



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

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For immediate release

QUARTERLY FINANCIAL REPORT

Financial year ended 30 September 2020

The Directors are pleased to release the unaudited quarterly financial report for the quarter and financial year ended 30 September 2020.

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 2019:

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
3 November 2020

Schedule A : Unaudited Condensed Consolidated Income Statement

For the quarter and year ended 30 September 2020

RM'000	Individual 4 th quarter			Cumulative 4 th quarter		
	30/09/2020	30/09/2019	% chg	30/09/2020	30/09/2019	% chg
Revenue	953,697	975,086	-2.2%	3,988,507	4,077,138	-2.2%
Cost of sales	(667,982)	(670,798)		(2,758,139)	(2,810,372)	
Gross profit	285,715	304,288	-6.1%	1,230,368	1,266,766	-2.9%
Other income	8,661	3,858		23,622	16,184	
Operating expenses	(186,526)	(221,606)		(738,830)	(762,506)	
Operating profit	107,850	86,540	24.6%	515,160	520,444	-1.0%
Finance income	555	4,020		5,068	15,223	
Finance costs	(1,032)	(635)		(4,858)	(4,555)	
Share of profit of equity-accounted associate, net of tax [^]	957	2,338		7,824	9,139	
Share of loss of equity-accounted joint venture, net of tax [#]	(67)	(2,812)		(283)	(7,295)	
Profit before tax	108,263	89,451	21.0%	522,911	532,956	-1.9%
Tax expense (Schedule G, Note 5)	(22,506)	(21,434)		(112,787)	(122,732)	
Profit for the year	85,757	68,017	26.1%	410,124	410,224	0.0%
Profit for the year attributable to:						
Owners of the Company	85,993	68,027		410,384	410,260	
Non-controlling interests	(236)	(10)		(260)	(36)	
Profit for the year	85,757	68,017		410,124	410,224	
Basic earnings per ordinary share (sen) (Schedule G, Note 10)	23.5	18.6		111.9	111.9	
Diluted earnings per ordinary share (sen) (Schedule G, Note 10)	23.4	18.5		111.7	111.6	

[^] The share of results of an associate for the quarter refers to Cocoland Holdings Berhad and is derived from its unaudited quarterly announcement for the quarter ended 30 June 2020 dated 27 August 2020. The cumulative results are the sum total of its quarterly results recognised by the Group for the year ended 30 June 2020.

[#] The share of results of a joint venture for the quarter and cumulative results refers to Vacaron Company Sdn Bhd and are derived from its unaudited management accounts for the quarter and year ended 30 September 2020.

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 2019.

Schedule B: Unaudited Condensed Consolidated Statement of Comprehensive Income

For the quarter and year ended 30 September 2020

RM'000	Individual 4 th quarter			Cumulative 4 th quarter		
	30/09/2020	30/09/2019	% chg	30/09/2020	30/09/2019	% chg
Profit for the year	85,757	68,017	26.1%	410,124	410,224	0.0%
Other comprehensive income, net of tax:						
<i>Item that is not to be reclassified subsequently to profit or loss:</i>						
Remeasurement of defined benefit plans	(1,231)	(5,540)		(1,231)	(5,540)	
<i>Item that is or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	(37,286)	9,492		(28,286)	35,155	
	(38,517)	3,952		(29,517)	29,615	
Total comprehensive income for the year	47,240	71,969	-34.4%	380,607	439,839	-13.5%
Total comprehensive income attributable to:						
Owners of the Company	47,476	71,979		380,867	439,875	
Non-controlling interests	(236)	(10)		(260)	(36)	
	47,240	71,969	-34.4%	380,607	439,839	-13.5%

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 2019.

Schedule C : Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2020

RM'000	30/09/2020	30/09/2019
Non-current assets		
Property, plant and equipment	1,359,893	1,339,180
Right-of-use assets [^]	87,183	-
Investment properties (<i>Schedule F, Note 18</i>)	47,569	48,775
Properties held for development	54,958	56,047
Intangible assets	45,921	120,646
Investment in an associate (<i>Schedule F, Note 8</i>)	91,261	89,658
Investment in a joint venture (<i>Schedule F, Note 9</i>)	87,845	87,613
Deferred tax assets	5,970	6,234
	<u>1,780,600</u>	<u>1,748,153</u>
Current assets		
Trade and other receivables	589,661	599,996
Inventories	655,981	578,404
Current tax asset	200	7,567
Derivative financial assets (<i>Schedule F, Note 18</i>)	4	6
Cash and cash equivalents	493,615	569,719
	<u>1,739,461</u>	<u>1,755,692</u>
Total assets	<u>3,520,061</u>	<u>3,503,845</u>
Equity		
Share capital and reserves	2,690,601	2,529,324
Non-controlling interests	(161)	99
Total equity	<u>2,690,440</u>	<u>2,529,423</u>
Non-current liabilities		
Loans and borrowings (<i>Schedule G, Note 7</i>)	-	95,909
Lease liabilities [^]	10,785	-
Employee benefits	51,304	49,511
Deferred tax liabilities	48,073	33,994
	<u>110,162</u>	<u>179,414</u>
Current liabilities		
Trade and other payables	516,654	* 664,581
Contract liabilities	57,787	* 54,420
Loans and borrowings (<i>Schedule G, Note 7</i>)	91,868	27,402
Lease liabilities [^]	13,672	-
Current tax liabilities	39,111	48,469
Derivative financial liabilities (<i>Schedule F, Note 18</i>)	367	136
	<u>719,459</u>	<u>795,008</u>
Total liabilities	<u>829,621</u>	<u>974,422</u>
Total equity and liabilities	<u>3,520,061</u>	<u>3,503,845</u>
Net assets per share (RM) attributable to owners of the Company	<u>7.34</u>	<u>6.90</u>

* Please refer to Schedule F, Note 21.

[^] Please refer to Schedule F, Note 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 2019.

Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows

For the year ended 30 September 2020

RM'000	Cumulative 4 th quarter 30/09/2020 30/09/2019	
Cash flows from operating activities		
Profit before tax	522,911	532,956
Add/(less) non-cash items:		
- Change in fair value of investment property	1,206	-
- Depreciation of property, plant and equipment and amortisation of intangible assets	106,706	102,418
- Depreciation of right-of-use assets	25,865	-
- Finance costs	4,858	4,555
- Finance income	(5,068)	(15,223)
- Gain on disposal of intangible assets	(7,805)	(5)
- Inventories written off	6,498	8,485
- Investment property written off	-	543
- Net fair value loss on derivatives	233	50
- Net impairment loss/(reversal of impairment loss) on property, plant and equipment	44	(334)
- Net impairment loss on receivables	416	312
- Net inventories written down	4,917	2,900
- Net loss on disposal of property, plant and equipment	594	417
- Property development costs written off	1,089	-
- Property, plant and equipment written off	458	3,298
- Share-based payment transactions expense	7,952	2,275
- Share of profit of equity-accounted associate, net of tax	(7,824)	(9,139)
- Share of loss of equity-accounted joint venture, net of tax	283	7,295
- Others	1,640	1,225
Changes in working capital #	(225,296)	4,388
Tax paid	(97,074)	(68,081)
Net cash from operating activities	342,603	578,335
Cash flows from investing activities		
Acquisition of intangible assets	(1,796)	(128)
Acquisition of property, plant and equipment	(207,423)	(137,711)
Dividends received	6,221	3,733
Interest received	5,463	9,580
Investment in a joint venture	(500)	-
Proceeds from disposal of intangible assets	83,175	56
Proceeds from disposal of property, plant and equipment	242	277
Net cash used in investing activities	(114,618)	(124,193)
Cash flows from financing activities		
Dividends paid to owners of the Company	(220,067)	(210,898)
Interest paid	(4,736)	(7,991)
Payment of lease liabilities	(24,351)	-
Purchase of shares by Share Grant Plan ("SGP") Trust	(7,184)	(5,023)
Proceeds from loans and borrowings	-	54,805
Repayment of loans and borrowings	(26,248)	(280,162)
Net cash used in financing activities	(282,586)	(449,269)
Net (decrease)/increase in cash and cash equivalents	(54,601)	4,873
Effects of exchange rate fluctuations on cash and cash equivalents	(21,503)	27,754
Cash and cash equivalents at 1 October	569,719	537,092
Cash and cash equivalents at 30 September	493,615	569,719

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

For the year ended 30 September 2020

RM'000	Cumulative 4 th quarter	
	30/09/2020	30/09/2019
Cash and bank balances	319,306	252,980
Short term deposits with licensed banks with a maturity period of 3 months or less	174,309	316,739
Cash and cash equivalents at 30 September	493,615	569,719

Included the interest amounting to RM15,000 (2019: RM5,814,000) accrued on loan to a joint venture.

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

For the year ended 30 September 2020

<div style="display: flex; justify-content: space-between;"> <----- Attributable to owners of the Company -----> <----- Non-distributable -----> Distributable </div>											
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 1 October 2019	816,770	-	(3,904)	(7,251)	122,570	12,691	9,934	1,578,514	2,529,324	99	2,529,423
Total comprehensive income	-	-	-	-	(28,286)	-	-	409,153	380,867	(260)	380,607
Transactions with owners:											
Shares vested under SGP	-	-	6,400	(482)	-	(5,918)	-	-	-	-	-
Purchase of shares by SGP Trust	-	-	(7,184)	-	-	-	-	-	(7,184)	-	(7,184)
Employee share-based payment expense	-	-	-	-	-	7,661	-	-	7,661	-	7,661
Dividends to owners of the Company	-	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners	-	-	(784)	(482)	-	1,743	-	(220,067)	(219,590)	-	(219,590)
At 30 September 2020	816,770	-	(4,688)	(7,733)	94,284	14,434	9,934	1,767,600	2,690,601	(161)	2,690,440
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	-	-	-	-	35,155	-	-	404,720	439,875	(36)	439,839
Transactions with owners:											
Shares vested under SGP	-	-	6,874	(1,185)	-	(5,689)	-	-	-	-	-
Purchase of shares by SGP trust	-	-	(5,023)	-	-	-	-	-	(5,023)	-	(5,023)
Employee share-based payment expense	-	-	-	-	-	1,957	-	-	1,957	-	1,957
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	135	(1,185)	-	(3,732)	-	(210,898)	(213,964)	-	(213,964)
At 30 September 2019	816,770	-	(3,904)	(7,251)	122,570	12,691	9,934	1,578,514	2,529,324	99	2,529,423

* 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 2019.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

1. Corporate information

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

The condensed consolidated interim financial statements of the Group (“interim financial statements”) as at and for the year ended 30 September 2020 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate and a joint venture.

These interim financial statements were approved by the Board of Directors on 3 November 2020.

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 2019.

The audited consolidated financial statements of the Group for the year ended 30 September 2019 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 2019. 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 2019.

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 2019, except for the adoption of the following new and amended MFRSs, and Issues Committee (IC) Interpretations mandatory for annual financial periods beginning on or after 1 October 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

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*.

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.

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

2. Basis of preparation (cont'd)

MFRS 16 Leases (cont'd)

The Group has applied MFRS 16 using the modified retrospective approach with practical expedients. Accordingly, the comparative information presented for financial year ended 30 September 2019 has not been restated – i.e. it is presented, as previously reported under MFRS 117 *Leases* and related interpretations. The Group applied the practical expedient to grandfather the definition of a lease on transition. That means that MFRS 16 is applied to all contracts entered into before 1 October 2019 and identified as leases in accordance with MFRS 117 and IC Interpretation 4.

(a) The Group as lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under MFRS 16, the Group recognises ROU assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet. On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 October 2019. ROU assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating leases under MFRS 117:

- did not recognise ROU assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise ROU assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the ROU asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(b) The Group as lessor

MFRS 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify their leases as operating leases, and to account for these leases using the existing operating lease accounting model.

With the adoption of MFRS 16, the right-of-use assets and lease liabilities are presented in the Statement of Financial Position for the financial year ended 30 September 2020. The right-of-use assets and lease liabilities as at 1 October 2019 is approximately 3% of total assets and 3% of total liabilities respectively. No significant impact on the Group's finance leases.

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 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

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

- Amendments to MFRS16, *Leases – Covid-19-Related Rent Concessions*

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

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

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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

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

* *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.

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.

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

5. Comment on seasonality or cyclicity of operation

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the year ended 30 September 2020.

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	30/09/2020	30/09/2019
Quoted shares at cost	68,727	68,727
Share of post-acquisition reserves	73,119	65,295
Dividends received	(50,585)	(44,364)
	<u>91,261</u>	<u>89,658</u>

Market value of investment in an associate for which there is published price quotation	<u>107,626</u>	<u>120,690</u>
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The summarised financial information of the associate is as follows:

RM'000	30/09/2020	30/09/2019
Total assets	303,092	300,143
Total liabilities	<u>(34,231)</u>	<u>(37,177)</u>

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Revenue	48,621	58,784	239,359	251,105
Profit	<u>3,519</u>	<u>8,599</u>	<u>28,774</u>	<u>33,611</u>

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

9. Investment in a joint venture

RM'000	30/09/2020	30/09/2019
Unquoted shares, at cost	127,820	500
Share of post-acquisition reserves	(22,977)	(22,694)
	104,843	(22,194)
Shareholder's loan	-	126,820
Interest on shareholder's loan	38,294	38,279
	143,137	142,905
Less: Unrealised profit	(55,292)	(55,292)
	87,845	87,613

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

RM'000	30/09/2020	30/09/2019
Total assets	288,606	286,199
Total liabilities	(76,939)	(330,606)

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Revenue	-	-	-	-
Loss	(135)	(5,623)	(566)	(14,589)

10. Issuance or repayments of debt/equity securities

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

11. Dividends paid

The following dividends were declared and paid by the Company:

RM'000	Date of payment	Sen per share	Total amount
<u>Year ended 30 September 2020</u>			
Final 2019 ordinary	13 February 2020	33.0	121,037
Interim 2020 ordinary	12 June 2020	27.0	99,030
			220,067
<u>Year ended 30 September 2019</u>			
Final 2018 ordinary	15 February 2019	30.5	111,867
Interim 2019 ordinary	13 June 2019	27.0	99,031
			210,898

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>4th quarter - 30/09/2020</u>					
Total revenue	495,147	466,364	973	22,367	984,851
Inter-segment	-	(8,407)	(786)	(21,961)	(31,154)
External	495,147	457,957	187	406	953,697
<u>4th quarter - 30/09/2019</u>					
Total revenue	498,333	479,667	845	25,469	1,004,314
Inter-segment	-	(4,135)	(558)	(24,535)	(29,228)
External	498,333	475,532	287	934	975,086
<u>3rd quarter - 30/06/2020</u>					
Total revenue	461,445	463,652	686	21,970	947,753
Inter-segment	-	(7,900)	(562)	(21,219)	(29,681)
External	461,445	455,752	124	751	918,072
<u>Cumulative 4th quarter - 30/09/2020</u>					
Total revenue	2,040,749	1,970,889	3,345	88,860	4,103,843
Inter-segment	-	(27,133)	(2,469)	(85,734)	(115,336)
External	2,040,749	1,943,756	876	3,126	3,988,507
<u>Cumulative 4th quarter - 30/09/2019</u>					
Total revenue	2,164,836	1,924,557	3,337	95,398	4,188,128
Inter-segment	-	(15,028)	(2,284)	(93,678)	(110,990)
External	2,164,836	1,909,529	1,053	1,720	4,077,138

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>4th quarter - 30/09/2020</u>						
Operating profit/(loss)	41,608	72,998	(2,433)	(5,360)	1,037	107,850
Finance income						555
Finance costs						(1,032)
Share of results of an associate						957
Share of results of a joint venture						(67)
Profit before tax						<u>108,263</u>
<u>4th quarter - 30/09/2019</u>						
Operating profit/(loss)	27,694	60,577	(157)	154	(1,728)	86,540
Finance income						4,020
Finance costs						(635)
Share of results of an associate						2,338
Share of results of a joint venture						(2,812)
Profit before tax						<u>89,451</u>
<u>3rd quarter - 30/06/2020</u>						
Operating profit/(loss)	30,316	91,574	60	(1,733)	(1,226)	118,991
Finance income						824
Finance costs						(1,117)
Share of results of an associate						1,394
Share of results of a joint venture						(94)
Profit before tax						<u>119,998</u>

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)					Adjustments and eliminations	Total
	F&B Malaysia	F&B Thailand	Property	Others			
<u>Cumulative 4th quarter - 30/09/2020</u>							
Operating profit/(loss)	144,932	381,017	(1,957)	(5,464)		(3,368)	515,160
Finance income							5,068
Finance costs							(4,858)
Share of results of an associate							7,824
Share of results of a joint venture							(283)
Profit before tax							<u>522,911</u>
<u>Cumulative 4th quarter - 30/09/2019</u>							
Operating profit/(loss)	161,059	361,955	(142)	(58)		(2,370)	520,444
Finance income							15,223
Finance costs							(4,555)
Share of results of an associate							9,139
Share of results of a joint venture							(7,295)
Profit before tax							<u>532,956</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	30/09/2020	30/09/2019
F&B Malaysia	1,879,085	1,792,899
F&B Thailand	837,480	822,398
Property	114,153	116,656
Others	10,452	11,101
	<u>2,841,170</u>	<u>2,743,054</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	30/09/2020	30/09/2019
F&B Malaysia	333,466	427,495
F&B Thailand	313,086	336,858
Property	843	810
Others	3,174	3,485
	<u>650,569</u>	<u>768,648</u>

13. Significant events

The Board of Directors of F&NHB had on 29 July 2020 announced that its direct wholly-owned subsidiary, Lion Share Management Limited entered into a conditional sale and purchase agreement (the "Sale and Purchase Agreement") with F&N Global Marketing Pte Limited ("F&N Global Marketing"), a direct wholly-owned subsidiary of Fraser and Neave, Limited, in relation to the disposal of the "TEAPOT" trademark for a total cash consideration of RM83,175,000. Salient terms of the Sale and Purchase Agreement were set out in the said announcement.

Completion of the Sale and Purchase Agreement occurred on 30 September 2020.

At completion, F&N Global Marketing entered into Trade Mark Licence Agreements with F&N Beverages Marketing Sdn Bhd, F&N Dairies (Thailand) Limited and F&N Dairies Distribution (Singapore) Pte Ltd. respectively, all of whom are wholly-owned subsidiaries of F&NHB ("F&NHB Subsidiaries"), granting the F&NHB Subsidiaries a non-exclusive, non-transferable licence to use the "TEAPOT" trademark for the sole purpose of preparing, packaging, manufacturing, marketing, distributing, and selling products under the "TEAPOT" trademark in the respective territories to which each of the F&NHB Subsidiaries have been licensed.

There were no other significant events that have not been reflected in the current 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.

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

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.

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	
	30/09/2020	30/09/2019
Derivative financial assets	4	6
Derivative financial liabilities	367	136

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

The Group held investment properties amounting to RM47,569,000 (2019: RM48,775,000) carried at Level 3: significant unobservable inputs.

19. Capital commitments

Capital expenditure commitments

The outstanding capital commitments are as follows:

RM'000	30/09/2020	30/09/2019
<u>Property, plant and equipment</u>		
Contracted but not provided for	109,441	206,831
Authorised but not contracted for	92,687	230,691
	<u>202,128</u>	<u>437,522</u>

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

20. Related party disclosures

Significant related party transactions

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

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
<u>Fraser and Neave, Limited ("F&N Limited") Group</u>				
Sales	66,845	72,110	269,561	266,876
Purchases	(28,325)	(48,892)	(169,306)	(184,210)
Royalties paid	(11,188)	(12,034)	(49,477)	(54,119)
Internal audit fees paid	-	(269)	-	(1,275)
Receipt of corporate service fees	442	900	3,211	1,581
Proceeds from disposal of intangible asset	83,175	-	83,175	-
<u>Vacaron Company Sdn Bhd</u>				
Finance income	-	1,419	15	5,814
<u>Cocoaland Holdings Berhad Group</u>				
Dividend income	-	-	6,221	3,733
<u>Thai Beverage Public Company Limited Group</u>				
Sales	1,233	410	2,553	1,747
Purchases	(683)	(1,084)	(6,019)	(2,845)
Marketing expenses	(4,382)	(5,630)	(20,887)	(18,223)
Corporate service fees paid	(581)	(619)	(2,274)	(1,999)
Purchase of plant and machinery	-	-	(4,023)	-
Other income/(expenses)	193	(78)	1,967	(483)
<u>Berli Jucker Public Company Limited Group</u>				
Sales	16,241	21,212	69,410	68,099
Purchases	(356)	(2,790)	(18,116)	(20,237)
Transportation expenses	(2,478)	(2,783)	(10,599)	(10,254)
<u>Other related parties of TCC Group</u>				
Purchases	(14,677)	(10,750)	(57,045)	(42,925)
Management fees paid	-	(171)	(307)	(2,026)
Insurance premium paid	(781)	(778)	(3,192)	(3,093)
<u>Permodalan Nasional Berhad ("PNB") Group *</u>				
Sales	7,533	8,756	50,799	59,158
Purchases	(19,611)	(16,578)	(56,825)	(44,246)
Rental of equipment paid	(651)	(757)	(2,743)	(3,012)
<u>Compensation</u>				
Compensation of key management personnel of the Group	(3,293)	(3,690)	(14,602)	(14,319)
Directors' fees and remuneration	(376)	(368)	(1,345)	(1,322)

* PNB is deemed a related party to F&NHB by virtue of PNB holding 27,576,000 shares as of 30 September 2020 through Amanahraya Trustees Berhad, representing 7.52% equity interest in F&NHB.

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	30/09/2020	30/09/2019
<u>Amount due from related parties</u>		
F&N Limited Group	73,814	61,234
Frasers Property Limited Group	-	51
Vacaron Company Sdn Bhd	38,305	165,130
CocoaLand Holdings Berhad Group	4	4
Thai Beverage Public Company Limited Group	2,090	437
Berli Jucker Public Company Limited Group	12,675	15,523
Other related parties of TCC Group	11	10
PNB Group	7,748	7,253
<u>Amount due to related parties</u>		
F&N Limited Group	(29,637)	(33,940)
Frasers Property Limited Group	(2)	(10)
Thai Beverage Public Company Limited Group	(4,386)	(4,892)
Berli Jucker Public Company Limited Group	(2,013)	(4,199)
Other related parties of TCC Group	(4,967)	(3,417)
PNB Group	(15,816)	(10,600)

21. Change in comparatives

The comparatives for the quarter and year ended 30 September 2020 have been restated as follows:

RM'000	As previously stated	Adjustments / Reclassification			As restated
		(a)	(b)	(c)	
<u>Consolidated statement of financial position:</u>					
<u>As at 30 September 2019</u>					
Trade and other payables	719,001	-	-	(54,420)	664,581
Contract liabilities	-	-	-	54,420	54,420
<u>Consolidated statement of changes in equity:</u>					
<u>As at 1 October 2018</u>					
Retained earnings	1,393,615	(2,003)	(6,920)	-	1,384,692

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

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

(c) Being reclassification to conform with current year's presentation.

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

1. Operations review

Current quarter ended 30 September 2020 vs corresponding quarter ended 30 September 2019

Amidst the prolonged COVID-19 containment measures and subdued outdoor activities, the Group managed to deliver a commendable performance for the current quarter on the back of robust exports and stabilising domestic sales, with a moderate contraction in Group revenue of 2.2% to RM953.7 million.

Despite higher commodity cost, Group profit before tax grew 21.0% to RM108.3 million due to prudent cost controls on overheads and lower advertising and promotions spending. Excluding the gain on disposal of "TEAPOT" trademark amounting to RM7.8 million and COVID-19 related expenses recognised in the current quarter, and other one-off/non-operating items in both periods, profit before tax improved by 15.1%.

- F&B Malaysia

F&B Malaysia recorded RM495.1 million in revenue, a marginal 0.6% decline from 2019. The recovery in sales performance is led by the export markets, where export revenue grew by 2.4%. Recovery was also observed in the domestic Malaysia market, with increased commercial activities and trade executions during the Recovery Movement Control Order period contributing to a smaller than expected, marginal decline against 2019.

Operating profit improved by 50.2% mainly due to the gain on disposal of "TEAPOT" trademark in the current quarter of RM7.8 million. Excluding the effects of one-off/non-operating items in both periods, operating profit grew by 8.3% due to reduction in the advertising and promotions expenditure and cost savings.

- F&B Thailand

F&B Thailand recorded RM458.0 million in revenue, a slight contraction of 3.7% from 2019 (-1.7% in Thai Baht terms) due to higher trade stocks in the domestic Thai market carried forward from the third quarter this year, mitigated by growth in Indochina and export markets.

Operating profit for F&B Thailand improved 20.5% (26.7% in Thai Baht terms) to RM73.0 million due to lower advertising and marketing spending partially offset by the weaker Thai Baht.

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

1. Operations review (cont'd)

Cumulative financial year vs corresponding last financial year

The Group concluded its financial year ended 30 September 2020 with a resilient performance sustained by strong performance in the 1st quarter and recovery in the 4th quarter; and robust exports. The Group recorded revenue and profit before tax of RM3,988.5 (-2.2%) and RM522.9 million (-1.9%) respectively for current financial year despite COVID-19 pandemic and commodity price pressures.

- F&B Malaysia

In Malaysia, a strong recovery of both the domestic and export markets in the final quarter and sustained demand for dairy products, encouraged by in-home consumption resulted in a moderate full year contraction in F&B Malaysia's performance. F&B Malaysia's revenue declined by 5.7% to RM2,040.7 million, while its operating profit decreased by 10.0% to RM144.9 million during the period under review.

F&B Malaysia's domestic team continued its efforts in product innovation with an emphasis on offering healthier choices and better value that resonated with our consumers. During the year, F&B Malaysia launched Sunkist Pure Juice Drink and F&N Ready-to-Drink Teh Tarik Ori, and 3 new beverages with zero sugar, namely 100PLUS Zero, F&N Ice Mountain Sparkling Water and OYOSHI Gold No Sugar Premium Japanese Green Tea. F&B Malaysia also successfully launched the F&N Teh Tarik Ori drink during a Zoom virtual conference with consumers in April this year during the Movement Control Order.

This pandemic provided an opportunity to fast track our e-commerce strategies with the launch of our e-commerce platform, F&N Life to help our products reach our consumers during the Movement Control Order; and listing of our products in various e-commerce platforms.

Against a challenging backdrop, exports from Malaysia achieved close to 10% growth driven by robust sales to Middle East and Africa and ASEAN markets with over RM100 million revenue contributed by Halal markets. Fraser and Neave MENA DWC-LLC, a wholly-owned subsidiary was set up in Dubai this year to expedite the Group's penetration and development of opportunities in the Middle East and North Africa regions.

F&B Malaysia operating profit declined by 10.0% to RM144.9 million mainly due to lower revenue and higher input costs. Excluding the gain on disposal of "TEAPOT" trademark (RM7.8 million), COVID-19 related expenses and other one-off/non-operating items in both years, F&B Malaysia operating profit declined by 16.8%.

- F&B Thailand

F&B Thailand achieved revenue of RM1,943.8 million for the period, with 1.8% (-1.4% in Thai Baht terms) higher revenue aided by favourable RM/THB forex translation. Strong operational execution, successful tactical strategies and recovery in Indochina and export markets, helped to moderate the marginal contraction in revenue for the domestic Thai market, especially in the general trade and the food service channels due to the emergency decree.

F&B Thailand continued providing support to its hawker customers in both the domestic Thai market and in Cambodia and Laos; building brand loyalty and visibility including through innovative digital advertising; and introduced new variants and healthier options namely CARNATION Plus Sweetened Condensed Milk with 0% Fat and 25% Reduced Sugar; and F&N Magnolia Milkies Milk Tablet to meet the changing tastes of discerning consumers in Thailand.

Aided by favourable RM/THB forex translation, F&B Thailand operating profit improved 5.3% (+2.0% in Thai Baht terms) to RM381.0 million due to tightened cost control on overheads and advertising and marketing spend.

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

2. Comment on material change in Group profit before tax for the quarter ended 30 September 2020 vs preceding 3rd quarter ended 30 June 2020

Current quarter Group revenue grew to RM953.7 million (3rd quarter: RM918.1 million) amidst signs of recovery in the local and export markets as businesses and economic activities stabilised to a 'new normal'. F&B Malaysia revenue grew 7.3% to RM495.1 million (3rd quarter: RM461.4 million). F&B Thailand revenue growth is flat at 0.5% at RM458.0 million (3rd quarter: RM455.8 million) although revenue in THB terms grew by 3.3% due to weaker RM/Thai Baht translation.

Group profit before tax correspondingly declined by 9.8% to RM108.3 million (3rd quarter: RM120.0 million) from higher input and packaging costs and weaker RM/Thai Baht translation. Excluding the gain on disposal of "TEAPOT" trademark and COVID-19 related expenses recognised in the current quarter and other one-off/non-operating items in both periods, profit before tax is lower by 14.1%.

3. Prospects

The Group remains cautious amid the COVID-19 pandemic as the situation both locally and globally remain fluid and uncertain. While cognisant of our operating environment, this pandemic provides us an opportunity for reset and to 'reimagine' our business strategies to fuel growth and innovation.

We will continue to prioritise our customers and consumers' satisfaction, focus on process improvements and digitalisation and relentlessly pursue opportunities to build a stronger and more sustainable business for the future. We will adopt innovative strategies to boost customer experience and e-commerce engagements through our own F&N Life platform as well as through working closer with e-commerce partners in both Malaysia, Thailand and overseas markets.

We will continue to safeguard the wellbeing of our employees, trade partners and community while we maintain business as efficiently as possible under the current circumstances.

The pandemic has delayed some of our longer-term strategic initiatives, but it has also given us more time to reassess these initiatives for the 'new normal'. Our continued investments in capex and in our brands will help us strengthen our businesses.

We believe our strong fundamentals will see us through these challenging times and we can leverage on our strong balance sheet, bank facilities and low funding cost to support our operations and capitalise on 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 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Current income tax	15,678	18,032	97,621	107,954
Deferred tax – origination and reversal of temporary differences	6,280	3,616	14,535	14,946
Under/(Over) provision in respect of previous years				
- Income tax	495	523	662	523
- Deferred tax	53	(737)	(31)	(691)
	<u>22,506</u>	<u>21,434</u>	<u>112,787</u>	<u>122,732</u>

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

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Profit before tax	<u>108,263</u>	<u>89,451</u>	<u>522,911</u>	<u>532,956</u>
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	25,983	21,468	125,499	127,909
Effect of tax rates in foreign jurisdictions	(5,293)	(2,817)	(19,290)	(16,577)
Tax exempt income	(5,823)	3	(22,732)	(53)
Non-deductible expenses	6,937	2,628	10,114	4,607
Deferred tax assets recognised	-	(34)	-	(625)
Under/(Over) provision of income and deferred tax in prior years	548	(214)	631	(168)
Foreign withholding tax	368	286	20,375	8,081
Share of results of an associate	(230)	(561)	(1,878)	(2,193)
Share of results of a joint venture	16	675	68	1,751
Total income tax expense	<u>22,506</u>	<u>21,434</u>	<u>112,787</u>	<u>122,732</u>
Effective income tax rate	<u>20.8%</u>	<u>24.0%</u>	<u>21.6%</u>	<u>23.0%</u>

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

6. Status of corporate proposals

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

7. Loans and borrowings

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

RM'000	Currency	30/09/2020	30/09/2019
<u>Non-current (unsecured)</u>			
Term loan	THB	-	95,909
<u>Current (unsecured)</u>			
Term loan	THB	91,868	27,402
		<u>91,868</u>	<u>123,311</u>

Commercial Paper ("CP")/Medium Term Note ("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.

As at 30 September 2020, the unutilised CP/MTN facility available for use amounted to RM1,500,000,000 (2019: RM1,500,000,000). The CP programme of RM750 million has expired on 14 October 2020 whilst the tenure of the MTN Programme is up to 28 September 2028.

Term loan

On 6 June 2018, a subsidiary of the Company, F&N Dairies (Thailand) Limited was granted a term loan of THB 1,000,000,000 with the tenure of three (3) years from the issued date and interest rate of 2.44% per annum. As at 30 September 2020, the outstanding balance for the term loan amounted to Thai Baht 700,000,000 (2019: Thai Baht 900,000,000).

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. Proposed dividend

The Directors recommend a final single tier dividend of 33.0 sen per share (2019: 33.0 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company. If approved by shareholders, the total dividends for the year would amount to 60.0 sen per share (2019: 60.0 sen per share).

10. Earnings per ordinary share (EPS)

- (a) The calculation of basic earnings per ordinary share at 30 September 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Profit for the year attributed to owners of the Company (RM'000)	<u>85,993</u>	<u>68,027</u>	<u>410,384</u>	<u>410,260</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,531</u>	<u>366,528</u>	<u>366,653</u>	<u>366,735</u>
Basic earnings per ordinary share (sen)	<u>23.5</u>	<u>18.6</u>	<u>111.9</u>	<u>111.9</u>

- (b) The calculation of diluted earnings per ordinary share at 30 September 2020 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Profit for the year attributed to owners of the Company (RM'000)	<u>85,993</u>	<u>68,027</u>	<u>410,384</u>	<u>410,260</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,531</u>	<u>366,528</u>	<u>366,653</u>	<u>366,735</u>
Adjustments pursuant to the SGP ('000)	<u>900</u>	<u>840</u>	<u>900</u>	<u>840</u>
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>367,431</u>	<u>367,368</u>	<u>367,553</u>	<u>367,575</u>
Diluted earnings per ordinary share (sen)	<u>23.4</u>	<u>18.5</u>	<u>111.7</u>	<u>111.6</u>

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

11. Notes to the Condensed Consolidated Income Statement

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

RM'000	Individual 4 th quarter 30/09/2020	30/09/2019	Cumulative 4 th quarter 30/09/2020	30/09/2019
(a) Bad debts recovered	(8)	(20)	(30)	(64)
(b) Bad debts written off	-	-	-	-
(c) Change in fair value of investment property	1,206	-	1,206	-
(d) Depreciation of property, plant and equipment and amortisation of intangible assets	27,471	26,738	106,706	102,418
(e) Depreciation of right-of-use assets	6,315	-	25,865	-
(f) Gain on disposal of intangible assets	(7,805)	(1)	(7,805)	(5)
(g) Inventories written off	2,889	1,660	6,498	8,485
(h) Net fair value loss on derivatives	544	63	233	50
(i) Net impairment loss/(reversal of impairment loss) on property, plant and equipment	70	(251)	44	(334)
(j) Net (reversal of impairment loss)/impairment loss on receivables	(13)	23	416	312
(k) Net inventories written down	3,016	1,990	4,917	2,900
(l) Net loss on disposal/write-offs of property, plant and equipment	568	3,274	1,052	3,715
(m) Net loss on foreign exchange	2,390	852	639	1,533
(n) Property development costs written off	1,089	-	1,089	-

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

12. Outstanding derivatives

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

	30/09/2020		30/09/2019	
	Notional value	Fair value RM'000	Notional value	Fair value RM'000
Forward foreign exchange contracts (less than 1 year)				
USD ('000)	4,566	(301)	2,400	(49)
AUD ('000)	1,706	(62)	2,042	(81)
		<u>(363)</u>		<u>(130)</u>

There is no significant change for the financial derivatives in respect of the following since the year ended 30 September 2020:

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

During the year ended 30 September 2020, the Group recognised a total net loss of RM233,000 (2019: RM50,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 30 September 2020.