

Financial Results (v13)

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COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	FRASER & NEAVE HOLDINGS BHD		
Stock Name	F&N		
Stock Code	3689		
Board	Main Market		

CONTACT DETAIL			
Contact Person	Designation	Contact No	Email Address
FRASER & NEAVE HOLDINGS BHD		012-2337664	timothy.ooi@fn.com.my

MAIN			
General Information			
Financial Year End	30 Sep 2023		
Quarter	4 Qtr		
Quarterly report for the financial period ended	30 Sep 2023		
The figures	have not been audited		
Remarks			
Please attach the full Quarterly Report here	No	File Name	Size
	1	FNHB-Interim result Q4FY23_for immediate release.pdf	565.0KB

DEFAULT CURRENCY

Currency	Malaysian Ringgit (MYR)		
Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION			
Summary of the Key Financial Information for the financial period ended	30 Sep 2023		
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Revenue	1,244,387	1,137,609	5,001,351	4,470,163
2. Profit/(loss) before Tax	161,824	119,508	624,672	454,050
3. Profit/(loss) for the period	138,966	97,996	542,028	382,269
4. Profit/(loss) attributable to ordinary equity holders of the parent	137,557	98,888	536,899	383,208
5. Basic earnings/(loss) per share (Subunit)	37.50	27.00	146.50	104.50
6. Proposed/Declared dividend per share (Subunit)	50.00	33.00	77.00	60.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share attributable to ordinary equity holders of the parent (\$\$)	9.1200		8.1300	
Remarks	A final ordinary dividend of 33.0 sen per share together with a special dividend of 17.0 sen per share in conjunction with the Company's 140th year anniversary is recommended by the Board of Directors of the Company for approval by shareholders at the forthcoming annual general meeting.			

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Part A3 : ADDITIONAL INFORMATION (This Information is for Exchange's Internal Use only)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022

	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Gross interest income	4,945	1,341	13,638	4,327
2. Gross interest expense	9,279	2,522	35,670	5,803
Remarks				

OTHER CURRENCY

Other Currency				
Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of the Key Financial Information for the financial period ended		30 Sep 2023		
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Revenue				
2. Profit/(loss) before Tax				
3. Profit/(loss) for the period				
4. Profit/(loss) attributable to ordinary equity holders of the parent				
5. Basic earnings/(loss) per share (Subunit)				
6. Proposed/Declared dividend per share (Subunit)				
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share attributable to ordinary equity holders of the parent (\$\$)				
Remarks				
In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:				

Country	Base unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Part A3 : ADDITIONAL INFORMATION (This Information is for Exchange's Internal Use only)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Gross interest income				
2. Gross interest expense				
Remarks				



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

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Tel: 03-51014288 Fax: 603-5103 2230

For immediate release

QUARTERLY FINANCIAL REPORT

Financial Year Ended 30 September 2023

The Directors are pleased to release the unaudited quarterly financial report for the quarter and year ended ended 30 September 2023.

The contents of the financial report comprise the following attached unaudited condensed consolidated financial statements, explanatory notes and additional disclosures and these must be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2022:

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

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

By Order of the Board
Shah Alam, Selangor
7 November 2023

Schedule A : Unaudited Condensed Consolidated Income Statement

For the quarter and year ended ended 30 September 2023

RM'000	Individual 4 th quarter			Cumulative 4 th quarter		
	30/09/2023	30/09/2022	% chg	30/09/2023	30/09/2022	% chg
Revenue	1,244,387	1,137,609	9.4%	5,001,351	4,470,163	11.9%
Cost of sales	(871,707)	(829,053)		(3,566,591)	(3,296,071)	
Gross profit	372,680	308,556	20.8%	1,434,760	1,174,092	22.2%
Other income	7,785	7,729		115,045	20,894	
Net loss on impairment of financial instruments	(1,142)	(1,461)		(1,433)	(2,400)	
Operating expenses	(213,123)	(195,375)		(905,430)	(744,645)	
Operating profit	166,200	119,449	39.1%	642,942	447,941	43.5%
Finance income	4,945	1,341		13,638	4,327	
Finance costs	(9,279)	(2,522)		(35,670)	(5,803)	
Share of profit of equity-accounted associate, net of tax [^]	-	1,287		3,913	7,778	
Share of loss of equity-accounted joint venture, net of tax [#]	(42)	(47)		(151)	(193)	
Profit before tax	161,824	119,508	35.4%	624,672	454,050	37.6%
Tax expense (Schedule G, Note 5)	(22,858)	(21,512)		(82,644)	(71,781)	
Profit for the period	138,966	97,996	41.8%	542,028	382,269	41.8%
Profit for the period attributable to:						
Owners of the Company	137,557	98,888	39.1%	536,899	383,208	40.1%
Non-controlling interests	1,409	(892)		5,129	(939)	
Profit for the period	138,966	97,996	41.8%	542,028	382,269	41.8%
Basic earnings per ordinary share (sen) (Schedule G, Note 10)	37.5	27.0		146.5	104.5	
Diluted earnings per ordinary share (sen) (Schedule G, Note 10)	37.4	26.9		146.1	104.3	

[^] The share of results of an associate for the quarter refers to Cocoland Holdings Berhad and is derived from its unaudited management accounts for the period ended 31 October 2022. Cocoland Holdings Berhad was accounted as a wholly-owned subsidiary from 4 November 2022.

[#] The share of results of a joint venture for the quarter refers to Vacaron Company Sdn Bhd and is derived from its unaudited management accounts for the quarter and year ended 30 September 2023.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2022.

Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income

For the quarter and year ended ended 30 September 2023

RM'000	Individual 4 th quarter			Cumulative 4 th quarter		
	30/09/2023	30/09/2022	% chg	30/09/2023	30/09/2022	% chg
Profit for the period	138,966	97,996	41.8%	542,028	382,269	41.8%
Other comprehensive income/(expense), net of tax:						
Item that are not to be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit plan	992	7,252		992	7,252	
Revaluation of property, plant and equipment upon transfer of properties to investment properties	2,282	-		2,282	-	
Income tax effect relating to the components of OCI	(245)	(1,547)		(245)	(1,547)	
	3,029	5,705		3,029	5,705	
Item that is or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences for foreign operations	(19,765)	(15,659)		41,937	(6,437)	
	(16,736)	(9,954)		44,966	(732)	
Total comprehensive income for the period	122,230	88,042	38.8%	586,994	381,537	53.8%
Total comprehensive income attributable to:						
Owners of the Company	120,821	88,934	35.9%	581,865	382,476	52.1%
Non-controlling interests	1,409	(892)		5,129	(939)	
	122,230	88,042	38.8%	586,994	381,537	53.8%

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2022.

Schedule C : Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2023

RM'000	30/09/2023	30/09/2022
Non-current assets		
Property, plant and equipment	1,592,064	1,458,344
Right-of-use assets	359,766	122,133
Investment properties	63,000	47,569
Properties held for development	54,933	54,933
Intangible assets	433,366	91,925
Investment in an associate (<i>Schedule F, Note 8</i>)	-	93,465
Investment in a joint venture (<i>Schedule F, Note 9</i>)	87,711	87,362
Deferred tax assets	11,670	5,178
	2,602,510	1,960,909
Current assets		
Trade and other receivables	713,342	866,369
Inventories	764,182	901,377
Derivative financial assets (<i>Schedule F, Note 18</i>)	49	88
Cash and cash equivalents	1,031,534	461,887
	2,509,107	2,229,721
Total assets	5,111,617	4,190,630
Equity		
Share capital and reserves	3,343,200	2,982,523
Non-controlling interests	8,401	1,866
Total equity	3,351,601	2,984,389
Non-current liabilities		
Loans and borrowings (<i>Schedule F, Note 18 and Schedule G, Note 7</i>)	706,000	210,000
Lease liabilities	49,498	53,021
Employee benefits	35,471	35,696
Deferred tax liabilities	118,480	74,180
	909,449	372,897
Current liabilities		
Trade and other payables	724,761	693,017
Contract liabilities	85,267	66,996
Loans and borrowings (<i>Schedule F, Note 18 and Schedule G, Note 7</i>)	4,000	36,833
Lease liabilities	8,378	10,270
Current tax liabilities	28,137	26,164
Derivative financial liabilities (<i>Schedule F, Note 18</i>)	24	64
	850,567	833,344
Total liabilities	1,760,016	1,206,241
Total equity and liabilities	5,111,617	4,190,630
Net assets per share (RM) attributable to owners of the Company	9.12	8.13

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2022.

Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows

For the year ended ended 30 September 2023

RM'000	Cumulative 4 th quarter	
	30/09/2023	30/09/2022
Cash flows from operating activities		
Profit before tax	624,672	454,050
Add/(less) non-cash items:		
- Change in fair value of investment properties	7,080	-
- Depreciation of property, plant and equipment and amortisation of intangible assets	123,407	106,840
- Depreciation of right-of-use assets	22,894	19,317
- Employee share-based expense	12,037	8,085
- Finance costs	35,670	5,803
- Finance income	(13,638)	(4,327)
- Intangible assets written off	98	-
- Net (gain)/loss on disposal of property, plant and equipment	(560)	92
- Net impairment loss/(reversal of impairment loss) on property, plant and equipment	33,683	(368)
- Net (reversal of impairment loss)/impairment loss on intangible assets	(294)	294
- Property, plant and equipment written off	1,095	681
- Remeasurement gain of previously held equity interest in an associate	(89,256)	-
- Share of profit of equity-accounted associate, net of tax	(3,913)	(7,778)
- Share of loss of equity-accounted joint venture, net of tax	151	193
- Others	92	(180)
Changes in working capital	389,318	(416,963)
Tax paid	(89,531)	(58,730)
Net cash from operating activities	1,053,005	107,009
Cash flows from investing activities		
Acquisition of intangible assets	(2,849)	(2,459)
Acquisition of property, plant and equipment	(105,549)	(197,697)
Acquisition of subsidiaries, net of cash and cash equivalent	(597,951)	-
Interest received	12,658	4,164
Investment in a joint venture	(500)	-
Proceeds from disposal of property, plant and equipment	1,295	887
Net cash used in investing activities	(692,896)	(195,105)
Cash flows from financing activities		
Dividend paid to owners of the Company	(220,067)	(220,067)
Drawdown of loans and borrowings	-	326,639
Interest paid	(25,296)	(5,602)
Payment of lease liabilities	(16,216)	(16,610)
Proceeds from loans and borrowings	500,000	-
Proceeds from issue of shares by a new subsidiary to non-controlling interests	-	3,000
Purchase of shares by Share Grant Plan ("SGP") Trust	(13,020)	(6,744)
Repayment of loans and borrowings	(38,630)	(80,806)
Net cash from/(used in) financing activities	186,771	(190)
Net increase/(decrease) in cash and cash equivalents	546,880	(88,286)
Effects of exchange rate fluctuations on cash and cash equivalents	22,767	(5,207)
Cash and cash equivalents at 1 October 2022/2021	461,887	555,380
Cash and cash equivalents at 30 September	1,031,534	461,887
Cash and bank balances	539,765	367,365
Short term deposits with licensed banks with a maturity period of 3 months or less	491,769	94,522
Cash and cash equivalents at 30 September	1,031,534	461,887

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2022.

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

For the year ended ended 30 September 2023

RM'000	<----- Attributable to owners of the Company ----->									>----- Distributable ----->	
	Share capital	Shares held by SGP Trust (Note a)	Loss on purchase of shares for SGP (Note b)	Translation reserve	Share-based payment reserve	Legal reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 October 2022	816,770	(6,387)	(8,978)	41,565	15,539	9,934	-	2,114,080	2,982,523	1,866	2,984,389
Total comprehensive income	-	-	-	41,937	-	-	2,282	537,646	581,865	5,129	586,994
Transactions with owners:											
Shares vested under SGP	-	8,517	1,792	-	(10,309)	-	-	-	-	-	-
Purchase of shares by SGP Trust	-	(13,020)	-	-	-	-	-	-	(13,020)	-	(13,020)
Employee share-based expense	-	-	-	-	11,899	-	-	-	11,899	-	11,899
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	1,406	1,406
Dividend to owners of the Company	-	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners	-	(4,503)	1,792	-	1,590	-	-	(220,067)	(221,188)	1,406	(219,782)
At 30 September 2023	816,770	(10,890)	(7,186)	83,502	17,129	9,934	2,282	2,431,659	3,343,200	8,401	3,351,601
At 1 October 2021	816,770	(4,626)	(9,275)	48,002	12,926	9,934	-	1,945,234	2,818,965	(195)	2,818,770
Total comprehensive (expense)/income	-	-	-	(6,437)	-	-	-	388,913	382,476	(939)	381,537
Transactions with owners:											
Shares vested under SGP	-	4,983	297	-	(5,280)	-	-	-	-	-	-
Purchase of shares by SGP Trust	-	(6,744)	-	-	-	-	-	-	(6,744)	-	(6,744)
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	3,000	3,000
Employee share-based expense	-	-	-	-	7,893	-	-	-	7,893	-	7,893
Dividend to owners of the Company	-	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners	-	(1,761)	297	-	2,613	-	-	(220,067)	(218,918)	3,000	(215,918)
At 30 September 2022	816,770	(6,387)	(8,978)	41,565	15,539	9,934	-	2,114,080	2,982,523	1,866	2,984,389

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

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

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

1. Corporate information

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

The condensed consolidated interim financial statements of the Group (“interim financial statements”) as at and for the year ended 30 September 2023 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 7 November 2023.

2. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 30 September 2022.

The audited consolidated financial statements of the Group for the year ended 30 September 2022 are available upon request from the Company’s registered office at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2022. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2022.

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the financial year ended 30 September 2022.

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

3. Standards issued but not yet effective

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

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform-Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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

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

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

4. Auditors' report

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

5. Comment on seasonality or cyclicity of operation

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

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

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

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

7. Significant estimates and changes in estimates

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

8. Investment in an associate

RM'000	<u>30/09/2023</u>	<u>30/09/2022</u>
Quoted shares at cost	68,727	68,727
Share of post-acquisition reserves	90,434	86,521
Dividends received	(61,783)	(61,783)
Deemed disposal *	(97,378)	-
	<u>-</u>	<u>93,465</u>
Market value of investment in an associate for which there is published price quotation	<u>-</u>	<u>184,146</u>

The summarised financial information of the associate is as follows:

RM'000	<u>30/09/2023</u>	<u>30/09/2022</u>
Total assets	-	309,004
Total liabilities	<u>-</u>	<u>(36,735)</u>

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	<u>30/09/2023</u>	<u>30/09/2022</u>	<u>30/09/2023</u>	<u>30/09/2022</u>
Revenue	-	56,474	91,721	230,918
Profit	<u>-</u>	<u>4,654</u>	<u>14,169</u>	<u>28,122</u>

* Please refer to *Schedule F, Note 21(b)*.

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

9. Investment in a joint venture

RM'000	30/09/2023	30/09/2022
Unquoted shares, at cost	128,320	127,820
Share of post-acquisition reserves	(23,611)	(23,460)
	<u>104,709</u>	<u>104,360</u>
Interest on shareholder's loan	38,294	38,294
	<u>143,003</u>	<u>142,654</u>
Less: Unrealised profit	(55,292)	(55,292)
	<u>87,711</u>	<u>87,362</u>

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

RM'000	30/09/2023	30/09/2022
Total assets	286,363	285,684
Total liabilities	(76,964)	(76,982)

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Revenue	-	-	-	-
Loss	(84)	(94)	(302)	(386)

10. Issuance or repayments of debt/equity securities

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

11. Dividends paid

The following dividends were declared and paid by the Company:

RM'000	Date of payment	Sen per share	Total amount
<u>Year ended ended 30 September 2023</u>			
Final 2022 ordinary	10 February 2023	33.0	121,037
Interim 2023 ordinary	1 June 2023	27.0	99,030
			<u>220,067</u>
<u>Year ended ended 30 September 2022</u>			
Final 2021 ordinary	9 February 2022	33.0	121,037
Interim 2022 ordinary	31 May 2022	27.0	99,030
			<u>220,067</u>

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. 'Others' segment include subsidiaries whose principal activities are investment holding, provision of management, financial and treasury services, and dairy farm and agriculture. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements, where applicable, are determined on a commercial basis. The results by segments for the current, preceding and last year same quarter are as follows:

RM'000	Revenue				Total
	F&B Malaysia	F&B Thailand	Property	Others	
<u>4th quarter - 30/09/2023</u>					
Total revenue	681,849	569,741	637	20,725	1,272,952
Inter-segment	-	(7,992)	(443)	(20,130)	(28,565)
External	681,849	561,749	194	595	1,244,387
<u>4th quarter - 30/09/2022</u>					
Total revenue	600,568	542,949	879	18,081	1,162,477
Inter-segment	-	(7,182)	(700)	(16,986)	(24,868)
External	600,568	535,767	179	1,095	1,137,609
<u>3rd quarter - 30/06/2023</u>					
Total revenue	748,849	591,865	781	23,224	1,364,719
Inter-segment	-	(9,759)	(591)	(22,514)	(32,864)
External	748,849	582,106	190	710	1,331,855
<u>Cumulative 4th quarter - 30/09/2023</u>					
Total revenue	2,851,548	2,183,587	2,730	86,975	5,124,840
Inter-segment	-	(37,401)	(1,969)	(84,119)	(123,489)
External	2,851,548	2,146,186	761	2,856	5,001,351
<u>Cumulative 4th quarter - 30/09/2022</u>					
Total revenue	2,418,085	2,067,983	3,397	73,367	4,562,832
Inter-segment	-	(20,450)	(2,723)	(69,496)	(92,669)
External	2,418,085	2,047,533	674	3,871	4,470,163

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	
<u>4th quarter - 30/09/2023</u>					
Operating profit/(loss)	59,034	120,660	(868)	(12,626)	166,200
Finance income					4,945
Finance costs					(9,279)
Share of results of a joint venture					(42)
Profit before tax					<u>161,824</u>
<u>4th quarter - 30/09/2022</u>					
Operating profit/(loss)	49,792	75,006	(218)	(5,131)	119,449
Finance income					1,341
Finance costs					(2,522)
Share of results of an associate					1,287
Share of results of a joint venture					(47)
Profit before tax					<u>119,508</u>
<u>3rd quarter - 30/06/2023</u>					
Operating profit/(loss)	26,589	105,243	(7,487)	1,529	125,874
Finance income					3,767
Finance costs					(8,864)
Share of results of a joint venture					(40)
Profit before tax					<u>120,737</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)				Total
	F&B Malaysia	F&B Thailand	Property	Others	
<u>Cumulative 4th quarter - 30/09/2023</u>					
Operating profit/(loss)	204,265	371,846	(9,017)	75,848	642,942
Finance income					13,638
Finance costs					(35,670)
Share of results of an associate					3,913
Share of results of a joint venture					(151)
Profit before tax					<u>624,672</u>
<u>Cumulative 4th quarter - 30/09/2022</u>					
Operating profit	168,000	275,951	444	3,546	447,941
Finance income					4,327
Finance costs					(5,803)
Share of results of an associate					7,778
Share of results of a joint venture					(193)
Profit before tax					<u>454,050</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 cash and cash equivalents.

RM'000	<u>30/09/2023</u>	<u>30/09/2022</u>
F&B Malaysia	2,594,501	2,136,711
F&B Thailand	1,046,105	1,073,411
Property	198,026	200,843
Others	241,451	317,778
	<u>4,080,083</u>	<u>3,728,743</u>

Segment liabilities

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

RM'000	<u>30/09/2023</u>	<u>30/09/2022</u>
F&B Malaysia	607,677	555,745
F&B Thailand	420,977	395,127
Property	1,250	1,686
Others	20,112	6,850
	<u>1,050,016</u>	<u>959,408</u>

Group financing (including finance costs), cash and cash equivalents and loans and borrowings are managed on a group basis and are not allocated to operating segments.

13. Significant events during the quarter

There were no 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.

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

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 other than insurance claims in respect of the flood event disclosed in Q1, FY2022 quarterly announcement which would be recognised in due course when the claims for property damage and business interruption are finalised with the insurers.

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

18. Fair value information

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with fair values and carrying amounts shown in the statements of financial position.

RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
30/09/2023				
<u>Financial asset</u>				
Derivative financial assets	49	-	49	49
<u>Financial liabilities</u>				
Derivative financial liabilities	24	-	24	24
Fixed-rate loans and borrowings	-	606,337	606,337	610,000
	-	606,337	606,361	610,024
30/09/2022				
<u>Financial asset</u>				
Derivative financial assets	88	-	88	88
<u>Financial liabilities</u>				
Derivative financial liabilities	64	-	64	64
Fixed-rate loans and borrowings	-	108,719	108,719	110,000
	64	108,719	108,783	110,064

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 period.

The Group held investment properties amounting to RM63,000,000 (2022: RM47,569,000) carried at Level 3: significant unobservable inputs.

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

19. Capital commitments

The outstanding capital commitments are as follows:

RM'000	<u>30/09/2023</u>	<u>30/09/2022</u>
<u>Property, plant and equipment</u>		
Contracted but not provided for	<u>106,421</u>	<u>83,468</u>

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	
	<u>30/09/2023</u>	<u>30/09/2022</u>	<u>30/09/2023</u>	<u>30/09/2022</u>
<u>Fraser and Neave, Limited Group</u>				
Sales	80,710	69,676	285,584	279,718
Purchases	(43,022)	(51,280)	(153,279)	(192,677)
Royalties paid	(17,800)	(17,203)	(75,013)	(66,849)
Receipt of corporate service fees	561	1,130	2,907	4,015
Other expenses	(95)	(194)	(1,073)	(659)
<u>Non-controlling interest</u>				
Acquisition of leasehold land	215,588	-	215,588	-
<u>Thai Beverage Public Company Limited Group</u>				
Sales	2,110	2,234	8,558	7,020
Purchases	(641)	(1,380)	(1,896)	(6,820)
Marketing expenses	(6,867)	(1,457)	(26,488)	(11,948)
Corporate service fees paid	(519)	(474)	(1,955)	(1,948)
Purchase of property, plant and equipment	-	26	(311)	(4,081)
Other income/(expenses)	(453)	(159)	(1,558)	370
<u>Berli Jucker Public Company Limited Group</u>				
Sales	14,893	13,231	58,312	58,088
Purchases	(609)	(744)	(2,682)	(5,172)
<u>Fraser Property Limited Group</u>				
Rental expenses	(1,585)	(1,425)	(6,216)	(5,807)
<u>Other related parties of TCC Assets Limited Group</u>				
Purchases	(11,006)	(7,891)	(33,511)	(35,719)
Insurance premium paid	(471)	(752)	(1,736)	(3,050)
Rental expenses	(443)	(419)	(1,608)	(989)
<u>Compensation</u>				
Compensation of key management personnel of the Group	(4,326)	(4,373)	(18,150)	(15,551)
Directors' fees and remuneration	(472)	(360)	(1,641)	(1,339)

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	30/09/2023	30/09/2022
<u>Amount due from related parties</u>		
Fraser and Neave, Limited Group	68,918	63,479
Vacaron Company Sdn Bhd	38,305	38,305
Thai Beverage Public Company Limited Group	1,153	1,070
Berli Jucker Public Company Limited Group	10,663	7,734
Other related parties of TCC Assets Limited Group	23	18
<u>Amount due to related parties</u>		
Fraser and Neave, Limited Group	(39,310)	(39,664)
Frasers Property Limited Group	(522)	(579)
Thai Beverage Public Company Limited Group	(6,637)	(2,232)
Berli Jucker Public Company Limited Group	(478)	(770)
Other related parties of TCC Assets Limited Group	(3,707)	(2,799)

21. Acquisition of subsidiaries

(a) Acquisition of Ladang Permai Damai Sdn Bhd

On 11 October 2022, the Group via its wholly owned subsidiary, Dagang Sejahtera Sdn Bhd (“DSSB”) acquired the entire equity interest in Ladang Permai Damai Sdn Bhd (“LPDSB”) for a total cash consideration of RM215.6 million. The business intention for DSSB in acquiring LPDSB is for the Group to embark on the upstream fresh milk business for downstream production and distribution of fresh milk. After completion of the acquisition, LPDSB leased the Permai Damai Estates to the Group at a fair market rate to carry out operations of the integrated dairy farm and crop plantation. The Permai Damai Estates will enable the Group to own a vertical integration business and operations based on locally grown crops for feed to F&NHB’s dairy farm, which in turn will lower the value chain cost per litre. This will enable F&NHB to be less dependent on imported milk and promote local agricultural industry. LPDSB is included in Others segment.

The acquisition of LPDSB does not constitute an acquisition of business under MFRS 3 *Business Combinations* and does not give rise to a goodwill.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

RM'000	30/09/2023
Fair value of consideration transferred	
Cash and cash equivalents	215,588
Identifiable assets acquired and liabilities assumed	
Right-of-use assets	4,730
Trade and other receivables	42
Cash and cash equivalents	5
Current tax liability	(759)
Total identifiable net assets	4,018

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

21. Acquisition of subsidiaries (cont'd)

(a) Acquisition of Ladang Permai Damai Sdn Bhd (cont'd)

Recognition of cost of an asset acquisition from acquisition of LPDSB

RM'000	<u>30/09/2023</u>
Purchase consideration settled in cash and cash equivalents	215,588
F&NHB share of total identifiable net assets	<u>(2,612)</u>
Cost of asset acquisition to be allocated to identifiable assets	<u>212,976</u>
Allocated to:	
Right-of-use assets	<u>212,976</u>

Net cash outflow arising from acquisition of LPDSB

RM'000	<u>30/09/2023</u>
Purchase consideration settled in cash and cash equivalents	215,588
Cash and cash equivalents acquired	<u>(5)</u>
	<u>215,583</u>

(b) Acquisition of Cocoaland Holdings Berhad

On 4 November 2022, the Group via its wholly owned subsidiary, Awana Citra Sdn Bhd acquired the entire equity interest in Cocoaland Holdings Berhad ("Cocoaland") not already owned by F&NHB, representing 72.38% of the issued share capital of Cocoaland for a total cash consideration of RM489.2 million. The principal activity of Cocoaland is investment holding. Through its subsidiaries, Cocoaland is involved in activities such as manufacturing and trading of processed and preserved foods and fruits. It is also involved in the wholesale and retail of processed and preserved foods as well as wholesale, import and export of gummies and other products. The acquisition is in line with F&NHB's ambition to be a stable and sustainable food and beverage leader in ASEAN, with halal packaged food as its fourth pillar of growth. The investment has added established Malaysian confectionery and snack brands to F&NHB's portfolio of renowned brands, and at the same time serves as a platform to build on and expand into other packaged food segments. F&NHB believes that the addition of Cocoaland will enhance the Group's expansion in overseas markets. Cocoaland is included in F&B Malaysia segment.

The purchase price allocation assessment has been completed and the following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

RM'000	<u>30/09/2023</u>
Fair value of consideration transferred	
Cash and cash equivalents	<u>489,195</u>
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	142,762
Right-of-use assets	60,620
Investment properties	10,000
Intangible assets	
- Brands	68,158
- Customer relationships	38,238
Inventories	42,265
Trade and other receivables	41,865

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

21. Acquisition of subsidiaries (cont'd)

(b) Acquisition of Cocoaland Holdings Berhad (cont'd)

RM'000 30/09/2023

**Identifiable assets acquired and liabilities assumed
(cont'd)**

Current tax asset	315
Cash and cash equivalents	106,827
Trade and other payables	(26,640)
Current tax liability	(3,147)
Lease liabilities	(622)
Deferred taxation	(42,480)
Total identifiable net assets	438,161

Net cash outflow arising from acquisition of Cocoaland

RM'000	30/09/2023
Purchase consideration settled in cash and cash equivalents	489,195
Cash and cash equivalents acquired	(106,827)
	382,368

Goodwill

Goodwill was determined as a result of the acquisition as follows:

RM'000	30/09/2023
Total consideration transferred	489,195
Fair value of previously held equity interest in an associate	186,634
Fair value of identifiable net assets	(438,161)
Goodwill	237,668

Goodwill comprises the value of the expected synergies to be achieved from integrating the companies into the Group's halal packaged food business. None of the goodwill recognised was expected to be deductible for income tax purposes.

Remeasurement gain of previously held equity interest

The remeasurement of fair value for the Group's existing 27.62% interest in Cocoaland resulted in a gain of RM89,256,000 (RM186,634,000 being the fair value of existing interest less carrying value of equity-accounted Cocoaland at acquisition date RM97,378,000), which has been recognised under "other income" in income statement.

Acquisition-related costs

The Group incurred acquisition-related costs of RM813,000 (2022: RM172,000) on legal and financial advisory services and other miscellaneous incidental costs. These costs had been included under "operating expenses" in income statement.

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

1. Operations review

Current quarter ended 30 September 2023 vs corresponding quarter ended 30 September 2022

RM'000	Individual 4 th quarter		% chg
	30/09/2023	30/09/2022	
Revenue	1,244,387	1,137,609	9.4%
Operating profit	166,200	119,449	39.1%
Adjusted operating profit *	163,373	117,945	38.5%
Profit before tax	161,824	119,508	35.4%
Adjusted profit before tax *	158,997	118,004	34.7%
Profit after tax	138,966	97,996	41.8%
Adjusted profit after tax	135,995	99,613	36.5%

* Adjustments for one-off non-operating items:

Flood related items:

Plant and machinery written off	-	235
Reversal of impairment loss on plant and machinery	(164)	(2,051)
Repair expenses of plant and machinery	(431)	116
Interim insurance claim received in respect of business interruption due to flood	(3,000)	-
Other flood related items	(2)	196
	(3,597)	(1,504)
Reversal of impairment loss on property, plant and equipment	(688)	-
Inventories written down	758	-
Property, plant and equipment written off	401	-
Relocation and renovation costs due to move to new manufacturing premise	299	-
	(2,827)	(1,504)

The Group revenue for Q4 FY2023 rose by 9.4% to RM1,244.4 million (Q4 FY2022: RM1,137.6 million) driven by sustained sales momentum in F&B Malaysia and higher Group exports, contribution from Cocoaland (included in F&B Malaysia segment) and aided by favourable foreign exchange translation from stronger Thai Baht.

Group operating profit for Q4 FY2023 grew by 39.1% to RM166.2 million (Q4 FY2022: RM119.4 million). This was attributed to better margins and cost management strategies, complemented by the contribution from Cocoaland. Excluding one-off non-operating items, the Group adjusted operating profit for Q4 FY2023 grew by 38.5% to RM163.4 million (Q4 FY2022: RM117.9 million).

Correspondingly, the Group profit before tax for Q4 2023 rose by 35.4% to RM161.8 million (Q4 FY2022: RM119.5 million). Excluding one-off non-operating items, the Group adjusted profit after tax grew by 36.5% to RM136.0 million (Q4 FY2022: RM99.6 million) despite notably higher interest costs.

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

1. Operations review (cont'd)

Current quarter ended 30 September 2023 vs corresponding quarter ended 30 September 2022 (cont'd)

• F&B Malaysia

RM'000	Individual 4 th quarter		% chg
	30/09/2023	30/09/2022	
Revenue	<u>681,849</u>	<u>600,568</u>	13.5%
Operating profit	59,034	49,792	18.6%
Adjustment for one-off non-operating items:			
Flood related items:			
Plant and machinery written off	-	235	
Reversal of impairment loss on plant and machinery	(164)	(2,051)	
(Reversal of repair expenses)/Repair expenses of plant and machinery	(431)	116	
Interim insurance claim received in respect of business interruption due to flood	(3,000)	-	
Other flood related items	(2)	196	
	(3,597)	(1,504)	
Reversal of impairment loss on property, plant and equipment	(4,129)	-	
Inventories written down	758	-	
Property, plant and equipment written off	401	-	
Relocation and renovation costs due to move to new manufacturing premise	299	-	
	<u>(6,268)</u>	<u>(1,504)</u>	
Adjusted operating profit	<u>52,766</u>	<u>48,288</u>	9.3%

F&B Malaysia revenue for Q4 FY2023 increased by 13.5% to RM681.8 million (Q4 FY2022: RM600.6 million), driven by higher domestic and export sales, efficient price management strategies and Cocoaland contribution.

F&B Malaysia Q4 FY2023 operating profit grew by 18.6% to RM59.0 million (Q4 FY2022: RM49.8 million) inclusive of a RM3.0 million insurance claim received in respect of business interruption and other one-off non-operating items.

Excluding these one-off non-operating items, the adjusted operating profit improved by 9.3% to RM52.8 million (Q4 FY2022: RM48.3 million) on the back of higher revenue and operational savings (logistics); and partially offset by higher input costs (sugar) and utilities along with higher advertising and marketing (A&P) spending.

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

1. Operations review (cont'd)

Current quarter ended 30 September 2023 vs corresponding quarter ended 30 September 2022 (cont'd)

• F&B Thailand

	Individual 4 th quarter 30/09/2023	30/09/2022	% chg
Revenue (RM'000)	561,749	535,767	4.8%
Operating profit (RM'000)	120,660	75,006	60.9%
Adjustment for one-off non-operating item:			
Impairment loss on property, plant and equipment (RM'000)	3,441	-	
Adjusted operating profit (RM'000)	124,101	75,006	65.5%
Revenue (THB'000)	4,294,961	4,349,276	-1.2%
Operating profit (THB'000)	925,553	608,358	52.1%
Adjustment for one-off non-operating items:			
Impairment loss on property, plant and equipment (THB'000)	26,538	-	
Adjusted operating profit (THB'000)	952,091	608,358	56.5%

F&B Thailand revenue for Q4 FY2023 grew by 4.8% to RM561.7 million (Q4 FY2022: RM535.8 million) aided by favourable THB/MYR translation. However, revenue in Thai Baht declined slightly by 1.2%; primarily due to trade inventory management for the domestic market, and partially mitigated by higher exports to Indochina and other countries.

Despite lower revenue, Q4 FY2023 operating profit increased by 60.9% (52.1% in Thai Baht) to RM120.7 million (Q4 FY2022: RM75.0 million) driven by margin improvements and net favourable commodity prices except for sugar. This was partially offset by unfavourable foreign exchange impact from the US Dollar and increased spending on marketing campaigns and brand investment activities.

• Others

Others segment incurred operating loss of RM12.6 million for Q4 FY2023 (Q4 FY2022: RM5.1 million) mainly due to RM4.0 million incurred for pre-operating dairy farming and agriculture expenses.

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

1. Operations review (cont'd)

Cumulative financial year vs corresponding last financial year

RM'000	Cumulative 4 th quarter		% chg
	30/09/2023	30/09/2022	
Revenue	5,001,351	4,470,163	11.9%
Operating profit	642,942	447,941	43.5%
Adjusted operating profit *	592,146	466,829	26.8%
Profit before tax	624,672	454,050	37.6%
Adjusted profit before tax *	573,876	472,938	21.3%
Profit after tax	542,028	382,269	41.8%
Adjusted profit after tax	489,651	399,944	22.4%

* Adjustments for one-off non-operating items:

Flood related items:

Inventories written off	-	20,607
Plant and machinery written off	-	235
(Reversal of impairment loss)/Impairment loss on plant and machinery	(189)	4,251
Gain on disposal of damaged stock-in-trade and machinery	(10)	-
(Reversal of repair expenses)/Repair expenses of plant and machinery	(503)	8,664
Interim insurance claim received/receivable in respect of building, plant & machinery and inventories damaged and business interruption due to flood	(8,000)	(18,002)
Other flood related items	-	1,180
	(8,702)	16,935
Change in fair value of investment properties	7,080	-
Impairment loss on property, plant and equipment	35,422	-
Inventories written down	3,960	-
Property, plant and equipment written off	401	-
Relocation and renovation costs due to move to new manufacturing premise	299	-
Remeasurement gain of the previously held equity interest in an associate (recorded in 'Others' segment)	(89,256)	-
Restructuring costs	-	1,953
	<u>(50,796)</u>	<u>18,888</u>

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

1. Operations review (cont'd)

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

F&NHB Group revenue for FY2023 grew by 11.9% to RM5,001.4 million (FY2022: RM4,470.2 million) as markets recovered and price management strategies implemented since last year took effect. Export revenue crossed the RM1 billion mark (FY2022: RM0.8 billion). Further, the Group also benefited from an expanded revenue stream following the acquisition of Cocoaland on 4 November 2022 (included in F&B Malaysia segment).

Group operating profit for FY2023 rose to RM642.9 million (FY2022: RM447.9 million) on the back of higher revenue and one-off non-operating items (mainly the remeasurement gain of the 27.62% equity interest previously held in Cocoaland prior to the privatisation exercise and other one-off items).

Excluding one-off non-operating items, the adjusted Group operating profit grew by 26.8%, to RM592.1 million (FY2022: RM466.8 million) underpinned by a concerted focus on margin improvement, operational excellence, supply chain management, and sustainability initiatives. These efforts mitigated the impact of higher input costs and rising energy expenses, contributing to the overall profitability of the Group.

Consequently, despite RM29.9 million higher interest costs to finance the recent strategic acquisitions, the adjusted Group profit after tax for FY2023 grew by 22.4% to RM489.7 million (FY2022: RM399.9 million).

During the year, F&NHB Group has completed several capital expenditure (Capex) projects and strategic acquisitions:

- (i) RM128 million liquid milk and plant-based beverages factory in Wang Muang, Thailand (operating since October 2022) – a strategic shift for the Group to reduce reliance on condensed milk and enable us to grow our brand in the liquid milk segment;
- (ii) RM78 million ASRS system at the integrated warehouse in Shah Alam, Malaysia (completed post-flood repairs);
- (iii) RM20 million drinking water production plant at Kota Kinabalu Industrial Park (commercial run started in November 2022);
- (iv) Sri Nona automated ketupat line in Rawang;
- (v) Acquisition of Ladang Permai Damai Sdn Bhd – completed on 11 October 2022;
- (vi) Acquisition of Cocoaland Holdings Bhd – completed on 4 November 2022;

and commenced site preparation including land clearance for the integrated dairy farm project in Gemas, Negeri Sembilan.

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

1. Operations review (cont'd)

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

• F&B Malaysia

RM'000	Cumulative 4 th quarter		% chg
	30/09/2023	30/09/2022	
Revenue	<u>2,851,548</u>	<u>2,418,085</u>	17.9%
Operating profit	204,265	168,000	21.6%
Adjustment for one-off non-operating items:			
Flood related items:			
Inventories written off	-	20,607	
Plant and machinery written off	-	235	
(Reversal of impairment loss)/Impairment loss on plant and machinery	(189)	4,251	
Gain on disposal of damaged stock-in-trade and machinery	(10)	-	
(Reversal of repair expenses)/Repair expenses of plant and machinery	(503)	8,664	
Interim insurance claim received/receivable in respect of building, plant & machinery and inventories damaged and business interruption due to flood	(8,000)	(18,002)	
Other flood related items	-	1,064	
	(8,702)	16,819	
Impairment loss on property, plant and equipment	28,920	-	
Inventories written down	3,960	-	
Property, plant and equipment written off	401	-	
Relocation and renovation costs due to move to new manufacturing premise	299	-	
Restructuring costs	-	1,573	
	<u>24,878</u>	<u>18,392</u>	
Adjusted operating profit	<u>229,143</u>	<u>186,392</u>	22.9%

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

1. Operations review (cont'd)

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

- F&B Malaysia (cont'd)

F&B Malaysia recorded a double-digit growth of 17.9% in revenue to RM2,851.5 million (FY2022: RM2,418.1 million) for FY2023, fuelled by festive sales and out-of-home consumption. Throughout the year, F&B Malaysia refined its portfolio and strengthened its route-to-market, channel management and marketing strategies, alongside bolstering sales excellence across various channels.

These efforts included refreshing the packaging of the F&N carbonated soft drinks (CSD) portfolio and Borneo Mineral Water, introduction of new products – 100Plus Pro, Nona Ketupat Wangi Haruman Pandan, Lot100 Kurma Gummy; as well as new packaging formats – Teapot Evaporated Creamer UHT 1L, amongst others.

In addition to Cocoland's contribution, F&B Malaysia's revenue growth was further supported by a robust recovery in exports to Africa, ASEAN and Greater China regions, tactical pricing strategy and expansion in B2B channels.

Partially offset by higher A&P spending, the adjusted operating profit for F&B Malaysia (excluding one-off non-operating items) rose 22.9% to RM229.1 million (FY2022: RM186.4 million) on the back of higher revenue, improved operational and cost efficiencies.

During the year, F&B Malaysia has intensified its marketing campaigns in conjunction with F&N 140th Anniversary as well as various brand investment activities and sponsorships (F&N CSD 'Kini Lebih Gempak', the restage of F&N Magnolia & F&N Seasons, 100PLUS Zero Cuba Try Taste & World Hydration Day, the F&N Teh Tarik 'Biar Ori, Baru Sempoi', Nona Dapur Tempur, amongst others).

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

1. Operations review (cont'd)

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

• F&B Thailand

	Cumulative 4 th quarter		% chg
	30/09/2023	30/09/2022	
Revenue (RM'000)	2,146,186	2,047,533	4.8%
Operating profit (RM'000)	371,846	275,951	34.8%
Adjustment for one-off non-operating items:			
Impairment loss on property, plant and equipment (RM'000)	6,502	-	
Adjusted operating profit (RM'000)	378,348	275,951	37.1%
Revenue (THB'000)	16,614,592	16,335,635	1.7%
Operating profit (THB'000)	2,878,625	2,201,592	30.8%
Adjustment for one-off non-operating items:			
Impairment loss on property, plant and equipment (THB'000)	50,338	-	
Adjusted operating profit (THB'000)	2,928,963	2,201,592	33.0%

F&B Thailand revenue for FY2023 increased by 4.8% (1.7% in Thai Baht) to RM2,146.2 million (FY2022: RM2,047.5 million), aided by favourable foreign exchange translation from a stronger Baht. F&B Thailand maintained market leadership in the sweetened condensed milk and evaporated milk categories through focused route-to-market strategies, in-store execution, along with consistency in brand building and consumer engagement. Similarly, F&B Thailand continued to lead the Condensed Milk market in Cambodia and Laos through brand awareness and Hawker's loyalty programs.

F&B Thailand adjusted operating profit (excluding one-off non-operating items) for FY2023 grew by 37.1% (33.0% in Thai Baht) to RM378.3 million (FY2022: RM276.0 million), driven by operational efficiencies and better margin management, partly offset by elevated input and packaging costs (sugar, milk and tin can) and higher investment on brand activities.

In Thailand, the introduction of Teapot Extra Evaporated Milk, packaged in a 1L UHT Prisma design with a cap, garnered strong interest among F&B operators due to its enhanced convenience and value. Additionally, Teapot Tube Sweetened Condensed Milk "Nom Yen" was also introduced this year, further expanding F&B Thailand's product offerings.

• Property

Property segment operating loss for FY2023 of RM9.0 million (FY 2022: operating profit of RM0.4 million) is mainly due to RM7.1 million loss on change in fair value of investment properties.

• Others

Others segment operating profit for FY2023 of RM75.8 million (FY 2022: RM3.5 million) is mainly due to one-off non-operating income of RM89.3 million attributed to remeasurement gain of the previously held equity interest in an associate and partially offset by RM10.9 million incurred for pre-operating dairy farming and agriculture expenses.

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 2023 vs preceding 3rd quarter ("Q3") ended 30 June 2023

RM'000	Individual quarter		% chg
	30/09/2023	30/06/2023	
Revenue	1,244,387	1,331,855	-6.6%
Operating profit	166,200	125,874	32.0%
Adjusted operating profit *	163,373	172,255	-5.2%
Profit before tax	161,824	120,737	34.0%
Adjusted profit before tax *	158,997	167,118	-4.9%

* Adjustments for one-off non-operating items:

Flood related items:

Reversal of impairment loss on plant and machinery	(164)	(68)
(Reversal of repair expenses)/Repair expenses for plant and machinery	(431)	55
Interim insurance claim received in respect of business interruption due to flood	(3,000)	-
Other flood related items	(2)	2
	(3,597)	(11)
Change in fair value of investment properties (Reversal of impairment loss)/Impairment loss on property, plant and equipment	-	7,080
Inventories written down	(688)	36,110
Property, plant and equipment written off	758	3,202
Relocation and renovation costs due to move to new manufacturing premise	401	-
	299	-
	(2,827)	46,381

The Group recorded 6.6% lower revenue for the quarter at RM1,244.4 million compared to preceding 3rd quarter (Q3 FY2023: RM1,331.9 million) due to festive phasing in the 3rd quarter.

Correspondingly, the adjusted Group profit before tax (excluding one-off non-operating items) decreased by 4.9% to RM159.0 million (Q3 FY2023: RM167.1 million) due to lower revenue, rising sugar prices and net unfavourable foreign exchange impact from USD.

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

3. Prospects

Over the past years, the Group has laid a strong foundation to enhance resiliency through the implementation of mid and long-term sustainability strategies. While challenges like commodity price fluctuations and inflationary pressures on consumer demand remain present, our agile decision-making framework, focus on channel management, and commitment to innovation and excellence will help us adapt quickly and protect our margins. We will remain vigilant in this uncertain environment, leveraging our diversified brand portfolio, businesses and geographical presence to proactively navigate these challenges.

The Group continues its focus on building up Halal packaged food as a core pillar of the business. Sri Nona and the newly acquired Cocoaland have contributed to the Group's revenue and further plans are in place to maximise the synergies these two businesses have with each other and with the Group. Cocoaland's factory in Rawang, for example, will be established as the food manufacturing hub in line with plans to consolidate the manufacturing of the entire food business, to increase production capacity while reducing complexity.

F&NHB is also on track to meet Phase 1 completion of our integrated dairy farm in Gemas, Negeri Sembilan by early 2025, when the first milking is expected to begin.

As F&N celebrates its 140th anniversary, the Group continues to strengthen its connection with Malaysians with a commitment to deliver "Pure Enjoyment, Pure Goodness" through its diverse portfolio of brands. Building on this rich legacy, we anticipate new opportunities and look forward to advancing our halal food pillar and supporting our nation's food security agenda with our dairy farm. These are but a few of the exciting developments ahead as we continue to pursue excellence as a sustainable food and beverage company.

4. Profit forecast or profit guarantee

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

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

5. Tax expense

The details of the tax expense are as follows:

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Current income tax	22,636	18,781	88,688	59,366
Deferred tax – origination and reversal of temporary differences	5,664	7,683	8,465	20,054
Over provision in respect of previous years				
- Income tax	(1,451)	(15)	(1,370)	(470)
- Deferred tax	(3,991)	(4,937)	(13,139)	(7,169)
	<u>22,858</u>	<u>21,512</u>	<u>82,644</u>	<u>71,781</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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Profit before tax	<u>161,824</u>	<u>119,508</u>	<u>624,672</u>	<u>454,050</u>
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	38,837	28,682	149,921	108,972
Effect of tax rates in foreign jurisdictions	(4,927)	(2,958)	(15,376)	(11,113)
Tax exempt income	(12,772)	(6,267)	(55,233)	(20,725)
Non-deductible expenses	6,964	3,026	18,069	2,944
Deferred tax benefits not recognised	-	3,724	-	-
Over provision of income and deferred tax in prior years	(5,442)	(4,952)	(14,509)	(7,639)
Foreign withholding tax	187	555	675	1,165
Others	11	(298)	(903)	(1,823)
Total income tax expense	<u>22,858</u>	<u>21,512</u>	<u>82,644</u>	<u>71,781</u>
Effective income tax rate	<u>14.1%</u>	<u>18.0%</u>	<u>13.2%</u>	<u>15.8%</u>

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	30/09/2023	30/09/2022
<u>Non-current (unsecured)</u>			
Islamic Medium Term Notes	RM	610,000	110,000
Term loan	RM	96,000	100,000
		<u>706,000</u>	<u>210,000</u>
<u>Current (unsecured)</u>			
Term loan	RM	4,000	-
Term loans	THB	-	36,833
		<u>4,000</u>	<u>36,833</u>
		<u>710,000</u>	<u>246,833</u>

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

7. Loans and borrowings (cont'd)

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

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

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

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

On 3 August 2022, the Issuer had issued the second tranche of IMTN amounting to RM110,000,000 with a tenure of three years from the issued date and a profit rate of 4.01% per annum. The proceeds from this IMTN are used to partially finance the acquisition of the entire equity interest in Ladang Permai Damai Sdn Bhd (*Schedule F, Note 21(a)*).

On 5 October 2022, the Issuer had issued the third and fourth tranche of IMTN of RM250,000,000 each with a tenure of three and five years from the issued date and profit rates of 4.21% and 4.68% per annum, respectively. The proceeds from issuance of the IMTNs are used to partially finance the acquisition of remaining Cocoland Shares held by the Scheme Shareholders (*Schedule F, Note 21(b)*) and for working capital purposes.

As at 30 September 2023, the outstanding IMTN amounted to RM610,000,000 (2022: RM110,000,000).

As at 30 September 2023, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,390,000,000 (2022: RM2,890,000,000).

Term loan of RM100,000,000

On 25 July 2022, a subsidiary of the Company, DSSB was granted a term loan of RM100,000,000 with a tenure of up to seven years from the date of the first drawdown of the facility. DSSB had made full drawdown of the term loan on 22 August 2022 at floating interest rate of 3.95% per annum. The proceeds from this term loan are used to partially finance the acquisition of Ladang Permai Damai Sdn Bhd (*Schedule F, Note 21 (a)*). As at 30 September 2023, the outstanding term loan amounted to RM100,000,000 (2022: RM100,000,000).

Term loan of THB950,000,000

On 24 June 2022, a subsidiary of the Company, F&N Dairies (Thailand) Limited was granted term loans amounting to THB950,000,000 in total with tenures of three months and six months from the issued date. The interest rates of the term loans ranged from 1.25% to 1.50% per annum. The term loans were fully repaid during the financial year.

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

8. Material litigation

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

9. Proposed dividends

In line with the Group's earnings for the financial year, the Directors recommend a final single tier dividend of 33.0 sen per share (2022: 33.0 sen per share) with an additional special single tier dividend of 17.0 sen per share (2022: nil) to commemorate the Group's 140th year anniversary. Subject to shareholders' approval at the forthcoming Annual General Meeting, the total dividends for the year would amount to 77.0 sen per share (2022: 60.0 sen per share).

10. Earnings per ordinary share (EPS)

(a) The calculation of basic earnings per ordinary share at 30 September 2023 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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Profit for the period attributed to owners of the Company (RM'000)	<u>137,557</u>	<u>98,888</u>	<u>536,899</u>	<u>383,208</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,443</u>	<u>366,332</u>	<u>366,427</u>	<u>366,652</u>
Basic earnings per ordinary share (sen)	<u>37.5</u>	<u>27.0</u>	<u>146.5</u>	<u>104.5</u>

(b) The calculation of diluted earnings per ordinary share at 30 September 2023 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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Profit for the period attributed to owners of the Company (RM'000)	<u>137,557</u>	<u>98,888</u>	<u>536,899</u>	<u>383,208</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,443	366,332	366,427	366,652
Adjustments pursuant to the SGP ('000)	<u>971</u>	<u>822</u>	<u>971</u>	<u>822</u>
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>367,414</u>	<u>367,154</u>	<u>367,398</u>	<u>367,474</u>
Diluted earnings per ordinary share (sen)	<u>37.4</u>	<u>26.9</u>	<u>146.1</u>	<u>104.3</u>

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

11. Notes to the Condensed Consolidated Income Statement

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

RM'000	Individual 4 th quarter		Cumulative 4 th quarter	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
(a) Bad debts recovered	(4)	(8)	(58)	(54)
(b) Change in fair value of investment properties	-	-	7,080	-
(c) Depreciation of property, plant and equipment and amortisation of intangible assets	36,206	27,139	123,407	106,840
(d) Depreciation of right-of-use assets	5,475	4,276	22,894	19,317
(e) Insurance claim received/receivables	(3,000)	-	(8,000)	(18,002)
(f) Intangible assets written off	-	-	98	-
(g) Inventories written off				
- due to flood	-	-	-	20,607
- others	227	3,975	7,025	6,356
(h) Net fair value loss/(gain) on derivatives	121	(99)	2	(190)
(i) Net gain on foreign exchange	(2,122)	(4,385)	(8,007)	(10,214)
(i) Net impairment loss on receivables	1,142	1,461	1,433	2,400
(k) Net impairment loss/(reversal of impairment loss) on intangible assets	-	294	(294)	294
(l) Net inventories written down	2,144	982	7,243	2,361
(m) Net loss on disposal/write-offs of property, plant and equipment	753	324	535	773
(n) Net (reversal of impairment loss)/impairment loss on property, plant and equipment				
- due to flood	(164)	(6,277)	(189)	25
- others	(2,219)	(282)	33,872	(393)
(o) Remeasurement gain of previously held equity interest in an associate	-	-	(89,256)	-

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:

	30/09/2023		30/09/2022	
	Notional value	Fair value RM'000	Notional value	Fair value RM'000
Forward foreign exchange contracts (less than 1 year)				
USD ('000)	-	-	246	61
AUD ('000)	1,748	25	928	(37)
		<u>25</u>		<u>24</u>

There is no significant change for the financial derivatives in respect of the following since the financial year ended 30 September 2022:

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

During the current period, the Group recognised a total net loss of RM2,000 (2022: net gain of RM190,000) 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 2023.