YouTube within three months.

SINGAPORE

100PLUS Hydration Bar continued to strengthen F&N's ice cream portfolio in Singapore since its launch in 2021. Riding on 100PLUS's beverage brand activations, 100PLUS Hydration Bar has participated in various joint samplings at key sporting events, driving brand awareness and product visibility. In July, 100PLUS Hydration Bar partnered with the Singapore Civil Defence Force to provide their operations team and frontliners with icy cool bars to keep them hydrated, as they combat the scorching heat in sunny Singapore. In addition to driving trials, 100PLUS Hydration Bar sponsored key sporting events such as TOUR DE FRANCE PRUDENTIAL SINGAPORE CRITERIUM, STANDARD CHARTERED MARATHON SINGAPORE, OCBC CYCLE, HSBC RUGBY 7s, FIBA 3x3 ASIA CUP and the NATIONAL DAY PARADE FIESTA – events that were also sponsored by 100PLUS. This strategic alignment enhanced 100PLUS's presence across diverse platforms. Through impactful online and offline campaigns, 100PLUS Hydration Bar was able to capture the attention of over half a million consumers in Singapore.

This year, following the highly successful debut in Thailand, F&N MAGNOLIA introduced two limited-edition flavours from its Mag-A-Cone range – Hokkaido Milk and Brown Sugar with Pearl – in April. These premium flavours also garnered positive responses upon their launch in Singapore.

In March, in addition to Malaysia, SUNKIST Tropical Orange ice cream also made its debut in the sunny island of Singapore. This refreshing citrus ice cream, rich in Vitamin C, provided the perfect icy treat for Singapore's warm climate. The launch of this product was supported by digital and social media platforms, generating over \$1M in publicity value.

OTHER MARKETS

INDONESIA • MYANMAR • THAILAND (SOFT DRINKS)

100PLUS

Continued its Support
for Sporting Events
in Thailand

F&N MAGNIVA

Introduced a Sterilised
Milk Variant in Indonesia



Enhancing Capabilities TOGETHER

Despite supply chain and inflationary headwinds, efforts have been made to expand and deepen distribution channels, in particular for 100PLUS, F&N Sparkling Drinks and TEAPOT, with a clear focus in the SEA region. Our strategy moving forward involves continuing to drive growth by investing in our brands and enhancing our route-to-market capabilities. Alongside our organic growth strategy, we will actively seek value- and capability-enhancing acquisitions.

(A) INDONESIA

Our subsidiary, PT Yoke Food Industries Indonesia ("PT YFII"), encountered challenges stemming from inflationary pressures and reduced festive demand due to unfavorable consumer sentiments. Despite these tough market conditions, PT YFII's resilience and adaptability allowed the Group to achieve a commendable performance in FY2023.

PT YFII's core brands, DAYDAY and UNIFRESH, played a pivotal role in our Indonesian business as they recorded a strong performance in FY2023. Despite stringent regulations affecting F&N's canned milk supply in Indonesia due to imported milk quotas, F&N evaporated milk continued to deliver positive results.

In December 2022, PT YFII capitalised on the growth of the ready-to-drink milk segment by introducing F&N MAGNIVA Sterilised Milk to the Indonesian market. This launch was accompanied by a comprehensive 360-degree marketing campaign, including online advertising on social media, in-store and outdoor activations, as well as extensive product sampling nationwide. To raise brand awareness and encourage product trials, F&N MAGNIVA collaborated

with Grab Car, offering this sterilised milk to passengers during their rides. This activation successfully reached over 1,000 passengers within the first three months of its launch.

PT YFII participated in two major expos in the year – Food Hotel Indonesia and SIAL Interfood Expo – with the goal of expanding F&N's presence in the canned milk segment within the food services and HoReCa channels. In addition, to further increase brand visibility, PT YFII also participated in regular cooking demonstrations at

selected modern trade outlets to promote canned milk applications.

To date, our product range, including 100PLUS, F&N canned milk, TEAPOT, DAYDAY, F&N SEASONS Asian Drinks range, F&N MAGNIVA, UNIFRESH, and SUNKIST, is available in over 24 major cities. PT YFII remains committed to investing in our brands, with a continued focus on long-term growth through extending our route-to-market, optimising our portfolio mix, strengthening marketing capabilities, and enhancing people development.



OTHER MARKETS

Indonesia • Myanmar • Thailand (Soft Drinks)

(B) MYANMAR

FY2023 proved to be a challenging year for Myanmar. While economic conditions stabilised during the first half of the year, ongoing impacts from strict import regulations, foreign currency remittance issues, and currency depreciation continued to affect businesses in the country. To overcome these challenges, F&N adjusted its business model and

proactively sought opportunities to improve financial performance.

In this volatile environment, F&N continued to channel its resources in building brand relevance for 100PLUS and TEAPOT.

100PLUS continued to solidify its position as the preferred beverage for consumers leading active and healthy lifestyles. The isotonic brand maintained its sponsorship of sports-related events such as the PUN HLAING COUNTRY CLUB'S ANNUAL

GOLF TOURNAMENT and STAR CITY MINI MARATHON 2023, successfully generating trial opportunities and maintaining brand awareness.

TEAPOT remained dedicated to strengthening its relationships with top tea shop operators across Myanmar. Through successful partnerships with major tea shop operators and distributors, TEAPOT increased its product visibility and expanded its on-premise presence, reinforcing its leadership in the canned milk market.

100PLUS

THIRST FOR MORE

REFRESHING HYDRATION WITH ELECTROLYTES

5 ELECTROLYTES ISOTONIC FORMULA





F&N Sarsi
Rolled out a new pack size in Thailand



(C) THAILAND (SOFT DRINKS)

100PLUS continued to enhance its unique position as a healthy carbonated beverage through effective marketing campaigns nationwide. As an advocate for active and healthy lifestyles, 100PLUS sponsored several running events, including the BURIRAM MARATHON 2023 and

KHAO YAI MARATHON RUN. These sponsorships engaged over 30,000 participants, successfully generating trial opportunities and sustaining brand awareness. 100PLUS also extended its support to national sports associations, such as the HI-TECH BASKETBALL CLUB and the T-THAILAND BADMINTON TEAM.

F&N Sarsi, our popular flavored carbonated soft drink, maintained its brand-building momentum through point-of-purchase media and in-store promotions designed to encourage

trial and repeat purchases. In March, F&N Sarsi introduced a new 325ml can size for purchase in 7-Eleven stores nationwide. To drive consumption, the campaign utilised thematic key visuals, point-of-sales materials, and social media engagement. Supported by over 100 key opinion leaders on TikTok, the campaign achieved an estimated reach and engagement rate of 235K and 345K, respectively. F&N Sarsi was gradually introduced to traditional trade, expanding the presence of this beloved beverage in Thailand.

PUBLISHING & PRINTING

GREEN LAB

Provides holistic sustainable packaging solutions to support companies ESG objectives

MARSHALL CAVENDISH EDUCATION

Continued to accelerate its digital transformation



Sustainably Moving Ahead TOGETHER

PUBLISHING & PRINTING

In FY2023, our Publishing & Printing division ("P&P") underwent strategic restructuring, closing unprofitable stores and businesses in Malaysia and Hong Kong, and reducing the number of high-street stores in Singapore while prioritising profitable airport stores. Concurrently, we achieved notable success in international expansion within the Education business, witnessed Green Lab's sustainable packaging efforts gaining traction, and attained recognition for significant achievements in publishing collaborations. These restructuring exercises are expected to significantly improve the outlook of P&P in 2024.

This year, the Education business, in particular, showcased resilience and success, especially in the higher-margin non-print segment encompassing digital or hybrid solutions, professional development, educator certification, education consultancy, and licensing for non-English content. Collaborations with global partners and educational institutions propelled our market presence beyond Singapore and North America, extending into the Middle East and Latin America.

Stability also returned to commercial and out-of-home printing operations following the disruptions caused by COVID-19 in previous years. Our investment in the sustainable packaging business, Green Lab, garnered positive traction within the market. Green Lab's offerings, including customisable,

biodegradable, plant-based solutions like kraft paper bags, paper pouches, cartons, eco-friendly plastic bag alternatives, and food & beverage consumables, gained popularity. Since its launch, Green Lab has forged partnerships with multinational clients spanning the F&B and fashion industries.



PUBLISHING & PRINTING

Achieved notable success in international expansion within the Education business, witnessed Green Lab's sustainable packaging efforts gaining traction, and attained recognition in publishing collaborations

PUBLISHING & PRINTING

Our Distribution business also sustained growth, solidifying our position as the primary distributor of English-language books in Singapore and Malaysia. The opening of major lifestyle and bookstores such as Tsutaya and Eslite in Malaysia, coupled with the recovery of major book retailers, contributed significantly to boosted sales. Simultaneously, our strategic focus on distributing lifestyle products, including Hallmark and Crayola, was key in driving revenue growth.

On the retail front, a strategic decision was made to optimise the profitability of our retail stores. Consequently, P&P closed all retail stores in Malaysia and downsized the number of high-street retail stores in Singapore from three to one.

Due to the impact of restructuring initiatives, P&P's earnings were adversely affected in FY2023. Although losses narrowed from (\$11M) to (\$10M) in FY2023, excluding one-off non-recurring items, the losses would have nearly halved. This was despite a 3% increase in revenue, at \$221M.

PUBLISHING:

Our publishing business comprises Marshall Cavendish Education ("MCE"), Marshall Cavendish International (Asia) and Marshall Cavendish Business Information. The content they create ranges from education to general interest and business information.

EDUCATION: MCE

MCE achieved noteworthy milestones in fortifying its global market presence through strategic partnerships, reinforcing existing collaborations, and advancing in global initiatives related to education development and AI integration.

This year, the collaboration with Arrowad Group, a conglomerate overseeing numerous private schools in the Middle East, significantly extended our reach within Europe, the Middle East and Africa ("EMEA"). Our alliances with

international partners, including China South Publishing & Media Group and VISANG Education (a Korean education company), allowed us to go beyond traditional education publishing, leading us into educational development and the integration of AI-driven solutions. Our commitment to global education was further solidified by strategic partnerships with James Cook Academy and EA-Tsing Hua STEAM School, which focused on delivering online courses and certified STEAM programs.

In tandem, we have forged robust collaborations with leading ed-tech partners to seamlessly integrate AI digital offerings into our education solutions, creating a holistic and enriched AI digital learning experience.

EDUCATION

Solid inroads into EMEA, North Asia and LATAM. Growth in non-print exceeded expectations





MCE's engagement with strategic partners like Scribo Holdings and Cerbry underscored our commitment to delivering an integrated solution that combined MCE's pedagogically proven learning materials with cutting-edge AI-driven platforms.

MCE: OTHERS

MCIA launched "Anwar Triumphs" by Mark Trowell KC in October 2023 at KLCC, with YAB Dato' Seri Anwar Ibrahim in attendance. This book follows a series of publications by MCIA, including Anwar's own "The Asian Renaissance" in 1996 and "Anwar Returns" (also by Mark Trowell KC) in 2018. An exclusive interview with Anwar and a Q&A session with his wife, Dr. Wan Azizah, documents his release from prison in 2018, the collapse of the Pakatan Harapan coalition, his personal triumph over old rivalries, and his appointment as the tenth prime minister of Malaysia.

MCIA also participated in the 2023 Frankfurt and London Book Fairs. At Frankfurt, Khir Johari presented his acclaimed book, "The Food of Singapore Malays," which received global recognition, winning "Book of the Year" at the Singapore Book Awards 2022 and the "Best of the Best" at the 28th Gourmand World Cookbook Awards in Sweden in 2023. An appearance at Kinokuniya, Kuala Lumpur, featured a session with the Queen of Malaysia, Tunku Azizah, sharing her own food stories.

PRINT

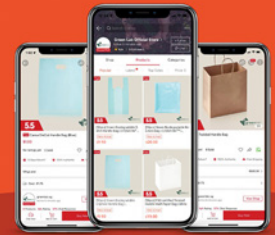
High quality customers onboarded for sustainable packaging business of Green Lab

PRINT

Since its launch in 2022, Green Lab has experienced substantial growth, on the back of aggressive sales and marketing campaigns to onboard high-profile clients. Notable achievements included partnerships with industry leaders like Accor Group, Adidas, and Shake Shack. In 2023, one of the key projects involved manufacturing eco-friendly cages for the 2023 Presidential Elections in Singapore, showcasing Green Lab's versatility and commitment to sustainability.



is now on Shopee



www.shopee.com/greenlab.sg

BOOK DISTRIBUTION

Reinforced our position as the market leader in Singapore and Malaysia

RETAIL AND DISTRIBUTION

Our book distribution business maintained its position as the primary English-language book distributor in Singapore and Malaysia, experiencing a significant boost in revenue due to robust sales recovery from existing Malaysian bookstores and the addition of two new retail partners: the Japanese lifestyle chain, Tsutaya, in July 2022, and the Taiwanese bookstore chain, Eslite, in December 2022.

Being appointed as the e-commerce partner for managing the Official Crayola Stores on Shopee and Lazada in Singapore and Malaysia allowed us to implement an omnichannel strategy, expanding our digital presence. To enhance brand awareness, we initiated marketing campaigns such as coloring events in collaboration with Takashimaya Shopping Centre for Mother's Day and Father's Day, along with participation at Popular BookFest, aimed at acquiring new customers at physical stores.

In the retail sector, we exited operations in Malaysia and discontinued our e-commerce business in 2022. For Singapore, our focus shifted away from non-profitable high street stores, with a primary emphasis on our airport stores, notably KABOOM. The resurgence of

air travel and the reopening of Changi Airport's Terminals 1, 2, and 3 pointed to promising signs of recovery in this lucrative segment.



INVESTOR RELATIONS

DELIVERING EFFECTIVE AND OPEN COMMUNICATION

The F&N Group is committed to delivering effective and open communication with all stakeholders, always ensuring consistency and clarity of disclosure. We aim to engage with our shareholders and investment community openly and regularly in order to facilitate a mutual understanding of our respective objectives, and to provide information on our corporate strategies, trends, operational performance and financial information to the investment community.

To achieve that, F&N's Investor Relations team leverages multiple communication channels to keep the market and investors apprised of F&N Group's corporate developments and financial performance.

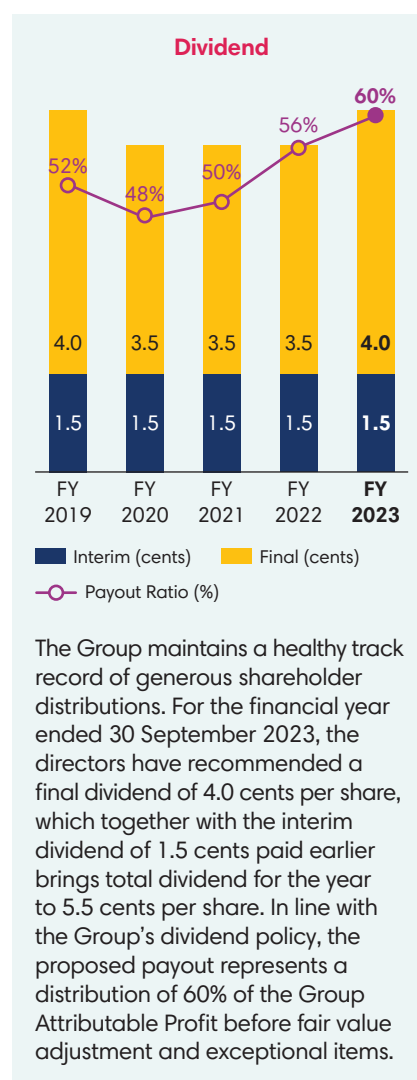
In addition, besides communicating regularly with shareholders and the investment community via disclosures of material and other pertinent information through regular dialogues and announcements to SGXNet, F&N ensures that investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

ENGAGING WITH THE INVESTMENT COMMUNITY

As the Group continue to make inroads into our regional expansion efforts, the Investor Relations team, together with senior management, actively engage and deliver timely and relevant information to support investors in their investment decisions. These initiatives ensure that the financial community is updated on the Group's business, markets and performance.

Our Annual General Meeting ("AGM") was held in a physical format on 18 January 2023 as we continually seek opportunities to meet and engage with our shareholders. To ensure that shareholders were able to make decisions on an informed basis, we invited them to submit their questions ahead of, or in-person at, the AGM. Our responses to their questions, which were submitted in advance, were published on F&N's corporate website and uploaded to the SGXNet. Shareholders were also invited to attend the AGM and were accorded the opportunity to participate and vote at the meeting. F&N looks forward to the annual event as it allows the board and management to engage shareholders and communicate the Group's latest developments, long-term plans and strategies.

In addition to AGMs, the Investor Relations team also addresses the concerns of investors through email, telephone and online query form on F&N's corporate website.



Financial Calendar: FY2024	
Date	Event
24 January 2024	• Annual General Meeting
06 February 2024 (after close of trading) (tentative)	• 1 st Quarter Business Updates
08 May 2024 (after close of trading) (tentative)	• Announcement of Half-Year Results • Declaration of Interim Dividend
06 August 2024 (after close of trading) (tentative)	• 3 rd Quarter Business Updates
08 November 2024 (after close of trading) (tentative)	• Announcement of Full-Year Results • Declaration of Final Dividend

For general enquiries on F&N, please contact:

Ms Jennifer YU
Director, Investor Relations

Tel: (65) 6318 9393
Fax: (65) 6271 7936

Email: jenniferyu@fngroup.com.sg
Website: www.fraserandneave.com

Share Registrar and Transfer Office
Tricor Barbinder Share Registration Services
9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619
Tel: (65) 6236 3333

CAPITAL RESOURCES

The Group maintains a prudent and sustainable financial structure to ensure that it will be able to access adequate capital at favourable terms. The Group's core businesses, F&B and P&P, as well as dividends from Vinamilk are its main sources of cash flows.

Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rate exposures and overall liquidity position on a continual basis. To ensure that F&N has adequate overall liquidity to finance its operations and investments, it maintains a significant amount of available banking facilities with many banks. The Group's Debt Issuance Programmes also provide F&N continued access to the debt capital markets.

As at 30 Sep 2023, the Group's borrowings, net of cash, increased to \$701.8M, from \$614.7M a year ago. The increased borrowings were taken mainly to finance the Group's acquisition of Coccoland Holdings Berhad, the largest gummy candy producer in Malaysia, and borrowings taken for the expansion of the Group's brewery in Myanmar. Consequently, the Group's net gearing increased to 0.21 times of total equity. Cash generative businesses, adequate funding sources and debt headroom continue to put F&N in a good position to tap further growth opportunities.

Interest cost in FY2023 was \$37.5M, up from \$26.2M in the prior year due to higher borrowings.

SOURCE OF FUNDING

Besides cash flow from its businesses, the Group also relies on the debt capital markets, the equity market and bilateral banking facilities for its funding. As at 30 Sep 2023, the Group has an aggregate banking facility of \$1.1B, and \$3.4B in Debt Issuance Programmes to meet its funding requirements.

AVAILABLE BANK LINES AS AT 30 SEPTEMBER 2023

The Group maintains an active relationship with a network of more than 15 banks of various nationalities, located in various countries where the Group operates. Its principal bankers are Oversea-Chinese Banking Corporation Limited, DBS Bank Ltd, CTBC Bank Co. Ltd, Crédit Industriel et Commercial and Standard Chartered Bank.

The Group adopts the philosophy of engaging the banks as its core business partners. It has very strong support from its relationship banks across all

segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group, as at 30 Sep 2023, amounted to \$1.1B. The principal bankers of the Group provided 72% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

DEBT CAPITAL MARKETS

The Group has a \$2.0B multi-currency debt issuance programme and a \$0.5B short-term commercial paper programme in Singapore. The Group also has an Islamic commercial paper programme ("ICP Programme"), and an Islamic medium term notes programme ("IMTN Programme"), with an aggregate limit of RM3.0B, in Malaysia to tap the debt capital markets.

The Group does not expect refinancing issues for its \$339.2M loans maturing within one year. These borrowings can be repaid with the Group's existing cash balances or refinanced with existing revolving credit facilities.

MATURITY PROFILE OF GROUP DEBT (EXCLUDES FINANCE LEASES)

Time to maturity	\$'million
< 1 year	339.2
1-2 years	201.0
2-5 years	570.1
> 5 years	23.3
Total	1,133.6

INTEREST RATE PROFILE AND DERIVATIVES

The Group manages its interest costs by maintaining a mix of fixed and floating rate borrowings. On a portfolio basis, 81.1% of the Group's borrowings are in fixed rates, with an average fixed rate tenor of 2.0 years as at 30 Sep 2023. The fixed-rate borrowings consist largely of fixed-rate notes issued under the Group's Debt Issuance Programme and bilateral bank term loans that have been hedged with interest rate swaps. The remaining 18.9% of the Group's borrowings are in floating rates.

In managing the interest rate profile, the Group considers the interest rate outlook, expected cash flow generated from its business operations, holding period of long-term investments and acquisition and divestment plans.

The Group makes use of interest rate derivatives for the purpose of hedging interest rate risks and managing its

portfolio of fixed and floating rate borrowings from time to time. It does not engage in trading of interest rate derivatives. The Group's total interest rate derivatives and the mark-to-market values as at 30 Sep 2023 are disclosed in the financial statement in Note 34.

GEARING AND NET INTEREST COVER

The Group aims to keep its net gearing ratio below 0.8 times of total equity and maintain a net debt to EBITDA of below 3.5 times. As at 30 Sep 2023, the Group has net gearing of 0.21 times of total equity and a net debt to EBITDA of 2.08 times. Total interest expense for the year amounted to \$37.5M. The total interest income credited to profit statement for the year was \$6.4M. The interest coverage ratio for FY2023 was at 6.6 times.

FOREIGN CURRENCY RISKS AND DERIVATIVES

The Group has exposure to foreign currency risks as a result of transactions denominated in foreign currencies arising from operational, financing and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks. For those exposures that are less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group uses foreign exchange forward contracts and certain currency derivatives to manage these foreign currency risks.

The Group does not engage in the trading of foreign currencies and foreign currency derivatives. The Group uses foreign currency contracts and derivatives solely for hedging actual underlying foreign currency requirements in accordance with hedging limits set by the Audit and the Board Committees under the Group Treasury Policy. These policies are reviewed regularly to ensure that the Group Treasury Policy are in line with its current needs, objectives and strategy of the businesses.

The Group's foreign currency contracts and derivatives and mark-to-market values as at 30 Sep 2023 are disclosed in the financial statement in Note 34. The Group does not hedge the foreign currency risks of its investments in overseas subsidiaries, joint venture and associated companies. Such investments are long-term in nature and therefore not feasible and economical to hedge. The Group only hedges dividends payable from its overseas subsidiaries, joint ventures and associated companies.

ENTERPRISE-WIDE RISK MANAGEMENT

The Board and senior management of the Group actively promote a strong risk management culture by implementing sound processes and operating procedures. F&N continuously monitors the business environment for risks and opportunities, develops strategies to mitigate risks and seizes emerging opportunities. Within the Group, management diligently tracks and promptly reports key risks, fostering open communication and ensuring timely issue resolution. Our primary objective is to safeguard the interests of shareholders, while also considering the interests of other stakeholders, to achieve long-term sustainable performance.

The Sustainability & Risk Management Committee (“**SRMC**”) assists the Board in overseeing the Group’s risk management framework and policies. It:

- provides strategic direction in managing sustainability-related risks and opportunities, taking into account the Group’s risk appetite and risk tolerance; and
- guides the development of risk and sustainability frameworks, policies, guidelines and initiatives to ensure that sustainability issues, including environmental, social, governance (“**ESG**”) related issues, are effectively managed and integrated into business operations and corporate objectives.

RISK MANAGEMENT PROCESS

F&N adopts a cohesive risk management system to manage risks in a sustainable, structured and consistent manner. F&N takes into account sustainable business practices in formulating strategies and decisions to ensure the Group remains resilient and competitive. The Group identifies risks from various sources, including ESG sources.

The system encompasses the review of vision statement, risk appetite and risk tolerance statements, as well as strategies for risk identification, risk impact assessment and response and recovery processes. F&N employs both top-down and bottom-up approaches in this endeavour. F&N updated its vision

statement to reflect our commitment to become a stable, sustainable, and profitable leader in the ASEAN food and beverage sector.

The responsibility for identifying, evaluating and monitoring risks and material ESG factors lies with the management team. They also report regularly to the SRMC and Board the status and effectiveness of risk mitigation measures, sustainability practices and strategy implementation.

Key risks of various business units and recommendations on sustainability initiatives are reviewed by the Company’s CEO, the CEOs of the Group’s strategic business divisions (“**CEOs**”), division heads, and the Sustainability Development Committee. These assessments are conducted three times a year and shared with the SRMC. The F&N Audit Committee reviews these key risks and recommendations from SRMC, and then advises the Board annually.

Each business division has a dedicated risk manager to conduct risk analyses with the Management. Risk managers compile reports for timely submission to division heads and conduct briefings on risk policies and practices. The objective is to promote a culture of risk awareness, as some risks may impact more than one department, division or subsidiary and could have financial, reputational, legal and/or operational impact on the Group. To facilitate the reporting and monitoring of risks, F&N Group uses a web-based Corporate Risk Scorecard (“**CRS**”) system, a common platform which enables business units to report risks and risk status consistently and cohesively. The CRS records risks, mitigating measures, timelines for action items and risk ratings. Key risk indicators, upon which risk ratings are measured against the probability of occurrence, are also reviewed. The Group also streamlines the use of risk scorecards and upgrades the CRS system as required.

Risk appetite and risk tolerance statements, which set out the nature and extent of the significant risks that the Group is willing to accept in achieving its strategic objectives, are reviewed annually.

At the end of each financial year, the CEO and Senior Director, Group Finance of the Company and the CEOs and key management personnel who are responsible for each of the Group’s business divisions provide assurances to the Board, Audit Committee and SRMC on the adequacy and effectiveness of the Group’s risk management system and internal controls. These assurances for FY2023 are disclosed on Page 87 of this report.

KEY RISKS IN FINANCIAL YEAR 2023

As at 30 September 2023, the key risks have been identified and mitigation plans developed. The proportion of risks that were rated as “very significant” and “high” have been reduced substantially after taking into account the mitigating measures. The key categories of risk faced by the Group are summarised as follows.

(1) Strategic – Potential Slowdown in Regional and Global Economy

The International Monetary Fund predicts a fall in global growth rate from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. This slower growth can be attributed to ongoing monetary tightening measures implemented by central banks to control inflation. China’s slower-than-expected post-Covid recovery and ongoing regional conflicts in Europe and the Middle East are expected to continue exerting a negative impact on global economic growth.

As the Group predominantly operates within the ASEAN region, it plans to leverage its distribution networks and brand equity to maintain and capture market shares. The Group’s interest costs for 2024 are predominantly on fixed rates with an average tenure of 2 years, and thus unlikely to be materially impacted by any sudden increases in central bank interest rates.

More information can be found on page 65 of the Capital Resources section.

(2) Operational – Rising Input Costs

Regional conflicts and climate change will keep input costs elevated in 2024. Where possible, the Group enters into forward purchase arrangements for raw materials, maintains multiple sources of suppliers, and keeps higher levels of inventories to optimise input costs. Warehousing, freight and other expenses were reviewed by all business divisions, with a view to saving costs and further enhancing economies of scale. Proactive measures such as converting, where possible, from air freight to ocean freight were taken by P&P business division to manage the cost escalation. Energy cost, another key input cost component for P&P was lowered through successful renegotiation of contracted rates. In addition, the Group has harnessed solar power as a strategy to mitigate the impact of rising energy costs. Lastly, selective and gradual price adjustments have been introduced to partially offset input cost increases.

(3) Strategic – ESG Risks

The Group periodically reviews its business model and strategies to ensure its continued relevance to its stakeholders. Management recognises the growing importance of ESG and climate-related factors on business operations and proactively tracks developments in the F&B and P&P industries and reviews the effectiveness of its strategies.

(i) Increasing Importance of ESG

F&N has put in place additional measures to strengthen the Group's resilience to natural disasters, such as flooding, which may result in loss of lives and damage to properties. These measures comprise a range of actions including enhancing flood mitigation measures in Malaysia and Thailand, relocation of a facility to a less flood-prone site, the installation of solar panels at multiple locations across Malaysia, Singapore and Thailand, and active transition of the Group's transport fleet to electric vehicles.

We continuously explore innovative ways to reduce waste, conserve water and energy, and promote the use of renewable energy. In our commitment to reduce carbon footprints and conserve resources, the F&B business division has launched low-carbon plant-based products. Our Carnation Extra Evaporated Creamer has also been certified by the Thailand Greenhouse Gas Management Organisation as having low carbon footprint. For the P&P business division, sustainable soy-based inks, which have a lower carbon footprint as compared to the more common petrochemical-based inks, are used. These inks are derived from biological materials and are naturally renewable. Additionally, P&P also encourages its clients to use Forest Stewardship Council ("FSC") certified paper, Programme for the Endorsement of Forest Certification ("PEFC") certified paper or recycled paper. The Group is also implementing equipment upgrade programmes, such as for the chiller plant system, to further reduce carbon emission.

F&N is also committed to protecting biodiversity and eliminating deforestation from our supply chain. The Group sources ingredients like sugar, palm oil and paper from sustainably certified sources, including palm oil certified by the Roundtable on Sustainable Palm Oil, and paper certified by FSC.

In Malaysia, F&NHB partnered with 11 other fast-moving consumer goods companies through the Malaysian Recycling Alliance to enhance the collection and recycling of post-consumer packaging. In Singapore, F&N is also working with major producers in Singapore and the National Environment Agency to introduce the Beverage Container Return Scheme ("Scheme") in 2025. Under this Scheme, pre-packaged

beverage in plastic bottles and metal cans, ranging from 150ml to 3L will have a refundable deposit of 10 cents. The Scheme aims to boost beverage container recycling rates, reduce waste disposal, cut carbon emissions and promote recycling habits among Singaporeans. This initiative will also aggregate clean recyclables, increasing the supply and quality of materials available for recycling, thereby supporting the development of Singapore's recycling industry.

To further reduce the environmental impact of packaging, F&N constantly explores alternative and sustainable packaging solutions. The Group is exploring the switch to such sustainable packaging options, such as paper-based eco-pouches for secondary packaging materials. The effectiveness of these sustainable packaging is regularly assessed in conjunction with changing consumer preferences.

(ii) Rising Regulatory Enforcement

The Group remains committed to educating consumers about the effects of sugar and developing healthy products. F&N has set a target to ensure that 72% of beverage and dairy products (based on formulation), excluding canned milk and cordials, comply with the Nutritional Guidelines set by relevant authorities by 2025. With the successful rollout of healthy beverages and dairy products, we have met this target ahead of schedule. F&N is dedicated to maintaining this target.

In compliance with SGX's mandate for all listed entities in Singapore to incorporate climate reporting based on the Task Force on Climate-related Financial Disclosure ("TCFD") recommendations, on a 'comply or explain' basis in their sustainability reporting, F&N acted proactively by publishing a qualitative TCFD narrative last year in 2022, ahead of

ENTERPRISE-WIDE RISK MANAGEMENT

the SGX's stipulated 2023 timeline last year. This year, we had completed a quantitative assessment for three climate-related physical and transition risks. The qualitative TCFD narrative, first published in the F&N Sustainability Report ("F&N SR") 2022 last year, will be updated with the outcome of this quantitative assessment in the F&N SR 2023. The Group now has better visibility regarding the estimated future financial impact of these three climate-related risks, and would prepare mitigation and adaptation plans where needed.

F&N has also pledged to achieve net-zero Scope 1 and 2 greenhouse gas emissions by 2040, in alignment with ThaiBev's net zero ambition. Furthermore, we have formalised a climate risk appetite statement which provides guiding principles for managing climate-related risks and opportunities.

Refer to the F&N Sustainability Report 2023 for more details on the Group's sustainability initiatives.

(4) Operational – Cyber Risks

The proliferation of cyber threats, including ransomware and cyber supply chain attacks, is a global concern. As F&N increasingly relies on digital systems to drive business operations, the risk of cyber incidents that could disrupt business operations and lead to financial and reputational damage becomes more acute. In F&N, cybersecurity is managed by the F&N Digital Solutions and Technology ("DST") team. To ensure resilience of network and data, various risk mitigation measures had been implemented. These included the classification and labelling of confidential data, vulnerability assessments, privileged access management, mandatory cybersecurity awareness trainings, simulated phishing exercises and penetration testing. The effectiveness of these measures are reviewed regularly. DST also reports any cybersecurity breaches within the Group to the SRMC.

(5) Operational and Reputational – Food Safety Risks

Food safety remains a key risk to the F&B business division due to the potential reputational and financial impact on the Group. In addition to

- (i) close monitoring of food safety issues worldwide,
- (ii) upholding the strict requirements stipulated under the various food safety standards and certifications,
- (iii) putting in place a robust process to mitigate the risk of food contamination, and
- (iv) close monitoring of the status of Key Risk Indicators which track food safety risks,

Management also shares learnings on best practices, food quality and safety issues across business units.

(6) Reputational Risks

With growing social media influence and proliferation of applications for social networking and messaging, the spread of false and misleading information globally has increased significantly. Business divisions closely monitor social media and periodically review the effectiveness of policies and procedures that are in place to deal with any potential negative impact social media has on the Group.

(7) Operational – Workplace Safety and Health Risks

As a recognition of the Group's continuing efforts in improving workplace safety and health for its employees, most of its operations in Singapore have been awarded with Singapore's bizSAFE certificates. Plants have been surveyed to identify potential fire hazards and non-compliance of fire safety standards. F&N also supports activities such as health screenings, health and wellness talks and sponsors sports and community events like the SGX Cares Bull Charge Charity Run.

(8) Country Risks

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 11 countries where it has a presence. It continues to reinforce risk and BCP awareness throughout the Group. It also builds good rapport with local authorities and business partners to keep abreast of political, regulatory and economic developments in countries where the Group operates. Insurance programmes are reviewed annually to consider the changing needs of the businesses and the operating environment to better mitigate losses in the event of claims. Property, plant and equipment are revalued annually to ensure adequacy of insurance coverage.

The Group is exposed to currency risks in connection with the purchase of raw materials and equipment, and sale of products, which are transacted in different currencies. While foreign currency risks are reduced through natural hedging, the Group also hedges committed cash flows, in accordance with the Group Treasury policy. Such policy is reviewed regularly to ensure it reflects the current needs, objectives and strategy of the business.

RISK CULTURE

The SRMC encourages proactive and periodic benchmarking of the Group's ERM, BCP and insurance programmes against industry best practices and standards. It considers recommendations from consultants and insurance advisers in mitigating/seizing climate related risks/opportunities, cybersecurity and terrorism risks, pandemic and epidemic to ensure that its ERM, BCP and insurance programmes remain adequate and effective.

As every member of staff has a role to play in risk management, BCP and cybersecurity, new staff are briefed on these subjects. Refresher sessions are organised when required. Following the setup of a e-learning committee and successful roll out of F&N policy e-learning programmes to entities in Singapore, the plan is to roll out the e-learning to overseas entities.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Fraser and Neave, Limited (“F&N” or the “Company”) is fully committed to setting and upholding high standards of corporate governance and has in place a sound governance framework with well-defined corporate policies, business practices and internal controls to help F&N and its subsidiaries (the “Group”) maintain consistently high standards of integrity, accountability and governance in all activities undertaken by the Group.

In line with the listing manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “SGX-ST Listing Manual”), F&N complies with the principles of the Code of Corporate Governance 2018 (the “Code”) and is guided in its corporate governance practices by the provisions of the Code. Where there are any deviations from the provisions of the Code, appropriate explanations have been provided.

F&N pursues growth and enhancement of corporate performance and value on a sustainable basis and in so doing, F&N safeguards the assets of the Group in the interest of the Company’s shareholders and other stakeholders.

This report is arranged according to the principles listed in the Code. Principles 1 to 5 deal with board matters, Principles 6 to 8 with remuneration matters, Principles 9 to 10 with accountability and audit, Principles 11 to 12 with shareholder rights and engagement and Principle 13 with managing stakeholder relationships.

A. BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The board of directors of the Company (the “Board”) oversees the business performance and affairs of the Group. The Board sets the strategic direction of the Group which includes appropriate focus on value creation, innovation, and sustainability. The Board also sets appropriate tone-from-the-top for the Group in respect of good principles of ethics, values and organisational culture and ensures proper accountability within the Group. The Board is accountable to shareholders for the long-term performance and success of the Group.

The directors of the Company (the “Directors”) are fiduciaries who act objectively in the best interests of the Company and hold management accountable for performance. The Board (a) reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, (b) monitors the financial performance of the Group and management’s performance, (c) oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, (d) assumes responsibility for corporate governance, (e) considers sustainability issues such as environmental and social factors as part of its strategic formulation and (f) ensures compliance by the Group with relevant laws and regulations.

The Board works closely with management and the Directors have direct and independent access to key management personnel and senior management. Further details on the issues reviewed by the Board can be found in the Enterprise-Wide Risk Management Report on pages 66 to 68 of this Annual Report and the Company’s Sustainability Report 2023 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

The Board meets regularly. During Board and board committee meetings, our Directors actively participate, discuss, deliberate and appraise matters requiring attention and decision. If required, time is set aside after scheduled Board meetings for discussions amongst our Directors without the presence of management, as this facilitates a more effective check on management.

In addition, the Lead Independent Director can call and lead meetings of the independent Directors and/or other non-executive Directors when necessary and appropriate without the presence of management to provide a forum for the frank exchange of any concerns which may be difficult to raise in management’s presence. Regular meetings of independent Directors and/or other non-executive Directors were held during the year under review. The Lead Independent Director provides feedback to the Chairman of the Board as appropriate.

During the financial year ended 30 September 2023 (“FY2023”), all Directors attended a Board Summit over two days which allowed the Directors to: (i) focus on the Group’s long-term sustainability strategy; and (ii) engage in dynamic and in-depth strategic discussions to promote deeper understanding of the Group’s business environment and operations.

During FY2023, the Board has continued working closely with management in reviewing business opportunities and the challenges posed by the inflationary pressures and foreign exchange effects in the market environment. In addition, the Board has been paying close attention to strict cost management practices while implementing targeted measures to optimise operational efficiency.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

As at 30 September 2023, the Board comprises 9 Directors, all of whom are non-executive Directors. They are:

Mr Charoen Sirivadhanabhakdi	Chairman
Mr Ng Tat Pun	Lead Independent Director
Mr Chan Heng Wing	
Ms Suong Dao Nguyen	
Mr Charles Mak Ming Ying	
Dr Sujittra Sombuntham	
Mr Koh Poh Tiong	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	

The Board has also approved the appointment of the following Alternate Directors:

Mr Michael Chye Hin Fah	(Alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot	(Alternate Director to Mr Sithichai Chaikriangkrai)

Please refer to pages 20 to 29 of this Annual Report for key information of each Director.

Delegation of Authority

In order to efficiently provide strategic oversight of F&N, the Board delegates specific areas of responsibilities to five board committees (the “**Board Committees**”) namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration Committee and the Sustainability and Risk Management Committee.

Each Board Committee is governed by clear written terms of reference (the “**Terms of Reference**”) which set out the composition, authority and duties of each committee (including reporting back to the Board). The Terms of Reference have been approved by the Board and the determination, amendment or alteration of the Terms of Reference of any Board Committee is a matter reserved for the Board’s approval.

Minutes of all Board Committee meetings are circulated to the Board so that the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company also adopts a framework of delegated authorisations in its Manual of Authority (“**MOA**”). The MOA, which is approved by the Board, defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA is clearly communicated to management in writing.

In order to facilitate the Board’s exercise of its leadership and oversight of the Group, the MOA contains a schedule of matters specifically reserved for approval by the Board. These include approval of annual capital and annual operating budgets and credit facilities. Board approval is also required for material transactions, such as major acquisitions, divestments and funding and investment proposals.

The MOA delegates authority for approval of transactions below certain limits to the Board Executive Committee (“**Board Exco**”), beyond which the approval of the Board needs to be obtained.

Below the Board and Board Exco levels, there are appropriate delegation of authority and approval sub-limits at management level, to facilitate day to day operations of the Group’s business.

A. BOARD MATTERS (cont'd)

Conflicts of Interest

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and the Companies Act 1967 (the "**Companies Act**"). Directors are required to promptly declare any conflict of interest at a meeting of the Directors or by written notification to the company secretary (the "**Company Secretary**") and they are required to take such action as is necessary to effectively resolve the conflict (for instance recusing themselves by refraining from participating in meetings or discussions (or relevant segments thereof) and by abstaining from voting, on any matter in which they are interested or conflicted).

Board Executive Committee

The Board Exco assists the Board in formulating strategic development initiatives of the Group, provides direction for new investments and material financial and non-financial matters to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value. The Board Exco assists the Board in overseeing the Group's conduct and corporate governance structure and in enhancing business strategies which contribute towards the strengthening of core competencies of the Group. The Board Exco reviews and approves corporate decisions, such as capital investments, and acquisitions, investments and divestments (other than those which are material to the Company requiring Board approval). The Board Exco also reviews and approves or recommends, as appropriate, the succession plans in respect of senior management of the Company.

The Board Exco is made up of the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Vice-Chairman
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

The activities and responsibilities of the other Board Committees are described in the following sections of this report.

Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. Directors attend and actively participate in Board and Board Committee meetings. For FY2023, the Board met five times. A table showing the attendance record of the Directors at meetings of the Board and Board Committees as well as at the general meeting of shareholders during FY2023 is set out on page 72 of this Annual Report.

The Directors are also given direct access to the management team of the Group's business divisions¹ through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

Note:

¹ The Group's business divisions are as follows: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer) and Publishing & Printing.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

The number of Board meetings, Board Committee meetings and general meetings of shareholders held in FY2023 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Sustainability and Risk Management Committee	Remuneration Committee	Nominating Committee	General Meetings
Meetings held for FY2023	5	6	5	3	2	2	1
(Directors as at 30 September 2023)							
Mr Charoen Sirivadhanabhakdi	4/5	-	-	-	-	-	1/1
Mr Ng Tat Pun ¹	5/5	-	5/5	-	2/2	1/2	1/1
Mr Chan Heng Wing	3/5	-	4/5	-	2/2	-	1/1
Ms Suong Dao Nguyen	4/5	-	-	-	-	2/2	1/1
Mr Charles Mak Ming Ying	5/5	-	-	-	-	-	1/1
Dr Sujittra Sombuntham	5/5	-	-	-	-	-	1/1
Mr Koh Poh Tiong	5/5	6/6	-	3/3	-	-	1/1
Mr Thapana Sirivadhanabhakdi	4/5	6/6	-	3/3	2/2	2/2	1/1
Mr Sithichai Chaikriangkrai	5/5	5/6	5/5	3/3	-	-	1/1
Mr Michael Chye Hin Fah (Alternate Director)	-	6/6	-	3/3	-	-	1/1
Mr Prapakon Thongtheppairot (Alternate Director)	-	5/6	-	2/3	-	-	1/1
(Directors who ceased to be on the Board during FY2023)							
Khunying Wanna Sirivadhanabhakdi ²	0/1	-	-	-	-	-	0/1
Tengku Syed Badarudin Jamalullail ³	1/1	-	-	-	-	1/1	1/1
Mr Chotiphat Bijananda ⁴	1/1	-	-	-	-	-	1/1

Notes:

- Mr Ng Tat Pun was appointed as Lead Independent Director and Chairman of the Nominating Committee with effect from 8 January 2023.
- Please refer to the Announcement released on SGXNet dated 17 March 2023 on the late Khunying Wanna Sirivadhanabhakdi's passing and cessation as a Director.
- Tengku Syed Badarudin Jamalullail relinquished his appointment as Lead Independent Director and Chairman of the Nominating Committee at the end of 7 January 2023, and retired from the Board at the conclusion of the Annual General Meeting of the Company held on 18 January 2023.
- Mr Chotiphat Bijananda retired from the Board at the conclusion of the Annual General Meeting of the Company held on 18 January 2023.

Orientation and Training for Directors

The Nominating Committee ("NC") is tasked with reviewing and making recommendations to the Board on matters relating to training and professional development programmes for the Board and its Directors. The NC also has overall oversight to ensure that new Directors understand the Group's business and are aware of their duties and obligations.

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her roles, duties, responsibilities, and obligations as a Director of the Company, including his or her responsibilities as fiduciaries and how to deal with conflicts of interest that may arise. A comprehensive induction and orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to get acquainted with the Chief Executive Officer of the Company as well as the chief executive officers and senior management of each of the Group's business divisions. The orientation programme also facilitates and fosters better rapport and communication with management.

A. BOARD MATTERS (cont'd)

Unless the NC is of the view that training is not required because a Director has other relevant experience, any new Director appointed to the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST.

Our Directors are regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board is also regularly updated on the latest key changes to any applicable legislation and changes to the SGX-ST Listing Manual as well as developments in accounting principles and financial reporting standards, by way of briefings held by the Company's lawyers and auditors. During FY2023, the Directors attended briefings on, among others, (i) updates to the SGX-ST Listing Manual conducted by the Company's lawyers and (ii) sustainability and ESG matters. Pursuant to Listing Rule 720(7) of the SGX-ST Listing Manual, all of the Directors in office as at the end of FY2023 have completed the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2023.

To ensure that Directors have the opportunities to develop their skills and knowledge and to continually improve performance of the Board, all Directors are encouraged by the Company to undergo continual professional development at the Company's expense, during the term of their appointment. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("SID") and to receive updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

Access to Information

The Company recognises the importance of providing the Board with complete, accurate and relevant information on a timely basis. This is to give the Board and Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations. This also allows our Directors to effectively carry out their duties and discharge their oversight function. In particular, management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial statements, management accounts, financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

A calendar of activities is scheduled for the Board a year in advance. The Company recognises that information should be supplied to the Board in a timely manner and as far as possible, Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior management is requested to attend meetings of the Board and the Board Committees in order to provide input and insight into matters being discussed, and to respond to any queries that the Directors may have. Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

The Board also has separate and independent access to the Company's management and the Company Secretary.

The Company Secretary

The Board is supported by the Company Secretary, who is legally trained and familiar with company secretarial practices. The Company Secretary is responsible for administering and executing Board and Board Committee procedures, in compliance with the Company's Constitution and applicable laws. The Company Secretary also provides advice and guidance on relevant rules and regulations, including disclosure requirements under the Securities and Futures Act 2001 (the "SFA"), the Companies Act and the SGX-ST Listing Manual, as well as corporate governance practices and processes.

The Company Secretary attends all Board and Board Committee meetings and reviews the minutes of proceedings.

The Company Secretary also facilitates and acts as a channel of communication to ensure good information flow within the Board and its various Board Committees, as well as between and with senior management. The Directors have separate and independent access to the Company Secretary whose responsibilities include supporting and advising the Board on corporate and administrative matters.

In addition, the Company Secretary solicits and consolidates Directors' feedback and evaluations from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with the SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

Principle 2: Board Composition and Guidance

The Board and Board Committees are of an appropriate size and possess an appropriate balance and mix of skills, experience and knowledge. The Board is diversified in terms of gender, geographical background and experience, skills and experience and age. The Board comprises highly qualified and effective members who are responsible for providing overall entrepreneurial leadership and setting strategic objectives for the long-term success of the Group.

The NC undertakes an annual review of the structure, size and composition of the Board and Board Committees to ensure alignment with the needs of the Group and taking into account the requirements of the Code and the Company's Board Diversity Policy.

Taking into consideration the requirements of the Group's businesses and the need to avoid undue disruptions which may arise from changes to the Board and Board Committees, the NC is of the view that the current size and composition of the Board and Board Committees is appropriate and that the Board comprises Directors who as a group provide an appropriate balance and mix of skills, knowledge and experience, and other aspects of diversity (such as gender and age), so as to avoid groupthink and foster constructive debate. No individual or group dominates the Board's decision-making process.

Details relating to the Board Diversity Policy and progress made towards implementing the Board Diversity Policy, including objectives, are disclosed on pages 76 to 77 of this Annual Report.

Directors' Independence

Provision 2.2 of the Code provides that independent directors should make up a majority of the Board where the Chairman of the Board is not independent while Listing Rule 210(5)(c) of the SGX-ST Listing Manual requires that the independent directors comprise at least one-third of an issuer's board at any time. As at 30 September 2023, the F&N Board, which is chaired by a non-independent Chairman, comprises 9 non-executive Directors, of whom five, constituting a majority of the Board, are independent. The Company's current Board composition therefore meets the independence requirements of the SGX-ST Listing Manual and the Code.

Each of the NC, Remuneration Committee and Audit Committee comprises a majority of and are chaired by independent Directors. Matters requiring the Board's approval are discussed robustly with participation from each member of the Board and decisions are made collectively without any individual or select group of individuals dominating the decision-making process.

Directors are required to take the necessary actions to resolve any conflict of interest they might have, including recusing themselves from meetings or discussions or abstaining from voting on matters in which they are interested or conflicted.

In view of the foregoing, the NC and the Board are of the view that the Board has an appropriate level of independence and diversity of thought through the collective weight of the current composition of Directors on the Board and on the Board Committees, and that the Board procedures and codes of conduct which are already in place are sufficient, to ensure that the Board makes decisions in the best interests of the Company.

Based on the declarations of independence which are submitted by the Directors annually and reviewed by the NC, none of the independent Directors has any relationship with the Company, its related corporations¹, its substantial shareholders² or the officers of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. In particular, none of the independent Directors is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years or has an immediate family³ member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Remuneration Committee of the Company.

Notes:

- 1 The Code states that "**related corporation**" in relation to a company shall have the same meaning as currently defined under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.
- 2 Under the Code, the term "**substantial shareholder**" refers to a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the SFA.
- 3 Under the SGX-ST Listing Manual, the term "**immediate family**" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

A. BOARD MATTERS (cont'd)

The five independent Directors on the F&N Board help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also serves to ensure that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its shareholders.

As at 30 September 2023, none of the independent Directors have served on the Board for an aggregate period of more than nine years. Board renewal is a continuing process, and the appropriate composition of the Board is continually under review. The tenure of each independent Director is monitored so that the process for Board renewal is commenced ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence. To this end the NC is tasked with undertaking the process of reviewing, considering and recommending any changes to the composition of the Board, where appropriate, taking into account the requirements to be met by independent Directors, including having regard to the circumstances set out under Listing Rule 210(5)(d) of the SGX-ST Listing Manual.

BOARD COMPOSITION IN TERMS OF INDEPENDENCE AND TENURE (AS AT 30 SEPTEMBER 2023)



Board Diversity Policy, Targets, Timelines and Progress

The Company embraces diversity and has in place a Board Diversity Policy which sets out the approach which the Company takes towards diversity on its Board. The Board Diversity Policy recognises that a diverse Board would be beneficial to the Company as it would allow for the harnessing of a variety of skills, industry and business experiences, gender, age, ethnicity, cultural, educational and geographical background and other distinguishing qualities of members of the Board. With an appropriately diverse group of Directors, the Board will be able to provide a broader range of perspectives and insights, foster open, frank and constructive debate, so as to avoid groupthink and better identify potential risks, raise challenging questions and improve problem-solving, all in the best interests of the Company.

The Board Diversity Policy also highlights that gender, skills and experience are important aspects of diversity and that the NC will therefore take steps and strive to ensure that these aspects of diversity are achieved on the Board. The NC will monitor and implement the Board Diversity Policy and will take the principles of the policy into consideration when determining optimal composition of the Board, and when recommending any proposed changes to the Board. The policy also provides that the NC will review and assess the structure and composition of the Board and recommend to the Board such adjustments as it may deem necessary in order to complement the Company's objective and strategies.

Although there were no new Board appointments during FY2023, the Company remains committed to implementing the Board Diversity Policy and any progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate. The current Board composition reflects the Company's commitment to Board diversity in terms of gender, geographical background and experience, skills and experience and age.

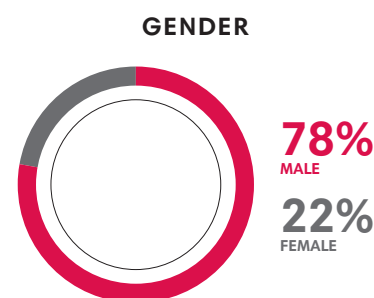
CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

The Company's diversity targets for the Board, its plans and timelines for achieving the targets, and its progress towards achieving the targets, are described below.

Diversity Targets and Timelines	Progress
Gender	
<p>We aim to ensure that at least 30% of the Board is made up of women by 2030, or (if applicable) to maintain such level of gender diversity in the period leading up to 2030.</p> <p>The Company believes in achieving an optimum mix of gender representation on the Board to provide different approaches and perspectives. The push for greater gender diversity would also provide the Company with access to a broader talent pool and improve its capacity for strategic thinking and problem solving.</p>	<p>In Progress – The Company has previously achieved the target of at least 30% female representation on the Board. However, this was subsequently reduced to 22% during the course of FY2023. As at 30 September 2023, 2 out of 9 Directors, or approximately 22% of the Board, are female.</p> <p>The Company is committed to achieving the 30% target for female representation. In particular, the Company's Board Diversity Policy provides, <i>inter alia</i>, that (i) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates; and (ii) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be included for consideration.</p>



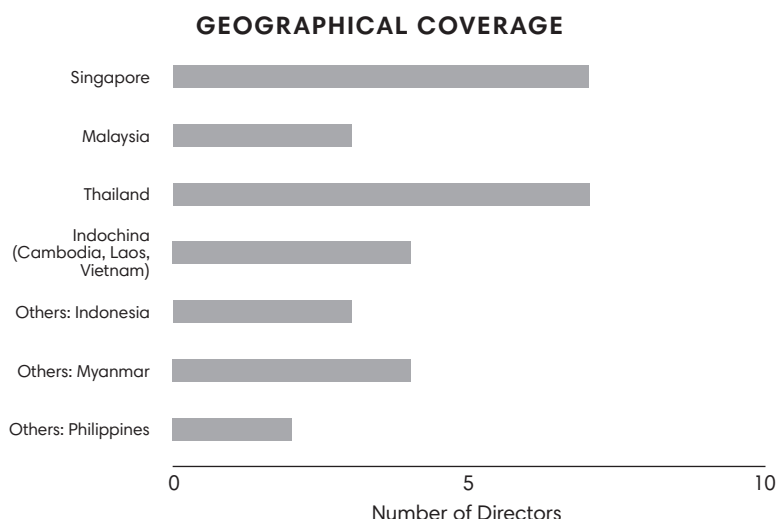
Geographical Background and Experience

We aim to ensure that our Directors, as a group, represent geographically diverse backgrounds and experiences, especially in the markets in which the Group has key operations.

The Company's target is to maintain this level of diversity in geographical background and experience in the period leading up to 30 September 2025.

The Company believes that diversity in geographical background and experience would benefit the Company in effectively navigating challenges and opportunities in various jurisdictions (especially in its key markets). Further, such diversity would enhance Board and Board Committee deliberations via a broader spectrum of perspectives, as well as a deeper understanding of the relevant markets in which the Group operates.

Achieved – As at 30 September 2023, the Board, as a group, consists of Directors with varied geographical backgrounds and experience. In particular, our Directors collectively have backgrounds or significant experience in Singapore, Malaysia, Thailand and Indochina, being the regions in which the Group has key operations.



A. BOARD MATTERS (cont'd)

Diversity Targets and Timelines	Progress
Skills and Experience	

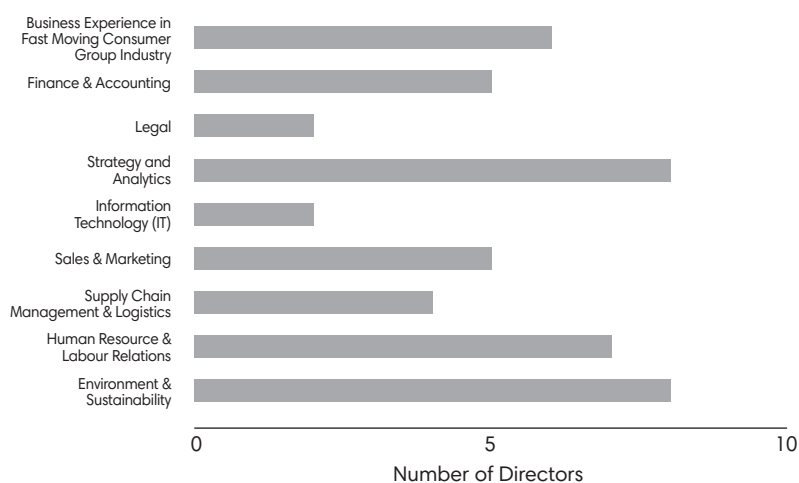
We aim to have Directors who, as a group, possess a variety of qualifications and competencies, including skillsets and/or experience in at least a majority of the identified core competencies of Strategy & Analytics, Fast-Moving Consumer Goods/Food & Beverage Business Experience, Human Resource & Labour Relations, Finance & Accounting, Sales & Marketing, Environment & Sustainability, Supply Chain Management & Logistics, Legal, and Information Technology.

The Company's target is to maintain this level of diversity in skills and experience during the period leading up to 30 September 2025.

The Company believes that diversity in skills and experience would support the work of the Board and Board Committees and the needs of the Company. It would facilitate the effective oversight of management and the Group's businesses and would also help shape the Company's strategic objectives.

Achieved – As at 30 September 2023, the Board comprises Directors who collectively possess all of the identified core competencies of Strategy & Analytics, Fast-Moving Consumer Goods/Food & Beverage Business Experience, Human Resource & Labour Relations, Finance & Accounting, Sales & Marketing, Environment & Sustainability, Supply Chain Management & Logistics, Legal, and Information Technology. There is an appropriate combination of qualifications and competencies.

PROFESSIONAL & INDUSTRY SKILLS



Age

We aim to maintain age diversity by ensuring that the independent Directors on the Board fall within at least 3 out of the 4 age categories below:

- (a) 50 and below;
- (b) 51 to 60;
- (c) 61 to 70; and
- (d) 71 and above.

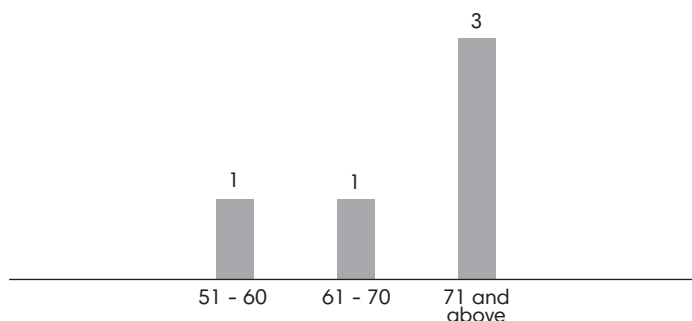
The Company's target is to maintain this level of age diversity amongst independent Directors in the period leading up to 30 September 2025.

The Company believes that age diversity amongst the independent Directors would contribute beneficially to the Board's deliberations and avoid the risk of groupthink, while ensuring the Board's decisions and/or strategies stay relevant as markets evolve.

Achieved – As at 30 September 2023, the ages of the independent Directors on the Board fall within the following 3 age categories: (a) 51 to 60, (b) 61 to 70 and (c) 71 and above, representing diversity in the age ranges of the independent Directors on the Board.

AGE GROUP FOR INDEPENDENT DIRECTORS

(As at 30 September 2023)



CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks as part of its diversity policy to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of gender, geographical background and experience, age, and the competencies of our Directors. In particular, our Board comprises Directors whose competencies range from banking, finance, legal and accounting to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to the Company and its management as decisions by and discussions with the Board are enriched by the broad range of views and perspectives and the breadth of experience of our Directors.

The Board, taking into account the views of the NC, considers that diversity of the Board in terms of, *inter alia*, gender, geographical background and experience, skills and experience and age, will contribute to the quality of its decision-making process and serve the needs and plans of the Group.

Principle 3: Chairman and Chief Executive Officer

The Chairman of the Board (the “**Chairman**”) and the Chief Executive Officer of the Company are separate persons, each carrying out their respective roles as Chairman and Chief Executive Officer of the Company, in alignment with Principle 3 of the Code which calls for a clear division of responsibilities and an appropriate balance of power and authority between the leadership of the Board and management.

The Chairman is non-executive and is not related to the Chief Executive Officer of the Company. There is no business relationship between him and the Chief Executive Officer of the Company.

The division of responsibilities between the Chairman and the Chief Executive Officer of the Company is clearly set out in writing. Having clarity of their respective responsibilities and separating the respective roles avoids concentration of power, ensures a degree of checks and balances, increases accountability and ensures greater capacity of the Board for independent decision making.

The Chairman provides leadership to the Board. He sets the right ethical and behavioural tone and desired organisational culture, and ensures the Board’s effectiveness by, among other things, promoting and maintaining high standards of corporate governance and transparency and steering effective, productive and comprehensive discussions amongst Board members and the management team on strategic, business and other key issues pertinent to the businesses and operations of the Group.

In addition, the Chairman promotes a culture of openness and debate at Board meetings and also sets the agenda for each Board meeting, to take into account issues and concerns of the Directors and management. The Chairman ensures that the Board is properly organised and functions effectively to meet its obligations and responsibilities. This includes ensuring, with the support of the Company Secretary, that Directors are provided with clear, complete and timely information to enable them to make sound, informed decisions.

The Chairman also sees to it that there is effective communication to and with shareholders, financial analysts and the media on critical issues that could significantly affect the reputation and standing of the Company and ensures that there is overall effective communication to and with shareholders on the performance of the Group.

The Chief Executive Officer of the Company provides strategic leadership and manages the Group to ensure that the mission, vision and core values of the Company are put into practice and executed in an effective, focused and sustainable manner. He is also responsible for leading, promoting and conducting the affairs of the Group with the highest standards of integrity, corporate governance and transparency. He leads management, which includes the chief executive officers of each of the Group’s business divisions and reviews and implements the business direction, business plans and processes and the strategies for the Group as approved by the Board. The Chief Executive Officer of the Company works together with the Board to formulate such strategies, plans and processes. The Chief Executive Officer of the Company seeks business opportunities, drives new initiatives and is responsible for the operational performance of the Group as well as building and maintaining strong relationships with stakeholders of the Group. Key initiatives led by the Chief Executive Officer of the Company include (i) leading the Group’s evolution amid changes brought by external factors and building resilient and sustainable business platforms and strengthening the Group’s capabilities; (ii) maintaining the Company’s active capital management discipline and (iii) driving organisation culture and developing the Company’s purpose. The Chief Executive Officer of the Company is also the Chairman of the Sustainability Development Committee (“**SDC**”). The SDC regularly monitors the sustainability priorities and initiatives of the Group and ensures the implementation of such initiatives. The Chief Executive Officer of the Company is accountable to the Board for the conduct and performance of the Group’s business operations.

A. BOARD MATTERS (cont'd)

Lead Independent Director

Tengku Syed Badarudin Jamalullail, Chairman of the NC, was appointed as Lead Independent Director on 7 May 2015 and served as such until the end of 7 January 2023. Mr Ng Tat Pun was appointed as Lead Independent Director of the Company in place of Tengku Syed Badarudin Jamalullail with effect from 8 January 2023. Tengku Syed Badarudin Jamalullail subsequently stepped down from the Board at the conclusion of the Company's Annual General Meeting ("AGM") held on 18 January 2023 (the "2023 AGM").

The Lead Independent Director provides leadership in situations where the Chairman is conflicted, chairs meetings in the absence of Chairman and works with the Chairman in leading the Board.

The Lead Independent Director acts as an additional conduit to the Board for communicating shareholder concerns where the normal channels of communication, such as the Chairman or the Chief Executive Officer of the Company, is inappropriate or inadequate. The Lead Independent Director represents the independent Directors in responding to questions from shareholders that are directed to the independent Directors as a group.

In addition, as disclosed above, the Lead Independent Director can call and lead meetings of the independent Directors and/or other non-executive Directors when necessary and appropriate without the presence of management to provide a forum for the frank exchange of any concerns which may be difficult to raise in management's presence. The Lead Independent Director provides feedback to the Chairman of the Board as appropriate.

Principle 4: Board Membership

Nominating Committee

The Nominating Committee is made up of the following Directors:

Mr Ng Tat Pun ¹	Chairman
Ms Suong Dao Nguyen	Member
Mr Thapana Sirivadhanabhakdi	Member

Note:

¹ Mr Ng Tat Pun was appointed as Chairman of the Nominating Committee with effect from 8 January 2023 after Tengku Syed Badarudin Jamalullail relinquished his appointment as Chairman of the Nominating Committee at the end of 7 January 2023. Tengku Syed Badarudin Jamalullail subsequently stepped down from the Board at the conclusion of 2023 AGM.

A majority of the members of this Board Committee, including its Chairman, are independent and non-executive Directors. The Lead Independent Director, Mr Ng Tat Pun is the Chairman of the NC.

The NC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the NC. The responsibilities of the NC include establishing a formal and transparent process for the appointment and re-appointment of Directors and assessing annually the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors. The NC also reviews the structure, size, composition and independence of the Board and its Board Committees and identifies the balance of skills, qualification, experience and diversity required for the Board to discharge its responsibilities effectively. Apart from the foregoing, the NC also reviews and makes recommendations to the Board on the succession plans for the Directors, the Chairman of the Board and the key management personnel (including the Chief Executive Officer of the Company and the chief executive officers of each of the Group's business divisions) and the NC also reviews and makes recommendations to the Board on training and professional development programmes for the Board and the Directors.

Independence

The NC determines the independence of each Director annually and as and when circumstances require, based on the definitions set out in the SGX-ST Listing Manual and the guidelines of independence set out in the Code and its accompanying Practice Guidance. The NC provides its views to the Board for the Board's consideration.

Directors are expected to disclose any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. In particular, the independent Directors complete an independence declaration form each year which is then reviewed by the NC.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

Based on the declarations of independence of the Directors and having regard to the circumstances set forth in Listing Rule 210(5) (d) of the SGX-ST Listing Manual, Provision 2.1 of the Code and the accompanying Practice Guidance and based on the review and recommendations of the NC, the Board has determined the independence status of each Director holding office as at 30 September 2023 as follows:

Mr Charoen Sirivadhanabhakdi ¹	Non-Independent
Mr Ng Tat Pun	Independent
Mr Chan Heng Wing	Independent
Ms Suong Dao Nguyen	Independent
Mr Charles Mak Ming Ying	Independent
Dr Sujittra Sombuntham	Independent
Mr Koh Poh Tiong ²	Non-Independent
Mr Thapana Sirivadhanabhakdi ³	Non-Independent
Mr Sithichai Chaikriangkrai ⁴	Non-Independent

Notes:

- 1 Mr Charoen Sirivadhanabhakdi is a substantial shareholder of the Company as he is directly or indirectly interested in not less than five percent (5%) of the total voting shares in the Company through his interests in TCC Assets Limited ("TCCA") and Thai Beverage Public Company Limited ("ThaiBev"). As at 30 September 2023, TCCA has a direct interest of 58.96% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.34% interest in the Company.
- 2 Mr Koh Poh Tiong is also an adviser to the Board and has received compensation for provision of services other than Director's fees.
- 3 Mr Thapana Sirivadhanabhakdi, being the son of Mr Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi, is an immediate family member of a substantial shareholder of the Company.
- 4 Mr Sithichai Chaikriangkrai is a Director and Senior Executive Vice-President - Chief Investment Officer of ThaiBev.

Process and Criteria for Appointment of New Directors and Re-Appointment of Existing Directors

The NC also takes the lead in identifying, evaluating and selecting suitable candidates for appointment as Directors. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. The NC also takes into account the Company's strategic priorities and the factors and trends affecting the long-term success of the Company. It also reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates, to ensure that a diverse slate of candidates is presented for the NC's and the Board's consideration. The NC will also take into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities and assess whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company. To facilitate shareholders' and investors' understanding of its nomination process, the Company will also disclose the channels used in the search and nomination process for identifying appropriate candidates and the channel via which the eventual appointee was found, and the criteria used to identify and evaluate the candidates. The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees (including Alternate Directors), and submits its recommendations for approval by the Board, taking into account, among other things, the succession plans for Directors, whether Directors (including those who hold multiple board representations and other principal commitments) are able to and have been able to contribute and devote sufficient time to discharge their responsibilities adequately and identifying the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively.

The process for the selection, appointment and re-appointment of Directors also takes into account the composition and progressive renewal of the Board and Board Committees.

The Company's Constitution provides that at least one-third of its Directors shall retire from office and are subject to re-election at every AGM. All Directors are required to retire from office at least once every three years. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. Newly appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The shareholders approve the appointment or re-appointment of Board members at the AGM.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

A. BOARD MATTERS (cont'd)

Review of Director's Time Commitments

The NC also appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC determines annually whether Directors who hold multiple board representations and other principal commitments are able to and have been devoting sufficient time and attention to carry out their duties and discharge their responsibilities adequately. Details of other directorships (including listed company directorships) and other principal commitments of each of the Directors may be found on pages 20 to 29 of this Annual Report.

Instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have, the NC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, taking into consideration not only the number of other board and principal commitments held by each Director, but also the nature and complexity of such commitments.

In determining whether each Director is able to devote sufficient time to discharge his or her duties as a director of the Company, the NC considers the commitment, conduct and contributions by each Director to and during meetings of the Board and relevant Board Committees (including attendance, meaningful participation, candour and rigorous decision making at such meetings). The personal capabilities of Directors are holistically assessed and taken into account. Having regard to each Director's attendance record and degree of participation at Board and Board Committee meetings during the year, the NC is of the view that each Director has been able to effectively discharge his or her duties as a Director of the Company by being able to participate in meetings, devote sufficient time and attention to the affairs of the Company. The NC is therefore satisfied that during the year, where a Director had a significant number of other company board representations and/or other principal commitments, the Director nevertheless was able to effectively carry out and had been adequately carrying out his or her duties as a Director of the Company.

Alternate Directors

The Board currently has two Alternate Directors, namely Mr Michael Chye Hin Fah who is the Alternate Director to Mr Thapana Sirivadhanabhakdi and Mr Prapakon Thongtheppairot who is the Alternate Director to Mr Sithichai Chaikriangkrai. Mr Michael Chye Hin Fah and Mr Prapakon Thongtheppairot are familiar with the affairs of the Company. The Board has considered the expertise, business and financial backgrounds of Mr Michael Chye Hin Fah and Mr Prapakon Thongtheppairot and is satisfied that they are both appropriately qualified to serve as Alternate Directors.

Key Information regarding Directors

Key information on the Directors is set out on pages 20 to 29 of this Annual Report.

Principle 5: Board Performance

The NC is tasked with making recommendations to the Board on the process and objective performance criteria for evaluation of the performance of the Board as a whole, and of each of the Board Committees separately, and the individual Directors.

The Board, with the recommendation of the NC, has approved the objective performance criteria and implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board Committees separately and the contribution by the Chairman and each individual Director to the effectiveness of the Board.

Each Director is required to complete a Board evaluation questionnaire, a Board Committee evaluation questionnaire and an individual Director self-evaluation questionnaire ("**the Questionnaires**"). The Questionnaires have been designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities of the Group as a whole.

The objective performance criteria covered in the Board evaluation exercise relate to the following key segments: (i) Board composition (balance of skills, experience, independence, knowledge of the Company and diversity); (ii) management of information flow; (iii) Board processes (including Board practices and conduct); (iv) Board's consideration of sustainability and its underlying Environmental, Social and Governance factors; (v) Board strategy and priorities; (vi) Board's value add to strategy and management of the performance of the Company; (vii) development and succession planning of executives; (viii) development and training of Directors; (ix) oversight of risk management and internal controls; and (x) the effectiveness of the Board Committees. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made.

The individual Director self-evaluation questionnaire aims to assess whether each Director is able to contribute effectively to the Board and demonstrate commitment to his or her roles on the Board and relevant Board Committees (if any).

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

The responses to the Questionnaires and feedback from the Directors will be taken into consideration and where appropriate, necessary follow-up actions will be undertaken with a view to improving the overall effectiveness of the Board in fulfilling its role and meeting its responsibilities to shareholders. The Chairman will, where necessary, provide feedback to the Directors with a view to improving Board performance and, where appropriate, propose changes to the composition of the Board.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is able to fulfil his or her roles in contributing to the overall effectiveness of the Board.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

Remuneration Committee ("RC")

The RC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The RC comprises the following members:

Mr Chan Heng Wing	Chairman
Mr Ng Tat Pun	Member
Mr Thapana Sirivadhanabhakdi	Member

The RC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the RC. The role of the RC is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and for fixing the remuneration packages of individual directors and key management personnel.

Remuneration Framework

The RC reviews on an annual basis, the level and mix of remuneration and benefits policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key management personnel of the Group. The remuneration framework is endorsed by the Board.

The RC assists the Board in ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company. In discharging its responsibilities, before making recommendations for endorsement by the Board, the RC considers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, benefits in kind, and termination payments, to ensure that these are fair. The RC performs benchmarking against comparable market data, to ensure that all aspects of remuneration (including termination terms) are competitive. The RC aims to be fair and to avoid rewarding poor performance.

The remuneration framework is tailored to the specific role and circumstances of each Director and key management personnel, to ensure an appropriate remuneration level and mix that recognises the performance potential and responsibilities of these individuals. The RC also aligns the leadership of the Chief Executive Officer of the Company and the chief executive officers of each of the Group's business divisions, through appropriate remuneration and benefits policies and long-term incentives, bearing in mind the Company's strategic objectives and key challenges. Performance targets are also set for the Chief Executive Officer of the Company and the chief executive officers of each of the Group's business divisions. The performance of such individuals is evaluated yearly.

Engagement of External Consultants

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management. Among other things, this helps the Company to stay competitive in its remuneration packages. During FY2023, Mercer (Singapore) Pte Ltd was appointed as remuneration consultant. The Company does not have any relationship with Mercer (Singapore) Pte Ltd which would affect its independence and objectivity.

A. BOARD MATTERS (cont'd)

Principle 7: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors to provide good stewardship of the Company and for key management personnel to successfully manage the Company for the long term. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive the Group's businesses to greater growth, efficiency and profitability. In its deliberation, the RC also takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The Company's compensation framework comprises fixed remuneration, annual variable bonuses and long-term incentives. Annual variable bonuses are linked to achievement of financial and non-financial key performance indicators. The Company also uses indicators such as core values, key performance indicators, performance rating, and potential of the employees (including key management personnel) to link a significant and appropriate proportion of remuneration to corporate and individual performance. Long-term incentive plans are in place and are conditional upon pre-determined performance targets being met. The performance measures and long-term incentive plans serve to motivate and reward employees and align their interests with those of shareholders and other stakeholders, as well as to maximise long-term shareholder value.

Long-Term Incentive Plans

The RC administers the Company's share-based remuneration incentive plans. The F&N Restricted Share Plan 2019 ("**F&N RSP 2019**") was adopted by the Company at the AGM of the Company held on 29 January 2019.

The F&N RSP 2019 replaces the F&N Restriction Share Plan ("**RSP**") and the F&N Performance Share Plan ("**PSP**") which were adopted at an extraordinary general meeting of the Company held on 22 January 2009. Both the RSP and the PSP had a duration of 10 years commencing from the date of adoption on 22 January 2009 and both expired on 21 January 2019. The expiry of the RSP and the PSP on 21 January 2019 did not affect awards granted prior to expiry of these share plans and as at 30 September 2023, all awards under the RSP and PSP have been released. The final awards under the PSP and RSP were released in December 2021 and December 2022, respectively.

As with the RSP and PSP, the F&N RSP 2019 seeks to foster a greater ownership culture within the Group by aligning more directly the interests of key senior management and senior executives with the interest of shareholders, and for such employees to participate and share in the Group's long-term growth and success.

The primary objectives of the F&N RSP 2019 is to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company.

Under the F&N RSP 2019, the Company grants share-based awards ("**Base Awards**") which are conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. The first grant of Base Awards under the F&N RSP 2019 was made on 28 August 2020. The performance period for the F&N RSP 2019 is one year.

For the F&N RSP 2019, the pre-set targets are based on the achievement of specified Total Revenue, Profit Before Interest and Tax, Attributable Profit Before Fair Value Adjustment and Exceptional Items and Return On Capital Employed targets.

The Base Awards under the F&N RSP 2019 represent the right to receive fully paid ordinary shares, their equivalent cash value or a combination thereof free of charge, provided certain prescribed performance and service conditions are met. Such performance conditions are generally performance indicators that are key drivers of business performance, shareholder value creation and aligned to the Group's business objectives. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the relevant performance periods. If the pre-determined targets are exceeded, more shares than the initial Base Awards can be delivered, subject to a maximum percentage of the Base Awards.

The aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the F&N RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

The RC currently does not intend, in any given year, to grant awards under the F&N RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years for the duration of the F&N RSP 2019 and subject to the overall maximum limit of 8%.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

A. BOARD MATTERS (cont'd)

Principle 8: Disclosure on Remuneration

Remuneration of Directors, Chief Executive Officer of the Company and Key Management Personnel

Details of remuneration of the Directors, Chief Executive Officer of the Company and key management personnel, together with a breakdown in percentage terms, are set out below.

Information on remuneration of the Directors of the Company for FY2023 is set out below:

Directors of the Company during the financial year ended 30 September 2023	Remuneration \$	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	- ¹	-	-	-	-
Khunying Wanna Sirivadhanabhakdi ²	- ¹	-	-	-	-
Tengku Syed Badarudin Jamalullail ³	38,820 ⁴	100.0%	0.0%	0.0%	100.0%
Mr Ng Tat Pun	195,559 ⁵	100.0%	0.0%	0.0%	100.0%
Mr Chan Heng Wing	141,000	100.0%	0.0%	0.0%	100.0%
Ms Suong Dao Nguyen	96,000	100.0%	0.0%	0.0%	100.0%
Mr Charles Mak Ming Ying	80,000	100.0%	0.0%	0.0%	100.0%
Dr Sujittra Sombuntham	80,000	100.0%	0.0%	0.0%	100.0%
Mr Koh Poh Tiong	2,000,000 ^{6,7}	8.9%	91.1%	0.0%	100.0%
Mr Chotiphat Bijananda ⁸	23,379	100.0%	0.0%	0.0%	100.0%
Mr Thapana Sirivadhanabhakdi	162,000 ⁷	100.0%	0.0%	0.0%	100.0%
Mr Sithichai Chaikriangkrai	157,000	100.0%	0.0%	0.0%	100.0%
Mr Michael Chye Hin Fah (Alternate Director)	49,000	100.0%	0.0%	0.0%	100.0%
Mr Prapakon Thongtheppairot (Alternate Director)	47,000	100.0%	0.0%	0.0%	100.0%

Notes:

- During FY2023, Mr Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.
- Please refer to the Announcement released on SGXNet dated 17 March 2023 on the late Khunying Wanna Sirivadhanabhakdi's passing and cessation as a Director.
- Tengku Syed Badarudin Jamalullail relinquished his appointment as Lead Independent Director and Chairman of the Nominating Committee at the end of 7 January 2023, and retired from the Board at the conclusion of the Annual General Meeting of the Company held on 18 January 2023.
- Includes the payment of \$5,376 being the basic fee for serving as the Lead Independent Director.
- Mr Ng Tat Pun was appointed the Chairman of the Nominating Committee and Lead Independent Director with effect from 8 January 2023. Includes the payment of \$14,624 being the basic fee for serving as the Lead Independent Director.
- Includes payment of \$1,822,000 being fees for services provided as adviser to the Board.
- The Directors, who are also directors of Times Publishing Limited ("TPL"), have agreed to waive payment of directors' fees due to them from TPL for the year ended 30 September 2023.
- Mr Chotiphat Bijananda retired from the Board at the conclusion of the Annual General Meeting of the Company held on 18 January 2023.

Information on remuneration of the Chief Executive Officer of the Company for FY2023 is set out below:

Chief Executive Officer of the Company as at 30 September 2023	Remuneration \$	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives ¹ %	Total %
Mr Hui Choon Kit	1,053,484	-	68.8%	15.4%	5.0%	-	10.8%	100.0%

Note:

- The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.26 on 20 December 2022.

B. REMUNERATION MATTERS (cont'd)

Information on the remuneration of the top five key management personnel of the Group for FY2023 is set out below:

Key Management Personnel of the Group as at 30 September 2023	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives ¹ %	Total %
Between \$1,250,000 to \$1,499,999							
Mr Lim Yew Hoe	-	47.4%	16.0%	29.1%	-	7.5%	100.0%
Between \$1,000,000 to \$1,249,999							
Mr Koh Tai Hong	-	43.8%	19.0%	27.8%	-	9.4%	100.0%
Between \$500,000 to \$749,999							
Ms See Kwan Kit Jennifer	-	70.0%	10.3%	6.6%	-	13.1%	100.0%
Mr Siew Peng Yim	-	73.4%	13.6%	7.8%	-	5.2%	100.0%
Mr Leong Chi How Christopher	-	61.7%	18.8%	6.4%	-	13.1%	100.0%
Aggregate of total remuneration for top five key management personnel (excluding Chief Executive Officer of the Company):						\$ 4,289,343	

Note:

¹ The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.26 on 20 December 2022.

No termination, retirement and post-employment benefits were granted to Directors, the Chief Executive Officer of the Company and the above-mentioned key management personnel.

There are no employees within the Group who are substantial shareholders of the Company or are immediate family members of a Director, the Chief Executive Officer of the Company or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year.

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year is as set out below. The Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2022.

	Basic Fee (\$)	Attendance Fee (\$)
Board		
- Chairman	150,000	2,000
- Member	75,000	1,000
- Lead Independent Director	20,000	-
Audit Committee and Board Exco		
- Chairman	50,000	2,000
- Member	25,000	1,000
NC, RC and SRMC		
- Chairman	30,000	2,000
- Member	15,000	1,000

Shareholders' approval will be sought at the 125th AGM of the Company on 24 January 2024 (the "2024 AGM"), for the payment of Directors' fees proposed for the financial year ending 30 September 2024 up to \$2,000,000, the same amount for which approval was sought and obtained at the 2023 AGM of the Company.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risks and for ensuring that management maintains a sound system of risk management and internal controls with a view to safeguarding the Company's assets and shareholders' interests.

Accountability

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS (I)**") prescribed by the Accounting Standards Council. The Board is responsible for presenting a balanced and understandable assessment of the Group's performance, position and prospects and the Board provides shareholders with financial statements and business updates in compliance with the requirements under the SGX-ST Listing Manual.

The Company releases its financial results through announcements, press releases and presentation packs on SGXNet. The Company announces its financial statements on a half-yearly basis. During the year, the Company also provided voluntary business updates for the first and third quarter performance of the Group and by way of these updates the Company kept the investing public informed of material developments concerning the Group during the relevant periods.

In communicating and disseminating its results, the Company aims to present a balanced and clear assessment of the Group's performance, position and prospects.

In order to enable the Board to obtain adequate and timely information, management provides the Board Exco with management accounts at every Board Exco meeting. Minutes of Board Exco meetings are circulated to the Board. Such updates keep the Board members informed of the Company's and the Group's performance, position and prospects.

Sustainability and Risk Management Committee and Audit Committee

During the year, the Board, through the Audit Committee ("**AC**") and the Sustainability and Risk Management Committee ("**SRMC**"), reviewed the adequacy and effectiveness of the Company's internal controls and risk management systems.

Internal Controls

The AC, with the assistance of internal and external auditors and taking into consideration the review and/or assessment by the SRMC of any issues arising in respect of internal controls and risk management, reviews and reports to the Board on the adequacy and effectiveness of the Company's system of internal controls (including financial, operational, compliance and information technology controls) established by management. In assessing the adequacy and effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The importance and emphasis placed by the Group on internal controls is underpinned by the fact that the key performance indicators for management's performance takes into account the findings of both internal and external auditors and the number of unresolved or outstanding issues raised in the process.

Risk Management Systems

The SRMC reviews and reports to the AC and the Board on the adequacy and effectiveness of the Group's risk management framework to ensure that robust risk management and internal controls systems are in place.

The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. An outline of the Group's ERM framework and progress report is set out on pages 66 to 68 of this Annual Report.

Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures, including regulatory and sustainability risk exposure. Key business risks are thoroughly assessed by management and each significant transaction is comprehensively analysed so that management understands the risks involved before it is embarked upon.

The SRMC is responsible for, among other things, reviewing the Group's ERM framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. Together with the AC, the SRMC helps to ensure that management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group. The SRMC provides guidance to management, and renders assistance to the Board to oversee the ERM framework and for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives and value creation.

C. ACCOUNTABILITY AND AUDIT (cont'd)

The SRMC also assists the Board in carrying out its responsibility to oversee the Company's risk management framework and policies, determine environmental, social and governance factors ("**ESG Factors**") identified as material to the business, monitoring and managing of ESG Factors and overseeing standards, management processes and strategies to implement sustainability practices which are in compliance with the SGX-ST Listing Manual. The SRMC is also tasked with assessing the Group's material sustainability issues in relation to ESG Factors, as well as climate-related physical and transition risks, in line with recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and/or such other applicable recommendations, regulations, standards, policies and guidelines.

The meetings of the SRMC serve as a forum to review and discuss material risks and exposures for the Company and the Group and the strategies to mitigate risks. The meetings of the SRMC are attended by various representatives from management including senior management from the Company's business divisions and members of the SDC. As disclosed above, the SDC is chaired by the Chief Executive Officer of the Company and its members include the chief executive officers of each of the Group's business divisions and senior management across various functions. The SDC supports the SRMC by monitoring and gathering data on the Group's sustainability priorities and initiatives with a view to regularly reporting on the progress of sustainability and climate-related strategies, projects and goals.

Periodic updates are provided by senior management of the Company's business divisions to the SRMC on the Group's risk profile, and on the status of key enterprise risk management and business continuity initiatives. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by management to manage key risks. Risk tolerance statements, which set out the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives, are monitored and reported to the SRMC.

The SRMC comprises the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

To assist the Company in ascertaining the adequacy and effectiveness of the Group's internal controls and risk management systems, management implements a control self-assessment exercise. Management also maps out key risks with the existing assurance processes in a comfort matrix every year. Using a comfort matrix of key risks, the material financial, operational, compliance and information technology risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place.

The Board has received relevant assurances from:

(a) Financial Records and Financial Statements

the Chief Executive Officer of the Company, the Senior Director, Group Finance of the Company (the "**Senior Director, Group Finance**"), the chief executive officers of each of the Group's business divisions, the chief financial officers or financial controllers of each of the Group's business divisions ("**Heads of Finance**") that, as at 30 September 2023, the financial records of the Group have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances;

(b) System of Internal Controls

the Chief Executive Officer of the Company, the Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, that, as at 30 September 2023, the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations;

(c) Risk Management Systems

the Chief Executive Officer of the Company, the Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, that, as at 30 September 2023, the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

C. ACCOUNTABILITY AND AUDIT (cont'd)

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and the various Board Committees and the assurance from the Chief Executive Officer of the Company, the Senior Director, Group Finance and the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, the Board is of the view that, as at 30 September 2023, the Group's internal controls were adequate and effective to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the ERM framework adopted by the Company, reviews performed by management and the SRMC and assurance from the Chief Executive Officer of the Company, the Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, the Board is of the view that, as at 30 September 2023, the Group's risk management system was adequate and effective to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The AC concurs with the Board's view that as at 30 September 2023, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the Group considers relevant and material to its operations.

Principle 10: Audit Committee

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the financial reporting system, audit of internal controls systems and processes, risk management and financial practices of the Company and the Group. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board which clearly sets out its authority and duties. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (i) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (ii) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following three members:

Mr Ng Tat Pun	Chairman
Mr Chan Heng Wing	Member
Mr Sithichai Chaikriangkrai	Member

The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The members of the AC, including its Chairman are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. Their collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently.

The AC has reasonable resources to enable it to discharge its functions effectively. None of the members of the AC were previous partners or directors of the Company's auditor, KPMG LLP ("KPMG"), and none of the members of the AC hold any financial interest in KPMG.

During the year, the key activities of the AC included the following:

- Reviewing the financial statements and related SGXNet announcements, including the external auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS (I). In the review of the financial statements, the significant matters referred to in Table A below were reviewed by the AC and discussed with management and external auditors.
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope.
- Recommending, for the approval of the Board, the financial results and related SGXNet announcements.

C. ACCOUNTABILITY AND AUDIT (cont'd)

- Reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.
- Assessing the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors, using, as a basis, the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority of Singapore.
- Reviewing the assurance from the Chief Executive Officer of the Company, the Company's Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions and Heads of Finance of each of the Group's significant business divisions on the financial records and financial statements.
- Reviewing with internal and external auditors, the scope and results of the audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures.
- Reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls and together with SRMC, risk management systems.
- Reviewing the whistle-blowing policy and any whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

Table A

Significant matters	How the AC reviewed these matters
Impairment of fixed assets and investment in subsidiaries	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of fixed assets and investment in subsidiaries.</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of fixed assets and investment in subsidiaries were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for FY2023.</p>
Impairment of goodwill and intangible assets (including brands)	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of goodwill and intangible assets (including brands).</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of goodwill and intangible assets (including brands) were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for FY2023.</p>
Purchase price allocation ("PPA") arising from acquisition of Cocoaland Holdings Berhad ("Cocoaland")	<p>The AC considered the approach and methodology used by management in determining the fair values of the identifiable assets acquired, and liabilities assumed, including the identification of intangible assets arising from the acquisition of Cocoaland.</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>The PPA arising from the acquisition of Cocoaland was also an area of focus for the external auditors who have included this item as a key audit matter in their audit report for FY2023.</p>

The AC also meets with internal audit and KPMG in each case, without the presence of management at least once a year, to obtain feedback on the competency and adequacy of the finance function, to review the assistance given by the Company's management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. In addition, updates (if any) on changes in accounting standards and treatment are prepared by KPMG and circulated to members of the AC.

The AC reviews and approves the remuneration and terms of engagement of KPMG. The AC also makes recommendations to the Board regarding the appointment, re-appointment and removal of the Company's external auditor. Upon the Board's approval, the relevant recommendations are tabled for approval by shareholders.

During the year, the AC conducted a review of the adequacy, effectiveness, scope and results of audit by KPMG, and their cost effectiveness, as well as the independence and objectivity of KPMG. It also reviewed all non-audit services provided by KPMG, and the aggregate amount of audit fees paid/payable to them. For details of fees paid/payable to KPMG in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 139 of this Annual Report. The AC is satisfied that neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. The AC is also satisfied with the aggregate amount of audit fees paid to KPMG. Accordingly, the AC has recommended the re-appointment of KPMG at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and evaluated a variety of factors including the audit engagement partner to be assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit and the size and complexity of the Group, its business and operations.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

C. ACCOUNTABILITY AND AUDIT (cont'd)

The Company has complied with Listing Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company has also complied with Listing Rule 715 of the SGX-ST Listing Manual which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy. This Whistle-Blowing Policy provides an independent feedback channel through which matters of concern about any possible improprieties, misconduct or wrongdoing relating to F&N in matters of financial reporting or other matters may be raised by staff and any other person in confidence and in good faith, without fear of reprisal. F&N will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith. Details of this Whistle-Blowing Policy and the procedures for raising concerns have been disseminated and made available to all employees. This Whistle-Blowing Policy is also available on the Company's website. The improprieties that are reportable under the Whistle-Blowing Policy include:

- (a) financial or professional misconduct;
- (b) improper conduct, dishonest, fraudulent or unethical behaviour;
- (c) any irregularity or non-compliance with laws/regulations, or the Company's procedures, policies and codes of conduct including but not limited to those relating to financial reporting, accounting, audit and/or internal controls;
- (d) violence at the workplace, or any conduct that may threaten health and safety;
- (e) conflicts of interest without proper disclosure;
- (f) corruption or bribery;
- (g) mismanagement of the Company's resources;
- (h) conduct that may cause loss (whether financial or otherwise) to the Company;
- (i) sexual harassment; and
- (j) any other improprieties or matters that may adversely affect shareholders' interests in, and assets of, the Company and its reputation.

All whistle-blowing complaints are independently investigated and appropriate actions will be taken. In particular, if it is determined that the complaint or report falls within the scope of the Whistle-Blowing Policy, the AC may delegate the task of investigation to a senior member of management whom it considers to have sufficient independence and objectivity to oversee the investigation, and/or an independent third party. The AC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out (including reporting to the Board of any significant matters raised through the whistle-blowing channel).

Internal Audit

The Internal Audit ("IA") Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group's system of internal controls. The Head of IA, who is a Chartered Accountant of Singapore, reports directly to the AC. Under its Terms of Reference, the AC has the authority to approve the hiring, removal, evaluation and compensation of the Head of IA.

The Head of IA is an appointed member of the Board of Governors of the Institute of Internal Auditors, Singapore. The IA Department has adopted and complied with the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the IA Department also attend relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies. All senior internal audit staff are required to enrol as members of the Institute of Internal Auditors, Singapore or the Information Systems Audit and Control Association, upon confirmation of their employment.

The IA Department operates within the framework stated in its Internal Audit Charter, which is approved annually by the AC. The IA Department has unfettered access to all the Company's documents, records, properties and personnel including access to the AC. The IA Department adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

C. ACCOUNTABILITY AND AUDIT (cont'd)

During the year, the IA Department conducted its audit reviews based on the internal audit plan approved by the AC. At each quarterly meeting with the AC, the Head of IA presents on the status of the internal audit plan and proposes adjustments to the plan with a view to enhancing agility and relevance of audits performed. All audit reports detailing audit findings and recommendations are provided to management who would respond on the actions to be taken. The audit reports are also circulated to the AC and the external auditors. Each quarter, the IA Department also presents to the AC, a summary of the key audit findings and actions taken by management on such findings, including tracking of implementation of audit recommendations for past audit reports to ensure proper closure of agreed action plans by management. The AC monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by management.

The IA Department also conducts an internal review of the Group's sustainability reporting process. Such review is conducted based on the internal audit plan approved by the AC. With a view to ensuring reliability, data accuracy and data integrity in the Company's sustainability reporting process, the internal review of the sustainability reporting process focuses on the design of internal controls and compliance by each auditable entity, with relevant laws, policies and procedures.

The IA Department has a Quality Assurance and Improvement Programme ("QAIP") in place to ensure that its audit activities conform to the IIA Standards. An external Quality Assurance Review ("QAR") is carried out at least once every five years by qualified professionals from an external consulting firm to be approved by the AC and, under the QAIP, an internal self-assessment QAR is conducted once every two years. Based on the external QAR that was carried out by Ernst & Young Advisory Pte Ltd ("EY") during the financial year ended 30 September 2023, the internal audit function has been rated to have conformed with the IIA Standards. Based on the benchmarking exercise conducted by EY, the IA Department has been assessed to be a "Progressive" function when benchmarked against leading internal audit functions globally and across sectors.

The AC is satisfied that the internal audit function is independent and effective and that the IA Department has adequate resources and appropriate standing within the Company to perform its function effectively.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company believes in treating all shareholders fairly and equitably. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares or are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell its shares, in a timely and consistent manner.

Conduct of Shareholder Meetings

The Board supports and encourages active shareholder participation at AGMs as it believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them. Shareholders of F&N are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings.

A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("Letter to Shareholders"), in line with the Group's sustainability strategy, these documents are made available for download from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request.

At general meetings, the Company sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications for doing in the notice calling for the general meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior management are present at each shareholders' meeting to respond to questions from shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies. The Company's independent auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

For greater transparency, F&N has implemented electronic poll at its AGMs. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced on SGXNet after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. F&N's Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). F&N will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate absentia voting, and prevention measures against errors, fraud and other related security and integrity issues. In line with Principle 11 of the Code, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as shareholders are able to appoint proxies to vote on their behalf at general meetings through proxy forms sent in advance.

F&N publishes minutes of general meetings of shareholders on its corporate website and on SGXNet as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management, which are addressed at the AGM.

2023 AGM

With the improving COVID-19 situation in Singapore, the 2023 AGM was held in a wholly physical format pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Ministerial Order**"). There was no option for shareholders to participate virtually. Shareholders were also given the opportunity to submit written questions prior to the 2023 AGM, and all substantial and relevant comments and queries were responded to within a reasonable timeframe, prior to the 2023 AGM, through publication on SGXNet and the Company's corporate website.

2024 AGM

The Ministerial Order ceased on 1 July 2023. Pursuant to recent legislative amendments (with effect from 1 July 2023) to the Companies Act, as read with Listing Rule 730A of the SGX-ST Listing Manual and recent practice guidance amendment by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology. Continuing from the 2023 AGM, the 2024 AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Shareholders will also be given the opportunity to submit written questions prior to the 2024 AGM, and all substantial and relevant comments and queries will be responded to within a reasonable timeframe, prior to the 2024 AGM, through publication on SGXNet and the Company's corporate website.

Principle 12: Engagement with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N is committed to providing fair, relevant, comprehensive and timely information regarding the Group's performance and progress to shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating communications between the Company and its shareholders, as well as with the investment community. F&N has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The IR team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements released on SGXNet. The team conducts roadshows (together with senior management), and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance. During the year, the IR team engaged with Singapore and foreign investors at one-on-one and group meetings both in-person and virtually. The aim of such engagements is to provide shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance and to solicit and understand the views of such shareholders and investors.

The Company makes available all its briefing materials to analysts and the media. In line with F&N's investor relations policy, such information, financial information, annual reports and all announcements of the Company are made available on SGXNet and on the Company's website at <https://www.fraserandneave.com>, with contact details for investors to channel their comments and queries.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of this Annual Report on page 64.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

In determining dividends, the Board balances the need for a satisfactory return to shareholders against the Company's investment requirement to ensure sustainable growth in the future. Over the years, the Board has maintained a track record of generous shareholder distributions. As a matter of policy, the Board remains committed to paying approximately fifty percent (50%) of Group Attributable Profit Before Fair Value Adjustment and Exceptional Items.

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Stakeholder Engagement

The Company strives to build and maintain strong relationships based on trust and respect with all stakeholders including the investment community, employees, distributors and trade customers, consumers, suppliers, regulators and the broader community. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company also maintains a corporate website to communicate and engage with stakeholders.

Sustainability

In order to facilitate the Company's planning and strategy for sustainable value creation, the Company proactively reviews global initiatives and frameworks, identifies external trends and conducts peer benchmarking. The Company also engages with various key stakeholders, including employees, suppliers, customers and the investment community to gather feedback on the sustainability issues most important to them. Information and responses received from key stakeholders are then used by the Company to identify and prioritise material ESG Factors and develop a materiality matrix that guides the development of the Company's strategy and key areas of focus for the year under review.

The Company's Sustainability Report 2023 sets out information on the Company's sustainability strategy taking reference from the Global Reporting Initiative (GRI) Universal Standards 2021. The seven core areas of the Company's sustainability framework include (i) Responsible Business Practice, (ii) Responsible Product Stewardship, (iii) Responsible Supply Chain, (iv) Creating Value for Society, (v) Empower our People, (vi) Operational Eco-Efficiency and (vii) Value Chain Impacts. Following the requirements of the SGX-ST Listing Manual on climate reporting, the Company's Sustainability Report 2023 also provides quantitative climate related disclosures on key material physical and transition risks which are consistent with the recommendations of the TCFD.

Please refer to the Company's Sustainability Report 2023 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

Code of Business Conduct

The Company has adopted a Code of Business Conduct, with the key objectives of providing clear guidelines on ethics and relationships, in order to safeguard the reputation and interests of the Group and stakeholders of the Company. The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, dealings with government officials, the maintenance of records and reports, equal employment opportunities and sexual harassment.

The Code of Business Conduct governs the conduct of employees and is disseminated and distributed to all employees for compliance, and where applicable, is made available to other stakeholders of the Group such as suppliers, business associates and customers. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

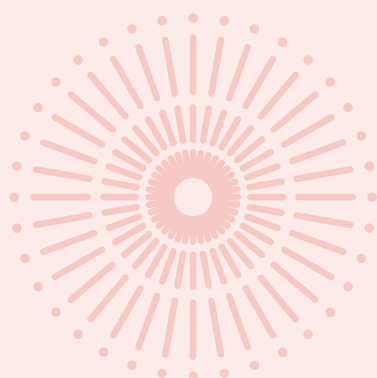
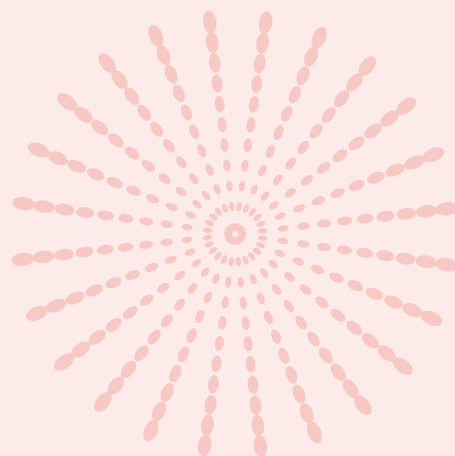
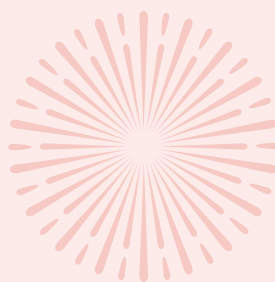
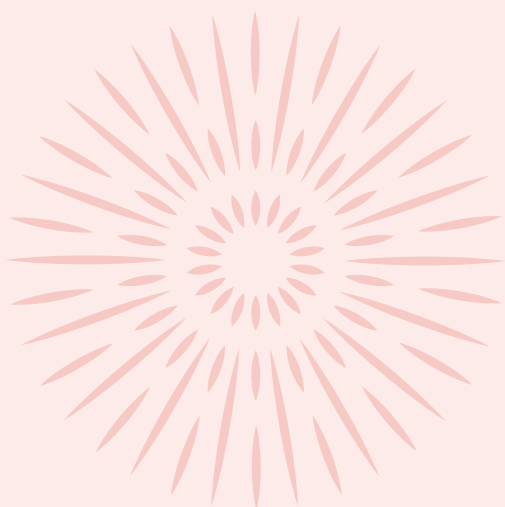
Dealings in Securities

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations.

In compliance with the best practices in Listing Rule 1.207(19) of the SGX-ST Listing Manual, the Group issues reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing one month before the announcement of the Group's half-year and full-year financial statements, and ending on the date of such announcements. Similar reminders are also sent to Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing two weeks before the announcement of the Group's voluntary business updates for the first and third quarters of each financial year, and ending on the date of such announcements.

Apart from the foregoing, Directors, officers and relevant employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price or trade sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

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DIRECTORS' STATEMENT

The directors have pleasure in presenting their statement together with the audited financial statements of Fraser and Neave, Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2023.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Charoen Sirivadhanabhakdi (Chairman)
 Mr Ng Tat Pun
 Mr Chan Heng Wing
 Ms Suong Dao Nguyen
 Mr Charles Mak Ming Ying
 Dr Sujittra Sombuntham
 Mr Koh Poh Tiong
 Mr Thapana Sirivadhanabhakdi
 Mr Sithichai Chaikriangkrai
 Mr Michael Chye Hin Fah (Alternate Director to Mr Thapana Sirivadhanabhakdi)
 Mr Prapakon Thongtheppairot (Alternate Director to Mr Sithichai Chaikriangkrai)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during, the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act 1967, interest in the shares in, or debentures of, the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Direct Interest		Deemed Interest ⁽¹⁾	
	As at 1 Oct 2022 or a later date of appointment as Director	As at 30 Sep 2023	As at 1 Oct 2022 or a later date of appointment as Director	As at 30 Sep 2023
Charoen Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884	1,270,503,884⁽²⁾
Fraser's Property Limited				
• Ordinary Shares	-	-	3,411,180,640	3,411,180,640⁽³⁾
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	203,470,910⁽⁴⁾
TCC Assets Limited				
• Ordinary Shares	25,000	25,000	-	-

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

Name of Director	Direct Interest		Deemed Interest ⁽¹⁾	
	As at 1 Oct 2022 or a later date of appointment as Director	As at 30 Sep 2023	As at 1 Oct 2022 or a later date of appointment as Director	As at 30 Sep 2023
Chan Heng Wing				
Frasers Property Treasury Pte. Ltd.				
• S\$300M 4.38% p.a. Subordinated Perpetual Securities (Series 003)	-	-	S\$250,000	S\$250,000
Koh Poh Tiong				
Fraser and Neave, Limited				
• Ordinary Shares	251,315	-	-	251,315
Frasers Property Limited				
• Ordinary Shares	528,354	-	-	528,354
Thapana Sirivadhanabhakdi				
Frasers Property Limited				
• Ordinary Shares	-	-	70,000,000	70,000,000⁽⁵⁾

⁽¹⁾ Deemed interests refer to interests determined pursuant to Section 4 of the Securities and Futures Act 2001.

⁽²⁾ Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi owns 50.00% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares in the Company in which TCCA has an interest. Both the Company and Frasers Property Limited ("FPL") are direct subsidiaries of TCCA.

Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi also jointly hold a 100% direct interest in Shiny Treasure Holdings Limited ("Shiny Treasure") and a 51.00% direct interest in Siriwana Co., Ltd ("Siriwana"). Shiny Treasure holds a 49.00% direct interest in Siriwana, which in turn, holds a direct interest of approximately 45.25% in Thai Beverage Public Company Limited ("ThaiBev", and its shares, "ThaiBev Shares"). Siriwana is also deemed to have an interest in the ThaiBev Shares held by its wholly-owned subsidiary, Siriwanan Co., Ltd. ("Siriwanan"). Siriwanan has a direct interest of approximately 8.76% in ThaiBev Shares, and through a sale and purchase agreement it had entered into on 18 October 2023, which is pending completion as at the date of this statement, will increase its interest in ThaiBev Shares from 8.76% to approximately 11.54%; and Siriwana's interest in ThaiBev Shares, direct and indirect through Siriwanan, will increase from 54.00% to 56.79%.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turn holds a 100% direct interest in InterBev Investment Limited ("IBIL"). Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all the shares in the Company in which IBIL has an interest.

⁽³⁾ As at 30 September 2023,

- TCCA holds 2,281,139,368 shares in FPL; and
- IBIL holds 1,130,041,272 shares in FPL.

Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares in FPL in which TCCA and IBIL have an interest.

⁽⁴⁾ As at 30 September 2023, the Company holds 203,470,910 shares in Fraser & Neave Holdings Bhd ("F&NHB").

Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares in F&NHB in which the Company has an interest.

⁽⁵⁾ As at 30 September 2023, TCC Group Investments Limited ("TCCGI") (which is equally held by Atinant Bijananda, Thapana Sirivadhanabhakdi, Wallapa Traisorat, Thapanee Techajareonvikul and Panote Sirivadhanabhakdi) held 70,000,000 shares in FPL through a nominee account.

Thapana Sirivadhanabhakdi, through his 20.0% shareholding in TCCGI, is also deemed to be interested in TCCGI's FPL Shares.

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

- (b) There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2023.
- (c) By virtue of Section 4 of the Securities and Futures Act 2001, each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is deemed to have interests in the shares of the subsidiaries held by the Company and in the shares of the subsidiaries held by FPL.
- (d) Except as disclosed in this statement, no director who held office at the end of the financial year had any interest in shares in, or debentures of, the Company, or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. SHARE PLANS

(a) F&N Restricted Share Plan 2019 ("F&N RSP 2019")

The Remuneration Committee ("RC") administers the Company's share-based remuneration incentive plans (the "Share Plans"). The F&N RSP 2019 was adopted by the Company at its Annual General Meeting held on 29 January 2019. The F&N RSP 2019 replaces the F&N Restricted Share Plan ("RSP") and the F&N Performance Share Plan ("PSP") which were adopted at an extraordinary general meeting of F&NL held on 22 January 2009. Both the RSP and the PSP had a duration of 10 years commencing from the date of adoption on 22 January 2009, and the RSP and PSP expired on 21 January 2019. The expiry of the RSP and the PSP did not affect awards granted prior to their expiry. All pending awards under the PSP have been released during Financial Year 2021/2022, and the final award under the RSP was released in December 2022.

Share Grants under the Share Plans

Under the Share Plans, the Company grants a base number of conditional share-based awards (the "Base Awards") to eligible participants annually. The Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods. The RC, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020. The performance periods for the RSP and the F&N RSP 2019 are two years and one year respectively.

Depending on the level of achievement of the pre-determined targets over the performance period for the Share Plans, an achievement factor will be applied to the relevant Base Awards to determine the final number of shares to be awarded at the end of the performance period. The achievement factor ranges from 0% to 150% for the RSP and the F&N RSP 2019. Accordingly, the actual number of shares to be awarded pursuant to the RSP and the F&N RSP 2019 will range from 0% to 150% of the Base Awards (the "Final Awards").

In respect of the RSP, the first tranche at 50% of the relevant Final Awards will be vested to participants after the end of the two-year performance period and followed by the balance which will be vested in equal instalments over the next two years. In respect of the F&N RSP 2019, Final Awards will be vested in three equal instalments over three years after the end of the one-year performance period.

During the financial year:

- No awards have been granted to controlling shareholders or their associates, or parent group directors or employees under the F&N RSP 2019.
- No awards have been granted to directors of the Company under the F&N RSP 2019.
- No participant has received 5% or more of the total number of shares available/delivered pursuant to grants under the F&N RSP 2019.

DIRECTORS' STATEMENT

4. SHARE PLANS (cont'd)

(a) F&N Restricted Share Plan 2019 ("F&N RSP 2019") (cont'd)

Share Grants under the Share Plans (cont'd)

The first grant of awards under the RSP was made in December 2009 for Financial Year 2009/2010 and the F&N RSP 2019 was made in August 2020 for Financial Year 2019/2020. The details of the shares awarded under the Share Plans in aggregate are as follows:

(i) RSP

Shares	Grant Date	Balance as at 1.10.2022	Lapsed	Vested	Balance as at 30.09.2023
Year 10	21.12.2018	408,400	(1,025)*	(407,375)	-

(ii) F&N RSP 2019

Shares	Grant Date	Balance as at 1.10.2022 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.09.2023
Year 1	28.08.2020	381,972	(934)	-	(381,038)	-
Year 2	10.02.2021	1,102,731	(38,433)	-	(551,368)	512,930
Year 3	18.04.2022	1,826,500	(68,600)	(602,100)	(408,664)	747,136
Year 4	20.12.2022	2,028,750	(123,500)	-	-	1,905,250
		5,339,953	(231,467)*	(602,100)	(1,341,070)	3,165,316

* Lapsed due to cessation of employment.

(b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP" #, and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021")

The F&NHB SGP were approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 20 December 2011 and subsequently approved by the shareholders of F&NHB at its Extraordinary General Meeting ("EGM") held on 13 January 2012. The F&NHB SGP has expired on 14 March 2022. Prior to the expiry of the F&NHB SGP, F&NHB had introduced the F&NHB SGP 2021 which was approved by its shareholders at an EGM held on 19 January 2021 and implemented on 11 February 2021. The F&NHB SGP 2021 is valid for 10 years from 11 February 2021 to 10 February 2031. The expiry of the F&NHB SGP did not affect awards of F&NHB shares granted prior to its expiry and which were capable of being vested prior and up to 14 March 2022.

No grants were made under the F&NHB PSP.

Under the F&NHB SGP and the F&NHB SGP 2021, F&NHB grants a base number of conditional awards of F&NHB shares (the "F&NHB Base Awards") to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid shares of F&NHB, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee of F&NHB (the "F&NHB RemCo"), as administrator of the F&NHB SGP and the F&NHB SGP 2021, has absolute discretion in granting the F&NHB Base Awards and determining the performance period and the vesting period. The F&NHB RemCo has determined the performance period for the F&NHB RSP to be two years, and for the F&NHB RSP 2021 (for awards from Year 11 onwards) to be one year.

DIRECTORS' STATEMENT

4. SHARE PLANS (cont'd)

(b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP", and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021") (cont'd)

Depending on the level of achievement of the pre-determined targets, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of F&NHB shares to be awarded at the end of the relevant performance period (the "F&NHB Final Awards"). The achievement factor ranges from 0% to 150%. Accordingly, the actual number of F&NHB shares to be awarded could range from 0% to 150% of the initial grant of awards under the F&NHB RSP and the F&NHB SGP 2021.

In respect of the F&NHB RSP, the first tranche of F&NHB shares (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the next two years. In respect of the F&NHB RSP 2021, for awards from Year 11 onwards, the F&NHB Final Awards will be vested to participants in equal instalments over the next three years after the end of the one-year performance period.

The award for Year 10 of the F&NHB RSP was deferred from December 2020 originally, to 15 February 2021 (i.e. after the F&NHB SGP 2021 was approved and implemented). Therefore, the F&NHB RemCo determined that Year 10 of the F&NHB RSP would be issued under the F&NHB SGP 2021. This was because the two-year performance period for the Year 10 F&NHB RSP would traverse the expiry of the F&NHB SGP, and no F&NHB shares can be released after said performance period as they would be deemed cancelled.

The directors of F&NHB do not participate in the F&NHB SGP and the F&NHB SGP 2021.

The details of the F&NHB shares awarded under the F&NHB RSP and the F&NHB RSP 2021 are as follows:

Shares	Grant Date	Balance as at 1.10.2022 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.09.2023
F&NHB RSP						
Year 8*	21.12.2018	29,650	-	-	(29,650)	-
Year 9*	23.12.2019	88,450	(2,825)	-	(44,225)	41,400
F&NHB SGP 2021						
Year 10**	15.02.2021	288,000	(5,350)	(8,500)	(139,750)	134,400
Year 11	16.02.2022	415,600	(19,899)	102,100	(170,841)	326,960
Year 12	31.03.2023	481,700	(13,500)	-	-	468,200
		1,303,400	(41,574)^	93,600	(384,466)	970,960

* Under the original vesting schedules for these awards of F&NHB shares, the final tranche under Year 8 F&NHB RSP, and the second and final tranches under Year 9 F&NHB RSP, would be released after the 14 March 2022 expiry of the F&NHB SGP and thus were deemed cancelled. In December 2021, F&NHB shares under the F&NHB SGP 2021 equivalent to the number of shares deemed cancelled were awarded to eligible participants in accordance with the original vesting schedules of these deemed cancelled awards, and which shares will not be subject to performance periods or achievement targets.

** The F&NHB RemCo has also determined that the first tranche of F&NHB shares under the 15 February 2021 award for Year 10 F&NHB RSP (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period, and the balance 50% will be vested in equal instalments over the next two years.

^ Lapsed due to cessation of employment.

(c) Other than those disclosed in this paragraph 4, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(d) Other than those reported in this paragraph 4, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this statement relates.

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, the SGX-ST Listing Manual and the Code of Corporate Governance 2018. These functions include, *inter alia*, the following:

- (a) reviewing the financial statements and related financial results announcements, including the independent auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the Singapore Financial Reporting Standards (International);
- (b) reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;
- (c) recommending, for the approval of the Board, the financial results and related financial results announcements;
- (d) reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;
- (e) assessing the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors, using, as a basis, the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority;
- (f) reviewing the assurance from the Chief Executive Officer of the Company, the Company's Senior Director, Group Finance and the chief executive officers and Heads of Finance of each of the Group's business divisions on the financial records and financial statements;
- (g) reviewing with internal and external auditors, the scope and results of the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures; and
- (h) reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational and compliance and information technology controls and together with the Sustainability and Risk Management Committee, risk management systems; and
- (i) reviewing the whistle-blowing policy and any whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

The Audit Committee has nominated KPMG LLP for re-appointment by the shareholders as independent auditors at the forthcoming Annual General Meeting.

6. INDEPENDENT AUDITORS

The independent auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

DIRECTORS' STATEMENT

7. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended 30 September 2023 in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

NG TAT PUN
Director

SITHICHA CHAIKRIANGKRAI
Director

20 November 2023

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fraser and Neave, Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2023, the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company and the consolidated profit statement, consolidated statement of comprehensive income, and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 107 to 198.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY FRASER AND NEAVE, LIMITED

Key audit matters (cont'd)

Impairment of fixed assets and investments in subsidiaries

(Refer to Note 2.8, Note 2.19, Note 12 and Note 15 to the financial statements)

The key audit matter

Fixed assets constitute 18.5% of the Group's total assets and investments in subsidiaries constitute 89.2% of the Company's total assets as at 30 September 2023.

When there are indicators of impairment noted in a business segment, the Group will estimate the recoverable amounts of the fixed assets and investments in subsidiaries at the Company level based on the higher of value in use and fair value less cost of disposal.

The net present value of the forecast cash flows to be generated from the business segments is derived from profit forecasts and include key assumptions such as discount rate as well as terminal growth rate.

The assessment of management's judgements in arriving at these key assumptions is a key focus area of our audit.

How the matter was addressed in our audit

Our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the fixed assets and investments in subsidiaries.

We also assessed the reasonableness of the key assumptions used in the profit forecasts, compared the discount rates applied to cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be appropriate and supportable.

Impairment of goodwill and intangible assets (including brands)

(Refer to Note 2.12, Note 2.13, Note 2.19, Note 18, Note 19 and Note 22 to the financial statements)

The key audit matter

As at 30 September 2023, the Group has goodwill of \$166.8 million, and intangible assets (including brands) of \$97.7 million.

The Group will estimate the recoverable amounts of goodwill and intangible assets with finite useful life with indicators of impairment based on discounted future cash flows expected to be generated from the respective operating units. The net present value of the forecast cash flows is derived from profit forecasts and include key assumptions such as discount rate and terminal growth rate for the operating units which the goodwill and intangible assets are allocated to.

As there are judgements and estimation involved in the preparation of the discounted future cash flows and determination of certain key inputs, this is a key focus area in our audit.

How the matter was addressed in our audit

We assessed the determination of the operating units that goodwill is allocated to based on our understanding of the nature of the Group's business.

For goodwill and intangible assets with finite useful life with indicators of impairment, our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the goodwill and intangible assets.

We also assessed the reasonableness of the key assumptions used in the profit forecasts, compared the discount rates applied to the cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be appropriate and supportable.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Key audit matters (cont'd)

Purchase price allocation ("PPA") arising from acquisition of CocoaLand Holdings Berhad

(Refer to Note 2.2 and Note 15 to the financial statements)

The key audit matter

Cocoaland Holdings Berhad and its subsidiaries was an associate of the Group.

On 4 November 2022, the Group has completed the purchase of the remaining interests not held and the associate became a wholly-owned subsidiary of the Group.

We have identified the PPA exercise as a key audit matter because determination of fair values in the identifiable assets acquired, and liabilities assumed, including the identification of intangible assets, requires significant judgement in estimating the underlying assumptions to be applied.

Based on the PPA performed, the fair value of the net identifiable assets acquired is \$128.0 million, of which \$48.9 million relates to fair value adjustments. The goodwill recognised amounted to \$69.0 million.

How the matter was addressed in our audit

Our procedures included, among others, evaluating the appropriateness of the Group's assessment on the fair value of identifiable assets and liabilities, with the involvement of KPMG's valuation specialists.

We evaluated the cash flow projections by performing retrospective assessment of the key assumptions driving the entity's cash flow projections to the latest internal board approved budget and plan, the historical accuracy of the entities' estimates in the previous years and our understanding of the future prospects of the business or investments.

We worked with our internal valuation specialists to challenge the revenue growth rate, royalty rate, discount rates and long-term growth rates, and comparing these assumptions to economic and industry forecasts.

We obtained confirmations that the key assumptions were subject to oversight from the Directors.

We evaluated the appropriateness of the discount rate used by comparing it with our expectations based on our knowledge of the industry.

We assessed the appropriateness of the key estimates and assumptions used in the cash flows projection to determine that they were appropriate and supportable.

We recomputed the goodwill and intangible assets arising from the business combination.

We assessed the adequacy of the disclosures in respect of the acquisition in the Group's financial statements.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the PPA to be appropriate and supportable.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholding Statistics which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholding Statistics, if we conclude that there is a material statement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Jeya Poh Wan S/O K. Suppiah.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
20 November 2023

PROFIT STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		THE GROUP	
	Notes	2023 (\$'000)	2022 (\$'000)
REVENUE	3	2,099,103	2,003,214
Cost of sales		(1,476,058)	(1,429,370)
GROSS PROFIT		623,045	573,844
Other income (net)	4(a)	4,156	224
Operating expenses			
- Distribution		(161,010)	(163,855)
- Marketing		(173,031)	(155,605)
- Administration		(141,250)	(125,831)
		(475,291)	(445,291)
TRADING PROFIT		151,910	128,777
Share of results of joint venture companies		6,494	4,465
Share of results of associated companies		89,871	99,875
Gross income from other investments	6	233	298
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		248,508	233,415
Finance income		6,410	2,424
Finance costs		(37,524)	(26,207)
Net finance costs	4(b)	(31,114)	(23,783)
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		217,394	209,632
Fair value adjustment of investment properties		(403)	(35)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	216,991	209,597
Exceptional items	7	6,852	(7,408)
PROFIT BEFORE TAXATION		223,843	202,189
Taxation	8	(18,702)	(25,254)
PROFIT AFTER TAXATION		205,141	176,935
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items		133,251	129,421
- Fair value adjustment of investment properties		537	(35)
- Exceptional items		(572)	(4,519)
		133,216	124,867
Non-controlling interests		71,925	52,068
		205,141	176,935
Earnings per share attributable to the shareholders of the Company	10		
Basic		9.2 cts	8.9 cts
- before fair value adjustment and exceptional items		9.2 cts	8.6 cts
Fully diluted		9.1 cts	8.9 cts
- before fair value adjustment and exceptional items		9.1 cts	8.6 cts
- after fair value adjustment and exceptional items		9.1 cts	8.6 cts

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Profit after taxation	205,141	176,935
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated and joint venture companies	1,067	7,908
Fair value changes on derivative financial instruments	(5,827)	18,139
Currency translation difference	(231,144)	(51,766)
	(235,904)	(25,719)
Items that will not be reclassified to profit statement		
Fair value changes on equity investments measured at fair value through other comprehensive income	(3,803)	(1,074)
Revaluation of fixed assets	16,324	-
Remeasurement of defined benefit obligations	213	1,762
	12,734	688
Other comprehensive income for the year, net of taxation	(223,170)	(25,031)
Total comprehensive income for the year	(18,029)	151,904
Total comprehensive income attributable to:		
Shareholders of the Company	(68,560)	122,457
Non-controlling interests	50,531	29,447
	(18,029)	151,904

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

BALANCE SHEETS

AS AT 30 SEPTEMBER 2023

		THE GROUP		THE COMPANY	
	Notes	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
SHARE CAPITAL AND RESERVES					
Share capital	11(a)	863,802	861,456	863,802	861,456
Reserves	11(b)	2,083,519	2,208,081	683,961	752,771
		2,947,321	3,069,537	1,547,763	1,614,227
NON-CONTROLLING INTERESTS					
		455,286	432,948	-	-
		3,402,607	3,502,485	1,547,763	1,614,227
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	946,425	811,329	2,831	5,341
Investment properties	13	40,509	16,108	-	-
Properties held for development	14	15,955	16,960	-	-
Subsidiary companies	15	-	-	2,140,649	2,131,698
Joint venture companies	16	152,856	149,914	38,578	38,578
Associated companies	17	2,523,202	2,728,140	-	-
Intangible assets	18	213,655	135,661	616	816
Brands	22	50,940	31,645	212	212
Other investments	20	3,842	7,986	133,408	139,413
Other receivables	24	834	11,099	274	-
Deferred tax assets	30	9,485	5,475	158	-
		3,957,703	3,914,317	2,316,726	2,316,058
CURRENT ASSETS					
Inventories	23	324,704	387,213	-	-
Trade receivables	24	292,488	286,471	-	-
Other receivables	24	108,993	111,475	5,621	1,616
Related parties	24	4,889	5,310	271	461
Subsidiary companies	15	-	-	65,938	68,582
Joint venture companies	16	1,281	1,388	163	163
Associated companies	17	14	129	14	1
Cash and bank deposits	21	431,829	274,586	9,758	4,836
		1,164,198	1,066,572	81,765	75,659
Deduct: CURRENT LIABILITIES					
Trade payables	26	216,721	221,958	-	-
Other payables	26	230,771	207,115	17,028	15,965
Related parties	26	9,356	6,957	734	287
Subsidiary companies	15	-	-	20,431	20,133
Associated companies	17	-	310	-	-
Lease liabilities	27	7,464	10,984	1,380	1,419
Borrowings	28	339,211	51,607	-	20,000
Provision for taxation		31,097	42,258	3,724	7,408
		834,620	541,189	43,297	65,212
NET CURRENT ASSETS					
		329,578	525,383	38,468	10,447
Deduct: NON-CURRENT LIABILITIES					
Other payables	26	235	18,030	235	235
Subsidiary companies	15	-	-	535,000	555,000
Lease liabilities	27	31,525	35,386	1,559	2,915
Borrowings	28	794,396	837,672	270,637	154,111
Provision for employee benefits	29	12,154	12,741	-	-
Deferred tax liabilities	30	46,364	33,386	-	17
		884,674	937,215	807,431	712,278
NET ASSETS					
		3,402,607	3,502,485	1,547,763	1,614,227

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

THE GROUP												
Notes	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Hedging Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Non-controlling Interests (\$'000)	Total Equity (\$'000)	
YEAR ENDED 30 SEPTEMBER 2023												
Balance at 1 October 2022	861,456	(8,925)	2,224,810	(42,494)	(35,317)	10,937	8,196	50,874	3,069,537	432,948	3,502,485	
Comprehensive income												
Share of other comprehensive income of associated and joint venture companies	-	-	540	579	(52)	-	-	-	1,067	-	1,067	
Fair value changes on derivative financial instruments	-	-	-	-	-	(5,827)	-	-	(5,827)	-	(5,827)	
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(3,803)	-	-	-	(3,803)	-	(3,803)	
Remeasurement of defined benefit obligations	-	-	116	-	-	-	-	-	116	97	213	
Revaluation of fixed assets	-	16,029	-	-	-	-	-	-	16,029	295	16,324	
Currency translation difference	-	-	-	(209,358)	-	-	-	-	(209,358)	(21,786)	(231,144)	
Other comprehensive income for the year	-	16,029	656	(208,779)	(3,855)	(5,827)	-	-	(201,776)	(21,394)	(223,170)	
Profit for the year	-	-	133,216	-	-	-	-	-	133,216	71,925	205,141	
Total comprehensive income for the year	-	16,029	133,872	(208,779)	(3,855)	(5,827)	-	-	(68,560)	50,531	(18,029)	
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	3,411	-	3,411	1,539	4,950	
Issue of shares in the Company upon vesting of shares awarded	11	2,346	-	-	-	-	(2,346)	-	-	-	-	
Purchase of shares by a subsidiary company	-	-	(2,098)	-	-	-	-	-	(2,098)	(1,684)	(3,782)	
Shares of a subsidiary company reissued pursuant to its share plans	-	289	1,372	-	-	-	(1,661)	-	-	-	-	
Dividends:	9	-	-	-	-	-	-	-	-	-	-	
Dividends paid	-	-	(21,890)	-	-	-	-	(50,874)	(72,764)	(28,456)	(101,220)	
Dividends proposed	-	-	(58,212)	-	-	-	-	58,212	-	-	-	
Total contributions by and distributions to owners	-	2,346	289	(80,828)	-	-	(596)	7,338	(71,451)	(28,601)	(100,052)	
Changes in ownership interests												
Changes in carrying value of put option granted to non-controlling interests	-	(1,281)	-	-	-	-	-	-	(1,281)	-	(1,281)	
Derecognition of put option	-	19,076	-	-	-	-	-	-	19,076	-	19,076	
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	408	408	
Total changes in ownership interests	-	17,795	-	-	-	-	-	-	17,795	408	18,203	
Total transactions with owners in their capacity as owners	-	2,346	18,084	(80,828)	-	-	(596)	7,338	(53,656)	(28,193)	(81,849)	
Balance at 30 September 2023	-	863,802	25,188	2,277,854	(251,273)	(39,172)	5,110	7,600	58,212	2,947,321	455,286	3,402,607

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

THE GROUP											
Notes	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Hedging Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Non-controlling Interests (\$'000)	Total Equity (\$'000)
YEAR ENDED 30 SEPTEMBER 2022											
Balance at 1 October 2021	858,830	(7,781)	2,166,297	(15,502)	(34,176)	(7,202)	8,190	50,814	3,019,470	431,766	3,451,236
<u>Comprehensive income</u>											
Share of other comprehensive income of associated companies	-	-	6,606	1,369	(67)	-	-	-	7,908	-	7,908
Fair value changes on derivative financial instruments	-	-	-	-	-	18,139	-	-	18,139	-	18,139
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(1,074)	-	-	-	(1,074)	-	(1,074)
Remeasurement of defined benefit obligations	-	-	978	-	-	-	-	-	978	784	1,762
Currency translation difference	-	-	-	(28,361)	-	-	-	-	(28,361)	(23,405)	(51,766)
Other comprehensive income for the year	-	-	7,584	(26,992)	(1,141)	18,139	-	-	(2,410)	(22,621)	(25,031)
Profit for the year	-	-	124,867	-	-	-	-	-	124,867	52,068	176,935
Total comprehensive income for the year	-	-	132,451	(26,992)	(1,141)	18,139	-	-	122,457	29,447	151,904
<u>Contributions by and distributions to owners</u>											
Employee share-based expense	-	-	-	-	-	-	3,536	-	3,536	1,085	4,621
Issue of shares in the Company upon vesting of shares awarded	11	2,626	-	-	-	-	(2,626)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	(1,155)	-	-	-	-	-	(1,155)	(927)	(2,082)
Shares of a subsidiary company reissued pursuant to its share plans	-	51	853	-	-	-	(904)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	926	926
Dividends:	9	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(21,863)	-	-	-	-	(50,814)	(72,677)	(30,248)	(102,925)
Dividends proposed	-	-	(50,874)	-	-	-	-	50,874	-	-	-
Total contributions by and distributions to owners	-	2,626	51	(73,039)	-	-	-	6	60	(70,296)	(29,164)
<u>Changes in ownership interests</u>											
Change of interests in a subsidiary company	-	-	(899)	-	-	-	-	-	(899)	899	-
Changes in carrying value of put option granted to non-controlling interests	-	(1,195)	-	-	-	-	-	-	(1,195)	-	(1,195)
Total changes in ownership interests	-	(1,195)	(899)	-	-	-	-	-	(2,094)	899	(1,195)
Total transactions with owners in their capacity as owners	-	2,626	(1,144)	(73,938)	-	-	-	6	60	(72,390)	(28,265)
Balance at 30 September 2022	-	861,456	(8,925)	2,224,810	(42,494)	(35,317)	10,937	8,196	50,874	3,069,537	432,948

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

THE COMPANY								
	Notes	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total Equity (\$'000)
YEAR ENDED 30 SEPTEMBER 2023								
Balance at 1 October 2022		861,456	(1,091)	709,694	(10,448)	3,742	50,874	1,614,227
<u>Comprehensive income</u>								
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	(6,005)	-	-	(6,005)
Other comprehensive income for the year		-	-	-	(6,005)	-	-	(6,005)
Profit for the year		-	-	10,812	-	-	-	10,812
Total comprehensive income for the year		-	-	10,812	(6,005)	-	-	4,807
<u>Contributions by and distributions to owners</u>								
Employee share-based expense		-	-	-	-	1,493	-	1,493
Issue of shares in the Company upon vesting of shares awarded	11	2,346	-	-	-	(2,346)	-	-
Dividends:	9							
Dividends paid		-	-	(21,890)	-	-	(50,874)	(72,764)
Dividends proposed		-	-	(58,212)	-	-	58,212	-
Total transactions with owners in their capacity as owners		2,346	-	(80,102)	-	(853)	7,338	(71,271)
Balance at 30 September 2023		863,802	(1,091)	640,404	(16,453)	2,889	58,212	1,547,763
YEAR ENDED 30 SEPTEMBER 2022								
Balance at 1 October 2021		858,830	(1,091)	680,765	22,478	4,184	50,814	1,615,980
<u>Comprehensive income</u>								
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	(32,926)	-	-	(32,926)
Other comprehensive income for the year		-	-	-	(32,926)	-	-	(32,926)
Profit for the year		-	-	101,666	-	-	-	101,666
Total comprehensive income for the year		-	-	101,666	(32,926)	-	-	68,740
<u>Contributions by and distributions to owners</u>								
Employee share-based expense		-	-	-	-	2,184	-	2,184
Issue of shares in the Company upon vesting of shares awarded	11	2,626	-	-	-	(2,626)	-	-
Dividends:	9							
Dividends paid		-	-	(21,863)	-	-	(50,814)	(72,677)
Dividends proposed		-	-	(50,874)	-	-	50,874	-
Total transactions with owners in their capacity as owners		2,626	-	(72,737)	-	(442)	60	(70,493)
Balance at 30 September 2022		861,456	(1,091)	709,694	(10,448)	3,742	50,874	1,614,227

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	216,991	209,597
Adjustments for:		
Depreciation of fixed assets	74,881	71,682
Amortisation of brands and intangible assets	13,339	13,488
Impairment of fixed assets and intangible assets	406	1,275
Reversal of impairment of fixed assets and intangible assets	(1,039)	(1,227)
Fixed assets and intangible assets written off	414	555
Gross income from other investments	(233)	(298)
Provision for employee benefits	1,534	1,754
Write back of provision for employee benefits	(39)	(240)
Loss/(Gain) on disposal of fixed assets	4	(249)
(Gain)/Loss on derecognition of leases	(414)	9
Interest income	(6,410)	(2,424)
Interest expenses	37,524	26,207
Share of results of joint venture companies	(6,494)	(4,465)
Share of results of associated companies	(89,871)	(99,875)
Employee share-based expense	4,950	4,621
Fair value adjustment of investment properties	403	35
Fair value adjustment of financial instruments	339	459
Gain on disposal of financial instruments	(613)	(696)
Operating cash before working capital changes	245,672	220,208
Change in inventories	72,514	(95,967)
Change in receivables	22,026	(91,467)
Change in related parties' and joint venture and associated companies' balances	2,732	2,107
Change in payables	1,077	49,444
Currency realignment	(19,100)	(16,309)
Cash generated from operations	324,921	68,016
Interest income received	5,055	2,176
Interest expenses paid	(31,689)	(24,658)
Income taxes paid	(35,304)	(25,065)
Payment of employee benefits	(1,243)	(1,317)
Net cash from operating activities	261,740	19,152
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	92,772	98,231
Gross income from other investments	233	298
Proceeds from refund of other investments	342	-
Proceeds from disposal of fixed assets	1,192	880
Investment in a joint venture company	(145)	-
Purchase of fixed assets	(129,895)	(138,515)
Purchase of other investments	-	(3,435)
Payment for intangible assets	(18,043)	(8,347)
Net cash outflow on acquisition of subsidiary companies	(173,677)	(2,478)
Net cash used in investing activities	(227,221)	(53,366)

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	357,067	442,251
Repayment of borrowings	(107,756)	(476,978)
Payment of lease liabilities	(11,892)	(14,909)
Purchase of shares by a subsidiary company	(3,782)	(2,082)
Capital contribution by non-controlling interests	-	926
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(28,456)	(30,248)
- by the Company to shareholders	(72,764)	(72,677)
Net cash from/(used in) financing activities	132,417	(153,717)
Net increase/(decrease) in cash and cash equivalents	166,936	(187,931)
Cash and cash equivalents at beginning of year	274,586	471,799
Effects of exchange rate changes on cash and cash equivalents	(9,693)	(9,282)
Cash and cash equivalents at end of year	431,829	274,586
Analysis of acquisition of subsidiary companies		
Net assets acquired:		
Fixed assets	60,446	1,760
Investment properties	2,905	-
Intangible assets	11,106	55
Brands	19,796	-
Current assets	25,237	326
Current liabilities	(9,016)	(963)
Non-current liabilities	(12,373)	(170)
Cash and cash equivalents	31,029	211
Total identifiable net assets at fair value	129,130	1,219
Non-controlling interests	(408)	-
Cost of investment as an associated company	(28,283)	-
Gain on change of interest in an associated company	(26,623)	-
Fair value of leasehold land	61,859	-
Goodwill on acquisition	69,031	1,470
Consideration paid	204,706	2,689
Less: Cash and cash equivalents of subsidiary companies acquired	(31,029)	(211)
Net cash outflow on acquisition of subsidiary companies	173,677	2,478

The Notes on pages 115 to 198 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The following Notes form an integral part of the Financial Statements on pages 107 to 114.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 20 November 2023.

1. GENERAL

Fraser and Neave, Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The registered office of the Company is located at 438 Alexandra Road, #20-00 Alexandra Point, Singapore 119958. TCC Assets Limited is the immediate and ultimate holding company.

The financial statements of the Group as at and for the year ended 30 September 2023 comprise the Company and its subsidiary companies (together referred to as the “Group”).

The principal activities of the Group are:

- (a) production and sale of beverages and dairy products; and
- (b) printing and publishing.

These activities are carried out through the Company’s subsidiary, joint venture and associated companies. The Company provides management and administrative services to some subsidiary companies.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”). The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar and all values are rounded to the nearest thousand (\$’000) unless otherwise stated.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and are consistent with those used in the previous financial year, except as disclosed below.

The following are the amendments to the standards that are mandatory for application from 1 October 2022:

Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>
Amendments to SFRS(I) 1–16	<i>Property, Plant and Equipment—Proceeds before Intended Use</i>
Amendments to SFRS(I) 1–37	<i>Onerous Contracts—Cost of Fulfilling a Contract</i>
Annual Improvements to SFRS(I)s 2018–2020	
Amendment to SFRS(I) 1	<i>First-Time Adoption of Singapore Financial Reporting Standards (International)</i>
Amendment to SFRS(I) 9	<i>Financial Instruments</i>
Amendment to Illustrative Examples accompanying SFRS(I) 16	<i>Leases</i>
Amendment to SFRS(I) 1–41	<i>Agriculture</i>

The adoption of the above amendments to the standards had no material impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations

Subsidiary companies are those companies controlled by the Group. Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies.

Acquisitions of subsidiary companies are accounted for using the acquisition method. Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, liabilities incurred, equity interest issued by the Group, any contingent consideration arrangement and any pre-existing interest in the subsidiary measured at their fair values at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any change in the contingent consideration to be paid will be recognised in the profit statement. Acquisition-related costs are expensed as incurred.

All intra group transactions, balances and unrealised gains and losses (except for foreign currency transactions gains or losses) arising from intra-group transactions are eliminated on consolidation. Unrealised gains resulting from transactions with associated and joint venture companies are eliminated to the extent of the Group's interest in them. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment.

Losses within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

Non-controlling interests in the acquiree is recognised on the acquisition date at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit statement.

When a change in the Company's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill, and any related non-controlling interests and other components of equity, are derecognised. Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest and its fair value is recognised in the profit statement.

The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.12(b).

When an entity within the Group writes a put option with the non-controlling shareholders as part of the acquisition of a subsidiary for settlement in cash or in another financial asset, a put liability is recognised for the present value of the exercise price of the option. This creates an obligation or potential obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements) for cash or another financial asset.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group continues to recognise the non-controlling shareholders. Therefore, the present value of the option is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity.

If the put option expires unexercised, the charge to equity will be reversed and the financial liability will be derecognised. If the put option is exercised, the charge to equity will be reversed, the financial liability will be derecognised and acquisition accounting will be applied.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations (cont'd)

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

A change in ownership interest in subsidiary companies that do not result in a change of control is accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognised directly in equity and attributed to owners of the parent company.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses.

A list of the significant subsidiary companies is shown in Note 37.

2.3 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

(a) Joint operations

A joint operation is an arrangement which provides the Group with the rights to the assets and obligations for the liabilities relating to the arrangement.

The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operations with the similar items, line by line, in its consolidated financial statements.

(b) Joint venture companies

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognises its interest in joint venture companies using equity method. The Group's investments in joint venture companies are recorded at cost and adjusted to recognise the Group's share of post-acquisition reserves of the joint venture companies and less accumulated impairment losses, if any.

Investments in joint venture companies include goodwill. When the Group's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.3 Joint Arrangements (cont'd)

(b) Joint venture companies (cont'd)

The Group's share of the operating results and exceptional items of joint venture companies are shown separately in the profit statement. The Group's share of other comprehensive income ("OCI") is recognised in OCI. Net assets of the joint venture companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

The joint venture company is equity accounted for until the date on which the Group ceases to have joint control over the joint venture company. Upon loss of joint control over the joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit statement.

In the Company's separate financial statements, investments in joint venture companies are carried at cost less accumulated impairment losses.

A list of the significant joint arrangements is shown in Note 37.

2.4 Associated Companies

An associated company (not being a subsidiary company or joint venture company) is a company in which the Group exercises significant influence over the financial and operating policy decisions.

The Group's investments in associated companies are carried at cost and adjusted to recognise the Group's share of post-acquisition reserves of the associated companies, and less accumulated impairment losses, if any. Investments in associated companies include goodwill.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of OCI is recognised in OCI. Net assets of the associated companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company. Upon loss of significant influence over the associated company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit statement.

In the Company's separate financial statements, investments in associated companies are carried at cost less accumulated impairment losses.

A list of the significant associated companies is shown in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.5 Revenue Recognition

Sale of Goods and Services

Revenue from the sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. Consideration payable is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Others

Rental income is recognised on a straight-line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

Interest income is taken up on an accrual basis (using the effective interest method).

Dividend income is recognised when the Group's right to receive payment is established.

Other categories of revenue are taken up on an accrual basis.

2.6 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity or in OCI.

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary, joint venture and associated companies to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and replacements are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced parts is derecognised.

An asset is derecognised upon sale or retirement and any gain or loss on derecognition of the asset is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.8 Fixed Assets (cont'd)

Depreciation is calculated on the straight-line method to write off the cost or valuation of fixed assets less residual value over their estimated useful lives. No depreciation is charged for freehold land and capital work-in-progress. The residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Fixed assets	Useful lives
Leasehold land	Over the unexpired term of lease ranging from 10 to 99 years
Building	Over the shorter of the unexpired term of lease and lease term (ranging from 10 to 60 years)
Plant, machinery and equipment	Over the shorter of the unexpired term of lease and estimated useful lives of between 3 to 15 years
Motor vehicle and forklift	Over the shorter of the unexpired term of lease and estimated useful lives of between 5 to 10 years
Postmix and vending machine	Over the shorter of the unexpired term of lease and estimated useful lives of between 5 to 10 years
Furniture and fitting, computer equipment	Over the shorter of the unexpired term of lease and estimated useful lives of between 2 to 10 years

Capital Work-in-Progress includes fixed assets under construction and advance payments and progress payments made for fixed assets and are not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

2.9 Investment Properties

Investment properties are properties that are held for long term rental yields and/or capital appreciation. Completed investment properties are initially recognised at cost, including transaction cost and subsequently measured at fair value, determined annually by independent professional valuers on balance sheet date. Changes in fair values are recognised in the profit statement in the year in which they arise.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

On disposal of a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.10 Properties Held for Development

Properties held for development are stated at cost less provision for foreseeable losses. The cost of properties held for development includes cost of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Allowance for foreseeable losses of properties held for development is made when it is anticipated that the net realisable value has fallen below cost.

Properties held for development are reclassified as property development costs at the point where the development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2.11 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit statement using the effective interest method. However, borrowing costs that are directly attributable to acquisition, construction and production of qualifying assets are capitalised as part of the cost of the assets. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the assets are ready for their intended use. Borrowing costs capitalised in development properties are determined after netting off interest income earned from progress billings received and placed on fixed deposits.

2.12 Intangible Assets

Intangible assets acquired separately are capitalised at cost. Intangible assets from a business acquisition are capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense. Intangible assets with indefinite useful lives are subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Internally generated intangible assets arising from research are not capitalised and the expenditure is charged to the profit statement when it is incurred. Deferred development costs arising from deferred expenditure are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

- (a) Development costs of published products are expensed as incurred, except for development costs which can reasonably be expected to be recovered from related future revenues.

The development costs are then amortised in accordance with their estimated economic useful lives, upon completion of published products as follows:

	Education	General and Reference
1st year	33% - 50%	50%
2nd year	33% - 50%	30%
3rd year	34%	20%

At each balance sheet date, the Group assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

- (b) Goodwill on acquisition is identified as being the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

Positive goodwill is carried at cost less any accumulated impairment loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

- (c) Other intangible assets are amortised on a straight-line basis in accordance with their estimated amortisation rates as follows:

Intangible assets	Amortisation rates
Imprints	5.0%
Co-publishing rights	21.7%
Non-contractual customers	10.0%
Customer relationships	6.7% to 20.0%
Publishing rights	12.5%
Licensing rights	2.0% to 20.0%
Distribution rights	6.7% to 10.0%
Software	12.5% to 33.3%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.13 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 14 years on a straight-line method to the profit statement.

Brands with indefinite lives are stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Internally generated brands are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

2.14 Inventories

All inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Cost in respect of raw materials, consumable stores and goods purchased for resale is stated based on first-in-first-out, weighted average or standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering spares and other inventories are valued on the weighted average cost basis less appropriate allowances for obsolete items.

2.15 Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless its business model for managing those assets changes.

(i) *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(a) Classification (cont'd)

(ii) *Financial assets at FVOCI*

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Group's equity investments are classified as FVOCI.

(iii) *Financial assets at FVTPL*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Recognition and derecognition

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when all risks and rewards of ownership have been substantially transferred.

(c) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit statement.

(d) Subsequent measurement

(i) *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit statement. Any gain or loss on derecognition is recognised in profit statement.

(ii) *Financial assets at FVOCI*

These assets are subsequently measured at fair value. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in OCI. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit statement following the derecognition of the investment. Dividends from equity investments are recognised in profit statement as "dividend income".

(iii) *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(e) Impairment

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances of the Group are measured on either of the following bases:

- (i) 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected credit life of the instrument is less than 12 months); or
- (ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- (i) significant financial difficulty of the borrower;
- (ii) a breach of contract such as a default;
- (iii) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- (iv) it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit statement. Directly attributable transaction costs are recognised in profit statement as incurred.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit statement.

Gains and losses are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

2.17 Financial Guarantees

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.18 Derivative Financial Instruments and Hedge Accounting

The Group and the Company use derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Any directly attributable transaction costs are recognised in the profit statement as incurred. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit statement.

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Derivative instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.18 Derivative Financial Instruments and Hedge Accounting (cont'd)

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from Interest rate benchmark reform

In accordance with the transition provisions, the Group has applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed as at 1 October 2020 or were designated thereafter, and to the amount accumulated in the hedging reserve that existed at 1 October 2020.

For the purpose of evaluating whether there is an economic relationship between the hedged item and the hedging instrument, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecasted transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecasted transaction is highly probable and present an exposure to variations in the cash flow that could ultimately affect the profit statement. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from Interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the changes required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- (i) the change is necessary as a direct consequence of the reform; and
- (ii) the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- (i) designating an alternative benchmark rate as the hedged risk;
- (ii) updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- (iii) updating the description of the hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.18 Derivative Financial Instruments and Hedge Accounting (cont'd)

Hedges directly affected by interest rate benchmark reform (cont'd)

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from Interest rate benchmark reform (cont'd)

The Group amends the description of the hedging instrument only if the following conditions are met:

- (i) it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- (ii) the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instruments. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Cash flow hedges

Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve within equity limited to the cumulative change in fair value of the hedged item, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserve are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.19 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement. Impairment loss on goodwill is not reversed in a subsequent period.

2.20 Discontinued Operations and Assets and Liabilities Held for Sale

A component of the Group is classified as a discontinued operation when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable SFRS(I)s. Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

Any impairment loss on initial classification and subsequent measurement is recognised as expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the profit statement.

All income and expenses from discontinued operations are reported separately from income and expenses from continuing activities in the profit statement.

2.21 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.22 Employee Benefits

(a) Defined benefit plans

The cost of providing benefits under the defined benefit plans are determined by the project unit credit method. The liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality bonds that are denominated in the currency in which the benefits will be paid and have tenures approximating that of the related post-employment benefit obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in OCI in the period when they arise.

Past service costs are recognised immediately in the profit statement.

(b) Defined contribution plans under statutory regulations

Obligations for contributions to defined contribution plans are recognised as an expense in the profit statement as incurred.

(c) Equity compensation plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

Equity-settled transactions

The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense in the profit statement with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the awards on the date of grant. At each balance sheet date, the number of share awards that are expected to be vested are estimated. The impact of the revision of the original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to the original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

When the awards are released, the share-based payment reserve is credited to share capital if new shares are issued. If treasury shares purchased are re-issued to employees, the share-based payment reserve is credited to treasury shares with gain/loss on reissuance taken to capital reserve.

(d) Accrued annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.23 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

(a) Lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit statement if the carrying amount of the ROU asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.23 Leases (cont'd)

(a) Lessee (cont'd)

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) Lessor

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the ROU asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the ROU asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Other Receivables". Any differences between the ROU asset derecognised and the net investment in sublease is recognised in profit statement. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit statement within "Other income". The ROU asset relating to the head lease is not derecognised.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

2.24 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual installments.

2.25 Exceptional Items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

2.26 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or
- (b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.27 Functional and Foreign Currencies

(a) Functional currency

The currency of the primary economic environment in which the Company operates ("the functional currency") is Singapore Dollar. The consolidated financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

(b) Foreign currency transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Currency translation differences on equity investments held at FVTPL, are reported as part of the fair value gain or loss. Currency translation differences on equity investments classified as financial assets at FVOCI, are included in the fair value adjustment reserve within equity.

Currency translation differences arising from events which are treated as exceptional are dealt with as exceptional items in the profit statement.

(c) Foreign currency translations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) profit statement items are translated into presentation currency at exchange rates ruling at the dates of the transactions;
- (ii) assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date; and
- (iii) exchange differences arising from translation of foreign subsidiary, joint venture and associated companies are recognised in OCI under exchange reserve as a separate component of the shareholders' funds.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in shareholders' funds relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit statement. For partial disposals of associated or joint venture companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.28 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

(i) *Impairment of non-financial and financial assets*

Goodwill and brands

Goodwill and brands are tested for impairment at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which the goodwill and brands are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU, and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 18 and Note 22 respectively.

Investments in subsidiary, joint venture and associated companies

The Group assesses at each reporting date whether there is any objective evidence that investments in subsidiary, joint venture and associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the subsidiary, joint venture and associated companies, and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investees operate. Changes in assumptions about these factors could affect the recoverable amount of the investees. The carrying amount of the investments in subsidiary, joint venture and associated companies at balance sheet date have been disclosed in the balance sheet.

Financial assets at amortised cost

The Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, which is based on assumptions for the future movement of different economic drivers. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets at amortised cost is disclosed in Note 24 and 34(c).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES (cont'd)

2.28 Significant Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(ii) Taxes

The Group has exposure to taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

(iii) Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 2 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the fixed assets at balance sheet date is disclosed in the balance sheet.

(b) Critical judgements made in applying accounting policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3. REVENUE

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Sale of goods	2,003,947	1,902,823
Sale of services	88,737	89,732
Others	6,419	10,659
Total revenue	2,099,103	2,003,214

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. REVENUE (cont'd)

(a) Disaggregation of revenue from contracts with customers:

	Operating Segments				
	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Total (\$'000)
Year ended 30 September 2023					
Primary geographical markets					
Singapore	128,039	151,618	144,333	-	423,990
Malaysia	353,564	377,224	26,049	75,754	832,591
Thailand	-	658,615	25	-	658,640
Others	121,905	7,183	51,028	3,766	183,882
	603,508	1,194,640	221,435	79,520	2,099,103
Major products/service lines					
Sale of goods	602,683	1,194,640	127,372	79,252	2,003,947
Sale of services	287	-	88,414	36	88,737
Others	538	-	5,649	232	6,419
	603,508	1,194,640	221,435	79,520	2,099,103
Timing of transfer of goods or services					
At a point in time	603,508	1,194,640	215,462	79,520	2,093,130
Over time	-	-	5,973	-	5,973
	603,508	1,194,640	221,435	79,520	2,099,103
Year ended 30 September 2022					
Primary geographical markets					
Singapore	136,969	159,035	137,433	-	433,437
Malaysia	347,547	361,566	25,198	20,695	755,006
Thailand	-	670,989	41	-	671,030
Others	84,355	7,465	51,921	-	143,741
	568,871	1,199,055	214,593	20,695	2,003,214
Major products/service lines					
Sale of goods	562,416	1,199,055	120,912	20,440	1,902,823
Sale of services	5,842	-	83,850	40	89,732
Others	613	-	9,831	215	10,659
	568,871	1,199,055	214,593	20,695	2,003,214
Timing of transfer of goods or services					
At a point in time	562,416	1,199,055	209,073	20,695	1,991,239
Over time	6,455	-	5,520	-	11,975
	568,871	1,199,055	214,593	20,695	2,003,214

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE GROUP

2023 2022
(\$'000) (\$'000)

3. REVENUE (cont'd)

(b) Contract balances

Information about contract liabilities from contracts with customers is as follows:

Contract liabilities	35,651	34,072
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The contract liabilities primarily relate to the advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

Significant changes in the contract liabilities are explained as follows:

Contract liabilities at the beginning of the year recognised as revenue during the year	(34,072)	(25,606)
Increase due to cash received, excluding amounts recognised as revenue during the year	35,651	34,072

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

(a) Included in other income (net):

Sale of scrap items	3,082	2,543
Management and support services	1,435	916
Rental income	913	642
Fair value gain on derivatives	659	560
Wage and other subsidies	284	1,787
(Loss)/Gain on disposal of fixed assets	(4)	249
Foreign exchange loss	(2,249)	(6,352)

(b) Net finance costs:

Finance income		
Interest income from bank and other deposits	6,356	2,417
Interest income from lease receivables	24	4
Others	30	3
	6,410	2,424
Finance costs		
Interest expense from bank and other borrowings	(35,338)	(24,246)
Interest expense from lease liabilities	(1,940)	(1,852)
Others	(246)	(109)
	(37,524)	(26,207)
	(31,114)	(23,783)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	74,881	71,682
Impairment of fixed assets	399	1,151
Impairment of intangible assets	7	124
Amortisation of brands	135	135
Amortisation of intangible assets	13,204	13,353
Intangible assets written off	173	6
Fixed assets written off	241	549
Bad debts written off	3	32
Allowance for impairment on trade receivables	1,062	1,568
Inventory written off	3,575	3,459
Allowance for inventory obsolescence	6,622	4,852
Directors of the Company:		
Fee	665	770
Remuneration of members of Board committees	583	591
Adviser fees and allowances	1,822	1,895
Key executive officers:		
Remuneration	5,061	4,642
Provident Fund contribution	86	85
Employee share-based expense	389	482
Staff costs (exclude directors and key executives)	235,502	221,695
Employee share-based expense (exclude directors and key executives)	4,561	4,139
Defined contribution plans (exclude directors and key executives)	22,550	21,769
Defined benefit plans	1,534	1,754
Auditors' remuneration:		
Auditor of the Company	763	772
Member firms of the Auditor of the Company	932	800
Other auditors	182	43
Professional fees paid to:		
Auditor of the Company	19	27
Member firms of the Auditor of the Company	130	111
Other auditors	249	190
and crediting:		
Write back of defined benefit plans	39	240
Write back of allowance for impairment on trade receivables	794	742
Write back of allowance for inventory obsolescence	2,861	2,759
Reversal of impairment of fixed assets	928	1,227
Reversal of impairment of intangible assets	111	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating segments are namely beverages, dairies, printing and publishing and others. The Group operates in the following key geographical areas, namely Singapore, Malaysia, Thailand, Vietnam and other countries.

Year ended 30 September 2023

The following table presents financial information regarding operating segments:

Operating Segment	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	603,508	1,194,640	221,435	79,520	-	2,099,103
Revenue - inter-segment	4,074	840	894	80,266	(86,074)	-
Total revenue	607,582	1,195,480	222,329	159,786	(86,074)	2,099,103
Subsidiary companies	37,000	124,369	(9,840)	614	-	152,143
Joint venture and associated companies	-	88,704	-	7,661	-	96,365
Profit/(Loss) before interest and taxation	37,000	213,073	(9,840)	8,275	-	248,508
Finance income						6,410
Finance costs						(37,524)
Profit before fair value adjustment, taxation and exceptional items						217,394
Fair value adjustment of investment properties						(403)
Exceptional items						6,852
Profit before taxation						223,843
Taxation						(18,702)
Profit after taxation						205,141
Non-controlling interests						(71,925)
Attributable profit						133,216
Assets	597,653	737,552	247,859	421,465	-	2,004,529
Investments in joint venture and associated companies	-	2,523,202	150	152,706	-	2,676,058
Tax assets						9,485
Cash and bank deposits						431,829
Total assets						5,121,901
Liabilities	143,554	232,565	78,939	53,168	-	508,226
Tax liabilities						77,461
Borrowings						1,133,607
Total liabilities						1,719,294
Other segment information:						
Capital expenditure	103,305	29,636	11,915	9,953	-	154,809
Depreciation and amortisation	27,161	35,199	19,210	6,650	-	88,220
Impairment losses	65	334	7	-	-	406
Reversal of impairment losses	(495)	(533)	-	(11)	-	(1,039)
Attributable profit/(loss) before fair value adjustment and exceptional items	12,168	139,308	(10,550)	(7,675)	-	133,251
Fair value adjustment of investment properties	-	-	1,709	(1,172)	-	537
Exceptional items	(3,523)	(867)	(10,889)	14,707	-	(572)
Attributable profit/(loss)	8,645	138,441	(19,730)	5,860	-	133,216

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore (\$'000)	Malaysia (\$'000)	Thailand (\$'000)	Vietnam (\$'000)	Others (\$'000)	Per Consolidated Financial Statements (\$'000)
Total revenue	423,990	832,591	658,640	-	183,882	2,099,103
(Loss)/Profit before interest and taxation	(11,228)	62,832	112,480	88,704	(4,280)	248,508
Non-current assets	217,887	641,179	196,601	-	216,493	1,272,160
Investments in joint venture and associated companies	-	41,535	111,171	2,523,202	150	2,676,058
Current assets	228,632	274,555	170,200	183	58,799	732,369
Capital expenditure	29,955	34,267	7,512	-	83,075	154,809

Others: Myanmar, Brunei, Indonesia, China, Australia, Europe and United States of America.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2022

The following table presents financial information regarding operating segments:

Operating Segment	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	568,871	1,199,055	214,593	20,695	-	2,003,214
Revenue - inter-segment	3,400	396	737	114,472	(119,005)	-
Total revenue	572,271	1,199,451	215,330	135,167	(119,005)	2,003,214
Subsidiary companies	37,752	97,734	(10,834)	4,423	-	129,075
Joint venture and associated companies	-	97,401	-	6,939	-	104,340
Profit/(Loss) before interest and taxation	37,752	195,135	(10,834)	11,362	-	233,415
Finance income						2,424
Finance costs						(26,207)
Profit before fair value adjustment, taxation and exceptional items						209,632
Fair value adjustment of investment properties						(35)
Exceptional items						(7,408)
Profit before taxation						202,189
Taxation						(25,254)
Profit after taxation						176,935
Non-controlling interests						(52,068)
Attributable profit						124,867
Assets	514,639	852,806	250,751	204,578	-	1,822,774
Investments in joint venture and associated companies	-	2,699,284	150	178,620	-	2,878,054
Tax assets						5,475
Cash and bank deposits						274,586
Total assets						4,980,889
Liabilities	133,799	236,357	92,110	51,215	-	513,481
Tax liabilities						75,644
Borrowings						889,279
Total liabilities						1,478,404
Other segment information:						
Capital expenditure	35,382	108,413	13,635	7,871	-	165,301
Depreciation and amortisation	28,308	32,524	20,971	3,367	-	85,170
Impairment losses	696	467	6	106	-	1,275
Reversal of impairment losses	(593)	(572)	(40)	(22)	-	(1,227)
Attributable profit/(loss) before fair value adjustment and exceptional items	15,100	138,115	(9,177)	(14,617)	-	129,421
Fair value adjustment of investment properties	-	-	(35)	-	-	(35)
Exceptional items	(2,732)	(884)	(802)	(101)	-	(4,519)
Attributable profit/(loss)	12,368	137,231	(10,014)	(14,718)	-	124,867

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore (\$'000)	Malaysia (\$'000)	Thailand (\$'000)	Vietnam (\$'000)	Others (\$'000)	Per Consolidated Financial Statements (\$'000)
Total revenue	433,437	755,006	671,030	30	143,711	2,003,214
(Loss)/Profit before interest and taxation	(4,989)	62,127	86,446	97,104	(7,273)	233,415
Non-current assets	228,606	452,752	211,314	-	138,116	1,030,788
Investments in joint venture and associated companies	-	72,898	105,722	2,699,284	150	2,878,054
Current assets	175,339	371,858	190,118	196	54,475	791,986
Capital expenditure	71,747	38,944	34,774	-	19,836	165,301

Others: Myanmar, Brunei, Indonesia, China, Australia, Europe and United States of America.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		THE GROUP	
		2023 (\$'000)	2022 (\$'000)
6. GROSS INCOME FROM OTHER INVESTMENTS			
Dividend income		233	298
7. EXCEPTIONAL ITEMS			
Effect of change of interest in an associated company		26,623	-
Insurance claim relating to flood and fire		2,864	5,726
Provision for impairment of assets and other expenses relating to flood and fire		(1,091)	(11,711)
Provision for impairment of assets and other expenses relating to restructuring of operations		(10,311)	(1,423)
Provision for impairment of fixed assets		(11,233)	-
		6,852	(7,408)
8. TAXATION			
Based on profit for the year:			
Singapore tax		1,862	4,111
Overseas tax			
- current year		29,209	19,048
- withholding tax		1,493	1,545
Deferred tax			
- current year		245	5,412
		32,809	30,116
Over provision in preceding years			
- current income tax		(11,671)	(4,038)
- deferred tax		(2,436)	(824)
		18,702	25,254

		THE GROUP	
		2023 %	2022 %
A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:			
Singapore statutory rate		17.0	17.0
Effect of different tax rates of other jurisdictions		3.9	3.0
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group		0.9	1.6
Income not subject to tax (tax incentive/exemption)		(15.4)	(12.6)
Expenses not deductible for tax purposes		8.9	6.1
Utilisation of previously unrecognised tax losses		(0.4)	(0.6)
Over provision in prior years		(6.3)	(2.4)
Deferred tax benefits not recognised		0.7	0.6
Withholding tax		0.7	0.8
Tax benefits arising from group relief loss transfers		(1.5)	(1.0)
Others		(0.1)	-
		8.4	12.5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. TAXATION (cont'd)

As at 30 September 2023, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately \$31,428,000 (2022: \$27,573,000) and unabsorbed capital allowances of \$5,097,000 (2022: \$5,097,000) available for set off against future taxable profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately \$118,596,000 (2022: \$106,518,000), unutilised investment allowances of approximately \$70,620,000 (2022: \$86,362,000) and unabsorbed capital allowances of \$19,173,000 (2022: \$23,177,000). The availability of these tax losses and capital allowances to set off against future taxable profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of tax residence. The deferred tax benefits of these tax losses recognised in the financial statements are disclosed in Note 30.

For the year of assessment ("YA") 2023 certain subsidiary companies have transferred loss items of \$4,190,000 (YA 2022: \$6,184,000) to offset against the taxable income of other companies in the Group. Subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore, tax benefits of \$3,366,000 (YA 2022: \$2,021,000) were recognised on the tax losses utilised under the group relief system.

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2023 (\$'000)	2022 (\$'000)
Interim paid of 1.5 cents per share (2022: 1.5 cents per share)	21,829	21,803
Final proposed of 4.0 cents per share (2022: 3.5 cents per share)	58,212	50,874
	80,041	72,677

The final dividend is proposed by the Directors after the balance sheet date and subject to the approval of shareholders at the next annual general meeting of the Company.

10. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Group attributable profit to shareholders of the Company		
- before fair value adjustment and exceptional items	133,251	129,421
- after fair value adjustment and exceptional items	133,216	124,867
----- Number of Shares -----		
Weighted average number of ordinary shares in issue	1,455,006,813	1,453,264,025
Earnings Per Share (Basic)		
- before fair value adjustment and exceptional items	9.2 cts	8.9 cts
- after fair value adjustment and exceptional items	9.2 cts	8.6 cts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit to shareholders of the Company by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit to shareholders of the Company is adjusted for changes in subsidiary companies attributable profit resulting from dilutive potential shares under share plans of a subsidiary company. The reconciliation of the Group adjusted attributable profit to shareholders of the Company used to compute diluted earnings per share is as follows:

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	133,251	129,421
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(217)	(166)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	133,034	129,255
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	133,216	124,867
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(240)	(158)
Group adjusted attributable profit to shareholders of the Company after fair value adjustment and exceptional items	132,976	124,709

The weighted average number of ordinary shares is adjusted to assume exercise of all dilutive potential shares under share plans of the Company. The reconciliation of the weighted average number of ordinary shares used to compute diluted earnings per share is as follows:

	----- Number of Shares -----	
Weighted average number of ordinary shares used to compute basic earnings per share	1,455,006,813	1,453,264,025
Adjustment for dilutive potential shares under share plans of the Company	3,165,316	3,719,603
Weighted average number of ordinary shares used to compute diluted earnings per share	1,458,172,129	1,456,983,628
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	9.1 cts	8.9 cts
- after fair value adjustment and exceptional items	9.1 cts	8.6 cts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY			
	2023		2022	
	Number of Shares	(\$'000)	Number of Shares	(\$'000)
(a) Share capital				
<u>Ordinary shares issued and fully paid up</u>				
Balance at beginning of year	1,453,549,775	861,456	1,451,835,276	858,830
Shares issued pursuant to the vesting of shares awarded under Share Plans	1,748,445	2,346	1,714,499	2,626
Balance at end of year	1,455,298,220	863,802	1,453,549,775	861,456

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has the following employee share plans under which share awards conditional on the achievement of pre-determined targets have been granted.

- (i) Fraser and Neave, Limited Restricted Share Plan
- (ii) F&N Restricted Share Plan 2019

During the financial year, all pending awards under the Fraser and Neave, Limited Restricted Share Plan have been released.

(b) Reserves

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
The reserves comprise the following:				
Capital Reserve	25,188	(8,925)	(1,091)	(1,091)
Fair Value Adjustment Reserve	(39,172)	(35,317)	(16,453)	(10,448)
Hedging Reserve	5,110	10,937	-	-
Share-based Payment Reserve	7,600	8,196	2,889	3,742
Revenue Reserve	2,277,854	2,224,810	640,404	709,694
Dividend Reserve (Note 9)	58,212	50,874	58,212	50,874
Exchange Reserve	(251,273)	(42,494)	-	-
Total reserves	2,083,519	2,208,081	683,961	752,771

Capital reserve of the Company comprises the net loss on reissuance of treasury shares. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies, the net loss on reissuance of treasury shares and put option liability arising from acquisition of subsidiary companies.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of equity investments designated at FVOCI until they are disposed or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. SHARE CAPITAL AND RESERVES (cont'd)

(b) Reserves (cont'd)

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

Share-based payment reserve represents the share plans granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of share plans and is reduced by the shares awarded.

Dividend reserve relates to proposed final dividend of 4.0 cents (2022: 3.5 cents) per share.

Exchange reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

12. FIXED ASSETS

	THE GROUP						
	Freehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in- Progress (\$'000)	Other Assets (\$'000)	Right-of- Use Assets (\$'000)	Total (\$'000)
For the year ended 30 September 2023							
At cost							
Balance at beginning of year	36,656	411,135	803,901	86,711	191,636	141,522	1,671,561
Currency realignment	(1,489)	(12,807)	(28,260)	(2,407)	(5,479)	(4,335)	(54,777)
Additions	-	16,478	12,617	92,089	8,711	6,871	136,766
Acquisition of subsidiary companies	19,170	7,817	1,819	11,973	686	80,840	122,305
Derecognition	-	-	-	-	-	(19,163)	(19,163)
Disposals	-	(84)	(34,546)	-	(15,582)	-	(50,212)
Write off	-	(11)	(835)	(71)	(4,059)	-	(4,976)
Revaluation	-	4,936	-	-	-	11,388	16,324
Reclassification	-	8,654	78,122	(85,683)	7,301	(8,394)	-
Reclassification to other assets	-	(9,463)	-	(274)	-	(16,839)	(26,576)
Balance at end of year	54,337	426,655	832,818	102,338	183,214	191,890	1,791,252
Accumulated depreciation and impairment							
Balance at beginning of year	44	112,934	540,244	-	152,152	54,858	860,232
Currency realignment	-	(4,646)	(17,196)	-	(3,348)	(1,682)	(26,872)
Depreciation charge	-	11,208	37,256	-	11,592	14,825	74,881
Impairment charge	-	803	10,087	-	126	616	11,632
Reversal of impairment charge	-	(20)	(757)	-	(158)	-	(935)
Derecognition	-	-	-	-	-	(17,730)	(17,730)
Disposals	-	(83)	(33,892)	-	(15,041)	-	(49,016)
Write off	-	(4)	(804)	-	(3,791)	-	(4,599)
Reclassification	-	255	-	-	-	(255)	-
Reclassification to other assets	-	(1,488)	-	-	-	(1,278)	(2,766)
Balance at end of year	44	118,959	534,938	-	141,532	49,354	844,827
Net book value	54,293	307,696	297,880	102,338	41,682	142,536	946,425

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. FIXED ASSETS (cont'd)

	THE GROUP						
	Freehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in- Progress (\$'000)	Other Assets (\$'000)	Right-of- Use Assets (\$'000)	Total (\$'000)
For the year ended 30 September 2022							
At cost							
Balance at beginning of year	39,011	332,647	782,214	118,805	193,522	136,000	1,602,199
Currency realignment	(1,650)	(11,583)	(24,937)	(4,889)	(6,015)	(2,940)	(52,014)
Additions	-	39,001	5,247	85,825	8,442	18,439	156,954
Acquisition of subsidiary companies	-	17	-	-	1,685	58	1,760
Derecognition	-	-	-	-	-	(10,003)	(10,003)
Disposals	-	(469)	(2,873)	(179)	(11,061)	-	(14,582)
Write off	(705)	(209)	(5,839)	(1,523)	(3,531)	(32)	(11,839)
Reclassification	-	51,731	50,089	(110,015)	8,195	-	-
Reclassified to intangible assets	-	-	-	(1,313)	-	-	(1,313)
Reclassified from intangible assets	-	-	-	-	399	-	399
Balance at end of year	36,656	411,135	803,901	86,711	191,636	141,522	1,671,561
Accumulated depreciation and impairment							
Balance at beginning of year	764	108,287	529,918	-	158,022	45,187	842,178
Currency realignment	(15)	(3,091)	(15,188)	-	(4,962)	(1,058)	(24,314)
Depreciation charge	-	8,421	34,016	-	12,662	16,583	71,682
Impairment charge	-	-	956	-	203	173	1,332
Reversal of impairment charge	-	-	(1,084)	-	(143)	-	(1,227)
Derecognition	-	-	-	-	-	(5,995)	(5,995)
Disposals	-	(468)	(2,772)	-	(10,711)	-	(13,951)
Write off	(705)	(215)	(5,602)	-	(3,318)	(32)	(9,872)
Reclassified from intangible assets	-	-	-	-	399	-	399
Balance at end of year	44	112,934	540,244	-	152,152	54,858	860,232
Net book value	36,612	298,201	263,657	86,711	39,484	86,664	811,329

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. FIXED ASSETS (cont'd)

	THE COMPANY		
	Other Assets (\$'000)	Right-of-Use Assets (\$'000)	Total (\$'000)
For the year ended 30 September 2023			
At cost			
Balance at beginning of year	1,413	11,252	12,665
Additions	188	26	214
Disposals	(559)	-	(559)
Reclassification to other assets	-	(771)	(771)
Balance at end of year	1,042	10,507	11,549
Accumulated depreciation			
Balance at beginning of year	646	6,678	7,324
Depreciation charge	202	1,537	1,739
Disposals	(345)	-	(345)
Balance at end of year	503	8,215	8,718
Net book value	539	2,292	2,831
For the year ended 30 September 2022			
At cost			
Balance at beginning of year	1,716	6,896	8,612
Additions	155	4,356	4,511
Disposals	(458)	-	(458)
Balance at end of year	1,413	11,252	12,665
Accumulated depreciation			
Balance at beginning of year	833	4,426	5,259
Depreciation charge	218	2,252	2,470
Disposals	(405)	-	(405)
Balance at end of year	646	6,678	7,324
Net book value	767	4,574	5,341

- (a) Other assets comprise motor vehicles and forklift, postmix and vending machines, fixture and fittings and computer equipment.
- (b) Details of right-of-use assets are disclosed in Note 27(a).
- (c) During the financial year ended 30 September 2023, fixed assets were transferred to investment properties as it was no longer used by the Group and would be leased to third parties.

Immediately before the transfer, the Group remeasured the fixed assets to fair value and recognised a gain of \$16,324,000 in other comprehensive income. The valuation techniques and significant unobservable inputs used in determining the fair value at the date of transfer were the same as those applied to investment properties at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. INVESTMENT PROPERTIES

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
(a) Completed Investment Properties		
Balance at beginning of year	16,108	16,858
Currency realignment	(866)	(715)
Reclassified from fixed assets	22,765	-
Acquisition of subsidiary companies	2,905	-
Net fair value loss recognised in the profit statement	(403)	(35)
Balance at end of year	40,509	16,108

- (b) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 27).

The following amounts are recognised in the profit statement:

Rental income from investment properties	410	74
Direct operating expenses arising from rental generating properties	211	132

- (c) Completed investment properties are stated at fair value which has been determined based on valuations performed at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The valuations are based on open market values on the as-is basis and were prepared primarily using the Investment and Direct Comparison Approach. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Independent professional valuations were carried out by the following valuers:

Valuers	Country
CBRE Advisory Hong Kong Limited	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

14. PROPERTIES HELD FOR DEVELOPMENT

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Balance at beginning of year	16,960	17,853
Currency realignment	(1,005)	(893)
Balance at end of year	15,955	16,960
Properties held for development comprise:		
Freehold land	14,459	15,370
Development costs	1,496	1,590
	15,955	16,960

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. SUBSIDIARY COMPANIES

		THE COMPANY	
		2023 (\$'000)	2022 (\$'000)
(a)	Investments in subsidiary companies		
	Quoted shares at cost	256,353	256,353
	Unquoted shares at cost	2,266,954	2,251,954
	Allowance for impairment	(438,680)	(391,128)
		2,084,627	2,117,179
	Amounts owing by subsidiary companies	56,022	14,519
		2,140,649	2,131,698
	Market value		
	Quoted shares	1,495,183	1,356,890
<p>The Company increased its shareholdings in F&N Foods Pte Ltd through capital injections amounting to \$15,000,000 during the financial year ended 30 September 2023 (2022: F&N Ventures Pte. Ltd. through capital injections amounting to \$4,000,000). There was no change to the Company's effective ownership interest in these subsidiary companies.</p> <p>During the financial year ended 30 September 2023, an impairment loss of \$3,354,000 (2022: \$59,678,000) was recognised by the Company on the cost of investment in a subsidiary company to bring its carrying value to its recoverable value.</p> <p>During the financial year ended 30 September 2023, an impairment loss of \$44,198,000 was also recognised by the Company on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value. The recoverable amount of the subsidiary company had been determined based on the higher of the fair value less cost to sell and the value-in-use. The value-in-use calculations were determined using 5 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections was 8.2% and the terminal growth rate was 4.0%.</p> <p>The amounts owing by subsidiary companies are unsecured and bear interest of 5.0% to 5.1% (2022: 3.3% to 3.4%) per annum. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, part of the Company's net investments in the subsidiary companies.</p>			
(b)	Balances with subsidiary companies		
	Current		
	Amounts owing from subsidiary companies		
	- trade, non interest-bearing	14,194	11,241
	- non-trade, non interest-bearing	16,744	6,394
	- loans, interest-bearing	35,000	50,947
		65,938	68,582
	Amounts owing to subsidiary companies		
	- trade, non interest-bearing	386	124
	- non-trade, non interest-bearing	20,045	20,009
		20,431	20,133
	Non-current		
	Amounts owing to subsidiary companies		
	- loans, interest-bearing	535,000	555,000
		535,000	555,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. SUBSIDIARY COMPANIES (cont'd)

(b) Balances with subsidiary companies (cont'd)

The amounts owing from and to subsidiary companies disclosed under current assets and liabilities are unsecured, repayable on demand, and to be settled in cash. Loans receivable bear interest of 4.0% (2022: 2.8% to 3.3%) per annum.

The amounts owing to subsidiary companies disclosed under non-current liabilities are unsecured, not repayable within the next 12 months, and to be settled in cash. Loans payable bear interest between 2.1% to 4.6% (2022: 2.1% to 3.9%) per annum.

The Company provides for 12-month ECLs for all amounts due from subsidiary companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from subsidiary companies are considered to have low credit risk and the amount of the allowance is insignificant.

Details of the significant subsidiary companies are included in Note 37.

(c) Acquisition of subsidiary companies

(i) Ladang Permai Damai Sdn Bhd ("LPDSB")

On 12 October 2022, Fraser & Neave Holdings Bhd ("F&NHB"), a 55.5%-owned subsidiary company of the Company, announced that its indirect 65.0%-owned subsidiary company, Dagang Sejahtera Sdn Bhd ("DSSB") had completed the acquisition of the entire equity interest of LPDSB for a total cash consideration of RM215,588,000 (approximately \$62,618,000). As a result, LPDSB became an indirect 65.0%-owned subsidiary company of F&NHB. The acquisition of LPDSB does not constitute an acquisition of business under SFRS(I) 3 Business Combinations and does not give rise to goodwill. This acquisition was financed by F&NHB's internal funds and bank borrowings.

The fair value of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Fair Value as at Date of Acquisition (\$'000)
Fixed assets	1,374
Current assets	12
Current liabilities	(220)
Cash and cash equivalents	1
Total identifiable net assets at fair value	1,167
Non-controlling interests	(408)
Fair value of leasehold land	61,859
Consideration paid	62,618
Less: Cash and cash equivalents in subsidiary companies acquired	(1)
Net cash outflow on acquisition of subsidiary companies	62,617

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. SUBSIDIARY COMPANIES (cont'd)

(c) Acquisition of subsidiary companies (cont'd)

(ii) Cocoland Holdings Berhad ("Cocoland")

On 4 November 2022, F&NHB announced that its wholly-owned subsidiary company, Awana Citra Sdn Bhd ("Awana"), had acquired 326,129,868 shares in Cocoland, representing approximately 72.4% of the issued share capital of Cocoland for a total cash consideration of RM489,195,000 (approximately \$142,088,000). As a result, Cocoland became an indirect wholly-owned subsidiary company of F&NHB. The acquisition was financed by F&NHB's internal funds and borrowings. All ordinary shares in Cocoland were de-listed from the Main Market of Bursa Malaysia Securities Berhad on 25 November 2022. A goodwill of \$69,031,000 was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition determined upon completion of the Price Purchase Allocation exercise.

The fair value of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Fair Value as at Date of Acquisition (\$'000)
Fixed assets	59,072
Investment properties	2,905
Intangible assets	11,106
Brands	19,796
Current assets	25,225
Current liabilities	(8,796)
Non-current liabilities	(12,373)
Cash and cash equivalents	31,028
Total identifiable net assets at fair value	127,963
Cost of investment as an associated company	(28,283)
Gain on change of interest in an associated company	(26,623)
Goodwill on acquisition	69,031
Consideration paid	142,088
Less: Cash and cash equivalents in subsidiary companies acquired	(31,028)
Net cash outflow on acquisition of subsidiary companies	111,060

Transaction costs

Transaction costs related to the acquisitions of \$243,000 (2022: \$55,000) have been recognised under "Administrative expenses" in the Group's profit statement for the year ended 30 September 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. SUBSIDIARY COMPANIES (cont'd)

(c) Acquisition of subsidiary companies (cont'd)

(iii) Ventaserv Sdn Bhd and its subsidiary company, Balance Fountain Sdn Bhd ("Ventaserv")

On 15 December 2021, Warburg Vending Malaysia Sdn. Bhd., an indirect wholly-owned Malaysia-incorporated subsidiary company of the Group, completed the acquisition of the entire issued share capital of Ventaserv. The cash consideration was RM8,706,000 (approximately \$2,689,000). A goodwill of \$1,470,000 was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition determined upon completion of the Price Purchase Allocation exercise. The consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into account inter alia, the existing assets, financial position and business prospects of Ventaserv and precedent transactions for companies engaged in similar businesses.

The fair value of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Fair Value as at Date of Acquisition (\$'000)
Fixed assets	1,760
Intangible assets	55
Current assets	326
Current liabilities	(963)
Non-current liabilities	(170)
Cash and cash equivalents	211
Total identifiable net assets at fair value	1,219
Goodwill arising from acquisition	1,470
Consideration paid	2,689
Less: Cash and cash equivalents in subsidiary companies acquired	(211)
Net cash outflow on acquisition of subsidiary companies	2,478

Transaction costs

Transaction costs related to the acquisitions of \$129,000 have been recognised under "Administrative expenses" in the Group's profit statement for the year ended 30 September 2022.

(d) Liquidation of subsidiary companies

During the financial year, the Group liquidated Everbest Printing Company Limited, a wholly-owned subsidiary company of Times Publishing Limited.

During the financial year ended 30 September 2022, the Group liquidated the following companies:

- (i) Lion Share Management Limited, a wholly-owned subsidiary company of Fraser and Neave Holdings Bhd.
- (ii) Educational Technologies Private Limited, a wholly-owned subsidiary company of Times Publishing Limited.
- (iii) Times Graphics Private Limited., an indirect wholly-owned subsidiary company of Times Publishing Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. SUBSIDIARY COMPANIES (cont'd)

(e) Increase in shareholdings in F&N United ("FNU")

During the financial year ended 30 September 2022, the Group through F&N Dairy Investments Pte Ltd ("FNDI") increased its shareholdings in FNU through capital injections amounting to \$29,376,000. FNDI's shareholdings in FNU increased from 95.00% to 97.86%.

(f) Subsidiary company with material NCI

The Group's subsidiary company that has material NCI is as follows:

	Fraser & Neave Holdings Bhd	
	2023 (\$'000)	2022 (\$'000)
NCI percentage of ownership and voting interest	44.5%	44.5%
Carrying amount of NCI	432,303	409,954
Profit after taxation allocated to NCI	71,297	54,268
Dividends paid to NCI	28,456	30,249
<u>Summarised financial information before inter-group elimination</u>		
Non-current assets	755,899	605,405
Current assets	728,770	688,397
Non-current liabilities	(264,149)	(115,127)
Current liabilities	(247,047)	(257,284)
Net assets	973,473	921,391
Revenue	1,491,793	1,421,919
Profit after taxation	161,675	121,596
Other comprehensive income	8,817	(3,802)
Total comprehensive income	170,492	117,794
Net cash flows from operating activities	305,844	33,037
Net cash flows used in investing activities	(201,252)	(60,236)
Net cash flows from/(used in) financing activities	54,248	(59)
Net increase/(decrease) in cash and cash equivalents	158,840	(27,258)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. JOINT VENTURE COMPANIES

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
F&N Retail Connection Co., Ltd ("FNRC") and F&N International Holdings Co., Ltd ("FNIH")	111,171	105,722	38,578	38,578
Vacaron Company Sdn Bhd ("VCSB")	41,535	44,042	-	-
Other joint venture company	150	150	-	-
	152,856	149,914	38,578	38,578

- (a) The following table summarises the financial information of the Group's joint venture companies based on their respective financial statements for the periods ended 30 September, modified for fair value adjustments on acquisition and differences in the Group's accounting policies as follows:

	FNRC and FNIH		VCSB	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
(Expenses)/income	(4)	41	(97)	(126)
Share of joint venture companies' results	13,354	9,179	-	-
Profit/(loss) before interest and taxation	13,350	9,220	(97)	(126)
Finance income	-	1	7	2
Finance costs	(3)	(3)	-	-
Net finance (costs)/income	(3)	(2)	7	2
Profit/(loss) after taxation	13,347	9,218	(90)	(124)
Other comprehensive income	1,049	-	-	-
Total comprehensive income/(loss)	14,396	9,218	(90)	(124)
Non-current assets	227,202	216,076	1	2
Cash and bank balances	14	19	313	121
Other current assets	-	-	82,859	88,078
Total liabilities	(335)	(336)	(22,354)	(23,767)
Net assets	226,881	215,759	60,819	64,434

- (b) The following table summarises the carrying amount and share of loss of the other joint venture company held by the Group as follows:

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Carrying amount of interest	150	150
Share of loss after taxation and total comprehensive loss	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. JOINT VENTURE COMPANIES (cont'd)

- (c) On 11 November 2011, the Group had through its non-wholly owned subsidiary, F&NHB, entered into a conditional subscription cum shareholders' agreement ("SSA") with Frasers Property Holdings (Malaysia) Pte. Ltd. ("FPHM") to form a joint venture company, VCSB for the purpose of carrying out a proposed mixed development on the land held under PN 3679 for Lot No. 35 and PN 3681 for Lot No. 37, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor. The Group and FPHM had both granted shareholder's loans to VCSB pursuant to the SSA. On 2 October 2019, the principal amount of shareholder's loan of \$41,838,000 was converted to 126,820 redeemable non-cumulative convertible preference shares ("RNCCPS") at issue price of RM1,000 each. During the financial year ended 30 September 2023, F&NHB subscribed for additional 500 RNCCPS at issue price of RM1,000 each in VCSB.
- (d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, repayable on demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from joint venture companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from joint venture companies are considered to have low credit risk and the amount of the allowance is insignificant.
- (e) There is no share of capital commitments and contingent liabilities of the joint venture companies as at 30 September 2023 and 2022.

Details of the significant joint venture companies are included in Note 37.

17. ASSOCIATED COMPANIES

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	2,523,202	2,699,284
Other associated company	-	28,856
	2,523,202	2,728,140
Market value		
Quoted shares	1,775,312	1,904,721

- (a) The following table summarises the financial information of the Group's material associated company based on its consolidated financial statements for the periods ended 30 September, modified for fair value adjustments on acquisition and differences in the Group's accounting policies as follows:

Vinamilk

Summarised statement of comprehensive income

Revenue	2,884,736	3,082,853
Profit before taxation	546,303	595,651
Taxation	(105,110)	(115,326)
Profit after taxation	441,193	480,325
Other comprehensive income	2,714	43,600
Total comprehensive income	443,907	523,925
Attributable to:		
Non-controlling interests	6,477	8,071
Shareholders of Vinamilk	437,430	515,854
	443,907	523,925

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17. ASSOCIATED COMPANIES (cont'd)

		THE GROUP	
		2023 (\$'000)	2022 (\$'000)
(a)	Vinamilk (cont'd)		
	<u>Summarised balance sheet</u>		
	Non-current assets	2,946,157	3,102,597
	Current assets	2,114,456	2,057,604
	Current liabilities	(1,148,095)	(1,018,304)
	Non-current liabilities	(450,536)	(463,369)
	Net assets	3,461,982	3,678,528
	Attributable to:		
	Non-controlling interests	191,279	165,355
	Shareholders of Vinamilk	3,270,703	3,513,173
		3,461,982	3,678,528
	Group's interest in net assets at beginning of the year	2,699,284	2,684,786
	Group's share of		
	Profit after taxation	88,704	97,401
	Other comprehensive income	553	7,908
	Total comprehensive income	89,257	105,309
	Currency realignment	(172,567)	7,420
	Dividends received during the year	(92,772)	(98,231)
	Carrying amount of interest at end of the year	2,523,202	2,699,284
(b)	The following table summarises the carrying amount and share of profit and other comprehensive income of the associated company held by the Group that is not individually material as follows:		
	Carrying amount of interest	-	28,856
	Share of profit before taxation	1,528	3,390
	Share of taxation	(361)	(916)
	Share of profit after taxation and total comprehensive income	1,167	2,474

During the financial year, the associated company was accounted as a wholly-owned subsidiary of F&NHB Group from 4 November 2022. Details of the acquisition are shown in Note 15(c)(ii).

- (c) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade and non-trade in nature, interest free, repayable on demand, to be settled in cash. The Group provides for 12-month ECLs for all amounts due from associated companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from associated companies are considered to have low credit risk and the amount of the allowance is insignificant.

- (d) There is no share of contingent liabilities of the associated companies as at 30 September 2023 and 2022.

Details of the significant associated companies are included in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Other Intangible Assets (\$'000)	Total (\$'000)	Other Intangible Assets and Total (\$'000)
For the year ended 30 September 2023					
At cost					
Balance at beginning of year	108,576	39,790	59,629	207,995	1,134
Currency realignment	(2,264)	(486)	(800)	(3,550)	-
Additional expenditure	-	7,526	10,517	18,043	-
Acquisition of subsidiary companies	69,031	-	11,106	80,137	-
Reclassified from fixed assets	-	-	274	274	-
Disposal for the year	-	-	(1,419)	(1,419)	-
Write off	-	(736)	(624)	(1,360)	(143)
Balance at end of year	175,343	46,094	78,683	300,120	991
Accumulated amortisation and impairment					
Balance at beginning of year	5,864	22,624	43,846	72,334	318
Currency realignment	(76)	(357)	(693)	(1,126)	-
Amortisation charge	-	9,138	4,066	13,204	57
Impairment charge	2,776	1,994	-	4,770	-
Impairment charge written back	-	-	(111)	(111)	-
Disposal for the year	-	-	(1,419)	(1,419)	-
Write off	-	(736)	(451)	(1,187)	-
Balance at end of year	8,564	32,663	45,238	86,465	375
Net book value	166,779	13,431	33,445	213,655	616
For the year ended 30 September 2022					
At cost					
Balance at beginning of year	107,883	36,089	58,532	202,504	1,134
Currency realignment	(777)	576	(626)	(827)	-
Additional expenditure	-	7,474	873	8,347	-
Acquisition of subsidiary companies	1,470	-	55	1,525	-
Reclassified from fixed assets	-	-	1,313	1,313	-
Reclassified to fixed assets	-	-	(399)	(399)	-
Write off	-	(4,349)	(119)	(4,468)	-
Balance at end of year	108,576	39,790	59,629	207,995	1,134
Accumulated amortisation and impairment					
Balance at beginning of year	5,952	16,416	41,500	63,868	257
Currency realignment	(88)	529	(591)	(150)	-
Amortisation charge	-	10,022	3,331	13,353	61
Impairment charge	-	6	118	124	-
Reclassified to fixed assets	-	-	(399)	(399)	-
Write off	-	(4,349)	(113)	(4,462)	-
Balance at end of year	5,864	22,624	43,846	72,334	318
Net book value	102,712	17,166	15,783	135,661	816

All intangible assets, other than goodwill, have finite useful lives of not more than 20 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

(a) Goodwill

The carrying value of the Group's goodwill arising from acquisitions of subsidiary companies was assessed for impairment during the financial year.

	(\$'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax discount rate
Carrying value of capitalised goodwill based on CGUs				
As at 30 September 2023				
Subsidiary companies:				
Printing and Publishing Group	31,425	Value-in-use and Fair value less cost to sell	0% - 1.0%	7.8% - 9.9%
Dairies Group	290	Value-in-use	1.0%	9.2%
Beverages Group	58,179	Value-in-use	0% - 5.0%	7.9% - 13.6%
Others Group	76,885	Value-in-use	2.0%	9.9%
	<u>166,779</u>			
As at 30 September 2022				
Subsidiary companies:				
Printing and Publishing Group	34,849	Value-in-use and Fair value less cost to sell	0% - 1.0%	5.5% - 8.0%
Dairies Group	309	Value-in-use	1.0%	7.2%
Beverages Group	59,206	Value-in-use	0% - 4.6%	5.8% - 10.2%
Others Group	8,348	Value-in-use	0%	8.3%
	<u>102,712</u>			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year period. Cash flows beyond these periods are extrapolated using the estimated growth rates stated in the table above. The fair value less cost to sell calculations are based on quoted market prices obtained from active markets or using the net carrying amount adjusted for the unrecognised fair value changes to the properties.

The terminal growth rate used does not exceed the long term average growth rate of the product, industry or country in which the entity operates.

The discount rates applied to the cash flow projections reflect management's estimates of the risks specific to the respective CGUs at the date of assessment.

An impairment loss of \$2,776,000 (2022: Nil) was recognised in the profit statement during the financial year and was determined based on value in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

(b) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of \$1,994,000 (2022: \$6,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value due to shift in market demand for certain products.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections is 7.8% to 9.1% (2022: 5.5% to 5.7%).

(c) Other intangible assets

The carrying value of other intangible assets was assessed for impairment during the financial year.

There was no impairment loss recognised in the profit statement during the current financial year (2022: \$118,000).

A reasonable change to the assumptions used by the management to determine the impairment required, particularly the discount rate and terminal growth rate, would not significantly affect the results.

20. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
At fair value through other comprehensive income ("FVOCI")				
Quoted equity investments	3,842	4,551	133,408	139,413
Unquoted equity investment	-	3,435	-	-
Total	3,842	7,986	133,408	139,413

Equity investments designated at FVOCI

The Group and the Company designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group and the Company intend to hold for long-term strategic purposes.

	THE GROUP		THE COMPANY	
	Fair value (\$'000)	Dividend income (\$'000)	Fair value (\$'000)	Dividend income (\$'000)
Year Ended 30 September 2023				
Vietnam Dairy Products Joint-Stock Company	-	-	129,566	6,771
Tsit Wing International Holdings Ltd	3,842	221	3,842	221
Others	-	12	-	-
	3,842	233	133,408	6,992
Year Ended 30 September 2022				
Vietnam Dairy Products Joint-Stock Company	-	-	134,862	7,169
Tsit Wing International Holdings Ltd	4,551	298	4,551	298
Ross Digital Pte Ltd	3,435	-	-	-
	7,986	298	139,413	7,467

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
21. CASH AND BANK DEPOSITS				
Bank fixed deposits	172,213	41,076	4,754	-
Cash and bank balances	259,616	233,510	5,004	4,836
	431,829	274,586	9,758	4,836
22. BRANDS				
At cost				
Balance at beginning of year	45,721	46,255	8,647	8,647
Currency realignment	(500)	(534)	-	-
Acquisition of subsidiary companies	19,796	-	-	-
Balance at end of year	65,017	45,721	8,647	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	14,076	14,150	8,435	8,435
Currency realignment	(134)	(209)	-	-
Amortisation charge	135	135	-	-
Balance at end of year	14,077	14,076	8,435	8,435
Net book value	50,940	31,645	212	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of \$ 50,673,000 (2022: \$31,243,000).

The recoverable amount of the brands have been determined based on value-in-use calculations using 3 to 5 year cash flow projections approved by management.

The terminal growth rate used does not exceed the long term average growth rate of the product, industry or country in which the CGU operates.

The discount rate applied to the cash flow projections reflect managements' estimates of the risks specific to the respective CGUs at the date of assessment.

The pre-tax discount rates applied to the cash flow projections was 7.9% - 13.6% (2022: 5.8% - 8.3%) and terminal growth rates applied was 0% - 5.0% (2022: 0% - 4.6%).

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FOR THE YEAR ENDED 30 SEPTEMBER 2023

23. INVENTORIES

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Raw materials	138,814	182,516
Finished goods	130,798	148,988
Packaging materials	37,304	40,731
Engineering spares, work-in-progress and other inventories	17,788	14,978
	324,704	387,213

The cost of inventories recognised as an expense in cost of sales during the year was \$1,413,069,000 (2022: \$1,380,084,000).

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Current				
Trade receivables	292,488	286,471	-	-
Other receivables:				
Accrued income	1,977	763	3	-
Prepayments	8,099	6,663	628	652
Prepayment for acquisition (Note 37)	-	66,560	-	-
Deposits paid	6,684	5,474	374	561
Tax recoverable	8,908	10,125	-	-
Staff loans	283	259	-	-
Derivative financial instruments (Note 25)	5,177	198	-	78
Contract costs	93	168	-	-
Sundry debtors	12,049	11,105	-	-
Dividend receivable	58,715	-	4,374	-
Other receivables	7,008	10,160	242	325
	108,993	111,475	5,621	1,616
Related parties	4,889	5,310	271	461
	406,370	403,256	5,892	2,077
Non-current				
Other receivables:				
Tax recoverable	175	-	-	-
Deposits paid	385	162	-	-
Derivative financial instruments (Note 25)	-	10,937	-	-
Other receivables	274	-	274	-
	834	11,099	274	-
	407,204	414,355	6,166	2,077

Current amounts due from related parties are trade and non-trade related. Transactions with related parties are made on normal commercial terms and conditions. Non-trade amounts are unsecured, interest-free, repayable upon demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from related parties based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from related parties are considered to have low credit risk and the amount of the allowance is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping various customer segments that have similar loss patterns. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

Summarised below is the information about the credit risk exposure on the Group's trade receivables:

	Gross carrying amount (\$'000)	THE GROUP Impairment loss allowance (\$'000)	Net carrying amount (\$'000)
Year Ended 30 September 2023			
Current (not past due)	220,491	(145)	220,346
Past due:			
1 to 30 days	48,522	(183)	48,339
31 to 60 days	7,409	(82)	7,327
61 to 90 days	2,148	(93)	2,055
91 to 120 days	1,621	(28)	1,593
more than 120 days	26,384	(13,556)	12,828
	306,575	(14,087)	292,488
Year Ended 30 September 2022			
Current (not past due)	224,452	(196)	224,256
Past due:			
1 to 30 days	44,557	(190)	44,367
31 to 60 days	6,084	(84)	6,000
61 to 90 days	3,445	(55)	3,390
91 to 120 days	1,496	(7)	1,489
more than 120 days	20,817	(13,848)	6,969
	300,851	(14,380)	286,471

The movements in allowance for impairment on trade receivables are as follows:

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Balance at beginning of year	14,380	14,389
Impairment charge	1,062	1,568
Write back	(794)	(742)
Acquisition of subsidiary companies	75	-
Write off	(416)	(792)
Currency realignment	(220)	(43)
Balance at end of year	14,087	14,380

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
25. DERIVATIVE FINANCIAL INSTRUMENTS				
Current Assets				
Forward currency contracts	67	198	-	78
Interest rate swaps	5,110	-	-	-
	5,177	198	-	78
Non-current Assets				
Interest rate swaps	-	10,937	-	-
Current Liabilities				
Forward currency contracts	167	624	-	3
The Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a half yearly basis.				
26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES				
Current				
Trade payables	216,721	221,958	-	-
Other payables				
Accrued operating expenses	65,121	64,280	238	226
Sundry accruals	19,598	22,142	250	575
Sundry deposits	13,152	9,345	-	-
Staff costs payable	35,269	34,920	4,365	3,935
Accrual for unconsumed annual leave	2,521	2,651	746	809
Deferred income	12	73	-	-
Derivative financial instruments (Note 25)	167	624	-	3
Interest payable	12,087	6,252	3,294	1,817
Contract liabilities	35,651	34,072	-	-
Other payables	47,193	32,756	8,135	8,600
	230,771	207,115	17,028	15,965
Related parties	9,356	6,957	734	287
	456,848	436,030	17,762	16,252
Non-current				
Other payables				
Put liability to acquire non-controlling interests	-	17,795	-	-
Other payables	235	235	235	235
	235	18,030	235	235
	457,083	454,060	17,997	16,487

- (a) Amounts due to related parties are trade and non-trade related. Transactions with related parties are made on normal commercial terms and conditions. Non-trade amounts are unsecured, interest-free, repayable upon demand and to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES (cont'd)

- (b) As part of the acquisition of Print Lab Pte. Ltd. and its subsidiary company ("PLPL") in FY2019, TPL has entered into an agreement which, among other things, provides the right for TPL to acquire the remaining 40% share capital of PLPL and the right for the non-controlling interests of PLPL to require TPL to acquire the remaining 40% shares, subject to satisfaction of certain conditions by 30 September 2023.

Accordingly, TPL Group recognised \$13,956,000, being the fair value of the put liability to acquire NCI. The fair value was determined based on the expected payment, discounted using a risk-adjusted discount rate of 7%. During the year, changes in carrying value of the put liability to acquire NCI amounting to \$1,281,000 (2022: \$1,195,000) was recognised in equity.

As at 30 September 2023, the put option has lapsed as the conditions were not met and as such, the put liability was derecognised.

27. LEASE LIABILITIES

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Lease liabilities				
Current	7,464	10,984	1,380	1,419
Non-current	31,525	35,386	1,559	2,915
	38,989	46,370	2,939	4,334

- (a) The Group as a lessee

The Group leases a number of warehouse and factory facilities with an option to renew the lease after that date. Lease payments are adjusted every five years to reflect current market rentals. The Group also leases equipment for use in its back office operations and vehicles for its delivery and logistics operations. There are no externally imposed covenants on these lease arrangements.

Information about leases for which the Group and the Company is a lessee is presented below.

Right-of-use assets classified within Fixed Assets in Note 12

	THE GROUP				THE COMPANY	
	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Other Assets (\$'000)	Total (\$'000)	Other Assets and Total (\$'000)
For the year ended 30 September 2023						
Balance at beginning of year	55,097	21,468	610	9,489	86,664	4,574
Currency realignment	(2,253)	(234)	(6)	(160)	(2,653)	-
Additions	27	5,097	834	913	6,871	26
Acquisition of subsidiary companies	72,266	8,574	-	-	80,840	-
Depreciation charge	(2,379)	(8,443)	(543)	(3,460)	(14,825)	(1,537)
Impairment charge	-	(616)	-	-	(616)	-
Derecognition	-	(1,198)	(22)	(213)	(1,433)	-
Revaluation	11,388	-	-	-	11,388	-
Reclassification	-	(8,139)	-	-	(8,139)	-
Reclassification to other assets	(14,790)	-	-	(771)	(15,561)	(771)
Balance at end of year	119,356	16,509	873	5,798	142,536	2,292

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

27. LEASE LIABILITIES (cont'd)

(a) The Group as a lessee (cont'd)

Right-of-use assets classified within Fixed Assets in Note 12 (cont'd)

	THE GROUP				THE COMPANY	
	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Other Assets (\$'000)	Total (\$'000)	Other Assets and Total (\$'000)
For the year ended						
30 September 2022						
Balance at beginning of year	57,556	25,416	469	7,372	90,813	2,470
Currency realignment	(946)	(844)	2	(94)	(1,882)	-
Additions	-	10,948	695	6,796	18,439	4,356
Acquisition of subsidiary companies	-	58	-	-	58	-
Depreciation charge	(1,507)	(10,066)	(542)	(4,468)	(16,583)	(2,252)
Impairment charge	-	(173)	-	-	(173)	-
Derecognition	(6)	(3,871)	(14)	(117)	(4,008)	-
Balance at end of year	55,097	21,468	610	9,489	86,664	4,574

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
<u>Amounts recognised in profit statement</u>		
Interest expense on lease liabilities	1,940	1,852
Lease expense on short-term leases	1,433	1,876
Lease expense on low-value leases	719	623
Lease expense on variable lease payments	5,358	4,634

Extension options

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

27. LEASE LIABILITIES (cont'd)

(b) The Group as a lessor

Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Information about the operating leases of investment properties are presented in Note 13.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Less than one year	801	213
One to two years	612	35
Two to three years	576	-
Three to four years	580	-
Four to five years	580	-
More than five years	48	-
Total	3,197	248

Finance lease

The Group and the Company had sub-leased an office space that has been presented as part of a right-of-use asset under fixed assets and recognised interest income on lease receivables of \$24,000 (2022: \$4,000).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	THE GROUP & THE COMPANY	
	2023 (\$'000)	2022 (\$'000)
Less than one year	259	20
One to two years	259	-
Two to three years	21	-
Total undiscounted lease receivables	539	20
Unearned finance income	(23)	-
Net investment in lease receivables	516	20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

27. LEASE LIABILITIES (cont'd)

(c) A reconciliation of movement of lease liabilities to cash flows arising from financing activities is as follows:

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Lease Liabilities		
Balance at beginning of year	46,370	48,185
Additions	6,794	18,182
Acquisition of subsidiary companies	181	167
Derecognition	(1,847)	(3,999)
Payment of principal amount	(11,892)	(14,909)
Interest payments	(1,940)	(1,852)
Interest expense	1,940	1,852
Currency realignment	(617)	(1,256)
Balance at end of year	38,989	46,370

28. BORROWINGS

	Notes	THE GROUP		THE COMPANY	
		2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Repayable within one year:					
Unsecured					
Bank loans	(a)	38,122	31,607	-	-
Term loans	(b)	301,089	20,000	-	20,000
		339,211	51,607	-	20,000
Repayable after one year:					
Unsecured					
Term loans	(b)	794,396	837,672	270,637	154,111
	(d)	794,396	837,672	270,637	154,111
Total		1,133,607	889,279	270,637	174,111
Fair value	(c)	1,119,073	876,413	265,611	169,954

Notes

- (a) The Group's unsecured bank loans bore interest rates ranging from 3.05% to 12.30% (2022: 1.30% to 4.29%) per annum.
- (b) The Group's unsecured term loans bore interest at rates ranging from 1.96% to 5.09% (2022: 1.18% to 4.01%) and the Company's unsecured term loans bore interest at rates ranging from 3.00% to 4.53% (2022: 1.18% to 3.00%) per annum during the year. As at 30 September 2023 and 2022, term loans include variable rate notes and medium term notes issued by the Company and certain subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

28. BORROWINGS (cont'd)

Notes (cont'd)

- (c) The Group's carrying amount of bank borrowings approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for term loans of \$591,640,000 (2022: \$401,771,000) which have a fair value of \$577,106,000 (2022: \$388,905,000). The Company's carrying amount of bank borrowings approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for term loans of \$214,751,000 (2022: \$139,757,000) which have a fair value of \$209,725,000 (2022: \$135,600,000). The Group and Company's fair value of bank borrowings are classified as a Level 2 and Level 3 under the fair value hierarchy, as determined based on quoted market prices and present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

- (d) Maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Between 1 and 2 years	201,011	301,062	139,850	-
Between 2 and 5 years	570,149	510,676	130,787	154,111
After 5 years	23,236	25,934	-	-
	794,396	837,672	270,637	154,111

- (e) A reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Borrowings		
Balance at beginning of year	889,279	926,835
Proceeds from borrowings	357,067	442,251
Repayment of borrowings	(107,756)	(476,978)
Currency realignment	(5,290)	(2,395)
Transaction costs	307	(434)
Balance at end of year	1,133,607	889,279

29. PROVISION FOR EMPLOYEE BENEFITS

Defined benefit plan	12,154	12,741
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(a) Defined Contribution Plan

The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia and Hong Kong.

Accruals for defined contribution plans are included in Other Payables under Note 26.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan

The defined benefit plans in Malaysia, Thailand and Indonesia do not have separately funded assets. They provide a lump sum benefit at normal retirement age.

The following table summarise the components of the benefit liability:

	THE GROUP	
	2023 (\$'000)	2022 (\$'000)
Benefit liability		
Present value of unfunded defined benefit obligation	12,154	12,741
Net liability arising from defined benefit obligation	12,154	12,741

The weighted average duration of the defined benefit obligation as at 30 September 2023 was 10.4 years (2022: 10.3 years).

Changes in present value of defined benefit obligations are as follows:

Balance at beginning of year	12,741	15,760
<u>Included in profit statement</u>		
Interest cost	450	429
Current service cost	1,013	1,315
Past service cost/(credit)	32	(230)
	1,495	1,514
<u>Included in other comprehensive income</u>		
Remeasurements:		
- actuarial loss arising from change in demographic assumptions	-	(180)
- actuarial loss arising from change in financial assumptions	(67)	(1,535)
- experience adjustments	(216)	(525)
	(283)	(2,240)
Benefits paid	(1,243)	(1,317)
Currency realignment	(550)	(901)
Transfer	(6)	(75)
Balance at end of year	12,154	12,741

The major assumptions used by the qualified independent actuaries were:

Future salary growth	3.0% to 6.0%	3.0% to 6.0%
Discount rate	1.0% to 7.5%	1.0% to 7.5%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Change in assumption	Increase/(Decrease) in defined benefit obligation	
		Increase in assumption (\$'000)	Decrease in assumption (\$'000)
The Group			
Year Ended 30 September 2023			
Future salary growth	1%	1,110	(986)
Discount rate	1%	(954)	1,093
Year Ended 30 September 2022			
Future salary growth	1%	1,129	(1,005)
Discount rate	1%	(996)	1,141

(c) Share Plans

Fraser and Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the RSP

- (i) Depending on the level of achievement of pre-determined targets over a two-year performance period for the RSP, the final number of RSP shares to be awarded could range between 0% to 150% of the initial grant of the RSP shares.
- (ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP share awards will vest. The balance will vest equally over the subsequent two years upon fulfillment of service requirements.

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2022	Lapsed	Vested	Balance as at 30.09.2023
Year 10	21.12.2018	408,400	(1,025)*	(407,375)	-

* Lapsed due to cessation of employment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

F&N Restricted Share Plan 2019 ("F&N RSP 2019")

The F&N RSP 2019 replaced the RSP and PSP, which expired on 21 January 2019. The expiry of the RSP and PSP will not affect awards granted prior to expiry of these share plans and which are pending final release. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020.

Information regarding the F&N RSP 2019

- (i) Depending on the level of achievement of pre-determined targets over a one-year performance period for the F&N RSP 2019, the final number of F&N RSP 2019 shares to be awarded could range between 0% to 150% of the initial grant of the F&N RSP 2019 shares.
- (ii) Based on meeting stated performance conditions over a one-year performance period, the share awards will vest equally over three years upon fulfillment of service requirements.

Information with respect to the number of shares granted under the F&N RSP 2019 is as follows:

Shares	Grant Date	Balance as at 1.10.2022 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.09.2023
Year 1	28.08.2020	381,972	(934)	-	(381,038)	-
Year 2	10.02.2021	1,102,731	(38,433)	-	(551,368)	512,930
Year 3	18.04.2022	1,826,500	(68,600)	(602,100)	(408,664)	747,136
Year 4	20.12.2022	2,028,750	(123,500)	-	-	1,905,250
		5,339,953	(231,467)*	(602,100)	(1,341,070)	3,165,316

* Lapsed due to cessation of employment.

The estimated fair value of shares granted during the financial year ended 30 September 2023 ranges from \$1.12 to \$1.21 (2022: \$1.26 to \$1.36). The fair value of equity-settled contingent award of shares are determined using Black-Scholes Valuation Model. The inputs to the model used are as follows:

	2023	2022
Dividend yield (%)	4.0	3.6
Expected volatility (%)	26.7	26.4
Risk-free interest rate (%)	2.9 to 3.7	1.7 to 2.2
Expected life (years)	1.0 to 3.0	0.7 to 2.7
Share price at date of grant (\$)	1.26	1.39

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP", and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021")

The F&NHB SGP were approved by the shareholders of F&NHB at its Extraordinary General Meeting held on 13 January 2012. The F&NHB SGP has expired on 14 March 2022. Prior to the expiry of the F&NHB SGP, F&NHB had introduced the F&NHB SGP 2021 which was approved by its shareholders at the Extraordinary General Meeting held on 19 January 2021 and implemented on 11 February 2021. The F&NHB SGP 2021 is valid for 10 years from 11 February 2021 to 10 February 2031. The expiry of the F&NHB SGP did not affect awards of F&NHB shares granted prior to its expiry and which were capable of being vested prior and up to 14 March 2022.

F&NHB RSP and F&NHB SGP 2021

Under the F&NHB RSP and the F&NHB SGP 2021, F&NHB grants a base number of conditional awards of F&NHB shares (the "F&NHB Base Awards") to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid shares of F&NHB, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee of F&NHB (the "F&NHB RemCo"), as administrator of the F&NHB RSP and the F&NHB SGP 2021, has absolute discretion in granting the F&NHB Base Awards and determining the performance period and the vesting period. The F&NHB RemCo has determined the performance period for the F&NHB RSP to be two years and for the F&NHB SGP 2021 (for awards from Year 11 onwards) to be one year.

Depending on the level of achievement of the pre-determined targets, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of F&NHB shares to be awarded at the end of the relevant performance period (the "F&NHB Final Awards"). The achievement factor ranges from 0% to 150%. Accordingly, the actual number of F&NHB shares to be awarded could range from 0% to 150% of the initial grant of awards under the F&NHB RSP and the F&NHB SGP 2021.

In respect of the F&NHB RSP, the first tranche of F&NHB shares (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the next two years. In respect of the F&NHB SGP 2021, for awards from Year 11 onwards the F&NHB Final Awards will be vested to participants in equal installments over the next three years after the end of the one-year performance period.

The award for Year 10 of the F&NHB RSP was deferred from December 2020 originally, to 15 February 2021 (i.e. after the F&NHB SGP 2021 was approved and implemented). Therefore, the F&NHB RemCo determined that Year 10 of the F&NHB RSP would be issued under the F&NHB SGP 2021. This was because the two-year performance period for the Year 10 F&NHB RSP would traverse the expiry of the F&NHB SGP, and no F&NHB shares can be released after said performance period as they would be deemed cancelled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP"), F&NHB Performance Share Plan ("F&NHB PSP", and collectively with the F&NHB RSP, the "F&NHB SGP") and the F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021") (cont'd)

F&NHB RSP and F&NHB SGP 2021 (cont'd)

Information with respect to the number of shares granted under the F&NHB RSP and F&NHB SGP 2021 is as follows:

Shares	Grant Date	Balance as at 1.10.2022 or Grant Date if later	Lapsed	Achievement Factor	Vested	Balance as at 30.09.2023
F&NHB RSP						
Year 8*	21.12.2018	29,650	-	-	(29,650)	-
Year 9*	23.12.2019	88,450	(2,825)	-	(44,225)	41,400
F&NHB SGP 2021						
Year 10**	15.02.2021	288,000	(5,350)	(8,500)	(139,750)	134,400
Year 11	16.02.2022	415,600	(19,899)	102,100	(170,841)	326,960
Year 12	31.03.2023	481,700	(13,500)	-	-	468,200
		1,303,400	(41,574)^	93,600	(384,466)	970,960

* Under the original vesting schedules for these awards of F&NHB shares, the final tranche under Year 8 F&NHB RSP, and the second and final tranches under Year 9 F&NHB RSP, would be released after the 14 March 2022 expiry of the F&NHB SGP and thus were deemed cancelled. In December 2021, F&NHB shares under the F&NHB SGP 2021 equivalent to the number of shares deemed cancelled were awarded to eligible participants in accordance with the original vesting schedules of these deemed cancelled awards, and which shares were not be subject to performance periods or achievement targets.

** The F&NHB RemCo has also determined that the first tranche of F&NHB shares under the 15 February 2021 award for Year 10 F&NHB RSP (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period, and the balance 50% will be vested in equal instalments over the next two years.

^ Lapsed due to cessation of employment.

The estimated fair value of shares granted during the year ranges from RM24.40 to RM25.55 (2022: RM21.82 to RM23.20). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2023	2022
Dividend yield (%)	2.3	3.1
Expected volatility (%)	22.6	14.0
Risk-free interest rate (%)	2.3 to 3.0	2.3 to 3.0
Expected life (years)	0.8 to 2.8	0.9 to 2.9
Share price at date of grant (RM)	26.00	23.84

F&NHB PSP

Information regarding the F&NHB PSP

- Depending on the achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.
- PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

As at 30 September 2023, no shares has been granted under F&NHB PSP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

30. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Deferred tax liabilities						
Differences in depreciation	45,743	42,692	3,846	7,560	-	20
Tax effect on revaluation surplus	159	-	163	-	-	-
Provisions, expenses and income taken in a different period	1,311	1,955	(258)	(556)	-	-
Fair value adjustments	12,022	900	(215)	(26)	-	-
Other deferred tax liabilities	113	236	(48)	(126)	-	-
Gross deferred tax liabilities	59,348	45,783	3,488	6,852	-	20
Less: Deferred tax assets						
Employee benefits	(1,800)	(1,821)	(79)	(7)	-	-
Unabsorbed losses and capital allowances	(1,267)	(1,927)	(302)	(489)	-	-
Provisions, expenses and income taken in a different period	(3,359)	(1,458)	(2,139)	(325)	-	-
Other deferred tax assets	(6,558)	(7,191)	142	(130)	-	(3)
Gross deferred tax assets	(12,984)	(12,397)	(2,378)	(951)	-	(3)
Net deferred tax liabilities	46,364	33,386	1,110	5,901	-	17

Some subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	(957)	(757)	(206)	240	-	-
Differences in depreciation	(346)	(750)	(251)	(331)	(48)	-
Unabsorbed losses and capital allowances	(1,923)	(362)	(696)	247	-	-
Provisions, expenses and income taken in a different period	(5,276)	(3,288)	(1,470)	(1,385)	-	-
Tax effect on revaluation surplus	(1)	(1)	-	-	-	-
Other deferred tax assets	(451)	(278)	(172)	(84)	(110)	-
Fair value adjustments	(531)	(39)	(506)	-	-	-
Net deferred tax assets	(9,485)	(5,475)	(3,301)	(1,313)	(158)	-

Deferred tax liabilities of \$121,000 (2022: \$52,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of \$710,000 (2022: \$307,000) at 30 September 2023.

Deferred tax liabilities of \$27,000 (2022: \$46,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of \$274,000 (2022: \$461,000) at 30 September 2023 of certain of the Group's subsidiary companies as the Group has determined that the undistributed earnings of its subsidiary companies will not be distributed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE GROUP

2023
(\$'000)

2022
(\$'000)

30. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

Deductible temporary differences	61,669	69,571
Tax losses	138,646	132,936
	200,315	202,507

Tax losses of \$35,964,000 (2022: \$37,178,000) start to expire in 2031. Subject to the relevant overseas tax legislation, the remaining tax losses and deductible temporary differences would generally expire within three to ten years of their incurrence. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

31. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

(a) Commitments in respect of contracts placed

Fixed assets	37,719	128,989
Intangible assets	526	991
	38,245	129,980

(b) Other amounts approved by directors but not contracted for

Fixed assets	390,501	40,026
Intangible assets	461	775
	390,962	40,801
	429,207	170,781

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following were the significant related party transactions entered into between the Group and related parties based on agreed fees or terms between the parties.

(a) Transactions with TCC Group of Companies⁽ⁱ⁾

Sales	23,197	22,906
Advertising & promotion support	1,713	2,976
Service fee and other income	602	577
Purchases	(21,089)	(31,056)
Marketing expense	(10,541)	(5,751)
Logistic expense	(955)	(908)
Insurance premium expense	(727)	(1,801)
Rental and other expenses	(8,604)	(10,568)

⁽ⁱ⁾ This refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

		THE GROUP	
		2023 (\$'000)	2022 (\$'000)
(b)	Transactions with Joint Venture and Associated Companies		
	Sales	378	235
	Receipt of corporate service fee	36	38
	Purchases	-	(2,334)

33. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of \$3,367,468,000 (2022: \$3,425,911,000) for the purpose of assisting its subsidiary and joint venture companies to obtain external borrowings. Of the \$3,367,468,000 (2022: \$3,425,911,000) corporate guarantees given by the Company, \$657,335,000 (2022: \$639,865,000) has been utilised by its subsidiary and joint venture companies as security for their borrowings. These borrowings taken by its subsidiary companies have been consolidated into the Group's total borrowings (Note 28).

34. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit Committee to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

(a) Foreign Currency Risk

The Group and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's and Company's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's and the Company's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group and the Company use foreign currency forward exchange contracts to manage these foreign exchange risks.

At 30 September 2023, the Group had entered into foreign currency forward exchange buy contracts amounting to \$13,970,000 (2022: \$19,514,000) and sell contracts amounting to \$556,000 (2022: \$9,184,000). The fair value adjustments of the buy contracts and sell contracts are losses of \$107,000 (2022: \$542,000) and gains of \$7,000 (2022: \$116,000) respectively.

At 30 September 2023, the Company had entered into foreign currency forward exchange sell contracts amounting to \$Nil (2022: \$7,157,000). The fair value adjustments of the sell contracts is a gain of \$Nil (2022: gain of \$75,000).

The fair values of foreign currency forward exchange contracts have been calculated using rates quoted by the Group's and Company's bankers to terminate the contracts at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

The major foreign currencies exposure of the Group and the Company are as follows:

	Australian Dollar (\$'000)	United States Dollar (\$'000)	Hong Kong Dollar (\$'000)	Vietnamese Dong (\$'000)	Malaysian Ringgit (\$'000)
The Group					
Year Ended 30 September 2023					
Other investments	-	-	3,842	-	-
Receivables	2,459	41,246	-	58,619	10,558
Cash and bank deposits	415	31,068	97	63	7,662
Payables	(6,783)	(42,232)	(382)	(9)	(10,334)
Borrowings	-	(8,174)	-	-	-
Net balance sheet exposure	(3,909)	21,908	3,557	58,673	7,886
Forward exchange contracts	8,073	3,006	-	-	-
Net exposure	4,164	24,914	3,557	58,673	7,886
Year Ended 30 September 2022					
Other investments	-	-	4,551	-	-
Receivables	2,045	41,282	-	-	18,587
Cash and bank deposits	2,926	21,899	755	61	17,371
Payables	(4,630)	(37,253)	(9)	(9)	(22,353)
Borrowings	-	(17,165)	-	-	-
Net balance sheet exposure	341	8,763	5,297	52	13,605
Forward exchange contracts	11,622	3,662	-	-	(7,082)
Net exposure	11,963	12,425	5,297	52	6,523

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

	Vietnamese Dong (\$'000)	Hong Kong Dollar (\$'000)	Malaysian Ringgit (\$'000)	Thai Baht (\$'000)	United States Dollar (\$'000)
The Company					
Year Ended 30 September 2023					
Other investments	129,566	3,842	-	-	-
Receivables	4,278	-	19	217	-
Cash and bank deposits	-	-	323	-	34
Payables	-	-	(89)	(533)	(183)
Net exposure	133,844	3,842	253	(316)	(149)
Year Ended 30 September 2022					
Other investments	134,862	4,551	-	-	-
Receivables	-	-	7,002	183	144
Cash and bank deposits	-	-	14	-	-
Payables	-	(10)	(68)	(87)	(171)
Net balance sheet exposure	134,862	4,541	6,948	96	(27)
Forward exchange contracts	-	-	(7,082)	-	-
Net exposure	134,862	4,541	(134)	96	(27)

The following table demonstrates the sensitivity of the Group and the Company's total equity and the Group and the Company's profit before taxation to a reasonably possible 10% strengthening of the Australian Dollar, United States Dollar, Hong Kong Dollar, Vietnamese Dong, Malaysian Ringgit and Thai Baht exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2023		2022	
	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)	Profit (\$'000)
The Group				
Australian Dollar	-	416	-	1,196
United States Dollar	-	2,491	-	1,243
Hong Kong Dollar	384	(28)	455	75
Vietnamese Dong	-	5,867	-	5
Malaysian Ringgit	-	789	-	652
The Company				
Vietnamese Dong	12,957	428	13,486	-
Hong Kong Dollar	384	-	455	(1)
Malaysian Ringgit	-	25	-	(13)
Thai Baht	-	(32)	-	10
United States Dollar	-	(15)	-	(3)

A 10% weakening of the above currencies at the balance sheet date would have had the equal but opposite effect on the respective functional currencies of the Group entities as the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group maintains sufficient cash and marketable securities, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

The table below analyses the maturity profile of the Group's and Company's financial liabilities and derivative financial instruments based on contractual undiscounted cash flows.

		Contractual Cash Flows			
	Carrying amount (\$'000)	Total cash flows (\$'000)	Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
The Group					
Year Ended 30 September 2023					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	216,721	216,721	216,721	-	-
Other payables	190,488	190,595	190,360	235	-
Lease liabilities	38,989	54,089	9,426	14,882	29,781
Borrowings	1,133,607	1,237,760	384,013	829,366	24,381
Related parties	9,356	9,356	9,356	-	-
	1,589,161	1,708,521	809,876	844,483	54,162
<u>Derivative Financial Instruments</u>					
Interest rate swaps (net-settled)	(5,110)	(7,054)	(7,054)	-	-
Forward currency contracts (net-settled)	100	100	100	-	-
	(5,010)	(6,954)	(6,954)	-	-
	1,584,151	1,701,567	802,922	844,483	54,162
Year Ended 30 September 2022					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	221,958	221,958	221,958	-	-
Other payables	185,721	185,804	167,774	18,030	-
Lease liabilities	46,370	63,800	14,257	16,332	33,211
Borrowings	889,279	979,199	83,000	867,856	28,343
Related parties	6,957	6,957	6,957	-	-
Associated companies	310	310	310	-	-
	1,350,595	1,458,028	494,256	902,218	61,554
<u>Derivative Financial Instruments</u>					
Interest rate swaps (net-settled)	(10,937)	(11,774)	(6,588)	(5,186)	-
Forward currency contracts (net-settled)	426	426	426	-	-
	(10,511)	(11,348)	(6,162)	(5,186)	-
	1,340,084	1,446,680	488,094	897,032	61,554

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Contractual Cash Flows			
	Carrying amount (\$'000)	Total cash flows (\$'000)	Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)
The Company				
Year Ended 30 September 2023				
<u>Non-derivative Financial Liabilities</u>				
Other payables	16,267	16,267	16,032	235
Subsidiary companies	555,431	598,926	37,454	561,472
Borrowings	270,637	293,361	9,395	283,966
Lease liabilities	2,939	3,072	1,474	1,598
Related parties	734	734	734	-
	846,008	912,360	65,089	847,271
Year Ended 30 September 2022				
<u>Non-derivative Financial Liabilities</u>				
Other payables	15,155	15,155	14,920	235
Subsidiary companies	575,133	622,709	36,073	586,636
Borrowings	174,111	187,020	24,726	162,294
Lease liabilities	4,334	4,598	1,553	3,045
Related parties	287	287	287	-
	769,020	829,769	77,559	752,210
<u>Derivative Financial Instruments</u>				
Forward currency contracts (net-settled)	(75)	(75)	(75)	-
	768,945	829,694	77,484	752,210

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk

At the balance sheet date, the Group's and the Company's total exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	THE GROUP			
	2023		2022	
	(\$'000)	% of total	(\$'000)	% of total
By Geographical Segment:				
Singapore	93,778	32%	91,294	32%
Malaysia	107,137	37%	100,012	35%
Thailand	72,766	25%	74,674	26%
Others	18,807	6%	20,491	7%
	292,488	100%	286,471	100%
By Business Segment:				
Beverages	72,044	25%	75,759	26%
Dairies	143,404	49%	147,962	52%
Printing & Publishing	65,391	22%	60,922	21%
Others	11,649	4%	1,828	1%
	292,488	100%	286,471	100%

The Group and the Company have no significant concentration of credit risk. The Group and the Company have policies in place to monitor its credit risk. Sales of products and services are made to customers with an appropriate credit history. Contractual deposits are collected and scheduled progress payments are received from the buyers when due.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have a sound credit rating. Management considers that its cash and fixed deposits and investments have low credit risk and does not expect any counterparty to fail to meet its obligations. As such, the Group considers these assets are subject to immaterial credit loss.

Information regarding financial assets that are either past due or impaired and ageing analysis is disclosed in Note 24. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's total credit risk exposure for foreign exchange contracts are limited to the fair value adjustments of these contracts. It is the Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

The Group and the Company do not have significant exposure to any individual customer or counterparty.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk

The Group and the Company's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group and the Company's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Group agree with other parties to exchange, at specified intervals mainly half yearly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group held the following instruments to hedge exposures to changes in interest rates:

	Contractual notional amount (\$'000)	Carrying amount		Changes during the year			Weighted average hedged rate*	Maturity date
		Assets (\$'000)	Line item in the Balance Sheet	Change in value of hedging instrument recognised in OCI (\$'000)	Amount reclassified from hedging reserve to Profit Statement (\$'000)	Line item in the Profit Statement affected by the reclassification		
THE GROUP								
Year Ended 30 September 2023								
<u>Cashflow hedge</u>								
Interest rate swaps								
to hedge floating rate borrowings	300,000	5,110	Current Other Receivables	(905)	(4,922)	Finance costs	1.69%	June and August 2024
Year Ended 30 September 2022								
<u>Cashflow hedge</u>								
Interest rate swaps								
to hedge floating rate borrowings	300,000	10,937	Non-current Other Receivables	15,019	3,120	Finance costs	1.69%	June and August 2024

* Weighted average hedged rate refers to the fixed rate payable under the interest rate swaps and excludes the underlying bank loan credit margin.

Interest rate benchmark reform

Singapore Swap Offer Rates ("SOR") ceased publication after 30 June 2023, and it was replaced by the Singapore Overnight Rate Average ("SORA"). The Group had amended all its SOR indexed borrowings and interest rate swaps (contractual notional amount of \$300,000,000) to reference to SORA in the last financial year. The Group had assessed that interest rate benchmark reform uncertainty was no longer present with respect to its cash flow hedge of its SOR indexed borrowings when both the hedging instrument and the hedged item had been amended to transition from SOR to SORA with fixed adjustment spreads.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

At the reporting date, the interest rate profile of interest-bearing financial instruments, was as follows:

	THE GROUP Nominal amount		THE COMPANY Nominal amount	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Fixed rate instruments				
Cash and bank deposits	196,937	76,839	9,016	4,386
Other financial assets	-	-	35,000	50,947
Borrowings	(620,225)	(433,762)	(215,000)	(160,000)
Other financial liabilities	(3,754)	(4,260)	(535,000)	(555,000)
Effect of interest rate swaps	(300,000)	(300,000)	-	-
	(727,042)	(661,183)	(705,984)	(659,667)
Floating rate instruments				
Cash and bank deposits	174,808	59,492	-	-
Borrowings	(514,367)	(456,809)	(56,000)	(14,500)
Effect of interest rate swaps	300,000	300,000	-	-
	(39,559)	(97,317)	(56,000)	(14,500)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The Group and the Company are in a net finance costs position for the year ended 30 September 2023 and 2022.

Sensitivity analysis for floating rate instruments

It is estimated that a ten basis points (bps) increase in interest rate, with all other variables held constant, would decrease the Group and Company's profit before taxation by approximately \$40,000 (2022: \$97,000) and \$56,000 (2022: \$15,000) respectively and increase the Group's hedging reserve by approximately \$294,000 (2022: \$563,000). A decrease of a ten bps in interest rate would have an equal but opposite effect. The analysis is performed on the same basis for 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Market Price Risk

The Group and the Company are exposed to market price risk and the risk of impairment in the value of investments held. The Group and the Company manage the risk of impairment by evaluation of investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

Sensitivity analysis for quoted investment risk

If prices for equity investments at fair value through OCI increase by 10% with all other variables including tax rate being held constant, the impact on fair value adjustment reserve will be as follows:

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Fair value adjustment reserve	384	455	13,341	13,941

There will be no impact to profit before taxation.

A 10% decrease in the underlying equity prices would have had the equal but opposite effect as the amounts shown above. The analysis is performed on the same basis as for 2022 and assumes that all other variables remain constant.

(f) Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

(i) *Cash and bank deposits, other receivables and other payables*

The carrying amounts of these items in current assets and current liabilities approximate fair value due to their short term nature.

(ii) *Trade receivables and trade payables*

The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(iii) *Amounts due from/to related parties, associated, joint venture and subsidiary companies*

The carrying amounts of amounts due from/to related parties, associated, joint venture and subsidiary companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due to subsidiary companies included in long term liabilities, no disclosure of the fair value has been made as the carrying amount approximates fair value.

(iv) *Other investments*

Market value of quoted investment is determined by reference to stock exchange quoted prices.

Certain unquoted investments do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(v) Borrowings

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 28. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate bank borrowings and term loans approximate their fair value.

(vi) Assets and liabilities measured at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows the analysis of assets and liabilities carried at fair value and their levels in the fair value hierarchy:

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
The Group				
Year Ended 30 September 2023				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	3,842	-	-	3,842
Derivative financial instruments (Note 25)	-	5,177	-	5,177
	3,842	5,177	-	9,019
Non-Financial Asset				
Investment properties (Note 13)	-	-	40,509	40,509
Financial Liability				
Derivative financial instruments (Note 25)	-	167	-	167
Year Ended 30 September 2022				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	4,551	-	-	4,551
Derivative financial instruments (Note 25)	-	11,135	-	11,135
	4,551	11,135	-	15,686
Non-Financial Asset				
Investment properties (Note 13)	-	-	16,108	16,108
Financial Liability				
Derivative financial instruments (Note 25)	-	624	-	624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
The Company				
Year Ended 30 September 2023				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	133,408	-	-	133,408
Year Ended 30 September 2022				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	139,413	-	-	139,413
Derivative financial instruments (Note 25)	-	78	-	78
	139,413	78	-	139,491
Financial Liability				
Derivative financial instruments (Note 25)	-	3	-	3

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 30 September 2023 and 2022.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to the quoted market price at the balance sheet date.

The fair value of derivatives categorised within Level 2 of the fair value hierarchy are valued using a valuation technique with market observable inputs. These include forward pricing and swap models, using present value calculations. The models incorporate various inputs such as foreign exchange spot and forward rates.

The following table presents the valuation techniques and significant unobservable inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Valuation techniques	Significant unobservable inputs	Range and Rate	
			2023	2022
Commercial property in Malaysia	Direct Comparison Approach	Value per square feet	RM280 - RM420	-
Commercial property in Malaysia	Investment Approach	Estimated rental value per square feet per month (RM)	-	3.20 - 4.20
		Capitalisation rate	-	7.25%
		Capital expenditure reserve per square feet (RM)	-	1.00
		Discount factor	-	7.25%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

Description	Valuation techniques	Significant unobservable inputs	Range and Rate	
			2023	2022
Commercial property in Hong Kong	Direct Comparison Approach	Value per square feet	\$2,107 to \$2,498	\$1,853 to \$2,417
Industrial property in Malaysia	Land - Direct Comparison Approach	Value per square feet	RM500 - RM731	-
	Building - Depreciated Replacement Cost Approach			
Car park in Malaysia	Direct Comparison Approach	Value per car park bay	RM25,000	RM30,000

Direct comparison approach for commercial property, industrial property and car park in Malaysia:

The valuation method considers the sales of comparable or substitute properties adjusted for differences in key attributes such as property size.

Depreciated replacement cost approach for industrial property in Malaysia:

The valuation method is applied on the building and considers the building's depreciation or loss of value over time and the cost of replacing the building if it were to be destroyed or damaged.

Investment approach for commercial property in Malaysia:

The valuation method considers the present value of net cash flows to be generated from the property, taking into account estimated rental value per square feet per month, capitalisation rate, capital expenditure reserve per square feet, discount factor, and other costs not paid by tenants.

Direct comparison approach for commercial property in Hong Kong:

The valuation method assumes the sale of the properties in their existing state with the benefit of vacant possession and by making reference to comparable transactions as available in the relevant market.

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various significant unobservable inputs tabled above. Increase/(Decrease) in estimated rental value would result in higher/(lower) fair value of the investment properties assuming that all other assumptions were held constant. Increases/(Decreases) in the capitalisation rate, void factor, capital expenditure reserve, and discount factor and market interruption would result in lower/(higher) fair value assuming that all other assumptions were held constant.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties is set out in note 13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Assets and Liabilities

Set out below is a comparison by category of the carrying amounts of the Group's and the Company's financial assets and liabilities that are carried in the financial statements:

	Amortised cost (\$'000)	Fair value through profit and loss (\$'000)	Derivatives designated as a hedge (\$'000)	Fair value through other comprehensive income (\$'000)	Total (\$'000)
The Group					
Year Ended 30 September 2023					
Assets					
Joint venture companies	12,403	-	-	-	12,403
Associated companies	14	-	-	-	14
Other investments	-	-	-	3,842	3,842
Other receivables	82,731	67	5,110	-	87,908
Trade receivables	292,488	-	-	-	292,488
Related parties	4,889	-	-	-	4,889
Cash and bank deposits	431,829	-	-	-	431,829
	824,354	67	5,110	3,842	833,373
Liabilities					
Trade payables	216,721	-	-	-	216,721
Other payables	190,488	167	-	-	190,655
Related parties	9,356	-	-	-	9,356
Lease liabilities	38,989	-	-	-	38,989
Borrowings	1,133,607	-	-	-	1,133,607
	1,589,161	167	-	-	1,589,328
Year Ended 30 September 2022					
Assets					
Joint venture companies	13,211	-	-	-	13,211
Associated companies	129	-	-	-	129
Other investments	-	-	-	7,986	7,986
Other receivables	21,825	198	10,937	-	32,960
Trade receivables	286,471	-	-	-	286,471
Related parties	5,310	-	-	-	5,310
Cash and bank deposits	274,586	-	-	-	274,586
	601,532	198	10,937	7,986	620,653
Liabilities					
Trade payables	221,958	-	-	-	221,958
Other payables	185,721	624	-	-	186,345
Associated companies	310	-	-	-	310
Related parties	6,957	-	-	-	6,957
Lease liabilities	46,370	-	-	-	46,370
Borrowings	889,279	-	-	-	889,279
	1,350,595	624	-	-	1,351,219

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

34. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Assets and Liabilities (cont'd)

	Amortised cost (\$'000)	Fair value through profit and loss (\$'000)	Fair value through other comprehensive income (\$'000)	Total (\$'000)
The Company				
Year Ended 30 September 2023				
Assets				
Subsidiary companies	121,960	-	-	121,960
Joint venture companies	163	-	-	163
Associated companies	14	-	-	14
Other investments	-	-	133,408	133,408
Other receivables	5,171	-	-	5,171
Related parties	271	-	-	271
Cash and bank deposits	9,758	-	-	9,758
	137,337	-	133,408	270,745
Liabilities				
Other payables	16,267	-	-	16,267
Subsidiary companies	555,431	-	-	555,431
Related parties	734	-	-	734
Lease liabilities	2,939	-	-	2,939
Borrowings	270,637	-	-	270,637
	846,008	-	-	846,008
Year Ended 30 September 2022				
Assets				
Subsidiary companies	83,101	-	-	83,101
Joint venture companies	163	-	-	163
Associated companies	1	-	-	1
Other investments	-	-	139,413	139,413
Other receivables	581	78	-	659
Related parties	461	-	-	461
Cash and bank deposits	4,836	-	-	4,836
	89,143	78	139,413	228,634
Liabilities				
Other payables	15,155	3	-	15,158
Subsidiary companies	575,133	-	-	575,133
Related parties	287	-	-	287
Lease liabilities	4,334	-	-	4,334
Borrowings	174,111	-	-	174,111
	769,020	3	-	769,023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholders' value. No changes were made in the objectives, policies or processes during the years ended 30 September 2023 and 2022.

The Group monitors its cashflow, debt maturity profile, cost of funds, overall liquidity position and gearing ratio on a continuous basis. The Group's policy is to keep gearing ratio at not more than 80% of total equity.

The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as borrowings less cash and bank deposits. Total equity is calculated as shareholders' fund plus non-controlling interests.

	THE GROUP		THE COMPANY	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Cash and bank deposits	431,829	274,586	9,758	4,836
Borrowings	(1,133,607)	(889,279)	(270,637)	(174,111)
Net borrowings	(701,778)	(614,693)	(260,879)	(169,275)
Shareholders' fund	2,947,321	3,069,537	1,547,763	1,614,227
Total equity (including non-controlling interests)	3,402,607	3,502,485	1,547,763	1,614,227
Gearing ratio %				
- without non-controlling interests	23.8	20.0	16.9	10.5
- with non-controlling interests	20.6	17.6	16.9	10.5

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. The Group and the Company are in compliance with all externally imposed capital requirements.

36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group and the Company have not adopted the following new SFRS(I) and amendments to SFRS(I)s that have been issued as at balance sheet date but are not yet effective:

Description		Effective for annual periods beginning on or after
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 and SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors expect that the adoption of the new and amendments to the standards above will have no material impact on the financial statements of the Group and the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding		Principal Activities
		2023	2022	
SUBSIDIARY COMPANIES OF THE COMPANY				
Country of Incorporation and Place of Business: Singapore				
(A)	Fraser & Neave (Singapore) Pte. Limited	100.0%	100.0%	Dormant
(A)	F&N Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A)	F&N Foods Pte Ltd	100.0%	100.0%	Manufacture and Wholesale of Beverages and Dairy Products
(A)	F&N Global Marketing Pte. Ltd.	100.0%	100.0%	Sale and Manufacture of Concentrates, Sub-licence of Brands and Related Intellectual Property Businesses
(A)	F&N Dairy Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A)	F&N Interflavine Pte. Ltd.	100.0%	100.0%	Provision of Contract Manufacturing Services
(A)	InterF&B Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	Times Publishing Limited	100.0%	100.0%	Investment Holding
(A)	F&NBev Manufacturing Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	F&N Treasury Pte. Ltd.	100.0%	100.0%	Provision of Treasury and Financial Services
(A)	F&N Creameries (S) Pte. Ltd. (Held by a subsidiary company)	100.0%	100.0%	Distribution of Ice Cream
(A)	Warburg Vending Pte Ltd (Held by a subsidiary company)	100.0%	100.0%	Vending Machine Operator, Wholesale of Other Machinery and Equipment
(D)*	Warburg Engineering Pte. Ltd. (Held by a subsidiary company)	100.0%	100.0%	Dormant
(A)	F&N Ventures Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	F&N Myanmar Investments Pte. Ltd.	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: Hong Kong				
(B)	Fraser & Neave Investments (Hong Kong) Limited	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Malaysia				
(B)	Fraser & Neave Holdings Bhd	55.5%	55.5%	Investment Holding
(B)	Tiger Tavern Sdn. Bhd.	100.0%	100.0%	Dormant
(B)	Magnolia - PDL Dairies (1993) Sdn. Bhd.	100.0%	100.0%	Investment Holding
(B)	F&N Services (F&B) Sdn Bhd	100.0%	100.0%	Technical Application and Brand Marketing Support Services
(B)	Yoke Food Industries Sdn Bhd (Held by a subsidiary company)	100.0%	100.0%	Manufacture, Export and Distribution of Soft Drinks

(A) Audited by KPMG LLP Singapore.

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

(D) Not required to be audited under the laws of the country of incorporation.

* In Liquidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2023	2022	
SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)				
Country of Incorporation and Place of Business: Malaysia (cont'd)				
(B)	Warburg Vending Malaysia Sdn. Bhd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Vending Machine Operator
Country of Incorporation and Place of Business: Thailand				
(B)	F&N United Limited <i>(Held by a subsidiary company)</i>	97.9%	97.9%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: Indonesia				
(B)	PT Yoke Food Industries Indonesia <i>(Held by subsidiary companies)</i>	100.0%	100.0%	Distribution of Soft Drinks
(D)	PT. F&N Indonesia <i>(Held by subsidiary companies)</i>	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Vietnam				
(C)*	F&N Vietnam Limited Liability Company <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Myanmar				
(B)	F&N Myanmar Services Limited <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Provision of Management Services
(B)	Emerald Brewery Myanmar Limited <i>(Held by a subsidiary company)</i>	80.0%	80.0%	Brewing and Distribution of Beer
(E)	Sapphire Brewery Myanmar Limited <i>(Held by a subsidiary company)</i> <i>(All the above companies, incorporated in Myanmar, accounting year ends on 31 March)</i>	80.0%	-	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: China				
(E)	F&N International Foods (GZ) Co., Ltd. <i>(Held by a subsidiary company)</i> <i>(Accounting year ends on 31 December)</i>	100.0%	100.0%	Distribution of Beverages and Dairy Products
SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP				
Country of Incorporation and Place of Business: Malaysia				
(B)	F&N Ice Cream Manufacturing (M) Sdn Bhd	100.0%	100.0%	Manufacture and Distribution of Ice Cream
(B)	F&N Creameries (M) Sdn Bhd	100.0%	100.0%	Distribution and Sale of Ice Cream
(B)*	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	100.0%	100.0%	Dormant

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

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

(E) To be appointed.

* In Liquidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2023	2022	
SUBSIDIARY COMPANIES OF WARBURG VENDING MALAYSIA GROUP				
Country of Incorporation and Place of Business: Malaysia				
(C)	Ventaserv Sdn Bhd	100.0%	100.0%	Vending Machine Operator
(C)	Balance Fountain Sdn Bhd	100.0%	100.0%	Machine Repair and Servicing
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: Malaysia				
(B)	Fraser & Neave (Malaya) Sdn Bhd	55.5%	55.5%	Sale of Soft Drinks and Dairy Products, Provision of Management Services and Property Investment Holding
(B)	F&N Beverages Marketing Sdn Bhd	55.5%	55.5%	Distribution and Sale of Soft Drinks, Dairy and Food Products
(B)	F&N Beverages Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Soft Drinks
(B)	F&N Dairies (Malaysia) Sdn Bhd	55.5%	55.5%	Dormant
(B)	Premier Milk (Malaya) Sdn Bhd	55.5%	55.5%	Dormant
(B)	Lettricia Corporation Sdn Bhd	38.8%	38.8%	Property Development
(B)	Elsinburg Holdings Sdn Bhd	55.5%	55.5%	Dormant
(B)	Nuvak Company Sdn Bhd	55.5%	55.5%	Property Development
(B)	Greenclipper Corporation Sdn Bhd	55.5%	55.5%	Property Development
(B)	Utas Mutiara Sdn Bhd	55.5%	55.5%	Property Investment Holding
(B)	Borneo Springs Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Mineral Water, Drinking Water and Rental of Dispensers
(B)	F&N Dairies Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Dairy Products
(B)	F&N Properties Sdn Bhd	55.5%	55.5%	Provision of Property Management Services
(B)	F&N Capital Sdn Bhd	55.5%	55.5%	Provision of Treasury and Financial Services
(B)	Tropical League Sdn Bhd	55.5%	55.5%	Property Development
(B)	F&N AgriValley Sdn Bhd	55.5%	55.5%	Dormant
(B)	Awana Citra Sdn Bhd	55.5%	55.5%	Investment Holding
(B)	Usahaniaga Abadi Sdn Bhd	55.5%	55.5%	Investment Holding
(B)	Dagang Sejahtera Sdn Bhd	36.1%	36.1%	Investment Holding

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

(C) Audited by other firms of auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2023	2022	
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)				
Country of Incorporation and Place of Business: Malaysia (cont'd)				
(B)	Ladang Permai Damai Sdn Bhd	36.1%	-	Property Investment Holding
(B)	Sri Nona Food Industries Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Food Products
(B)	Sri Nona Industries Sdn Bhd	55.5%	55.5%	Distribution and Sale of Food Products
(B)	Lee Shun Hing Sauce Industries Sdn Bhd	55.5%	55.5%	Distribution and Sale of Food Products
(B)	Cocoaland Holdings Berhad	55.5%	-	Investment Holding
(B)	Sri Nona Food Manufacturing Sdn Bhd (formerly known as Cocoaland Industry Sdn Bhd)	55.5%	-	Manufacturing and Trading of Processed and Preserved Food and Fruits
(B)	CCL Food & Beverage Sdn Bhd	55.5%	-	Manufacturing and Trading of Processed and Preserved Food and Fruits
(B)	Sri Nona Foods Sdn Bhd (formerly known as L.B. Food Sdn Bhd)	55.5%	-	Wholesaling and Retailing Processed and Preserved Food
Country of Incorporation and Place of Business: Singapore				
(A)	F&N Dairies Distribution (Singapore) Pte Ltd	55.5%	55.5%	Distribution of Dairy Products
Country of Incorporation and Place of Business: Thailand				
(B)	F&N Dairies (Thailand) Limited	55.5%	55.5%	Manufacture, Distribution and Sale of Dairy Products
Country of Incorporation and Place of Business: Brunei				
(B)	F&N Marketing (B) Sdn Bhd	55.5%	55.5%	Sale of Soft Drinks and Dairy Products
Country of Incorporation and Place of Business: United Arab Emirates				
(C)	Fraser and Neave MENA DWC-LLC	55.5%	55.5%	Trading of Food, Beverages and Dairy Products
Country of Incorporation and Place of Business: Indonesia				
(C)	PT Cocoaland Indonesia	55.5%	-	Dormant
Country of Incorporation and Place of Business: China				
(C)	Lot 100 Food Co. Ltd. (Accounting year ends on 31 December)	55.5%	-	Wholesaling, Importing and Exporting Gummy and Other Products

(A) Audited by KPMG LLP Singapore.

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

(C) Audited by other firms of auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2023	2022	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: Singapore				
(C)	Marshall Cavendish International Private Limited	100.0%	100.0%	Investment Holding and General Warehousing
(C)	Marshall Cavendish International (Asia) Private Limited	100.0%	100.0%	Publishing of Trade Books
(A)	Marshall Cavendish Education Pte. Ltd.	100.0%	100.0%	Publishing of Education Books
(C)	Marshall Cavendish Business Information Private Limited	100.0%	100.0%	Publishing of Trade Directory and Business Information
(C)	Marshall Cavendish Institute Pte. Ltd.	100.0%	100.0%	Publishing of Education Books
(A)	Pansing Distribution Private Limited	100.0%	100.0%	Distribution of Books and Magazines
(A)	Times Printers Private Limited	100.0%	100.0%	Commercial Printing
(A)	Times Distribution Pte. Ltd.	100.0%	100.0%	Distribution of Books and Magazines
(A)	Print Lab Pte. Ltd.	60.0%	60.0%	Commercial Printing
(A)	Alliance Graphics Pte. Ltd.	60.0%	60.0%	Commercial Printing
(D)(1)	Mint Lab LLP	48.0%	48.0%	Provision of Advertising and Creative Agency Services
Country of Incorporation: Singapore Place of Business: Singapore and Malaysia				
(A)	Times Experience Pte. Ltd.	100.0%	100.0%	Retail of Books, Stationery, Magazines and Periodicals
Country of Incorporation and Place of Business: Malaysia				
(B)	Marshall Cavendish (Malaysia) Sdn. Bhd.	100.0%	100.0%	Publishing of Education, Business Information and Trade Books
(B)	STP Distributors (M) Sendirian Berhad	100.0%	100.0%	Dormant
(B)	Pansing Marketing Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
(B)	Times Offset (Malaysia) Sdn Bhd	100.0%	100.0%	Commercial Printing
(B)	Pansing Distribution Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
(B)	Times Distribution (M) Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
Country of Incorporation: Hong Kong Place of Business: Hong Kong/Thailand				
(C)	Far East Publications Limited	100.0%	100.0%	Distribution of Home Library Reference Books

(A) Audited by KPMG LLP Singapore.

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

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2023	2022	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)				
Country of Incorporation and Place of Business: Thailand				
(C)(1)	Marshall Cavendish International (Thailand) Co., Ltd	49.0%	49.0%	Publishing of Education
Country of Incorporation and Place of Business: Hong Kong				
(B)	Everbest Printing Holdings Limited	100.0%	100.0%	Investment Holding
(B)	Everbest Printing Investment Limited	100.0%	100.0%	Investment Holding and Commercial Printing
(C)*	Marshall Cavendish Business Information (HK) Limited	100.0%	100.0%	Dormant
(B)	Times Publishing (Hong Kong) Limited	100.0%	100.0%	Publishing of Education Books and Distribution of Magazines
(C)	Educational Technologies Limited	100.0%	100.0%	Publishing and Selling of Home Library Reference Books
Country of Incorporation and Place of Business: China				
(B)	Everbest Printing (Guangzhou) Company Limited	100.0%	100.0%	Commercial Printing
(D)	Marshall Cavendish (Beijing) Co. Ltd <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i>	100.0%	100.0%	Book Production Services
Country of Incorporation and Place of Business: Australia				
(D)*	Musicway Corporation Pty Ltd	100.0%	100.0%	Dormant
(D)*	Marshall Cavendish (Australia) Pty. Limited	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: United Kingdom				
(B)	Marshall Cavendish Limited	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: United States of America				
(D)	Marshall Cavendish Corporation	100.0%	100.0%	Publishing of Library Reference Books
Country of Incorporation and Place of Business: Chile				
(C)	Marshall Cavendish Education Chile SpA <i>(Accounting year ends on 31 December)</i>	100.0%	100.0%	Publishing of Education Books

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

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

* In Liquidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

37. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		Principal Activities
		2023	2022	
JOINT VENTURE COMPANIES OF FRASER AND NEAVE, LIMITED GROUP				
Country of Incorporation and Place of Business: Thailand				
(B)	F&N International Holdings Co., Ltd	49.0%	49.0%	Investment Holding
(B)	F&N Retail Connection Co., Ltd	74.0%	74.0%	Investment Holding
JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: Malaysia				
(B)	Vacaron Company Sdn Bhd	27.7%	27.7%	Property Development
JOINT VENTURE COMPANY OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: China				
(C)	Shanxi Xinhua Times Packaging Printing Co., Ltd (Accounting year ends on 31 December)	51.0%	51.0%	Commercial Printing and Packaging
ASSOCIATED COMPANY OF FRASER AND NEAVE, LIMITED GROUP				
Country of Incorporation and Place of Business: Vietnam				
(B)	Vietnam Dairy Products Joint Stock Company (Accounting year ends on 31 December)	20.4%	20.4%	Manufacture and Distribution of Dairy Products and Beverages
ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: China				
(D)	Beijing Universal Times Culture Development Co., Ltd. (Accounting year ends on 31 December)	40.0%	40.0%	Dormant
Country of Incorporation and Place of Business: Nigeria				
(D)	Transworld Times Press (Africa) Limited (Accounting year ends on 31 December)	40.0%	40.0%	Dormant

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

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2023 and their net book values are indicated below:
("F&N" refers to Fraser and Neave Group and "TPL" refers to Times Publishing Group)

			Land (\$'000)	Building (\$'000)
(A) CLASSIFIED AS FIXED ASSETS				
(Note 12 to the Financial Statements)				
FREEHOLD				
Singapore				
TPL	- 0.4	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	2,275
Peninsular Malaysia				
F&N	- 12.8	hectares industrial property at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Section 26, Shah Alam, Selangor	10,717	42,791
	- 5.2	hectares warehouse and carpark at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,392	-
	- 4.6	hectares industrial property at Lot 5, 28, 30 & 100, Rawang Integrated Industrial Park, Rawang, Selangor	19,170	7,559
	- 2.3	hectares industrial property at 3724 to 3726, Jalan Sungei Nyior, Butterworth, Pulau Pinang	1,371	396
	- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	818	794
	- 2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,225	658
	- 0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	305	32
	- 0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,040
	- 0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	522	411
	- 2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	670	3,328
	- Other properties		271	-
TPL	- 1.7	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,119	1,165
East Malaysia				
F&N	- 1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,272	342
Thailand				
F&N	- 9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,341	37,716
Total Freehold			54,293	100,507
LEASEHOLD				
Singapore				
F&N	- 1.4	hectares industrial property at 2 Tuas Link 3 (Lease expires year 2050)	-	56,661
	- 0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2052)	-	2,793
TPL	- 2.1	hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	9,327
	- 0.5	hectares industrial property at 438 Ang Mo Kio Industrial Park 1 (Lease expires year 2038)	-	8,305

PARTICULARS OF GROUP PROPERTIES

			Land (\$'000)	Building (\$'000)
(A) CLASSIFIED AS FIXED ASSETS (cont'd)				
(Note 12 to the Financial Statements)				
LEASEHOLD (cont'd)				
Peninsular Malaysia				
F&N	- 15.1	hectares industrial property at Lot 56, Jalan Sungai Pinang 4/5, Selangor Halal Hub, Taman Perindustrian Pulau Indah Fasa 2, Pulau Indah, Selangor (Lease expires year 2097)	7,157	45,029
	- 2.0	hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,136	3,156
	- 2.0	hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	770	1,208
	- 1,036.8	hectares agricultural land at Ladang Londah, Lot No. 4044, 13450, PT 3479 & PT 2400, Mukim Gemas, Negeri Sembilan (Lease expires year 2088 to 2093)	20,991	-
	- 809.4	hectares agricultural land at Ladang Pasir Besar, Lot No. 12477 & PT3919, Mukim Gemas, Negeri Sembilan (Lease expires year 2091)	19,482	-
	- 973.1	hectares agricultural land at Ladang Bukit Rokan, Lot No. 11848, Mukim Gemencheh, & Lot No. 1850, Mukim Gemas, Negeri Sembilan (Lease expires year 2090 and 2092)	21,831	-
	- 3.0	hectares industrial property at Lot 88, Jalan Industri 3/3, Rawang Integrated Industrial Park, Rawang, Selangor (Lease expires year 2114)	8,977	8,139
	- Other properties		240	70
East Malaysia				
F&N	- 2.6	hectares industrial property at 5 1/2 Mile, Jalan Tuaran, Inanam, Kota Kinabalu, Sabah (Lease expires year 2062)	493	1,176
	- 8.6	hectares industrial park land at Lot 808, Kota Kinabalu Industrial Park, Sabah (Lease expires year 2096)	6,966	3,317
	- 2.4	hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching, Sarawak (Lease expires year 2071)	1,065	1,217
	- 2.9	hectares industrial property at 3 1/2 Mile, Jalan Penrissen, Kuching, Sarawak (Lease expires year 2074)	1,378	5,189
	- Shop office at Lot 142, Lorong Abang Abdul Rahim 5A, Kuching, Sarawak (Lease expires year 2784)		65	35
	- 0.4	hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching, Sarawak (Lease expires year 2035)	-	28
Thailand				
F&N	- 3.5	hectares industrial property at No. 19/111 Moo 7, 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	1,007
	- 21.9	hectares industrial property at 79 Moo 3, Lamlukboa, Dontum, Nakornpathom (Lease expires year 2048)	-	17,963
	- 5.2	hectares industrial property at 888 Moo 1 Slangpan, Wang Muang, Saraburi (Lease expires year 2053)	-	9,411
Myanmar				
F&N	- 32.8	hectares industrial land at Yay Ta La Baun Village Tract, Helgu Township, Yangon (Lease expires year 2068)	11,069	23,376

PARTICULARS OF GROUP PROPERTIES

		Land (\$'000)	Building (\$'000)
(A)	CLASSIFIED AS FIXED ASSETS (cont'd) (Note 12 to the Financial Statements)		
	LEASEHOLD (cont'd)		
	China/Hong Kong		
TPL	- Industrial property at Nansha District, Guangzhou City, Guangdong, China (Lease expires year 2044)	1,897	9,699
	- Offices at Seaview Estate - 10th Floor, Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,481	83
	Leasehold land recognised upon adoption of SFRS (I) 16	12,358	-
	Total Leasehold	119,356	207,189
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)	173,649	307,696

(B)	CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES (Note 13 to the Financial Statements)		
	Peninsular Malaysia		
F&N	- Commercial property and car park at Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 8,161 sqm	-	15,394
	- Industrial property at No. 41, Jalan E1/4 Kawasan Perusahaan Taman Ehsan, Kepong, Selangor Leasehold (Lease expires year 2078), lettable area - 2,415 sqm	2,636	259
	Hong Kong		
TPL	- Shop unit at Houston Centre, 63 Mody Road, Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	818	522
	- Industrial unit at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point Leasehold (Lease expires year 2057), lettable area - 923 sqm	16,530	4,350
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)	19,984	20,525

		Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(C)	CLASSIFIED AS PROPERTIES HELD FOR DEVELOPMENT (Note 14 to the Financial Statements)			
	Peninsular Malaysia			
F&N	- Freehold land of approximately 3,787 sqm at Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	-	55
	- Freehold land of approximately 188,182 sqm for a residential property development at Lot 609, Mukim Hulu Semenyih, District of Hulu Langat, Selangor	-	-	55
	- Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Mukim Hulu Semenyih, District of Hulu Langat, Selangor	-	-	55
	- Freehold land of approximately 12,759 sqm for a commercial property development at Lot 47261, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru	-	-	55

SHAREHOLDING STATISTICS

AS AT 5 DECEMBER 2023

Class of Shares - Ordinary shares
Voting Rights - One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	144	1.93	4,907	0.00
100 - 1,000	1,303	17.44	1,094,864	0.07
1,001 - 10,000	4,435	59.35	20,042,863	1.38
10,001 - 1,000,000	1,578	21.11	78,309,132	5.38
1,000,001 and above	13	0.17	1,355,846,454	93.17
TOTAL	7,473	100.00	1,455,298,220	100.00

TOP TWENTY SHAREHOLDERS (as shown in the Register of Members and Depository Register)

No.	Shareholder's Name	Shareholdings	%*
1	DBS NOMINEES PTE LTD	436,480,619	29.99
2	UNITED OVERSEAS BANK NOMINEES PTE LTD	430,649,211	29.59
3	INTERBEV INVESTMENT LIMITED	412,423,822	28.34
4	CITIBANK NOMINEES SINGAPORE PTE LTD	45,425,975	3.12
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	10,753,455	0.74
6	RAFFLES NOMINEES (PTE) LIMITED	6,302,206	0.43
7	UOB KAY HIAN PTE LTD	5,917,680	0.41
8	PHILLIP SECURITIES PTE LTD	2,177,156	0.15
9	THIA CHENG SONG	1,280,000	0.09
10	OCBC NOMINEES SINGAPORE PTE LTD	1,273,110	0.09
11	YEO WEI HUANG	1,129,000	0.08
12	JACK INVESTMENT PTE LTD	1,027,500	0.07
13	THE TITULAR ROMAN CATHOLIC ARCHBISHOP OF KUALA LUMPUR	1,006,720	0.07
14	HENG SIEW ENG	953,400	0.07
15	CHOO MEILEEN	906,065	0.06
16	CHEE SWEE CHENG & COMPANY LIMITED	846,610	0.06
17	IFAST FINANCIAL PTE LTD	806,354	0.06
18	HSBC (SINGAPORE) NOMINEES PTE LTD	781,447	0.05
19	OCBC SECURITIES PRIVATE LTD	761,405	0.05
20	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	721,286	0.05
TOTAL		1,361,623,021	93.57

SHAREHOLDING STATISTICS

AS AT 5 DECEMBER 2023

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
TCC Assets Limited	858,080,062	58.96	-	-
InterBev Investment Limited	412,423,822	28.34	-	-
International Beverage Holdings Limited ⁽¹⁾	-	-	412,423,822	28.34
Thai Beverage Public Company Limited ⁽²⁾	-	-	412,423,822	28.34
Shiny Treasure Holdings Limited ⁽³⁾	-	-	412,423,822	28.34
Siriwana Co., Ltd. ⁽³⁾	-	-	412,423,822	28.34
Charoen Sirivadhanabhakdi ⁽⁴⁾	-	-	1,270,503,884	87.30
Estate of the late Khunying Wanna Sirivadhanabhakdi ⁽⁴⁾	-	-	1,270,503,884	87.30

To the best of the Company's knowledge and based on records of the Company as at 5 December 2023, approximately 12%* of the issued shares of the Company are held in the hands of the public and this complies with Rule 723 of the Listing Manual.

Notes:

* Percentage is based on 1,455,298,220 shares as at 5 December 2023. There are no treasury shares as at 5 December 2023.

⁽¹⁾ International Beverage Holdings Limited ("IBHL") holds a 100% direct interest in InterBev Investment Limited ("IBIL") and is therefore deemed to be interested in all of the shares of Fraser and Neave, Limited ("F&N") in which IBIL has an interest.

⁽²⁾ Thai Beverage Public Company Limited ("ThaiBev") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

⁽³⁾ Shiny Treasure Holdings Limited ("Shiny Treasure") holds a 49% direct interest in Siriwana Co., Ltd. ("Siriwana"), which in turn holds a direct interest of approximately 45.25% in ThaiBev ("ThaiBev Shares"). Siriwana is also deemed to have an interest in the ThaiBev Shares held by its wholly-owned subsidiary, Siriwanan Co., Ltd. ("Siriwanan"). Siriwanan has a direct interest of approximately 11.54% in ThaiBev Shares, and Siriwana's interest in ThaiBev Shares, direct and indirect through Siriwanan, is approximately 56.79%:

- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

Each of Shiny Treasure and Siriwana is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

⁽⁴⁾ Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares of F&N in which TCCA has an interest.

Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi also jointly hold a 51% direct interest in Siriwana and a 100% direct interest in Shiny Treasure, which holds the remaining 49% direct interest in Siriwana. Siriwana holds an approximate 45.25% direct interest in ThaiBev and is also deemed to have an interest in the ThaiBev Shares held by its wholly-owned subsidiary, Siriwanan. Siriwanan has a direct interest of approximately 11.54% in ThaiBev Shares, and Siriwana's interest in ThaiBev Shares, direct and indirect through Siriwanan, is approximately 56.79%.

ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions ("IPTs") for the period from 1 October 2022 to 30 September 2023 as required under Rule 907 of the SGX Listing Manual are set out below.

Name of interested person/Nature of relationship	Aggregate value of all IPTs conducted during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)
Companies and entities in the TCC Group which are regarded as associates (as defined in the SGX Listing Manual) of Mr Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi, who are the Chairman and the former Vice-Chairman of the Board of Directors of the Company; Mr Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi are controlling shareholders of the Company.		
– Sale of products and provision of services	Nil	2,734
– Provision of management and support services	Nil	241
– Reimbursement and recovery of advertising and promotional expenses	1,920	Nil
– Purchase of products and obtaining of services	Nil	11,051
– Obtaining of marketing services	523	Nil

MATERIAL CONTRACTS (RULE 1207(8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the Chief Executive Officer, any Director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)
(Incorporated in Singapore)

Date : Wednesday, 24 January 2024

Place : Grand Ballroom
Level 2, InterContinental Singapore
80 Middle Road
Singapore 188966

NOTICE IS HEREBY GIVEN that the 125th Annual General Meeting of FRASER AND NEAVE, LIMITED (the “Company”) will be held at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 24 January 2024 at 9.30 a.m. for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the Directors’ statement and audited financial statements for the year ended 30 September 2023 and the auditors’ report thereon.
2. To approve a final tax-exempt (one tier) dividend of 4.0 cents per share in respect of the year ended 30 September 2023.
3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors¹:
 - (a) “That Mr Ng Tat Pun, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”

Subject to his re-appointment, Mr Ng, who is considered an independent Director, will be re-appointed as Lead Independent Director, Chairman of the Audit Committee, Chairman of the Nominating Committee and a Member of the Remuneration Committee.
 - (b) “That Mr Chan Heng Wing, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”

Subject to his re-appointment, Mr Chan, who is considered an independent Director, will be re-appointed as Chairman of the Remuneration Committee and a Member of the Audit Committee.
 - (c) “That Mr Koh Poh Tiong, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”

Subject to his re-appointment, Mr Koh will be re-appointed as Chairman of the Board Executive Committee and Chairman of the Sustainability and Risk Management Committee.
4. To approve Directors’ fees of up to S\$2,000,000 payable by the Company for the year ending 30 September 2024 (last year: up to S\$2,000,000).
5. To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.

¹ Detailed information on the Directors who are proposed to be re-appointed can be found under the sections titled “Board of Directors”, “Corporate Governance” and “Additional Information on Directors Seeking Re-appointment” in the Annual Report 2023 of the Company.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

6. “That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

NOTICE OF ANNUAL GENERAL MEETING

7. “That authority be and is hereby given to the Directors of the Company to:

- (a) grant awards in accordance with the provisions of the F&N Restricted Share Plan 2019 (the “**F&N RSP 2019**”); and
- (b) allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the F&N RSP 2019,

provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the F&N RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.”

8. “That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.”

9. “That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company’s Letter to Shareholders dated 2 January 2024 (the “**Letter**”), with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the “**IPT Mandate**”);
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.”

10. “That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) transacted through the trading system of the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Percentage” means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

BY ORDER OF THE BOARD

Samuel Lee
Company Secretary

2 January 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

Format of Meeting

1. The Annual General Meeting will be held, in a wholly physical format, at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 24 January 2024 at 9.30 a.m.. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. **There will be no option for shareholders to participate virtually.**

Printed copies of this Notice, the accompanying Proxy Form and the Request Form will be sent by post to members. These documents will also be published on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Appointment of Proxy(ies)

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted personally or by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.FNLproxy@sg.tricorglobal.com,

and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.

5. CPF and SRS investors:
 - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 12 January 2024.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions

6. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting:
- (a) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619; or
 - (b) via email to the Company at ir@fraserandneave.com.

When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

All questions submitted in advance must be received by 5.00 p.m. on 16 January 2024.

7. The Company will address all substantial and relevant questions received from shareholders by the 16 January 2024 deadline by publishing its responses to such questions on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 16 January 2024 deadline either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
8. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.

Access to Documents

9. The Annual Report for the financial year ended 30 September 2023 (the "**Annual Report 2023**") and the Letter to Shareholders dated 2 January 2024 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:
- (a) the Annual Report 2023 may be accessed at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> by clicking on "Full Report 2023"; and
 - (b) the Letter to Shareholders dated 2 January 2024 may be accessed at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> by clicking on "Letter to Shareholders dated 2 January 2024" under "Annual Report 2023".

The above documents may also be accessed at the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the Request Form sent to them by post together with printed copies of this Notice and the accompanying Proxy Form, or otherwise made available on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>, by 5.00 p.m. on 16 January 2024.

EXPLANATORY NOTES:

- (a) The Ordinary Resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution. As at 5 December 2023 (the "**Latest Practicable Date**"), the Company had no treasury shares and no subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING

- (b) The Ordinary Resolution proposed in item 7 above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares of the Company pursuant to the F&N Restricted Share Plan 2019 (the **"F&N RSP 2019"**), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the F&N RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The committee administering the F&N RSP 2019 currently does not intend, in any given year, to grant awards under the F&N RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time (the **"Yearly Limit"**). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised portion of the Yearly Limit may be carried over and used by the Company to make grants of awards in subsequent years for the duration of the F&N RSP 2019, subject to the overall maximum limit of 8%.
- (c) The Ordinary Resolution proposed in item 8 above is to authorise the Directors of the Company to allot and issue ordinary shares of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.
- (d) The Ordinary Resolution proposed in item 9 above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with any party who is of the class of interested persons, as described in the Appendix to the Letter to Shareholders dated 2 January 2024 (the **"Letter"**). Please refer to the Letter for more details.
- (e) The Ordinary Resolution proposed in item 10 above is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition of (i) 29,105,964 ordinary shares on the Latest Practicable Date, representing 2% of the issued ordinary shares as at that date, and (ii) 101,870,875 ordinary shares on the Latest Practicable Date, representing 7% of the issued ordinary shares as at that date, at the maximum price of S\$1.12 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the Singapore Exchange Securities Trading Limited immediately preceding the Latest Practicable Date), in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2023 and certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE 125TH ANNUAL GENERAL MEETING:

The following additional information on Mr Ng Tat Pun, Mr Chan Heng Wing and Mr Koh Poh Tiong, all of whom are seeking re-appointment as Directors at the 125th Annual General Meeting, is to be read in conjunction with their respective biographies on pages 20 to 29.

MR NG TAT PUN, 78 Independent and Non-Executive Director	
The Board's comments on the re-appointment	The Board has considered the Nominating Committee's recommendation and assessment of Mr Ng's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.
Working experience and occupation(s) in the past 10 years (from FY2013 to FY2023)	<p>Chairman of</p> <ul style="list-style-type: none"> SP Chemicals Holdings Ltd. (2006 to 2019) Sing Investments & Finance Limited (2012 to April 2021) SP Chemicals Pte. Ltd. (2018 to Present) <p>Director of</p> <ul style="list-style-type: none"> EnGro Corporation Ltd (2002 to 2017) Thai Beverage Public Company Limited (2006 to January 2021)
Other Principal Commitments, including Directorships (for the Past 5 years and Present)	Please refer to Mr Ng's biography on page 22.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to F&N	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

MR CHAN HENG WING, 76 Independent and Non-Executive Director	MR KOH POH TIONG, 76 Non-Independent and Non-Executive Director; Adviser to The Board
<p>The Board has considered the Nominating Committee's recommendation and assessment of Mr Chan's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.</p>	<p>The Board has considered the Nominating Committee's recommendation and assessment of Mr Koh's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.</p>
<p>Director of</p> <ul style="list-style-type: none"> • Precious Quay Pte. Ltd. (2011 – 2022) • Precious Treasure Pte. Ltd. (2011 – 2022) • Frasers Property Limited (2013 – 2023) • EC World REIT (2016 – Present) • One Bangkok Company Limited (2017 – Present) 	<p>Chairman of</p> <ul style="list-style-type: none"> • Singapore Kindness Movement (2008 to 2021) • National Kidney Foundation (2012 to 2020) • Times Publishing Limited (2014 to Present) • Yunnan Yulinquan Liquor Co., Ltd (2015 to 2020) • Bukit Sembawang Estates Limited (2017 to Present) • Saigon Beer-Alcohol-Beverage Corporation (2018 to Present) • BeerCo Limited (2019 to Present) <p>Director of</p> <ul style="list-style-type: none"> • PSA Corporation Ltd (2004 to 2014) • PSA International Pte Ltd (2004 to 2014) • The Great Eastern Life Assurance Company Limited (2008 to 2017) • Delfi Limited (2011 to 2023) • Ezra Holdings Limited (Director from 2011 to 2012, Chairman and Senior Adviser from 2013 to 2016) • Raffles Medical Group Limited (2011 to 2022) • United Engineers Ltd (2011 to 2017) • SATS Ltd (2011 to 2018) • Great Eastern General Insurance (Malaysia) Berhad (2017 to 2023) • Great Eastern Life Assurance (Malaysia) Berhad (2017 to 2023) • Asia Breweries Limited (2021 to Present) • Cambodia Breweries Pte Ltd (April 2023 to Present)
<p>Please refer to Mr Chan's biography on page 23.</p>	<p>Please refer to Mr Koh's biography on page 25.</p>
<p>No</p>	<p>No</p>
<p>Yes</p>	<p>Yes</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

MR NG TAT PUN, 78

Independent and Non-Executive Director

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

MR CHAN HENG WING, 76 Independent and Non-Executive Director	MR KOH POH TIONG, 76 Non-Independent and Non-Executive Director; Adviser to The Board
No	No
No	Yes Mr Koh stepped down as a Non-Executive Director of Ezra Holdings Limited on 1 February 2016. The management of Ezra Holdings Limited subsequently filed a voluntary petition for reorganization under Chapter 11 of the US Bankruptcy Code on 18 March 2017.
No	No
No	No
No	No
No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

MR NG TAT PUN, 78

Independent and Non-Executive Director

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

No

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

No

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

No

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

No

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

No

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

No

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

MR CHAN HENG WING, 76 Independent and Non-Executive Director	MR KOH POH TIONG, 76 Non-Independent and Non-Executive Director; Adviser to The Board
No	No
No	No
No	No
No	No
No	No
No	No
No	No
No	No

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FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)
(Incorporated in Singapore)

PROXY FORM**Annual General Meeting****IMPORTANT**

1. The Annual General Meeting ("AGM") will be held, in a wholly physical format, at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 24 January 2024 at 9.30 a.m.. **There will be no option for shareholders to participate virtually.**
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors.
4. CPF and SRS investors:
 - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 12 January 2024.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 January 2024.

*I/We _____ (Name) _____ (*NRIC/Passport/Co Reg Number)

of _____ (Address)

being a *member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%
*and/or				

or failing *him/them, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at 9.30 a.m. on Wednesday, 24 January 2024 at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below.

NO.	RESOLUTIONS RELATING TO:	For [^]	Against [^]	Abstain [^]
	ROUTINE BUSINESS			
1.	To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2023 and the auditors' report thereon.			
2.	To approve a final tax-exempt (one-tier) dividend of 4.0 cents per share in respect of the year ended 30 September 2023.			
3.	(a) To re-appoint Director: Mr Ng Tat Pun			
	(b) To re-appoint Director: Mr Chan Heng Wing			
	(c) To re-appoint Director: Mr Koh Poh Tiong			
4.	To approve Directors' fees of up to S\$2,000,000 payable by the Company for the year ending 30 September 2024 (last year: up to S\$2,000,000).			
5.	To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS			
6.	To authorise the Directors to issue shares and to make or grant convertible instruments.			
7.	To authorise the Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan 2019.			
8.	To authorise the Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.			
9.	To approve the proposed renewal of the mandate for interested person transactions.			
10.	To approve the proposed renewal of the share purchase mandate.			

[^] Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this _____ day of _____ 2024.

* Delete whichever is inapplicable

**Total Number of Shares
Held (Note 1)**

Signature/Common Seal of Member(s)

Contact Number/Email Address of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES TO PROXY FORM:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted personally or by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.FNLproxy@sg.tricorglobal.com, and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the AGM.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place, Republic Plaza, Tower 1, #26-01
Singapore 048619

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5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Fraser and Neave, Limited

438 Alexandra Road
#20-00 Alexandra Point
Singapore 119958

Tel: (65) 6318 9393

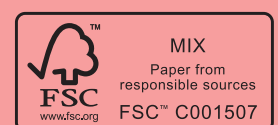
Fax: (65) 6271 0811

www.fraserandneave.com

(Company Registration No. 189800001R)
(Incorporated in Singapore)

For an electronic version of F&N FY2023 Annual Report, please refer to
www.fraserandneave.com/investor-relations/annual-reports

Accompanying this report: F&N FY2023 Sustainability Report
Only available in electronic format. Download it at
www.fraserandneave.com/investor-relations/corporate-sustainability



This annual report is printed on environmentally-friendly paper which contains wood pulp from well-managed forests using an elemental chlorine free process.



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