



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

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For immediate release

QUARTERLY FINANCIAL REPORT

Third Quarter Ended 30 June 2019

The Directors are pleased to release the unaudited quarterly financial report for the quarter and nine months ended 30 June 2019.

The contents of the financial report comprise the following attached unaudited condensed consolidated financial statements, explanatory notes and additional disclosures and these must be read in conjunction with the Group's audited financial statements for the year ended 30 September 2018:

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

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

By Order of the Board
Kuala Lumpur
6 August 2019

Schedule A : Unaudited Condensed Consolidated Income Statement

For the quarter and nine months ended 30 June 2019

RM'000	Individual 3 rd quarter			Cumulative 3 rd quarter		
	30/06/2019	30/06/2018 (Restated)	% chg	30/06/2019	30/06/2018 (Restated)	% chg
Revenue	1,066,336	* 961,885	10.9%	3,102,052	* 2,923,317	6.1%
Cost of sales	(739,082)	* (682,573)		(2,139,574)	* (2,070,962)	
Gross profit	327,254	* 279,312	17.2%	962,478	* 852,355	12.9%
Other income	4,120	2,473		12,326	13,059	
Operating expenses	(179,520)	* (174,947)		(540,900)	* (543,855)	
Operating profit	151,854	106,838	42.1%	433,904	321,559	34.9%
Finance income	3,955	4,199		11,203	10,713	
Finance costs	(1,143)	(3,789)		(3,920)	(11,312)	
Share of profit of equity-accounted associate, net of tax ^	2,289	2,331		6,801	7,008	
Share of loss of equity-accounted joint venture, net of tax #	(1,467)	(2,542)		(4,483)	(4,888)	
Profit before tax	155,488	107,037	45.3%	443,505	323,080	37.3%
Tax expense (Schedule G, Note 5)	(40,552)	(2,552)		(101,298)	(19,214)	
Profit for the year	114,936	104,485	10.0%	342,207	303,866	12.6%
Profit for the year attributable to:						
Owners of the Company	114,944	104,495		342,233	303,894	
Non-controlling interests	(8)	(10)		(26)	(28)	
Profit for the year	114,936	104,485		342,207	303,866	
Basic earnings per ordinary share (sen)	31.3	28.5		93.3	82.8	
Diluted earnings per ordinary share (sen)	31.3	28.4		93.0	82.4	

* The comparatives for the quarter and nine months ended 30 June 2019 have been restated as disclosed in Schedule F, Note 21.

^ The share of profit of equity-accounted associate for the quarter refers to Cocoland Holdings Berhad and is derived from its unaudited quarterly announcement for the quarter ended 31 March 2019 dated 21 May 2019. The cumulative results are the sum total of its quarterly results recognised by the Group for the nine months ended 31 March 2019.

The share of loss of equity-accounted joint venture for the quarter refers to Vacaron Company Sdn Bhd and is derived from its unaudited management accounts for the quarter and nine months ended 30 June 2019.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2018.

Schedule B: Unaudited Condensed Consolidated Statement of Comprehensive Income

For the quarter and nine months ended 30 June 2019

RM'000	Individual 3 rd quarter		% chg	Cumulative 3 rd quarter		% chg
	30/06/2019	30/06/2018		30/06/2019	30/06/2018	
Profit for the year	114,936	104,485	10.0%	342,207	303,866	12.6%
Other comprehensive income, net of tax:						
<i>Item that is or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	23,419	(5,801)		25,663	(19,125)	
Total comprehensive income for the year	138,355	98,684	40.2%	367,870	284,741	29.2%
Total comprehensive income attributable to:						
Owners of the Company	138,363	98,694		367,896	284,769	
Non-controlling interests	(8)	(10)		(26)	(28)	
	138,355	98,684	40.2%	367,870	284,741	29.2%

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2018.

Schedule C : Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2019

RM'000	30/06/2019 (Unaudited)	30/09/2018 (Restated)	1/10/2017 (Restated)
Non-current assets			
Property, plant and equipment	1,321,053	1,281,679	1,193,851
Investment properties	48,775	49,318	49,315
Properties held for development	56,047	56,047	56,047
Intangible assets	120,636	122,289	122,218
Investment in an associate <i>(Schedule F, Note 8)</i>	87,320	84,252	83,768
Investment in a joint venture <i>(Schedule F, Note 9)</i>	89,005	89,094	89,822
Deferred tax assets	5,397	13,070	25,726
	<u>1,728,233</u>	<u>1,695,749</u>	<u>1,620,747</u>
Current assets			
Trade and other receivables	739,735	604,644	620,185
Inventories	509,550	497,165	540,716
Current tax asset	6,855	10,548	25,280
Derivative financial assets	19	60	137
Cash and cash equivalents	441,315	537,092	424,433
	<u>1,697,474</u>	<u>1,649,509</u>	<u>1,610,751</u>
Total assets	<u>3,425,707</u>	<u>3,345,258</u>	<u>3,231,498</u>
Equity			
Share capital and reserves	2,461,353	* 2,305,416	* 2,124,223
Non-controlling interests	109	135	172
Total equity	<u>2,461,462</u>	<u>2,305,551</u>	<u>2,124,395</u>
Non-current liabilities			
Loans and borrowings <i>(Schedule G, Note 7)</i>	94,357	115,153	181,639
Employee benefits	42,077	40,176	38,070
Deferred tax liabilities	32,122	28,716	29,944
	<u>168,556</u>	<u>184,045</u>	<u>249,653</u>
Current liabilities			
Provisions	-	-	7,405
Trade and other payables	675,625	* 627,230	* 637,020
Loans and borrowings <i>(Schedule G, Note 7)</i>	80,878	220,371	197,458
Current tax liabilities	39,100	7,921	14,020
Derivative financial liabilities	86	140	1,547
	<u>795,689</u>	<u>855,662</u>	<u>857,450</u>
Total liabilities	<u>964,245</u>	<u>1,039,707</u>	<u>1,107,103</u>
Total equity and liabilities	<u>3,425,707</u>	<u>3,345,258</u>	<u>3,231,498</u>
Net assets per share (RM) attributable to owners of the Company	<u>6.71</u>	<u>6.29</u>	<u>5.80</u>

* The comparatives for the nine months ended 30 June 2019 have been restated as disclosed in Schedule F, Note 21.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2018.

Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows

For the nine months ended 30 June 2019

RM'000	Cumulative 3 rd quarter	
	30/06/2019	30/06/2018
Cash flows from operating activities		
Profit before tax	443,505	323,080
Add non-cash items:		
- Depreciation and amortisation	75,680	67,591
- Net (reversal of impairment loss on property, plant and equipment)/ impairment loss on property, plant and equipment	(83)	275
- Net impairment loss on receivables /(reversal of impairment loss on receivables)	289	(61)
- Net inventories written down	910	3,261
- Inventories written off	6,825	2,576
- Investment property written off	543	-
- Share-based payment transactions expense	3,027	4,257
- Property, plant and equipment written off	405	2,062
- Net loss on disposal of property, plant and equipment	36	31
- Net fair value gain on derivatives	(13)	(1,672)
- Finance income	(11,203)	(10,713)
- Finance costs	3,920	11,312
- Share of profit of equity-accounted associate, net of tax	(6,801)	(7,008)
- Share of loss of equity-accounted joint venture, net of tax	4,483	4,888
- Others	1,166	1,981
Changes in working capital #	(106,384)	(31,197)
Tax paid	(57,389)	(15,522)
Net cash from operating activities	358,916	355,141
Cash flows from investing activities		
Acquisition of intangible assets	(35)	(190)
Acquisition of property, plant and equipment	(95,890)	(139,271)
Dividends received	3,733	8,087
Interest received	7,320	6,111
Proceeds from disposal of intangible assets	56	-
Proceeds from disposal of property, plant and equipment	239	486
Net cash used in investing activities	(84,577)	(124,777)
Cash flows from financing activities		
Dividends paid	(210,898)	(210,761)
Interest paid	(7,320)	(11,626)
Purchase of shares by Share Grant Plan ("SGP") Trust	(1,877)	(1,978)
Proceeds from loans and borrowings	53,919	141,965
Repayment of loans and borrowings	(224,139)	(44,364)
Net cash used in financing activities	(390,315)	(126,764)
Net (decrease)/increase in cash and cash equivalents	(115,976)	103,600
Effects of exchange rate fluctuations on cash and cash equivalents	20,199	(6,898)
Cash and cash equivalents at 1 October	537,092	424,433
Cash and cash equivalents at 30 June	441,315	521,135
Cash and cash equivalents comprise:		
Cash and bank balances	219,631	205,435
Short term deposits with licensed banks with a maturity period of 3 months or less	221,684	315,700
	441,315	521,135

Included the interest amounting to RM4,394,000 (2018: RM4,334,000) accrued on loan to a joint venture.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2018.

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

For the nine months ended 30 June 2019

	<----- Attributable to owners of the Company ----->										
	<----- Non-distributable ----->					Distributable					
RM'000	Share capital	Treasury shares	Shares held by SGP Trust (Note a)	Loss on purchase of shares for SGP (Note b)	Translation reserve	Share-based payment reserve	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 30 September 2018, as previously stated	816,770	(1,716)	(4,039)	(6,066)	87,415	16,423	9,934	1,393,615	2,312,336	135	2,312,471
Adjustments from adoption of MFRS 15 *	-	-	-	-	-	-	-	(6,920)	(6,920)	-	(6,920)
At 30 September 2018, restated	816,770	(1,716)	(4,039)	(6,066)	87,415	16,423	9,934	1,386,695	2,305,416	135	2,305,551
Opening balance adjustments from adoption of MFRS 9 *	-	-	-	-	-	-	-	(2,003)	(2,003)	-	(2,003)
At 1 October 2018, restated	816,770	(1,716)	(4,039)	(6,066)	87,415	16,423	9,934	1,384,692	2,303,413	135	2,303,548
Total comprehensive income	-	-	-	-	25,663	-	-	342,233	367,896	(26)	367,870
Transactions with owners:											
Shares vested under SGP	-	-	6,874	(1,185)	-	(5,689)	-	-	-	-	-
Purchase of shares by SGP Trust	-	-	(1,877)	-	-	-	-	-	(1,877)	-	(1,877)
Employee share-based payment expense	-	-	-	-	-	2,819	-	-	2,819	-	2,819
Transfer of treasury shares	-	1,716	(1,716)	-	-	-	-	-	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	(210,898)	(210,898)	-	(210,898)
Total transactions with owners	-	1,716	3,281	(1,185)	-	(2,870)	-	(210,898)	(209,956)	-	(209,956)
At 30 June 2019	816,770	-	(758)	(7,251)	113,078	13,553	9,934	1,516,027	2,461,353	109	2,461,462
At 1 October 2017, as previously stated	816,770	(1,716)	(12,079)	(2,092)	85,910	16,940	9,934	1,218,891	2,132,558	172	2,132,730
Adjustments from adoption of MFRS 15 *	-	-	-	-	-	-	-	(8,335)	(8,335)	-	(8,335)
At 1 October 2017, restated	816,770	(1,716)	(12,079)	(2,092)	85,910	16,940	9,934	1,210,556	2,124,223	172	2,124,395
Total comprehensive income	-	-	-	-	(19,125)	-	-	303,894	284,769	(28)	284,741
Transactions with owners:											
Shares vested under SGP	-	-	10,878	(3,974)	-	(6,904)	-	-	-	-	-
Purchase of shares by SGP trust	-	-	(1,978)	-	-	-	-	-	(1,978)	-	(1,978)
Employee share-based expense	-	-	-	-	-	3,532	-	-	3,532	-	3,532
Dividends to owners of the Company	-	-	-	-	-	-	-	(210,761)	(210,761)	-	(210,761)
Total transactions with owners	-	-	8,900	(3,974)	-	(3,372)	-	(210,761)	(209,207)	-	(209,207)
At 30 June 2018	816,770	(1,716)	(3,179)	(6,066)	66,785	13,568	9,934	1,303,689	2,199,785	144	2,199,929

* Please refer to Schedule F, Note 21.

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

Note b: Upon vesting of share awards, there will be a difference between total purchase price paid by SGP Trust to acquire the shares from the open market and the fair value of the share awards granted to employees of subsidiaries. This difference will be consolidated into Group's consolidated financial statements as a deduction from equity and classified as "loss on purchase of shares for SGP" reserve.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2018.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

1. Corporate information

Fraser & Neave Holdings Bhd ("F&NHB" or "the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group ("interim financial statements") as at and for the nine months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in an associate and a joint venture.

These interim financial statements were approved by the Board of Directors on 6 August 2019.

2. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 September 2018.

The audited consolidated financial statements of the Group for the year ended 30 September 2018 are available upon request from the Company's registered office at Level 3A, F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur, Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2018. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 September 2018.

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 September 2018, except for the adoption of the following new and amended MFRS, and Issues Committee (IC) Interpretations mandatory for annual financial periods beginning on or after 1 October 2018:

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

* not applicable

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

2. Basis of preparation (cont'd)

MFRS 9 Financial Instruments

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

The Group has established a structured implementation programme which includes establishing a project team, training programme and undertaking impact assessment to ensure readiness and smooth implementation of MFRS 9.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The new standard contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

The Group has concluded that the application of the new classification requirement does not have any material impact on accounting for its financial assets.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or lifetime ECLs.

With the adoption of MFRS 9 by following the ECL model, the impairment loss of trade and other receivables has increased by RM2,003,000 as at 1 October 2018. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus this impairment loss is adjusted to the opening retained earnings as of 1 October 2018. The financial effects on initial adoption of MFRS 9 are shown in Schedule F, Note 21.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 sets a new guidance for revenue accounting. It supersedes MFRS 111 *Construction Contracts*, MFRS 118 and all revenue-related interpretations: Revenue, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 131 *Revenue - Barter Transactions Involving Advertising Services*.

The Group has established a structured implementation programme which includes training programme, reviewing of contracts, undertaking impact assessment, changes to system and process, as well as engaging with relevant experts within the Group. The Group has established a steering committee and a cross-functional project team comprising members from the finance function, commercial operations and other relevant functions to manage the implementation of MFRS 15.

Prior to MFRS 15, the Group's contracts with customers contain product sales and also consideration payable to customers. Each of these components is either recognised as revenue or operating expenses. With the adoption of MFRS 15, the consideration payable to customers which are previously recognised as expenses would be required to be recognised as part of the transaction price and hence to be reclassified to net off against revenue. The Group has elected to apply MFRS 15 retrospectively during the current period. The financial effects on initial adoption of MFRS 15 are shown in Schedule F, Note 21.

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

3. Standards issued but not yet effective

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

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

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to MFRS 119 *Employee Benefits*
- Annual Improvements to MFRSs 2015-2017 Cycle

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3 *Business Combinations*
- Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

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

- MFRS 17 *Insurance Contracts* *

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

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

* not applicable

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

MFRS 16 Leases

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

The Group has established a structured implementation programme which includes establishing a project team, training programme, review of lease agreements, undertaking impact assessment and changes to system and process to ensure readiness and smooth implementation of MFRS 16.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

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

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

4. Auditors' report

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

5. Comment on seasonality or cyclical of operation

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 June 2019.

7. Significant estimates and changes in estimates

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

8. Investment in an associate

RM'000	30/06/2019	30/09/2018
Quoted shares at cost	68,727	68,727
Share of post-acquisition reserves	62,957	56,156
Dividends received	(44,364)	(40,631)
	<u>87,320</u>	<u>84,252</u>

Fair value of investment in an associate for which there is published price quotation

	30/06/2019	30/09/2018
	<u>113,847</u>	<u>133,755</u>

The summarised financial information of the associate is as follows:

RM'000	30/06/2019	30/09/2018
Total assets	291,984	283,657
Total liabilities	<u>(37,619)</u>	<u>(40,573)</u>

RM'000	Individual 3 rd quarter		Cumulative 3 rd quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Revenue	65,569	64,366	192,321	204,373
Profit	<u>8,418</u>	<u>8,573</u>	<u>25,012</u>	<u>25,774</u>

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

9. Investment in a joint venture

RM'000	30/06/2019	30/09/2018
Unquoted shares, at cost	500	500
Share of post-acquisition reserves	(19,882)	(15,399)
	(19,382)	(14,899)
Shareholder's loan	126,820	126,820
Interest on shareholder's loan	36,859	32,465
	144,297	144,386
Less: Unrealised profit	(55,292)	(55,292)
	89,005	89,094

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

RM'000	30/06/2019	30/09/2018
Total assets	288,972	289,136
Total liabilities	(327,756)	(318,954)

RM'000	Individual 3 rd quarter		Cumulative 3 rd quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Revenue	-	-	-	-
Loss	(2,935)	(5,084)	(8,966)	(9,776)

10. Issuance or repayments of debt/equity securities

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

11. Dividends paid

The following dividends were declared and paid by the Company:

RM'000	Date of payment	Sen per share	Total amount
<u>Nine months ended 30 June 2019</u>			
Final 2018 ordinary dividends	15 February 2019	30.5	111,867
Interim 2019 ordinary dividends	13 June 2019	27.0	99,031
			210,898
<u>Nine months ended 30 June 2018</u>			
Final 2017 ordinary dividends	9 February 2018	30.5	111,795
Interim 2018 ordinary dividends	7 June 2018	27.0	98,966
			210,761

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

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

12. Segmental information

Segment results

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

RM'000	Revenue				
	F&B Malaysia	F&B Thailand	Property	Others	Total
<u>3rd quarter - 30/06/2019</u>					
Total revenue	571,506	497,308	869	24,222	1,093,905
Inter-segment	-	(3,442)	(592)	(23,535)	(27,569)
External	571,506	493,866	277	687	1,066,336
<u>3rd quarter - 30/06/2018</u>					
<u>(Restated)</u>					
Total revenue	545,896	419,257	797	22,722	988,672
Inter-segment	-	(3,541)	(588)	(22,658)	(26,787)
External	* 545,896	* 415,716	209	64	961,885
<u>2nd quarter - 31/03/2019</u>					
Total revenue	541,548	486,900	844	21,562	1,050,854
Inter-segment	-	(3,285)	(599)	(21,526)	(25,410)
External	541,548	483,615	245	36	1,025,444
<u>Cumulative 3rd quarter - 30/06/2019</u>					
Total revenue	1,666,503	1,444,890	2,492	69,929	3,183,814
Inter-segment	-	(10,893)	(1,726)	(69,143)	(81,762)
External	1,666,503	1,433,997	766	786	3,102,052
<u>Cumulative 3rd quarter - 30/06/2018 (Restated)</u>					
Total revenue	1,648,333	1,282,491	2,465	67,134	3,000,423
Inter-segment	(26)	(8,329)	(1,811)	(66,940)	(77,106)
External	* 1,648,307	* 1,274,162	654	194	2,923,317

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

12. Segmental information (cont'd)

Segment results (cont'd)

RM'000	Operating profit/(loss)					Total
	F&B Malaysia	F&B Thailand	Property	Others	Adjustments and eliminations	
<u>3rd quarter - 30/06/2019</u>						
Operating profit	52,720	99,131	191	296	(484)	151,854
Finance income						3,955
Finance costs						(1,143)
Share of profit of equity-accounted associate						2,289
Share of loss of equity-accounted joint venture						(1,467)
Profit before tax						155,488
<u>3rd quarter - 30/06/2018</u>						
Operating profit	49,115	57,414	151	342	(184)	106,838
Finance income						4,199
Finance costs						(3,789)
Share of profit of equity-accounted associate						2,331
Share of loss of equity-accounted joint venture						(2,542)
Profit before tax						107,037
<u>2nd quarter - 31/03/2019</u>						
Operating profit/(loss)	28,160	102,992	(353)	(517)	(158)	130,124
Finance income						3,811
Finance costs						(1,109)
Share of profit of equity-accounted associate						2,619
Share of loss of equity-accounted joint venture						(1,486)
Profit before tax						133,959

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

12. Segmental information (cont'd)

Segment results (cont'd)

RM'000	Operating profit/(loss)					Total
	F&B Malaysia	F&B Thailand	Property	Others	Adjustments and eliminations	
<u>Cumulative 3rd quarter - 30/06/2019</u>						
Operating profit/(loss)	133,365	301,378	15	(212)	(642)	433,904
Finance income						11,203
Finance costs						(3,920)
Share of profit of equity-accounted associate						6,801
Share of loss of equity-accounted joint venture						(4,483)
Profit before tax						<u>443,505</u>
<u>Cumulative 3rd quarter - 30/06/2018</u>						
Operating profit/(loss)	130,190	196,296	626	(1,223)	(4,330)	321,559
Finance income						10,713
Finance costs						(11,312)
Share of profit of equity-accounted associate						7,008
Share of loss of equity-accounted joint venture						(4,888)
Profit before tax						<u>323,080</u>

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

12. Segmental information (cont'd)

Segment assets

The total of segment assets is measured based on all assets excluding investments in associate and joint venture, deferred tax assets, current tax asset and cash and cash equivalents.

RM'000	30/06/2019	30/09/2018
F&B Malaysia	1,824,883	1,753,746
F&B Thailand	842,303	728,893
Property	116,848	117,574
Others	11,781	10,989
	<u>2,795,815</u>	<u>2,611,202</u>

Segment liabilities

The total of segment liabilities is measured based on all liabilities excluding loans and borrowings, deferred tax liabilities and current tax liabilities.

RM'000	30/06/2019	30/09/2018 (Restated)	1/10/2017 (Restated)
F&B Malaysia	398,522	* 360,340	* 394,805
F&B Thailand	316,226	301,323	282,117
Property	699	814	1,143
Others	2,341	5,069	5,977
	<u>717,788</u>	<u>667,546</u>	<u>684,042</u>

* The comparatives for the quarter and nine months ended 30 June 2019 have been restated as disclosed in Schedule F, Note 21.

13. Significant events

There were no significant events during the quarter.

14. Subsequent events

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

15. Changes in the composition of the Group

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

16. Contingent liabilities

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

17. Contingent assets

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

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

18. Fair value hierarchy

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

RM'000	Fair value	
	30/06/2019	30/09/2018
Derivative financial assets	19	60
Derivative financial liabilities	86	140

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

The Group held investment properties amounting to RM48,775,000 (2018: RM49,318,000) carried at Level 3: significant unobservable inputs.

19. Capital and lease commitments

Capital expenditure commitments

The outstanding capital commitments are as follows:

RM'000	30/06/2019	30/09/2018
<u>Property, plant and equipment</u>		
Contracted but not provided for	228,458	149,617
Authorised but not contracted for	82,443	122,384
	<u>310,901</u>	<u>272,001</u>

Lease commitments

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

RM'000	30/06/2019	30/09/2018
<u>Non-cancellable operating lease commitments - Group as lessor</u>		
Future minimum rentals receivable:		
- Less than one year	776	873
- Between one and five years	266	379
	<u>1,042</u>	<u>1,252</u>
<u>Non-cancellable operating lease commitments - Group as lessee</u>		
Future minimum rentals payable:		
- Less than one year	20,959	19,158
- Between one and five years	9,436	14,525
- More than five years	984	989
	<u>31,379</u>	<u>34,672</u>

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

20. Related party disclosures

Significant related party transactions

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

RM'000	Individual 3 rd quarter		Cumulative 3 rd quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
<u>Fraser and Neave, Limited ("F&N Limited") Group</u>				
Sales	72,156	84,410	194,766	219,266
Purchases	(39,414)	(38,716)	(135,318)	(123,461)
Royalties paid	(14,817)	(11,819)	(42,085)	(38,079)
Internal audit fees paid	(458)	(529)	(1,006)	(968)
<u>Vacaron Company Sdn Bhd</u>				
Finance income	1,435	1,479	4,394	4,334
<u>Cocoaland Holdings Berhad Group</u>				
Purchases	-	(443)	(12)	(3,437)
Dividend income	-	-	3,733	8,087
<u>Thai Beverage Public Company Limited Group</u>				
Sales	441	308	1,337	1,004
Purchases	(145)	(181)	(1,761)	(2,048)
Marketing expenses	(3,911)	(8,045)	(12,593)	(18,323)
Corporate service fees paid	(574)	-	(1,380)	-
<u>Berli Jucker Public Company Limited Group</u>				
Sales	16,479	11,358	46,887	39,199
Purchases	(1,641)	(2,219)	(17,447)	(20,125)
Transportation expenses	(2,503)	-	(7,471)	(3)
<u>Other related parties of TCC Group</u>				
Purchases	(10,220)	(9,632)	(32,175)	(30,937)
Management fees	(419)	(512)	(1,855)	(2,107)
Insurance premium paid	(755)	-	(2,315)	(2,547)
<u>Permodalan Nasional Berhad ("PNB") Group *</u>				
Sales	16,890	12,381	50,402	44,935
Purchases	(11,177)	(13,290)	(26,667)	(42,162)
Rental of equipment paid	(813)	(713)	(2,348)	(2,116)
<u>Compensation</u>				
Compensation of key management personnel of the Group	(2,777)	(2,666)	(9,670)	(10,584)
Directors' fees and remuneration	(423)	(439)	(954)	(881)

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

20. Related party disclosures (cont'd)

Related party balances

The related party balances are shown below:

RM'000	30/06/2019	30/09/2018
<u>Amount due from related parties</u>		
F&N Limited Group	69,351	69,177
Frasers Property Limited Group	40	1
Vacaron Company Sdn Bhd	163,700	159,295
Cocoaland Holdings Berhad Group	4	4
Thai Beverage Public Company Limited Group	5,752	8,887
Berli Jucker Public Company Limited Group	12,316	8,988
Other related parties of TCC Group	8	26
PNB Group	10,626	8,045
<u>Amount due to related parties</u>		
F&N Limited Group	(39,577)	(26,601)
Frasers Property Limited Group	(1)	(12)
Cocoaland Holdings Berhad Group	-	(8)
Thai Beverage Public Company Limited Group	(3,310)	(5,859)
Berli Jucker Public Company Limited Group	(2,746)	(4,109)
Other related parties of TCC Group	(3,999)	(3,617)
PNB Group	(7,328)	(4,600)

* PNB is deemed a related party to F&NHB by virtue of PNB holding 22,731,400 shares as of 30 June 2019 through Amanahraya Trustees Berhad, representing 6.20% equity interest in F&NHB and having representation on the Board of Directors of F&NHB.

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

21. Change in comparatives

The comparatives for the quarter and nine months ended 30 June 2019 have been restated as follows:

RM'000	As previously stated	Adjustments (a) MFRS 9	(b) MFRS 15	As restated
<u>Consolidated income statement:</u>				
<i><u>For the quarter ended 30 June 2018</u></i>				
Revenue	1,029,747	-	(67,862)	961,885
Cost of sales	(683,705)	-	1,132	(682,573)
Operating expenses	(241,677)	-	66,730	(174,947)
<i><u>For the nine months ended 30 June 2018</u></i>				
Revenue	3,113,219	-	(189,902)	2,923,317
Cost of sales	(2,074,558)	-	3,596	(2,070,962)
Operating expenses	(730,161)	-	186,306	(543,855)
<u>Consolidated statement of financial position:</u>				
<i><u>As at 30 September 2018</u></i>				
Trade and other payables	620,310	-	6,920	627,230
Share capital and reserves	2,312,336	-	(6,920)	2,305,416
Retained earnings	1,393,615	-	(6,920)	1,386,695
<i><u>As at 1 October 2017</u></i>				
Trade and other payables	628,685	-	8,335	637,020
Share capital and reserves	2,132,558	-	(8,335)	2,124,223
<u>Consolidated statement of changes in equity:</u>				
<i><u>As at 1 October 2018</u></i>				
Retained earnings	1,393,615	(2,003)	(6,920)	1,384,692
<i><u>As at 1 October 2017</u></i>				
Retained earnings	1,218,891	-	(8,335)	1,210,556
<u>Segment revenue:</u>				
<i><u>For the quarter ended 30 June 2018</u></i>				
F&B Malaysia	594,061	-	(48,165)	545,896
F&B Thailand	435,413	-	(19,697)	415,716
<i><u>For the nine months ended 30 June 2018</u></i>				
F&B Malaysia	1,776,266	-	(127,959)	1,648,307
F&B Thailand	1,336,105	-	(61,943)	1,274,162
<u>Segment liabilities:</u>				
<i><u>As at 30 September 2018</u></i>				
F&B Malaysia	353,420	-	6,920	360,340
<i><u>As at 1 October 2017</u></i>				
F&B Malaysia	386,470	-	8,335	394,805

(a) Adjustments pursuant to the adoption of MFRS 9 Financial Instruments.

(b) Adjustments pursuant to the adoption of MFRS 15 Revenue from Contracts with Customers.

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

1. Operations review

Current quarter ended 30 June 2019 vs corresponding quarter ended 30 June 2018

Group revenue for the current quarter grew by 10.9%, from RM961.9 million to RM1,066.3 million with higher contribution from F&B Thailand and F&B Malaysia. Group profit before tax rose by 45.3% from RM107.0 million to RM155.5 million from higher profits from F&B Thailand and marginally better results from F&B Malaysia.

- **F&B Malaysia**

F&B Malaysia current quarter revenue grew by 4.7% driven by:

- (i) effective execution of commercial campaigns during Hari Raya and Harvest festival;
- (ii) return to growth in canned milk revenue from continued efforts to strengthen the route-to-market amidst continuing price competition; and
- (iii) offset by lower export revenue.

F&B Malaysia operating profit has improved by 7.3% from RM49.1 million to RM52.7 million mainly due to:

- (i) higher sales volume from both beverages and dairy products;
- (ii) lower marketing spending;
- (iii) favourable input costs mainly for sugar; and
- (iv) offset by higher freight costs and forex loss.

- **F&B Thailand**

F&B Thailand revenue grew by 18.8% (11.5% in local currency) from RM415.7 million to RM493.9 million mainly due to:

- (i) successful loyalty programs and campaigns for both domestic and Indochina markets;
- (ii) higher export revenue; and
- (iii) aided by favourable RM/THB forex translation gain.

In tandem with higher revenue, operating profit for F&B Thailand significantly increased by 72.7% (61.7% in local currency) from RM57.4 million to RM99.1 million mainly as a result of:

- (i) favourable input costs;
- (ii) lower advertising spending; and
- (iii) withholding tax refund amounting to RM2.3 million received in the current quarter.

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

1. Operations review (cont'd)

Cumulative three quarters vs corresponding period last year

Group revenue for nine months ended 30 June 2019 grew by 6.1% from RM2,923.3 million to RM3,102.1 million and Group profit before tax rose by 37.3% from RM323.1 million to RM443.5 million.

• F&B Malaysia

F&B Malaysia revenue improved marginally by 1.1% to RM1,666.5 million compared with the corresponding period last year mainly attributed to the following:

- (i) domestic market for beverages continued to gain momentum with effective commercial execution of campaigns for the festive periods (Chinese New Year, Hari Raya and Harvest festival);
- (ii) continued efforts in strengthening and deepening the route-to-market, has borne results with revenue growth for dairy products in the 3rd quarter; albeit lower for the period impacted by continuing price competition;
- (iii) supported by extensive portfolio of healthier options, including extensions and variants to existing brands; and
- (iv) offset by lower export revenue due to absence of a one-off contract packing business.

F&B Malaysia operating profit improved by 2.4% to RM133.4 million attributed to:

- (i) favourable input costs for sugar, milk and palm oil; offset by
- (ii) higher repairs and maintenance costs and depreciation from new capital expenditures; and
- (iii) higher royalties.

• F&B Thailand

Aided by favourable RM/THB forex translation gain, F&B Thailand revenue grew by 12.5% (8.2% in local currency) to RM1,434.0 million. Successful execution of marketing and branding initiatives for domestic and Indochina markets, along with capacity expansion, supported the growth in revenue from 2nd quarter onwards.

F&B Thailand operating profit improved by 53.5% (47.6% in local currency) to RM301.4 million contributed by:

- (i) higher revenue;
- (ii) favourable input and packaging costs;
- (iii) phasing of marketing spend; and
- (iv) withholding tax refund and reimbursement of import duty drawback amounting to RM4.9 million and RM2.6 million respectively.

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

2. Comment on material change in Group profit before tax for the quarter ended 30 June 2019 vs preceding 2nd quarter ended 31 March 2019

Current quarter Group revenue grew by 4.0% from RM1,025.4 million to RM1,066.3 million and Group profit before tax rose by 16.1% from RM134.0 million to RM155.5 million compared to preceding quarter.

- F&B Malaysia

F&B Malaysia revenue improved by 5.5% to RM571.5 million compared to the preceding quarter mainly due to higher Hari Raya festive sales.

Correspondingly, F&B Malaysia operating profit improved by 87.2% to RM52.7 million from higher revenue, favourable input and packaging material costs and timing of marketing spend for the festive season.

- F&B Thailand

F&B Thailand revenue increased by 2.1% (0.3% in local currency) to RM493.9 million compared to the preceding quarter driven by higher export revenue.

However, F&B Thailand operating profit declined by 3.7% (3.9% in local currency) to RM99.1 million due to net unfavourable input and packaging material costs and higher operational expenses in the current quarter.

3. Prospects

The overall domestic market for F&B Malaysia is expected to remain challenging given the intense competition. This is especially in the canned milk segment. For beverages, management has taken necessary actions, including introducing extensive portfolio of healthier options, to mitigate the impact of the sugar sweetened beverages excise duty effective 1st July 2019. Management will also continue to monitor market acceptance and offtake while continuing our efforts to introduce innovative products that will meet our consumers' needs.

The prospects for F&B Thailand are better, following improvement in both sweetened condensed and evaporated milk segments. Management will continue to invest in brand building to strengthen our product portfolio and will increase significantly our advertising and promotions investment in the last quarter of this financial year.

For Exports, slower off take from key customers and geo-political tension in Middle East have affected our sales in certain markets. The strengthening of Thai Baht has also reduced our export competitiveness from Thailand. Despite the challenges, management will continue in its efforts to build the Exports pillar by increasing and deepening our presence in new and existing markets.

Raw and packaging material prices are expected to remain volatile. The Group has hedged most of its core commodity requirements and corresponding foreign currency exposure wherever possible for the remaining quarter of current financial year. For the next financial year, the Group is closely monitoring on the dairies input prices that have increased and will take the necessary actions to mitigate any adverse impact.

The Group will continue to prioritise on strengthening its commercial strategies, route-to-market execution, accelerating innovations and improving operational efficiencies across the businesses to generate profitable and sustainable growth. Given the uncertain external environment, the Group will continue to be vigilant and, at the same time, explore new growth opportunities that may arise.

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

4. Profit forecast or profit guarantee

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

5. Tax expense

The details of the tax expense are as follows:

RM'000	Individual 3 rd quarter 30/06/2019	Individual 3 rd quarter 30/06/2018	Cumulative 3 rd quarter 30/06/2019	Cumulative 3 rd quarter 30/06/2018
Current income tax	36,301	7,920	89,922	21,557
Deferred tax – origination and reversal of temporary differences	4,352	2,603	11,330	7,363
(Over)/Under provision in respect of previous years	-	(2,216)	-	(2,244)
- Income tax	(101)	(5,755)	46	(7,462)
- Deferred tax	40,552	2,552	101,298	19,214

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

RM'000	Individual 3 rd quarter 30/06/2019	Individual 3 rd quarter 30/06/2018	Cumulative 3 rd quarter 30/06/2019	Cumulative 3 rd quarter 30/06/2018
Profit before tax	155,488	107,037	443,505	323,080
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	37,317	25,689	106,441	77,539
Effect of tax rates in foreign jurisdictions	(4,552)	(2,895)	(13,760)	(9,584)
Tax exempt income	-	(12,319)	(56)	(43,452)
Non-deductible expenses	917	671	1,979	2,952
Recognition of previously unrecognised tax losses	-	(3,026)	-	(4,446)
Deferred tax assets recognised	(91)	-	(591)	-
Deferred tax assets not recognised	-	1,374	-	4,707
(Over)/Under provision of income and deferred tax in prior years	(101)	(7,971)	46	(9,706)
Foreign withholding tax	7,259	979	7,795	1,713
Share of profit of equity-accounted associate	(549)	(560)	(1,632)	(1,682)
Share of loss of equity-accounted joint venture	352	610	1,076	1,173
Total income tax expense	40,552	2,552	101,298	19,214
Effective income tax rate	26.1%	2.4%	22.8%	5.9%

The effective income tax rate is higher in the 3rd quarter and for the cumulative 3rd quarter compared to the corresponding period last year as F&B Thailand has commenced paying corporate taxes starting this financial year following the full utilisation of the promotional privileges granted by the Board of Investment.

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

6. Status of corporate proposals

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

7. Loans and borrowings

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

RM'000	Currency	30/06/2019	30/09/2018
<u>Non-current (unsecured)</u>			
Term loan	THB	94,357	115,153
<u>Current (unsecured)</u>			
Medium Term Note ("MTN")	RM	-	150,000
Term loan	THB	80,878	70,371
		80,878	220,371
		<u>175,235</u>	<u>335,524</u>

Commercial Paper ("CP")/MTN

A subsidiary of the Company, F&N Capital Sdn Bhd ("the Issuer"), is able to issue up to RM750,000,000 in nominal value under each of the CP and the MTN programmes respectively, which are unconditionally and irrevocably guaranteed by the Company. The CP has a tenure of seven (7) years from the first issue date of the CP under the CP Programme whilst the MTN has a tenure of fifteen (15) years from the first issue date under the MTN Programme.

The Issuer had on 7 October 2013 issued MTN of RM150,000,000 with the tenure of five (5) years from the issue date. This MTN bearing interest at rate of 4.24% per annum was repaid in the current period and there is no outstanding balance as at 30 June 2019 in respect of this CP/MTN programme.

As at 30 June 2019, the unutilised CP/MTN facility available for use amounted to RM1,500,000,000 (2018: RM1,350,000,000).

Term loan

On 1 December 2015 and 6 June 2018, a subsidiary of the Company, F&N Dairies (Thailand) Limited ("FNDT"), was granted term loans of Thai Baht 1,000,000,000 each with the tenure of three (3) years from the issued date and interest rates of 2.35% and 2.44% per annum respectively. Term loan amounting to Thai Baht 350,000,000 was repaid during the current period. As at 30 June 2019, the outstanding balance amounted to Thai Baht 900,000,000 (2018: Thai Baht 1,250,000,000).

On 7 June 2018 and 10 January 2019, FNDT was granted short-term loans of Thai Baht 200,000,000 and 400,000,000 with the tenure of six (6) months and interest rates of 1.83% and 2.20% per annum respectively. Term loan amounting to Thai Baht 200,000,000 was repaid during the current period. As at 30 June 2019, the outstanding balance amounted to Thai Baht 400,000,000 (2018: Thai Baht 200,000,000).

8. Material litigation

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

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

9. Dividend declared in this quarter

On 29 April 2019, the Directors have declared an interim single tier dividend of 27 sen per share (2018: 27 sen) for the financial year ending 30 September 2019. This dividend amounting to approximately RM99.0 million was paid on 13 June 2019 (entitlement date for the dividend was 23 May 2019).

10. Earnings per ordinary share (EPS)

- (a) The calculation of basic earnings per ordinary share at 30 June 2019 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Individual 3 rd quarter		Cumulative 3 rd quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Profit for the year attributed to owners of the Company (RM'000)	114,944	104,495	342,233	303,894
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,662	366,433	366,795	367,222
Basic earnings per ordinary share (sen)	31.3	28.5	93.3	82.8

- (b) The calculation of diluted earnings per ordinary share at 30 June 2019 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Individual 3 rd quarter		Cumulative 3 rd quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Profit for the year attributed to owners of the Company (RM'000)	114,944	104,495	342,233	303,894
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,662	366,433	366,795	367,222
Adjustments pursuant to the SGP ('000)	1,014	1,503	1,014	1,503
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	367,676	367,936	367,809	368,725
Diluted earnings per ordinary share (sen)	31.3	28.4	93.0	82.4

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

11. Notes to the Condensed Consolidated Income Statement

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

RM'000	Individual 3 rd quarter		Cumulative 3 rd quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
(a) Depreciation and amortisation	25,367	22,786	75,680	67,591
(b) Net (reversal of impairment loss on property, plant and equipment)/ impairment loss on property, plant and equipment	(25)	425	(83)	275
(c) Net impairment loss on receivables /(reversal of impairment loss on receivables)	208	(204)	289	(61)
(d) Bad debts recovered	(10)	(20)	(44)	(22)
(e) Bad debts written off	-	-	-	-
(f) Net (reversal of inventories written down)/inventories written down	(316)	295	910	3,261
(g) Inventories written off	2,293	367	6,825	2,576
(h) Net loss on disposal/write-offs of property, plant and equipment	43	180	441	2,093
(i) Net (gain)/loss on foreign exchange	(514)	(2,242)	681	9,388
(j) Net fair value gain on derivatives	(386)	(1,242)	(13)	(1,672)

12. Outstanding derivatives

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

RM'000	30/06/2019	30/09/2018
Forward foreign exchange contracts (Less than 1 year)		
- Notional value	27,646	20,673
- Fair value	(67)	(80)

There is no significant change for the financial derivatives in respect of the following since the year ended 30 September 2018:

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

During the nine months ended 30 June 2019, the Group recognised a total net gain of RM13,000 (2018: RM1,672,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 30 June 2019.