



FRASER & NEAVE
HOLDINGS BHD
196101000155 (4205-V)



ANNUAL REPORT 2021

REIMAGINE WITH PASSION



PURE ENJOYMENT, PURE GOODNESS



Our Vision

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

Our Mission

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust.

To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact socio-economic and environmental factors.

Our Values

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



COLLABORATION

We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals.



CREATING VALUES

We are passionate about applying new ideas and seizing opportunities to create positive impacts.



CARING FOR STAKEHOLDERS

We embrace our stakeholders' perspectives with good intent to bring them into our long-term sustainability efforts.

About Us

Fraser & Neave Holdings Bhd (F&NHB) is a Malaysian-incorporated and Shariah compliant company listed on Bursa Malaysia's Main Board. The Group has an annual turnover of **RM4 billion** from its core businesses in the manufacture, sales and marketing of beverage, dairy and food products. With a rich heritage spanning **138 years**, F&NHB is today synonymous with quality and Halal products that are trusted by generations.

F&NHB boasts a portfolio of 22 brands which are leaders in many segments such as; 100PLUS, F&N Fun Flavours, F&N SEASONS, OYOSHI, F&N Magnolia, FARMHOUSE, F&N ICE MOUNTAIN; Condensed and Evaporated Milk under F&N, TEAPOT, Gold Coin, Cap Junjung, IDEAL and CARNATION brands; as well as NONA brand of ketupat and sauces.

F&NHB is a constituent of FTSE4Good Bursa Malaysia (F4GBM) Index for its strong commitment to responsible business practices on environmental, social and governance (ESG) matters. The Group employs 2,500 people across its operations in Malaysia, Brunei, Thailand and Indochina.

About This Report

Welcome to Fraser & Neave Holdings Bhd's Annual Report for the financial year 2021

For this financial year 2021, Fraser & Neave Holdings Bhd has incorporated some elements of integrated reporting approach. We trust that transparency and well-balanced reporting is the way to understanding the Group's process and businesses. Through the changes we have instituted into our reports this year, and aligning with the principles of integrated reporting, we hope to provide a clear account of what we believe value creation means for our stakeholders.



Annual Report

Provides a comprehensive assessment of the Group's performance and financial statements for 2021.




Sustainability Report

Delivers a balanced report on our efforts to create value for stakeholders and conducting business in a responsible manner. The report complies with the Global Reporting Initiative (GRI) Standards and Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Sustainability Statements in Annual Reports.

We value and appreciate all feedback to help make our future reports more relevant to our stakeholders.

 groupcomms@fn.com.my

 +603-9235 2288

 Communications, Corporate Affairs and Sustainability Department
No. 3, Jalan Metro Pudu 1
Fraser Business Park
off Jalan Yew, 55100 Kuala Lumpur
Malaysia



Further information can also be found on our website:

<https://www.fn.com.my/> 

FEATURE IN THIS ANNUAL REPORT

Follow the steps below to scan the QR code reader in 3 easy steps



Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code



Get access to the soft copy of our reports and contact information



Read the full version of F&NHB Annual Report 2021 and Sustainability Report 2021 here <https://www.fn.com.my/investors/ar2021/>

WE CREATE VALUE THROUGH 6 CAPITALS



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship Capital



Natural Capital

ASSURANCE

- Internal controls and management assurance
- Compliance and internal audit reviews
- External audit by KPMG PLT on financial information
- External audit by Lloyd's Register Quality Assurance on selected Environment and Social disclosures
- Board approval assisted by the Board Committees

REGULATIONS COMPLIED

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Malaysian Code on Corporate Governance
- International Integrated Reporting Framework
- Malaysian Financial Reporting Standards (MFRS)

OUR MATERIAL MATTERS

Economic

- Governance & Ethics
- Policy & Regulation
- Economic Performance
- Product Quality & Safety*
- Product & Service Labelling
- Innovation*
- Supply Chain Stewardship*

Social

- Nutrition*
- Community Development & Inclusive Growth*
- Human Capital Development*
- Employee Safety, Health & Well-being*
- Human Rights

Environment

- Packaging*
- Water Stewardship*
- Climate Change*
- Energy*
- Waste Management
- Biodiversity

* Material issues with 2025 targets

DIRECTORS' APPROVAL

The Board acknowledges and approves its responsibility to ensure the integrity of the Annual Report. In the Board's opinion, the report addresses all material issues and matters and fairly presents the Group's performance for the financial year 2021.

OUR STAKEHOLDERS

- Shareholders and Investors
- Communities
- Employees
- Regulators
- Distributors and Trade Customers
- Suppliers
- Consumers

CROSS REFERENCES



Indicates where more details can be accessed elsewhere in this report

Inside This Report

- Our Vision | Our Mission
- Our Values | About Us
- 002 About This Report

01

Overview of F&N

- 006 Facts at a Glance
- 008 Group Financial Highlights 2021
- 010 Our Awards & Recognitions
- 011 Corporate Structure
- 012 Our Global Presence
- 014 Our Product Categories
- 015 Our Winning Brands
- 016 Our Market Leading Positions
- 018 Our New Products
- 020 Our Value Chain
- 022 Key Milestones



Chairman's Message **pg 24**

02

Key Messages

- 024 Chairman's Message
- 030 Chief Executive Officer's Statement
- 040 Supporting COVID-19 Recovery

03

Value Creation at F&N

- 042 Value Creation Business Model

04

Management Discussion & Analysis

A. Strategic Review

- 046 Market Review
- 048 Stakeholder Engagement
- 052 Material Matters
- 056 Key Risks and Mitigation
- 060 Strategic Performance Review
- 062 Key Performance Indicators
- 064 Strengthening our Halal Ecosystem

B. Business Review

- 068 Food & Beverages Thailand
- 076 Food & Beverages Malaysia

C. Financial Review


- 084 Five-Year Group Financial Summary
- 085 Five-Year Group Financial Highlights
- 086 Simplified Group Statement of Financial Position
- 087 Group Segmental Analysis
- 088 Statement of Value Added
- 089 Group Quarterly Financial Performance
- 090 Financial Calendar
- 092 Investor Relations
- 093 Share Price Movements

Annual
General
Meeting

60th


To be held
virtually


10:00 a.m.


Monday,
17 January 2022

05

Leadership

- 96 Corporate Information
- 97 Board Composition
- 98 Profile of Board of Directors
- 110 Management Team
- 112 Profile of Chief Executive Officer
- 112 Profile of Key Senior Management
- 119 Organisation Structure

06

Governance

- 122 Chairman's Introduction to Corporate Governance
- 123 Corporate Governance Overview Statement
- 134 Nominating Committee Report
- 136 Audit Committee Report
- 139 Statement on Risk Management and Internal Control
- 144 Statement on Directors' Responsibility
- 145 Additional Compliance Information



Supporting COVID-19 Recovery pg 40

07

Sustainability at F&N

- 150 Sustainability Statement

08

Financial Statements

- 160 Directors' Report
- 166 Statements of Financial Position
- 167 Statements of Profit or Loss
- 168 Statements of Other Comprehensive Income
- 169 Statements of Changes in Equity
- 172 Statements of Cash Flows
- 175 Notes to the Financial Statements
- 243 Statement by Directors
- 243 Statutory Declaration
- 244 Independent Auditors' Report

09

Additional Information

- 248 Shareholdings Statistics
- 251 List of Properties
- 254 Corporate Directory
- 256 Notice of Annual General Meeting
- 260 Statement Accompanying Notice of Annual General Meeting
- 261 Letter of Nomination
- 262 Administrative Details
 - Proxy Form

REIMAGINE WITH PASSION

COVER RATIONALE

As a forward-looking organisation, we are always preparing for challenges and building for the future through continuous improvements and investments. Having come through a very challenging period brought on by the COVID-19 pandemic, we are ready to reimagine with passion our business strategies to fuel further growth and innovation.

Our journey forward will be driven by our PASSION 2025 roadmap which will set out our strategies, initiatives and goals for our brands, our people as well as new additions to our portfolio. We will continue to focus on process improvements and digitalisation, and pursue opportunities as we evolve and build a stronger, more sustainable organisation.

The F&N brand is very much embedded within the fabric of Malaysian lives and we will continue to passionately serve products that delight and resonate with our consumers, now and in the future.



Facts at a Glance

22
brands



in **14**
categories



Beverage

Shah Alam,
Kuching,
Kota Kinabalu



Dairy

Pulau Indah,
Rojana,
Pak Chong

9

cutting-edge
plants



**Mineral
Water**

Bentong,
Matang



**Packaged
Food**

Kepong

Extensive network
coverage with

>230,000

Outlets in Malaysia,
Thailand, Cambodia
and Laos

RM4
billion
annual
turnover





Trusted by generations



138 years

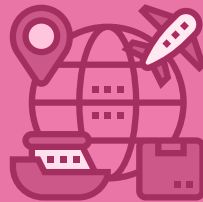


100%
Halal-certified
products



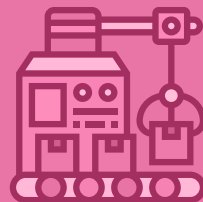
Workforce

2,500
people



Export market

85
countries worldwide



**Food and
beverage
powerhouse**

in the ASEAN region with
market-leading brands

Group Financial Highlights 2021

REVENUE

RM4,130.9

MILLION

PROFIT BEFORE TAX (PBT)

RM479.4

MILLION

PROFIT FOR THE YEAR

RM395.1

MILLION

PBT ON REVENUE

11.6%

BASIC EARNINGS PER SHARE

107.8

SEN

DIVIDEND PER SHARE

60.0

SEN

SHARE CAPITAL

RM816.8

MILLION

SHAREHOLDERS' EQUITY

RM2,819.0

MILLION

NET ASSETS PER SHARE

RM7.69

RETURN ON SHAREHOLDERS' EQUITY

14.0%

DEBT TO EQUITY RATIO

<1%

MARKET CAPITALISATION

RM9.76

BILLION

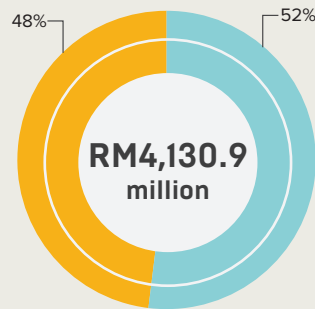
AS AT 15 NOVEMBER 2021



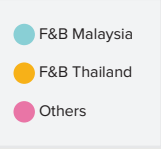
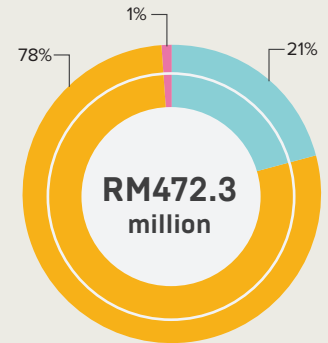


By Operating Segments

Revenue



Operating Profit



FOOD & BEVERAGES MALAYSIA

REVENUE:
RM2,130.5
million

OPERATING PROFIT:
RM97.7
million



FOOD & BEVERAGES THAILAND

REVENUE:
RM1,994.4
million

OPERATING PROFIT:
RM369.4
million

Our Awards & Recognitions

MARKETPLACE AWARDS

- **FRASER & NEAVE HOLDINGS BHD**
Halal Food and Beverage Excellence Award
The World Halal Excellence Awards 2020
- **F&N DAIRIES (THAILAND) LIMITED**
Thailand Best Halal Company of the Year 2020
Central Islamic Council of Thailand
- **FRASER & NEAVE HOLDINGS BHD**
Silver Award for Best Sustainability Reporting
National Annual Corporate Report Awards (NACRA 2020)
- **100PLUS**
Gold in the Non-Alcoholic Beverage category
(5th consecutive year)
Putra Brand Awards
- **F&N TEH TARIK**
Silver Award for Excellence in Event Marketing (Virtual)
Marketing Excellence Awards 2020
- **F&N TEH TARIK**
Gold Award in the Most Creative – Experiential category
Gold Award in the Most Effective Use – Audio category
Silver Award in the Most Creative – Audio category
MARKies Awards 2021

ENVIRONMENT AWARDS

- **F&N DAIRIES MANUFACTURING SDN BHD (PULAU INDAH)**
Exceptional Achievement Award
State Award (Selangor)
2019/20 Prime Minister's Hibiscus Award
- **F&N BEVERAGES MANUFACTURING SDN BHD (SHAH ALAM)**
Notable Achievement Award
2019/20 Prime Minister's Hibiscus Award
- **F&N BEVERAGES MANUFACTURING SDN BHD (KUCHING)**
Merit Award under the Medium Enterprise Category
(Manufacturing sector)
9th Sarawak Chief Minister's Environmental Award 2019/2020
- **F&N DAIRIES (THAILAND) LIMITED**
The Prime Minister's Best Industry Award 2020
Ministry of Industry Thailand

WORKPLACE AWARDS

- **FRASER & NEAVE HOLDINGS BHD**
Top 5 Malaysia's Most Attractive Graduate Employers to Work For in 2021
– Fast Moving Consumer Goods category (FMCG)
Graduates' Choice Award 2020 (GCA)
- **FRASER & NEAVE HOLDINGS BHD**
Silver Award under the Excellence in HR Communication Strategy
HR Excellence Awards 2020 Malaysia
- **FRASER & NEAVE HOLDINGS BHD**
Award for Best HR Strategy in line with Business
Award for Excellence in HR through Technology
Awards for Managing Health at Work
Organisation with Innovative HR Practices
Asia's Best Employer Brands 2021
- **F&N DAIRIES (THAILAND) LIMITED**
Health Promotion Enterprise Awards
Association for the Development of Environmental Quality
- **F&N DAIRIES (THAILAND) LIMITED**
Thailand Labor Management Excellence Award 2020
Department of Labor Protection and Welfare, Ministry of Labour Thailand
- **F&N DAIRIES (THAILAND) LIMITED**
CSR-DIW Continuous Award 2020
Ministry of Industry Thailand

ESG INDICES & Ratings

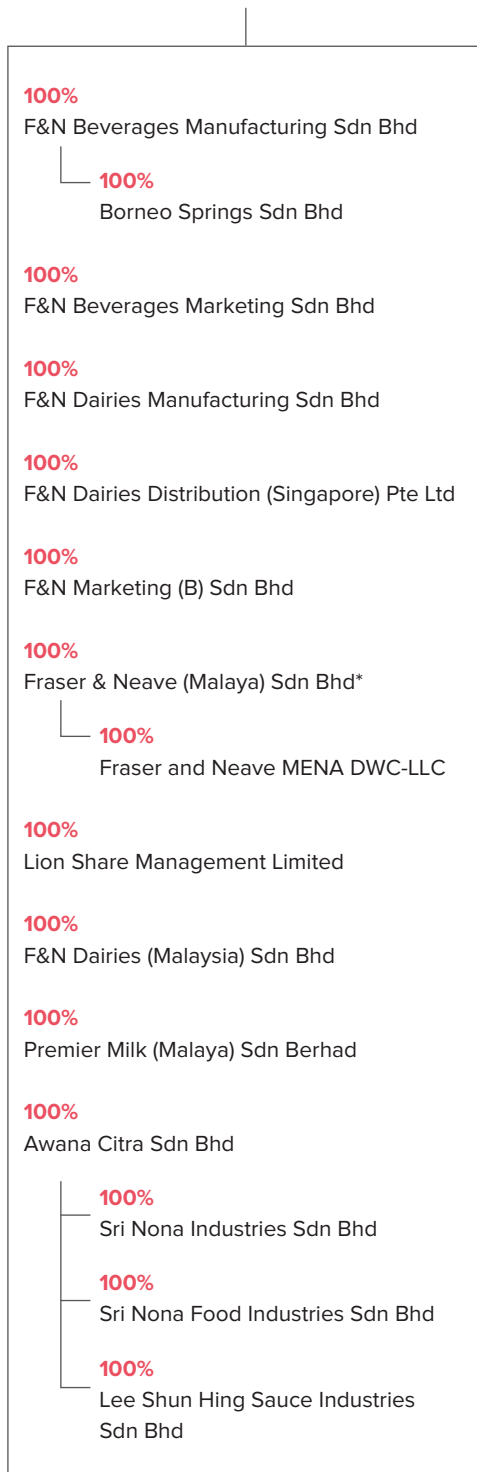
- **FRASER & NEAVE HOLDINGS BHD**
A Proud Constituent of
FTSE4Good Bursa Malaysia Index
FTSE4Good Bursa Malaysia Shariah Index
- **FRASER & NEAVE HOLDINGS BHD**
86th Percentile in the Beverages Industry
S&P Global Corporate Sustainability Assessment
(Score Date: November 12, 2021)
- **FRASER & NEAVE GROUP**
No. 1 Asian Company
WWF's Palm Oil Buyers Scorecard 2021

Corporate Structure

as at 15 November 2021



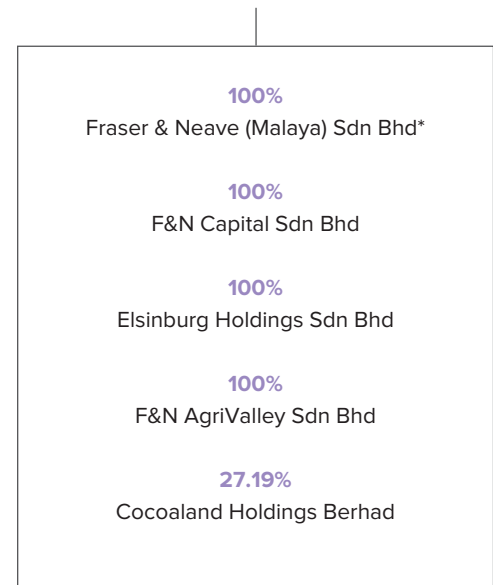
Food & Beverages Malaysia



Food & Beverages Thailand

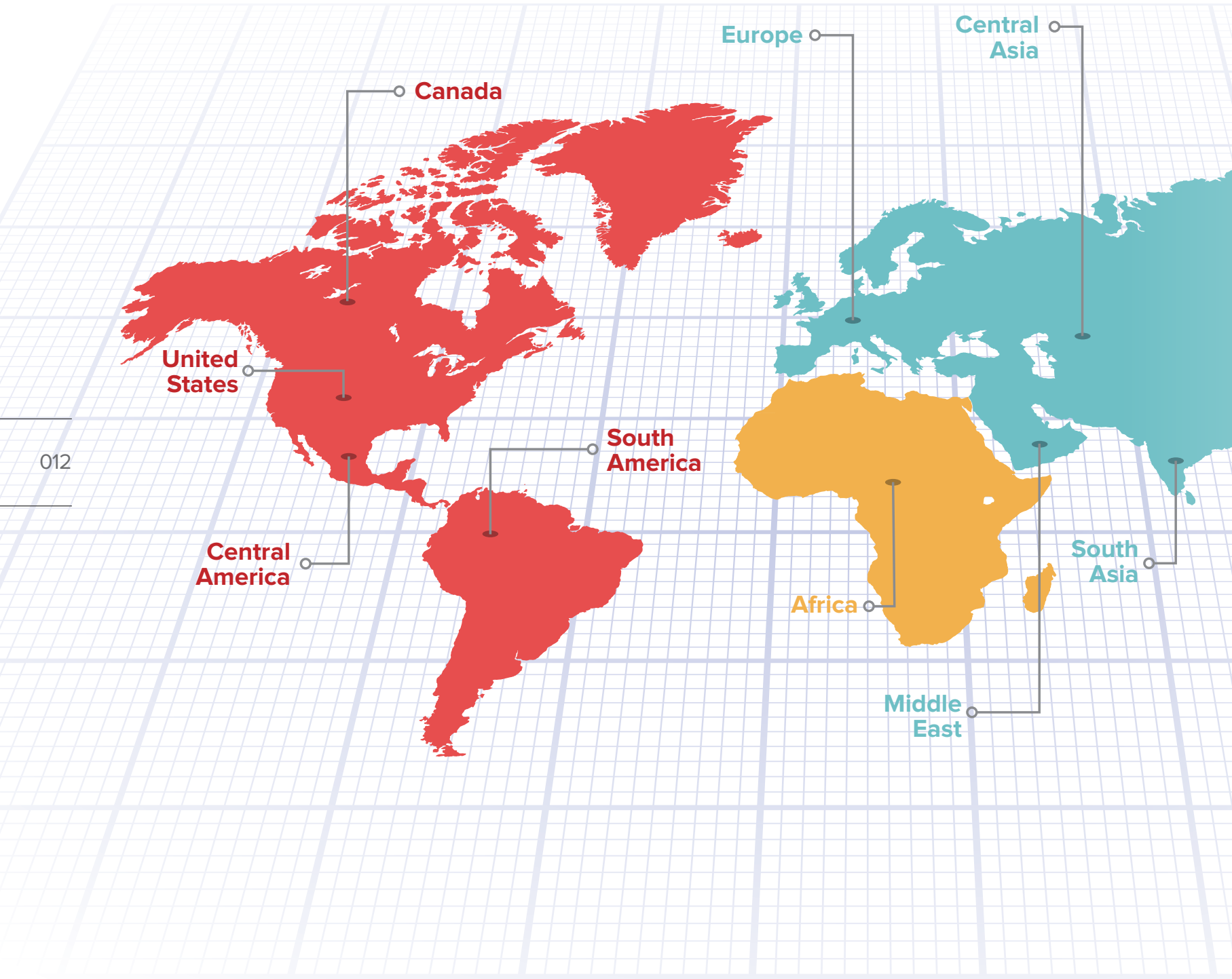


Others



Note:
* Classified under Food & Beverages Malaysia and Others segments.

Our Global Presence



Export Highlights



Export market

85 


countries worldwide

Top
Exported
Products

 **Condensed and Evaporated Milk**

3  **New export countries in FY2021**

Contribution of Export Revenue to Segment Revenue FY2021

 **24%**
F&B MALAYSIA

 **19%**
F&B THAILAND

Group Revenue

22%



INNOVATION
in packaging format catering to the different needs of our consumers



Our first subsidiary in Dubai is fully operational

Our Product Categories



Soya



Isotonic



Liquid Milk



Juice



Tea



Asian Drinks



Carbonated Soft Drinks



Condensed & Evaporated Milk



Milk Tablets



Water & Energy



Cordial



Packaged Food

Our Winning Brands



Our Market Leading Positions

MALAYSIA



...Isotonic
Segment of the
CSD category



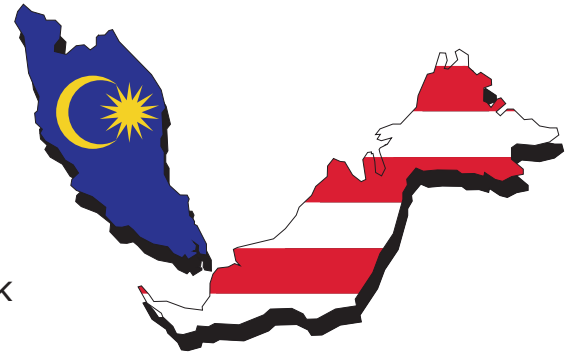
... Sweetened
Condensed Milk
category



... Tea Segment
of the Asian
Drinks category



... Evaporated Milk
category

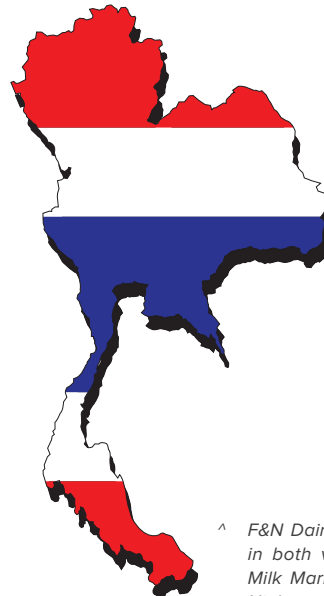


* Based on Retail Index Service for the 12 months ending July 2021 in Total Malaysia. (© 2021 Nielsen Consumer LLC.)

016

▲
**NUMBER
ONE** ▶

THAILAND



...Sweetened
Condensed Milk
category



...Evaporated
Milk category

^ F&N Dairies (Thailand) Limited ranked first as a manufacturer in both value share and volume share in total Condensed Milk Market since 1 August 2016 to 30 September 2021. The Nielsen retail index report covers Supermarkets, Hypermarkets, Convenience Stores and Traditional Trades.



pure enjoyment,
pure goodness

Our New Products

Malaysia

- 1 F&N Sparkling
– Apple Barley*, Espresso*, Honey Lemon
- 2 est Cola Brown Sugar*
- 3 F&N ICE MOUNTAIN Mineral Water 6L*
- 4 F&N Bandung*
- 5 Sun Valley Cordial – Kurma & Madu, Mango
- 6 Gold Coin Juara Sweetened Creamer

Thailand

- 1 TEAPOT SCM Stand-up Pouch 500g
- 2 TEAPOT SCM Duo Sachet 25g
- 3 TEAPOT SCM Squeezable Tube
– Strawberry Yogurt
- 4 F&N Magnolia Lactose-free Milk
170ml/180ml
- 5 BEAR BRAND Gold – Acerola Cherry
- 6 BEAR BRAND Sterilised Milk Can 150ml
- 7 F&N Magnolia Choc Malt
– Reformulated with 50% less sucrose

*Endorsed with Healthier Choice Logo

1 F&N Sparkling



2 est Cola Brown Sugar



3 F&N ICE MOUNTAIN Mineral Water 6L



4

F&N Bandung



5

Sun Valley Cordial – Kurma & Madu, Mango



6

Gold Coin Juara Sweetened Creamer



1

TEAPOT SCM
Stand-up
Pouch 500g



2

TEAPOT SCM
Duo Sachet 25g



3

TEAPOT SCM
Squeezable Tube
Strawberry Yogurt



4

F&N Magnolia
Lactose-free Milk
170ml/180ml



5

BEAR BRAND
Gold Acerola
Cherry



6

BEAR BRAND
Sterilised Milk Can 150ml



7

F&N
Magnolia
Choc Malt



Our Value Chain

The preparation, production and packaging of our beverages and dairy products require a range of raw materials, equipment, and other goods and services. During the past year, we engaged with over 2,700 global and local suppliers across our supply chain, including manufacturers, wholesalers, retailers, importers/merchants, contractors and professional services providers. We spent a total of RM3.37 billion on products and services provided by our suppliers.

020



SOURCING

We work closely with our suppliers to ensure their goods and services meet external quality, environmental and social standards, in addition to our stringent internal standards. This helps to ensure that our products are safe and of high quality. To ensure the sustainability of our business, we have risk management mechanisms in place to manage issues associated with the commodities upon which we rely.



PRODUCTION

We have implemented a standardised safe production process, in accordance with international standards, throughout all of our operations. We strive for eco-efficient processes, in which we provide good value and maximum benefit without polluting the environment and surrounding communities. We strive to optimise resource use and consider the environmental and social impacts of water consumption, waste, effluents and emissions at all production stages.



DISTRIBUTION

We have a fully integrated and extensive distribution system and network to ensure that our products are efficiently distributed to our consumers. Our focus is to minimise the environmental and social impacts from transportation by managing our energy use, while ensuring the safety of our personnel and local communities. We are also continuously improving our processes and implementing digital technologies to increase efficiency.



MARKETING AND SALES

Responsible marketing and sales practices are of great importance to F&NHB. We demonstrate consumer and societal responsibility by providing healthier product options and informative product labels. We also seek feedback from our customers on our products to improve our marketing practices and, most importantly, to create sustainable value for consumers and for our business.



POST-CONSUMPTION PACKAGING MANAGEMENT

We minimise the impact of post-consumer waste through research and development to deliver innovative and environmental-friendly packaging. We are continuously seeking out sustainable packaging that also meets the needs of our consumers. In addition to applying Circular Economy principles throughout F&NHB, we promote environmental awareness with communities where we operate.

Key Milestones

1883

The Singapore and Straits Aerated Water Company was founded by our founding fathers, John Fraser and David Chalmers Neave.



1898

The Singapore and Straits Aerated Water Company went public under its present name, Fraser and Neave, Limited on 27 January 1898.



1913

By this year, F&N had branches across the peninsula, including Kuala Lumpur, Melaka, Seremban, Ipoh and Penang.



1962

The Kuala Lumpur plant commenced its operations.



1965

The first F&N soft drinks plant in East Malaysia was opened in Kuching.

1983

F&N celebrated its 100th anniversary and introduced the iconic 100PLUS brand to the market, which soon became the No. 1 Isotonic Drink in Malaysia and Singapore.



1989

F&N restructured its dairy operations under F&N Dairies (Malaysia) Sdn Bhd.

1996

Soft drinks plant relocated to Shah Alam on 23 March 1996.

The Group's glass, dairies and soft drinks operation in Malaysia were incorporated under the umbrella of Fraser & Neave Holdings Bhd.



2004

F&N's property division started construction on Fraser Business Park in Sungai Besi, Kuala Lumpur, Malaysia.



2009

F&N Dairies (Thailand) Limited was established.



2011

The official opening of dairy manufacturing plant in Rojana, Thailand.



2012

The dairy manufacturing plant in Petaling Jaya ceased operations after 52 years.

2013

The official opening of dairy manufacturing plant in Pulau Indah, Malaysia.



2017

The official launch of first-of-its-kind UHT Line at beverage manufacturing plant in Kuching, Malaysia.



2018

Celebrating 135th anniversary of F&N. The official launch of Cold-aseptic Filling PET line at beverage manufacturing plant in Shah Alam, Malaysia.



2020

The official launch of F&N Life, our flagship online store.



The commissioning of our first Solar Photovoltaic System at dairy manufacturing plant in Rojana, Thailand.



2021

F&NHB acquired three F&B companies – Sri Nona Food Industries, Sri Nona Industries and Lee Shun Hing Sauce for up to RM60 million, to establish Halal food as our new pillar of growth.





Y.A.M. TENGGU SYARIF BENDAHARA PERLIS
SYED BADARUDIN JAMALULLAIL
IBNI ALMARHUM TUANKU SYED PUTRA
JAMALULLAIL
Chairman

Chairman's Message

Dear Shareholders and Stakeholders,

As I write this message, in October 2021, the pandemic in Malaysia and Thailand seems to be gradually abating. New infections and morbidity numbers are trending down, and the Malaysian government has just opened up inter-state travel. In other words, there are good reasons to be hopeful after more than a year-and-a-half of economic as well as social restrictions.

For us at Fraser & Neave Holdings Bhd (F&NHB), the financial year that has just ended (FY2021) was our first full year of operations impacted by COVID-19. And, yet, the Group has continued to deliver – not just financially but also in terms of contributions to our key stakeholders and society at large.

Amidst a highly challenging operating landscape, we maintained market leadership in our key categories. We remained steadfast in our long-term priorities and launched a fourth business pillar – Halal Packaged Food – with the acquisition of Sri Nona Companies. More importantly, we were able to ‘Reimagine’ the way we operate to be more efficient while placing the well-being of our people and community above all else. Continuing to live our Global Values of Caring for Stakeholders, Collaboration and Creating Values, we have strengthened the Group at a fundamental level such that, as soon as the economy picks up, we will be ready to accelerate our growth once again.

CHAIRMAN'S MESSAGE

CREATING VALUE

I truly believe that every cloud has a silver lining. Although the pandemic severely disrupted businesses everywhere, it also led to a great deal of introspection and the realisation that corporations like F&NHB are part of wider ecosystems on which we are dependent. Our sustainability rests on the sustainability of this ecosystem. Acknowledging this, we have spent a great deal of time and resources during the year building the resilience of our ecosystem by caring and creating value for the people within it.

A key focus area has been to hasten the nation's recovery from the pandemic by supporting the Government's efforts in vaccinating the country. We encouraged our employees and those of our trade partners to be vaccinated through our employees' vaccination programmes; and as of August 2021, we reached 90 per cent full vaccination at the workplace. We also supported the government's vaccination programme via a #HidratkanDiriSihatkanBadan campaign, which saw F&NHB distribute one million bottles of the nation's preferred isotonic beverage, 100PLUS, at major vaccination centres. This was our way of promoting the immunisation programme while ensuring people maintained optimal hydration throughout the critical period.

Further nurturing our stakeholder ecosystem, we have been motivated to show our gratitude for the tireless devotion of the country's frontliners and support communities that are most affected by the pandemic. Since its outbreak in March 2020, we have distributed over two million products to various beneficiaries nationwide. During the month of *Ramadhan* this year, F&N products were distributed via our 'Keberkatan Plus Plus' programme to 20,000 beneficiaries, including B40 families and 100 underprivileged homes. In Thailand, we took care of our community of 20,000 hawkers by giving them F&N products to help them tide over the year.

“ And it pleases me to share that, despite the tough operating environment, the thought that went into our products, our route-to-market and marketing efforts all combined to enable us to offer the same dividends that we did the previous financial year. ”



As a food and beverage (F&B) manufacturer, our consumers are our *raison d'être* – hence ensuring we live up to our brand promise of 'Pure Enjoyment. Pure Goodness' will always be a top priority. Along with greater health-consciousness, we have been placing increasing focus on healthier products. Among others, we have invested significantly into lowering the sugar content of our portfolio without compromising on taste. This year, with the launch of F&N Sparkling, F&N Bandung and est Cola Brown Sugar in Malaysia, as well as BEAR BRAND GOLD Acerola Cherry and a 50 per cent lower-sugar, low-fat F&N Magnolia Choc Malt Milk in Thailand, we now have no less than 69 products endorsed with the Healthier Choice logo.

Efforts to optimise our product portfolio are integral to maximising our profits, hence also shareholder value creation. And it pleases me to share that, despite the tough operating environment, the thought that went into our products, our route-to-market and marketing efforts all combined to enable us to offer the same dividends that we did the previous financial year. In June, we paid out an interim single-tier dividend of 27.0 sen per share, translating into RM99 million. At our upcoming annual general meeting (AGM), the Board will be proposing a final dividend of 33.0 sen per share. In respect of ongoing SOPs, this year's AGM will be held virtually, as was the AGM for FY2020.

Finally, my account of value creation would not be complete without also mentioning a programme close to my heart: The F&NHB Chairman's Award. This is presented annually to children of employees who achieve outstanding academic and extra-curricular performance. And it gives me great pleasure to share that, in 2021, we handed out cash prizes totalling RM218,100 to 73 deserving children.

SUSTAINABILITY AT THE CORE

Given the massive changes and challenges brought about by COVID-19, in FY2021, we re-assessed our material matters and refreshed our materiality matrix. We also outlined a new set of sustainability targets to be achieved by 2025.

Among these is the goal to achieve 100 per cent physical Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil by 2025. This is an ambitious target, but one that we are confident of meeting given the progress made on this front. Having reached a key milestone in 2020 of purchasing RSPO credits for 100 per cent of our palm oil requirement, we have begun our transition with 20 per cent uptake of physical RSPO certified palm oil and 80 per cent in credits this year.

F&N Group also scored the highest among 12 Asian companies included in the WWF Palm Oil Buyers Scorecard (POSB) 2021 and ranked 46 out of 142 global respondents. This is something we can justifiably be proud of and will continue to work on over the next few years.

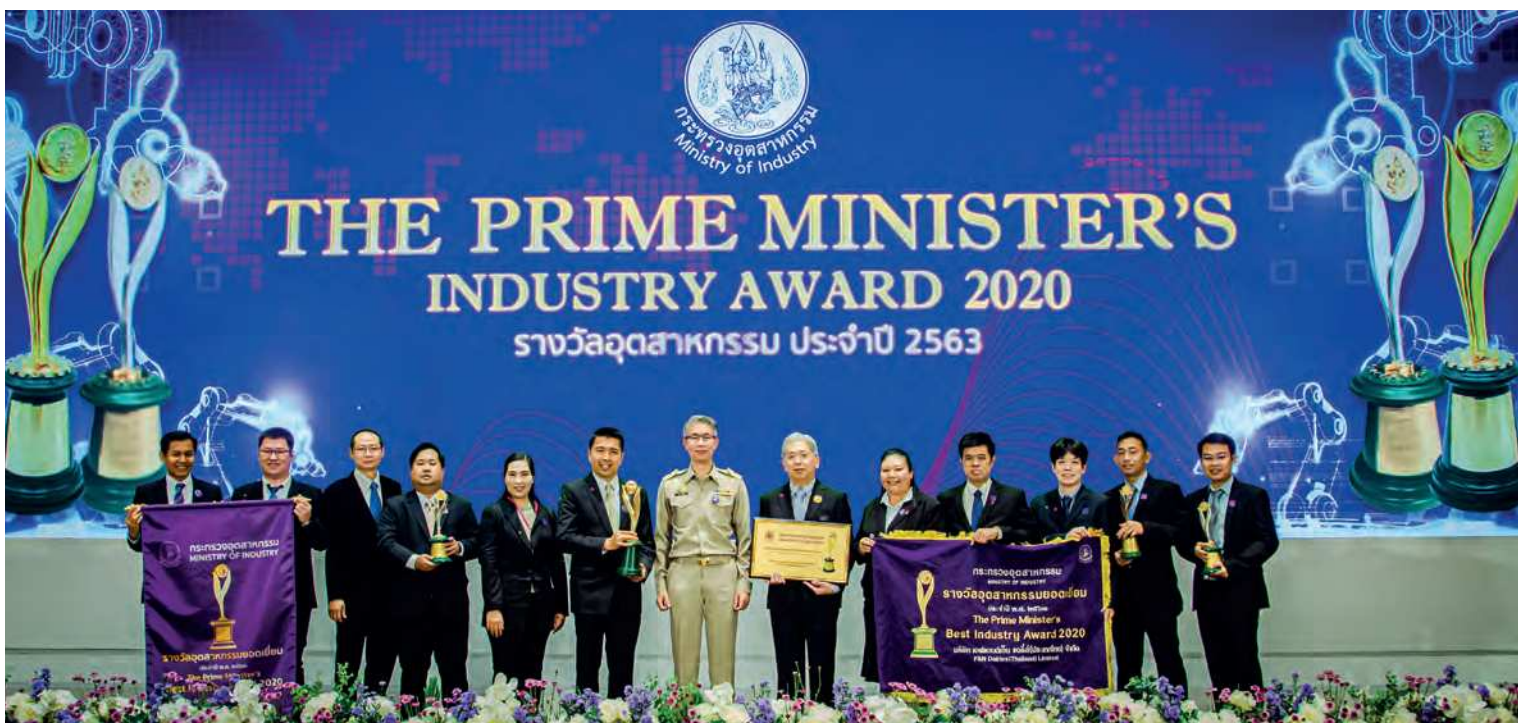
Our materiality matrix now includes four new material matters, among which is Human Rights. Although there is minimal risk of human rights violation in our Malaysian and Thai operations, we recognise that such risks may exist within our extended supply chain. We have conducted a human rights risk assessment to obtain greater clarity on the totality of our risks across our value chain, following which we have developed a Human Rights Policy and a due diligence manual.

Another global issue on which we are placing greater emphasis is waste management, and specifically that of plastic. Towards this end, we are a founding member of the Malaysia Recycling Alliance (MAREA), comprising companies in the fast-moving consumer goods (FMCG) industry, which seeks to find sustainable solutions



to the management of post-consumption packaging. F&NHB is also further strengthening our environment, social and governance (ESG) understanding and performance by joining the CEO Action Network (CAN), an informal coalition of CEOs and Board members focused on sustainability advocacy, capacity building, and performance.

Finally, we are cognisant of the need to nurture greater gender diversity in decision-making positions. Towards this end, we made a positive step forward by welcoming another female member to our Board this financial year. At the management level, women already make up 45 per cent of the total, far exceeding the 30% baseline.



CHAIRMAN'S MESSAGE

AWARDS

Enhanced focus on creating ESG value saw F&NHB emerge as a top quintile company in our very first S&P Global Corporate Sustainability Assessment (CSA), hitting 86th percentile and ranking among the top 10 companies in the beverages industry*. We were also included in the FTSE4Good Bursa Malaysia Index 2021 for the third year in a row, and made it into the newly-introduced FTSE4Good Bursa Malaysia Syariah Index. The latter reflects investments made into ensuring all our products are halal, and that our value chain is Syariah-compliant.

Efforts to decrease our carbon footprint and enhance our waste management have led to several environmental awards. F&N Dairies Thailand received the prestigious Prime Minister's Best Industry Award 2020, while in Malaysia, the Group was recognised with three awards at the Prime Minister's Hibiscus Award 2019/2020. The Pulau Indah Plant won an Exceptional Achievement Award and the State Award for Selangor, while our plant in Shah Alam won a Notable Achievement Award. Meanwhile, our plant in Kuching won a Merit in the Medium Enterprise Category at the Sarawak Chief Minister's Environment Award 2019/2020.

It was also very heartening to be recognised for the quality of our sustainability reporting when our Sustainability Report 2019 won Silver at the National Annual Corporate Report Awards (NACRA) 2020. Efforts to connect more with our employees during the pandemic have not gone unnoticed, as F&NHB received the Silver Award under the Excellence in HR Communication Strategy in HR Excellence Awards 2020 Malaysia.

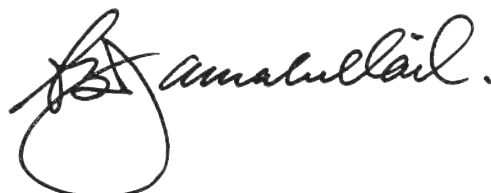
ACKNOWLEDGEMENTS

028 Our performance overall in FY2021 is indicative of organisational resilience that has been built over many years, which is the result of the contributions of various stakeholders. I want to take this opportunity to thank everyone concerned – from our customers, consumers, business partners and shareholders, to our employees and Directors – for your invaluable support.

This year, we bid farewell to Dato' Sri Johan Tazrin Bin Hamid Ngo who is leaving after the Annual General Meeting. On behalf of the Board, I would like to record our appreciation for his services and contribution as an Independent Non-Executive Director for the past nine years. We wish him the best in his future undertakings.

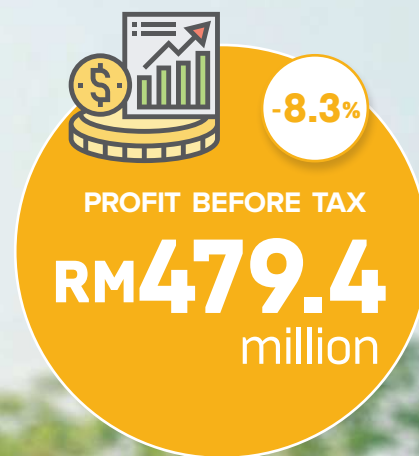
At the same time, we welcome Dato' Ng Wan Peng, who joined our Board on 30 July 2021. Serving as an Alternate Director to Dato' Sri Johan Tazrin Bin Hamid Ngo, Dato' Ng brings with her vast experience in IT and digitalisation, which will be very relevant as F&NHB navigates the Industrial Revolution 4.0.

To the entire F&NHB family, I would like to express my sincere gratitude for your hard work and commitment to the Group at a time when your support was most needed. Our ability to get through perhaps the most demanding year boils down to your tenacity and resilience. As mentioned earlier, the signs are there of a better tomorrow. We can therefore expect many fresh opportunities to come our way. Let us work together to make the most of these as we continue to delight our consumers and add value to all our other stakeholders.



**Y.A.M. Tengku Syarif Bendahara Perlis
Syed Badarudin Jamalullail
Ibni Almarhum Tuanku Syed Putra Jamalullail**
Chairman

*2021 S&P Global Corporate Sustainability Assessment (Score date: Nov 12, 2021)





Chief Executive Officer's Statement

Dear Shareholders and Stakeholders,

The year 2021 has been exceedingly difficult, with the prolonged pandemic situation and geopolitical tensions. All that, plus rising oil prices, saw the industry contending with a significantly higher cost of production with surges in commodity prices, particularly sugar, palm oil and milk-based commodities, and exacerbated by an increase in supply chain costs.

Movement restrictions that escalated into total lockdown during the year also meant reduced workforce at our plants. Couple that with supply chain disruptions, exports were constrained. Consumer demand was also adversely affected by dining-in prohibition at food and beverage outlets and restricted operating hours for convenience stores.

Our focus within this scenario has been to ensure business continuity. We took immediate steps to intensify safety and preventive measures to safeguard our people, adjust our sales & marketing initiatives according to the new operating landscape and meet the shift in consumer consumption behaviour, as well as ensure continued supply and availability of our products with our trade partners.

Key to our longevity has been our capacity for constant self-adaptation and evolving through more than a century of change, fuelled by the passion and commitment of our people. This same spirit navigated us to deliver another resilient performance for the financial year ended 30 September 2021 (FY2021).

Guided by our Global Values of Creating Values, Collaboration and Caring for Our Stakeholders, we have entrenched our business sustainability by ensuring we remain relevant to the people that matter. So, while it was a tough year, it was also rewarding; and it gives me pleasure to describe our initiatives in more detail in the following pages.



LIM YEW HOE
Chief Executive Officer

CREATING VALUES: FOR US & OUR STAKEHOLDERS

REIMAGINING THE WAY WE WORK

At the onset of the pandemic in 2020, the Group was conscious that COVID-19 disruptions would permanently change our market environment. This has compelled us to reset and 'reimagine' our business strategies in preparation for the future.

We undertook several 'Reimagine' projects geared towards building new capabilities and revenue streams; uplifting our productivity and profit; while improving our cost-efficiency. Values to be extracted from these projects would be instrumental in delivering sales and cost savings in future. At the same time, we reorganised our structure to be aligned with the business needs and opportunities presented by COVID-19 and digital technology. This step-change will deliver a more efficient, agile and focused organisation and set a foundation of sustainable growth for the business.

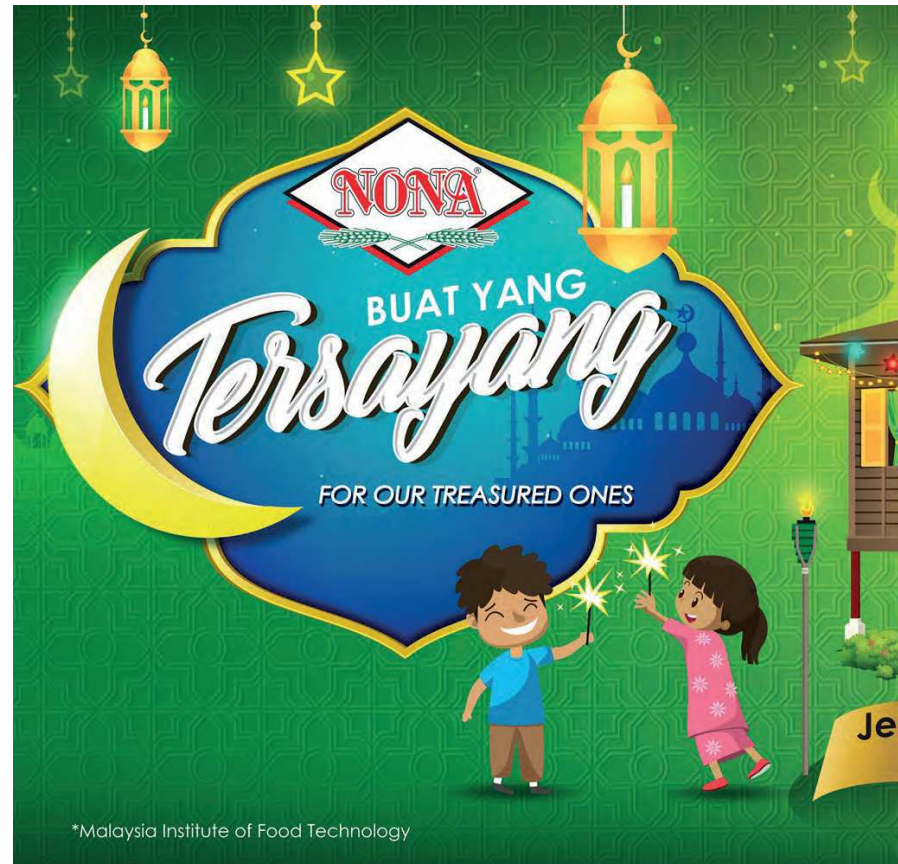
The turmoil caused by the pandemic underlined the urgency of collective action to address increasingly critical global issues. The Group has always sought to be environmentally and socially responsible. This year, we refreshed our materiality matrix to better reflect current global imperatives. We have also set new sustainability commitments for 2025 and entered new partnerships to further strengthen our environmental, social and governance (ESG) platforms.

BUILDING OUR FOURTH PILLAR OF GROWTH

Amidst COVID-19 disruptions, we have remained steadfast in pursuing our long-term strategic priorities. With the acquisition of Sri Nona Companies in January 2021, we have diversified into food and become leaders in the ketupat and halal oyster sauce categories. Our latest investment not only adds an established Malaysian household food brand to the Group's portfolio but will also serve as a platform to expand into more halal food segments and to meet the rising demand for convenience and ready-to-eat food products.

We are excited about the potential of building Halal Packaged Food into another growth pillar like Exports, which now generates almost RM900 million in revenue for the Group. With our robust R&D capabilities, we are confident that our new assets will help us grow our halal food categories, complement our offerings, introduce more innovative products, and increase our profit margin in the long run.

Sri Nona contributed positively in FY2021, and we believe there is much more potential to be realised. Leveraging partnerships within the Group, we seek to expand Sri Nona's route-to-market coverage and create supply chain synergies. In fact, since October this year, we have started to distribute Sri Nona products via F&N Beverages Marketing channels in areas not covered by existing distribution. We are also looking into our production capacity to support the expansion of Sri Nona's product range.



MEETING OUR CUSTOMERS AND CONSUMER NEEDS

We have always taken pride in being innovative in marketing, which to us is about connecting in an authentic manner with our customers and consumers. In Thailand, we have established strong ties with hawkers by supporting them with collaterals and decorations that are both functional and attractive, thus also increasing our brand visibility. We maintain close contact with these hawkers via a Line app which, to date, has attracted close to 20,000 members.

For consumers, our focus has shifted from advertising to increasing brand loyalty through value-add promotions. We are also engaging more meaningfully with consumers on social media. For example, in Malaysia, we presented 100PLUS-sponsored virtual workouts to help our consumers stay active during the MCO. Almost all our product launches this financial year were also carried out on social media, accompanied by value-add promotions or activities.

“ We are excited about the potential of building Halal Packaged Food into another growth pillar like Exports, which now generates almost RM900 million in revenue for the Group ”



The success of F&N Teh Tarik’s virtual launch last year is a testament that the team is connecting effectively with consumers through its online activations. Not only was the experiential marketing campaign recognised as the most creative and innovative at the MARKies awards 2021, within a year of its launch, F&N Teh Tarik, together with our other tea brands made F&N No. 1 in the Tea segment within the Asian Drinks category in Malaysia.

A portfolio that resonates with consumers underpins our sustainable growth. Altogether 13 new products were introduced this year, including F&N Sparkling, F&N Bandung CSD and est Cola Brown Sugar in Malaysia; as well as BEAR BRAND GOLD Acerola Cherry and a 50 per cent lower-sugar, low-fat F&N Magnolia Choc Malt Milk in Thailand. We also offer new products that cater to a growing range of dietary preferences, such as F&N Magnolia Lactose-free Milk and 100PLUS Zero.



To address weak consumer sentiment and tightened purse strings, we launched value buys such as smaller-sized packs and value-priced items while creating a presence in the economy segment In Cambodia and Laos with Gold Coin sweetened beverage creamer. On packaging, this year saw us introduce F&N ICE MOUNTAIN Mineral Water in 6L bottles for consumption at home in Malaysia; and TEAPOT 500g pouch catering to foodservice channel, TEAPOT 25g duo sachets, and mini packs of F&N Magnolia lactose-free milk for those on the go in Thailand.

Partnering with major e-commerce players such as Lazada and Shopee, our products are now accessible practically anywhere in the region. Meanwhile, we continue to expand our offerings and explore different order fulfilment options in our flagship online store, F&N Life in Malaysia, and *nom aroi* in Thailand.

COLLABORATION TO UNLOCK VALUE: INTERNALLY & WITH OUR PARTNERS

UNLOCKING VALUE THROUGH PARTNERSHIPS

Part of our value creation efforts is to seek collaboration that drives greater outcomes. Through collaboration, we strengthen our relationships and safeguard our supply chain while further enhancing the commercial and operational aspects of our business.



In Thailand, we have been working with several dairy farmers’ cooperatives since 2013 to improve their productivity and milk quality. This year, we contributed a Grass/ Corn Silage Bundling machine and a Tiller Fertiliser machine to Thepsathit Dairy Cooperative in Chaiyaphum Province. This initiative reduces cow feed costs by reusing cow waste as fertiliser for corn and corn silage fermentation.

At the same time, the team developed a new method of milk transportation to simplify running routes, minimise our environmental impact and monitor raw milk data in real-time. This will help the farmers reduce more than 200,000kg of CO₂ emissions per year.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Another outcome from a strategic collaboration with our supplier is the setting up of a plant in Selangor by leading aluminium can manufacturer, Baosteel Group, from China. The plant will not only ensure a stable supply of cans at a lower cost for the Group but will enhance the supply chain for the industry as a whole. Additionally, we are linking our polyethylene terephthalate (PET) bottle supplier with a resin manufacturer to manufacture recyclable PET. This will greatly support the government's plastic waste management initiatives.

Within our organisation, we are facilitating greater integration by bringing our team together under one roof. Employees currently based at several offices in Kuala Lumpur are expected to relocate to the Shah Alam office in mid-2022. With everyone working in the same place, we hope to enhance productivity and outcomes through enhanced internal communication and collaboration.

Operationally, we have accelerated our digital journey and intensified the adoption of more systems driven by the latest technology under a Workplace 4.0 transformation. The idea is to evolve into a smart hybrid workplace where we achieve more with less; greater productivity at lower cost. This applies to our entire value chain, from procurement to manufacturing, marketing, sales and support functions.

INDUSTRY COLLABORATION IN UPLIFTING SUSTAINABILITY

As a leading manufacturer of halal products, F&NHB has a role in facilitating the Halal Industry Development in Malaysia apart from maintaining halal integrity throughout the supply chain. Through the Halal Sourcing Partnership Programme, we partner with the Halal Development Corporation Berhad (HDC) in capacity-building programmes designed to help small and medium enterprises (SMEs) qualify as halal vendors for multi-nationals. This year, we successfully onboarded two companies as our suppliers and are in the midst of developing more.

034

To further enhance the management of post-consumer consumption waste, we have teamed up with other industry leaders to establish the Malaysian Recycling Alliance (MAREA). The aim is to develop solutions for the sustainable management of post-consumer packaging waste through a multi-stakeholder approach. We are also a member of the CEO Action Network (CAN), an informal peer-to-peer coalition of CEOs and leaders in Malaysia. Through CAN, we hope to drive progress in ESG through collective commitment and knowledge exchange with similar-minded organisations in the country.

“ To ensure that the well-being of Malaysians are protected during this critical period, we further encouraged the public to stay hydrated by distributing more than one million bottles of 100PLUS at major vaccination centres ”



CARING FOR OUR STAKEHOLDERS

We firmly believe that economic value extraction should not be at the expense of society. This underlines our investments into ESG, which we do not approach as being separate from our operations but integral to it.

A BETTER SOCIETY

People's health and well-being are taken seriously at F&NHB, given that 'we are what we eat/drink'. This has seen us continuously reduce the sugar content of our beverages while enhancing their health benefits by incorporating nutritional ingredients. We have achieved a significant reduction, cutting the sugar content in our total beverages by 61 per cent since 2004. More than 90 per cent of our ready-to-drink products sold today have less than 5g sugar per 100ml.

This year, we directed our brand communications on promoting an active lifestyle and optimal hydration. To ensure that the well-being of Malaysians are protected during this critical period, we further encouraged the public to stay hydrated by distributing more than one million bottles of 100PLUS at major vaccination centres such as Putra World Trade Centre (PWTC), Malaysia International Trade and Exhibition Centre (MITEC) and PPV Bukit Jalil via the #HidratkanDiriSihatkanBadan campaign.

Responding to communities' needs, the Group distributed over two million products to various beneficiaries nationwide in FY2021, including food banks and non-governmental organisations (NGOs). During Ramadan, F&N products and daily essentials were distributed to 20,000 beneficiaries nationwide, including 100 underprivileged homes through the 'Keberkatan Plus Plus' programme. In Thailand, we took care of our community of 20,000 hawkers by giving them various F&N products for encouragement during this difficult period. Meanwhile, we worked closely with government agencies to expedite the vaccination programme for our people and supply chain community through our employees' vaccination programme. Our employees also receive three days of additional paid leave to attend to their vaccination.



Underlining our commitment to contributing towards a better society, this year, we conducted our inaugural Human Rights Due Diligence process to understand potential human rights issues faced by stakeholder groups across our value chain. This resulted in the development of relevant policies and procedures which will help us ensure the rights of all our stakeholders are respected.

CIRCULARITY & ENVIRONMENTAL PROTECTION



We care for the environment because it has a direct impact on society's well-being. All our capital expenditure projects have their environmental objectives apart from achieving operational and cost efficiencies. In April 2020, we commissioned the 1MWp solar panelled roof of our plant in Rojana. Meanwhile, we are installing perhaps one of the biggest rooftop solar photovoltaic (PV) systems in Malaysia at our Shah Alam, Pulau Indah and Bentong plants, with a total capacity of 10MWp. Once completed in 2022, we will replace 20 per cent of our electricity needs with clean energy in Malaysia. In fact, solar power generated in Shah Alam will be sufficient for our entire 100PLUS direct line production, while that in Pulau Indah will be able to account for all our pasteurised products.

Given the nature of our business, waste management is another key sustainability area for us. Over the years, we have been reducing the volume of materials used in packaging. Today, we have committed to having 100 per cent recyclable packaging and 25 per cent recycled content in our beverage and dairy product packaging by 2025.

Since the F&N school recycling programme's inception in 2007, 756 schools nationwide have been involved and a total of 4,760 tonnes of recyclable waste has been saved from going into landfills. The programme this year was very much scaled-down due to school closures. With the gradual reopening of schools, we aim to expand the programme to more schools and extend 5R awareness to the community once the situation permits.

PERFORMANCE REVIEW

Contributions from diversified products and geographical presence were key to the Group's resilient performance for the year, while prudent cost management partially mitigated higher input costs. Strong brand performance, especially in Dairies, together with double-digit growth in Exports and maiden contribution from our new Halal Packaged Food pillar, enabled us to produce a commendable financial scorecard. Group revenue grew by 3.6 per cent from RM3.99 billion in FY2020 to RM4.13 billion despite the tough environment.

However, increasing costs attributed to commodity and freight, restructuring and COVID-related expenses, and a lower share of profit from an associate – were reflected in our bottom line. Excluding one-off/non-operating items in both years, including RM20.9 million restructuring expenses this year and RM7.8 million gain on the disposal of "TEAPOT" brand last year, Group profit before tax declined by 3.9 per cent to RM479.4 million. Meanwhile, Group net profit declined 3.7 per cent from RM410.1 million in FY2020 to RM395.1 million, partially mitigated by investment tax incentives at F&B Thailand and deferred tax assets recognised for F&B Malaysia.

Concerted efforts to create value for our customers and consumers contributed to F&NHB maintaining our market leadership in core categories. 100PLUS remains the undisputed No. 1 Isotonic drink in Malaysia. We are also leaders in the Tea segment of the Asian Drinks category, Sweetened Condensed Milk and Evaporated Milk categories; while in Thailand, we have captured the Sweetened and Evaporated Milk categories; and in Cambodia and Laos, TEAPOT is the No. 1 Condensed Milk brand.

036



FOOD & BEVERAGES MALAYSIA

Higher sales captured in the first nine months of the financial year by Food & Beverages Malaysia (F&B Malaysia) helped cushion the dip in the fourth quarter due to the nationwide lockdown in July/August 2021.

Aided by higher exports, sustained demand in the Dairies segment and contribution from Food business, F&B Malaysia grew its revenue by 4.4 per cent to RM2.13 billion from RM2.04 billion in 2020. However, operating profit declined to RM97.7 million from RM144.9 million in FY2020 due to higher input costs and restructuring expenses. Cognisant of the economic constraints on households spending, there was also a delay and phasing of price increase for dairy products in Malaysia. Excluding restructuring expenses and one-off/non-operating items in both years, operating profit for F&B Malaysia declined by 15.0 per cent.



FOOD & BEVERAGES THAILAND

While Thailand also experienced a rise in COVID-19 infections and lockdown measures, consumer demand remained fairly resilient. Food & Beverages Thailand (F&B Thailand) was able to sustain growth and increased its share in all core segments despite the overall market decline. This was achieved through effective loyalty and promotion programmes and continuous efforts to expand distribution coverage. However, the result was partly negated by unfavourable THB/MYR forex translation.

Supported by higher sales to Indochina with double-digit growth in Cambodia and higher OEM exports, F&B Thailand grew its revenue for the year by 2.6 per cent (5.6 per cent increase in Thai Baht terms) to RM1.99 billion. However, operating profit was flat in Thai Baht terms due to higher commodity costs and royalty expenses. In Ringgit terms, operating profit declined 3.0 per cent to RM369.4 million from RM381.0 million in FY2020 due to the strengthening of the Ringgit against the Thai Baht.

EXPORTS

The Export business (from both Malaysia and Thailand) continued to grow and contributed RM896 million to Group revenue this year, fuelled by significant progress and expansion in ASEAN, Greater China, the Middle East, and Africa. This was through efforts to expand usage of our products via new applications in food service and industrial channels, as well as closer collaborations with key OEM customers to develop new products for sale in more regions.

Exports accounted for 22 per cent of the Group’s total revenue in FY2021 and expanded its reach to 85 countries. Our focus on halal markets continues to be fruitful as revenue from halal markets grew about 40 per cent.

Indochina market (managed by F&B Thailand) also performed strongly, with Cambodia and Laos collectively contributing over RM250 million in revenue, driven by successful expansion of distribution and reach.

* Financial performance of Exports are included in F&B Malaysia and F&B Thailand segment results.



OUTLOOK & GOING FORWARD

As we enter FY2022, the number of daily COVID-19 cases has been declining at an encouraging pace in both Malaysia and Thailand. Movement restrictions are gradually easing, and there are positive signs that the economies in both countries will pick up.

Nevertheless, the Group remains cautious given ongoing market challenges and global uncertainties. We do not expect the market to return to pre-pandemic conditions anytime soon and foresee that commodity prices will remain inflated moving forward.

At the same time, we are prepared to ride on the encouraging return of economic activities in Malaysia and Thailand to drive sales, particularly for our beverages, ready-to-drink dairy business, and out-of-home channels. We will continue to offer products that meet consumers' evolving needs and refine our pricing to cushion our businesses against cost pressures. These actions, coupled with the restructuring exercise just completed in the last financial year, will put us in good stead against imminent risks while keeping us on track to drive future growth.

Exports will continue to be a key focus for both Malaysia and Thailand. Having achieved strong growth in a full year of pandemic, we look forward to even better performance in FY2022 when the global landscape stabilises. We will not shy away from investing in capability to tap into new opportunities, be it for our own branded exports or those of key OEM customers.

With Sri Nona in our portfolio, we have good leverage to further grow our Halal Packaged Food pillar and will be exploring various options – organic or otherwise – towards this end. We have a RM3 billion sukuk programme at our disposal that we can draw down when the right opportunity presents itself. We are also investing to become a halal thought leader, and the HDC Halal Excellence Award that we won in FY2021 indicates that we are already making a mark in this direction.

“ While gearing up for economic recovery, we will remain focused on implementing our mid to longer-term strategic initiatives that will enable us to respond to challenges and opportunities with confidence and conviction ”



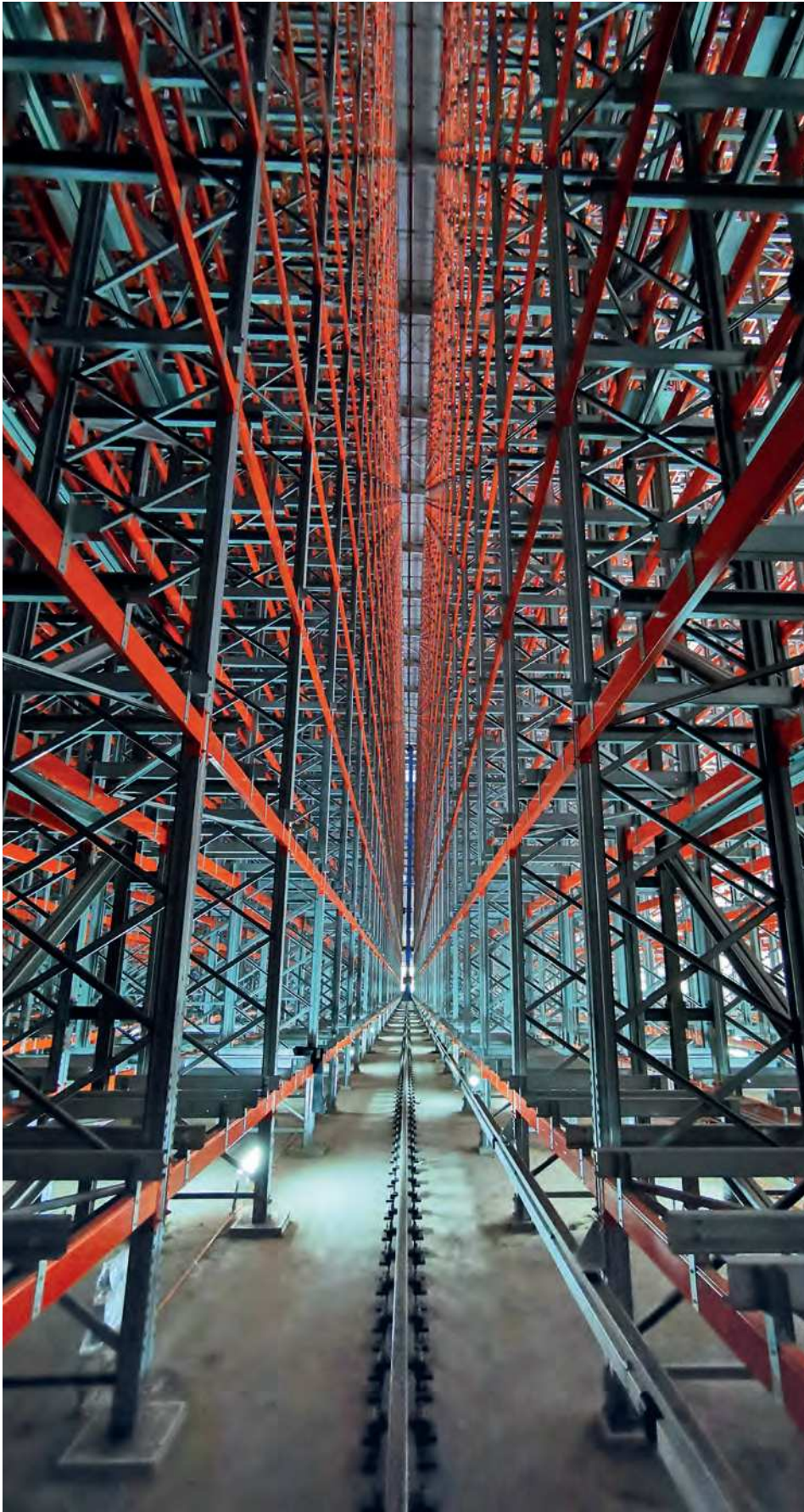
In 2022, the Group targets to achieve further operational and cost efficiencies, and carbon footprint reduction with the completion of several capex investment projects, such as the integrated warehouse in Shah Alam, drinking water line in Kota Kinabalu, Regional Distribution Center in Rojana, and the installation of 10MWp Solar PV systems in Malaysia.

Our new sustainability framework towards Better Business, Better Society and Better Planet, and commitments for 2025, will accelerate our Economic, Social and Environmental progress to build a stronger future for the Group, and create long-term value for our stakeholders.

As Malaysia enters the recovery phase of the pandemic, a key priority is to assist our trade partners to recover as quickly as possible to benefit from the easing of economic activities. At the same time, we continue to keep our people safe with proactive preventive measures and support vulnerable groups within our community as they gradually regain their livelihoods.

While gearing up for economic recovery, we will remain focused on implementing our mid to longer-term strategic initiatives that will enable us to respond to challenges and opportunities with confidence and conviction. We especially look forward to rolling out Reimagine 2.0 initiatives, which build on our PASSION 2025 roadmap, focusing on three domains:

- Building new capabilities to enhance our business through better products and route-to-market, as well as by partnering with stakeholders to grow sustainably;
- Strengthening our leadership in core markets via increased focus on our supply chain, process innovation and digitalisation, as well as portfolio management;
- Unlocking our potential to enhance shareholder value through strategic partnerships, improving the value of our assets, and developing a world-class workforce.



ACKNOWLEDGEMENTS

FY2021 was undoubtedly difficult in many aspects, yet we have emerged in some ways even stronger than before thanks to the contributions of all our stakeholders. As always, I would like to thank our customers and consumers for continuing to choose F&N as their preferred choice. I would also like to express my appreciation to our business partners for their cooperation and collaboration, and our shareholders for their faith in our ability to deliver.

On behalf of the management, I would like to express my gratitude to our Chairman and Directors for guiding us through a period of great turmoil and providing a sense of stability with their steady counsel. Most of all, *Terima Kasih*, Thank You and Khob Khun Krab to all our employees for their hard work and commitment, which have been invaluable, not just in FY2021 but throughout the years. Let us continue to Reimagine our company growing from strength to strength, and realise this vision with Passion. Together, we can achieve a better tomorrow for everyone.

Lim Yew Hoe
Chief Executive Officer

Supporting COVID-19 Recovery

Since the COVID-19 outbreak a year and a half ago, the world still grapples with the pandemic's damaging effects on people and businesses. F&NHB remains cautious of local and global uncertainties as the COVID-19 pandemic situation has yet to stabilise. Despite this uncertainty, we remain committed to pursuing sustainable and inclusive growth with our people, business partners and the community.



040

Our ability to weather the challenges and navigate safely through the uncertainty is the result of initiatives to ensure resiliency of our business and stakeholders. Safeguarding the health and wellbeing of our people remains pivotal, while ensuring continued availability and accessibility of our products in the market. F&NHB will continue to closely monitor the situation and local regulatory guidelines in our key markets to ensure timely and appropriate mitigation measures.

Looking forward, we are confident that our long-term strategies are well placed to manage the risk of the current landscape, while keeping us on track for a stronger future.



COVID-19 RESPONSE & LEARNINGS

To manage the changing external landscape, F&NHB aims to adapt our business through the key highlights outlined below.

Business Continuity to Deliver Shareholder Value

During 2021, F&NHB had strived to maintain a resilient economic performance in the face of external shocks. We worked to maximise output despite a reduced workforce and production hours during the lockdown period.

Stakeholder engagement was critical for F&NHB to address key challenges and ensure business continuity. For example, F&NHB maintained ongoing dialogues with regulators, suppliers, and trade partners to ensure operations across our supply chain and its workforce was compliant with regulations which avoided unnecessary delays and disruptions.

Supporting Vulnerable Groups & Frontline Workers

F&NHB has extended support towards the nation's frontline workers and vulnerable communities' since the beginning of the pandemic.

To date, over 2 million products have been distributed directly or through charitable organisations and community groups to beneficiaries nationwide. F&N products, including 100PLUS, the nation's number one isotonic drink, have been distributed to both frontline workers and vaccine recipients. We thank and commend the frontline heroes who have been working around the clock to serve their nations and those most affected by the pandemic most affected by the pandemic. We will continue to provide support for as long as it's needed.

Our Transition to the Future of Work

We will continue to support our employees as they adjust to working remotely. F&NHB has increased our adoption of digital tools and technologies to replace physical meetings and reduce business travel. Through our internal mobile application, our employees are kept up to date on internal company news and relevant COVID-19 advisory guidelines. The platform also allows our employees quick access to relevant resources.

F&NHB encourages our employees to reskill and upskill with our mandatory e-training and development courses, enhancing their remote work capabilities.

Partnering with Suppliers to Ensure Supply Chain Resilience & Avoid Interruption

Through our supplier partnerships, F&N was able to fortify our supply chain to build resiliency and ensure minimal disruption. The regular engagements F&N had with our suppliers helped ensure healthy inventory levels to outlast the unforeseen circumstances caused by COVID-19.

During the MCO in Malaysia, we worked with raw and packaging material suppliers to ensure maximum output while having to operate under reduced production hours and workforce as stipulated by the authorities.

Protecting the Health & Wellbeing of Our People

We continue to enhance our safety measures, including regular COVID-19 testing at our plants to alleviate infection risks and ensure minimal impact to operations. Maintaining the highest levels of hygiene with regular cleaning and sanitising is still a top priority at all our premises.

Despite limitations and difficulties due to COVID-19, F&NHB has not compromised our on-going safety training. In 2021, we continued to conduct annual health and safety training sessions virtually on work hazards and provide credible information on COVID-related risks.

It is vital to protect our employees at all work levels. As a primary food and beverage (F&B) producer, we have been working closely with various government agencies to expedite the vaccination process for our people and supply chain community. As of September 2021, 98% of F&NHB's employees in Malaysia and Thailand have received at least one dose of the vaccine and 92% are fully vaccinated. F&NHB also extended the employee vaccination programme to our contractors, suppliers and associated companies.

Reinforcing our Commitment to Healthy Products & Lifestyles

We continued to introduce more healthier products, responding to consumer demands, even during the challenging times of COVID-19.

F&N implemented wider activities to encourage a healthy lifestyle during lockdown such as sharing healthy cooking tips and recipes using social media platforms, and conducted virtual fitness challenges and live workout sessions with sports enthusiasts for consumers to participate in. Through the 100PLUS #HidratkanDiriSihatkanBadan campaign, the Group raised public awareness on the importance of maintaining optimal hydration levels during the vaccination period.

Value Creation Business Model

KEY RISK CATEGORIES

Financial/Economic

Strategic

INPUTS Resources We Use

HUMAN CAPITAL*

- 2,496 employees
- 31% of employees are female
- 45% of female representation in managerial positions

* Including Sri Nona's workforce

FINANCIAL CAPITAL

- RM816.8 million in share capital
- RM2,819.0 million in shareholder's equity

INTELLECTUAL CAPITAL

- Equity from 22 well-loved brands
- New product formulations and recipes
- Innovative process and technology
- Strategic partnerships
ThaiBev, Fraser and Neave, Limited, Nestle, Sunkist

MANUFACTURED CAPITAL

- 9 production plants
- 33 offices in Malaysia, Thailand, Brunei and UAE
- RM3.63 billion worth of assets

SOCIAL & RELATIONSHIP CAPITAL

- Engaged with > 2,700 local and global suppliers across our supply chain
- > 227,000 outlets in Malaysia, Thailand, Laos & Cambodia
- 40,000 hawkers in Thailand, Laos & Cambodia

NATURAL CAPITAL

- > 1.0 billion MJ energy consumed
- > 5.0 million MJ solar energy generated
- > 2.5 million m³ withdrawn
- Sourced raw materials that are sustainable

OUR BUSINESS How We Create Value



HOW WE CONDUCT BUSINESS

VISION

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

MISSION

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust.

GLOBAL VALUES

Collaboration

Creating Values

Caring for Stakeholders

Supported by Strong Governance & Effective Board Leadership

CORE AREAS OF SUSTAINABILITY

- Responsible Business Practice
- Responsible Supply Chain
- Empower Our People
- Value Chain Impacts
- Responsible Product Stewardship
- Create Value for Society
- Operational Eco-efficiency

3 STRATEGIC DOMAINS

BUILD

Create new capabilities and business opportunities

UNLOCK

Unleash potentials of the Group to create maximum value

STRENGTHEN

Strengthening the core businesses for market leadership positions

OPERATING ENVIRONMENT

- Value Chain Impacts
- Eating in and Grabbing Out
- Always Online
- Holistic Well-being
- Growth in Halal Market

COMPETITIVE ADVANTAGE

- Better Products
- Greater Efficiency
- Strong Relationships with Key Stakeholders



Read more in our Annual Report and Sustainability Report 2021.

Understanding societal needs and stakeholder expectations
 Communicating through stakeholder engagement
Creating Shared Value

Governance & Ethics

Reputational

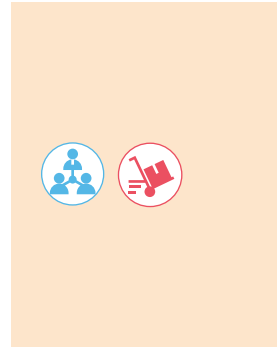
Operational

OUTPUT
Value Created

CREATING VALUES FOR OUR STAKEHOLDERS

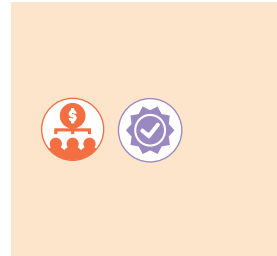
HUMAN CAPITAL

- Paid RM289.7 million in total employee remuneration & benefits
- Employed 236 new employees
- Provided training and development to employees
 - Executives : 28.8 average hours
 - Non-executives : 10.9 average hours
- Awarded RM218,100 to 73 children of employees under F&N Chairman's Award
- Recorded 0 employee work-related lost time injury, fatality and ill health



FINANCIAL CAPITAL

- Revenue : RM4,130.9 million
- Profit before Tax : RM479.4 million
- Profit for the Year : RM395.1 million
- Dividend per Share : 60.0 sen
- Total Dividend Payout : RM220.1 million
- Tax Contributed : RM84.3 million



INTELLECTUAL CAPITAL

- Introduced various innovative solutions for our customers in 85 countries nationwide
- Launched 13 new products
- 69 products endorsed with Healthier Choice Logo



MANUFACTURED CAPITAL

- Capital investment of RM800 million over past five years
 - Renewable energy programme
 - Integrated warehouse & regional distribution centre



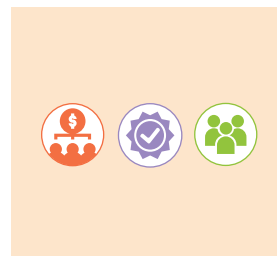
SOCIAL & RELATIONSHIP CAPITAL

- Social investment of > RM2.5 million
- > 2 million products distributed to support community & frontliners during COVID-19 pandemic
- Distributed > 1 million products to vaccine recipients at major vaccination centres



NATURAL CAPITAL

- Energy Intensity (MJ/MT) : 911.00
- GHG Emissions Intensity (MTCO_{2e}/MT) : 0.0683
- Water Intensity (MJ/MT) : 2.29
- Solid Waste Recycling Rate : > 90%
- % of Recyclable Packaging : 97%
- % of Recycled Content in Packaging : 22%



Understanding societal needs and stakeholder expectations
— Communicating through stakeholder engagement

Creating Shared Value



Management Discussion & Analysis

A. Strategic Review

- Market Review
- Stakeholder Engagement
- Material Matters
- Key Risks and Mitigation
- Strategic Performance Review
- Key Performance Indicators
- Strengthening our Halal Ecosystem

B. Business Review

- Food & Beverages Thailand
- Food & Beverages Malaysia

C. Financial Review

- Five-Year Group Financial Summary
 - Five-Year Group Financial Highlights
 - Simplified Group Statements of Financial Position
 - Group Segmental Analysis
 - Statement of Value Added
 - Group Quarterly Financial Performance
 - Financial Calendar
 - Investor Relations
 - Share Price Movements
-

Market Review

FY2021 has been significantly more challenging than FY2020 for our Malaysian, Thai and Export operations for three main reasons: Covid-19, the increase in price of commodities, as well as that of freight charges.

In both Malaysia and Thailand, after a period during which Covid-19 cases seemed to be coming under control, the numbers started increasing again from the beginning of 2021 and then again from the middle of the year. Each wave of the pandemic led to supply chain disruptions, reduced production, and softened consumer demand, the overall effect being to dampen the economy.

Although gross development product (GDP) for Malaysia and Thailand improved in 2021 compared to 2020 – with predicted growth coming in at between three per cent and four per cent in Malaysia, and one per cent in Thailand¹ – this is from a very low base in 2020, when GDP shrunk 5.6 per cent and 6.1 per cent in both countries, respectively. Overall, the economies of Malaysia and Thailand have yet to reach pre-pandemic levels.

The price of commodities, meanwhile, increased for several reasons, including reduced output. Reduced stockpiles of crude palm oil in the world's two largest producers – Indonesia and Malaysia – led to a price rally starting in 2020, which hit a high of RM4,572 per tonne in May 2021². The price of raw sugar increased more than 60 per cent as of September 2021 from end of 2020. This can be distilled to reduced production in Brazil, the world's largest exporter of sugar, which was hit by both severe drought and frost.³ Meanwhile, as China's economy recovers, the country has been increasing its imports of milk, pushing up the price of the commodity in the international market.

As for shipping, limited capacity has been pushing up the cost of freight since the last quarter of 2020, the increase further accelerating from the beginning of 2021.⁴

1 According to the World Bank, <https://www.reuters.com/world/asia-pacific/world-bank-cuts-thai-gdp-growth-outlook-1-this-year-2021-09-28/>
 2 According to the CPOC, https://www.cpopc.org/wp-content/uploads/2021/07/2021_PALM-OIL-SUPPLY-AND-DEMAND-OUTLOOK-REPORT-WITH-REFINITIV-1.pdf
 3 <https://www.wsj.com/articles/sugar-prices-soar-after-brazilian-cold-snap-11630659234>
 4 According to THINK Economic and Financial Analysis, <https://think.ing.com/articles/the-rise-and-rise-of-global-shipping-costs>

Key Trends



VALUE CHAIN IMPACTS

Consumers' expectations of companies have evolved significantly over the years. Whilst, initially, consumers were focused on products and the lifestyles they stood for; today, they are more swayed by how the products were made, and the values of the producing companies. Consumers today actively seek brands that play their part in making the world cleaner, healthier, more resilient and equitable. One of the discernible outcomes of the global pandemic has been a greater sense of solidarity with others – people are not only concerned about their own well-being, but they also want to know the society and the planet are being cared for.



EATING IN & GRABBING OUT

Although social restrictions are relaxing globally, many are still wary of going out, especially to crowded places, including restaurants. People are cooking and eating more at home. This has seen increased spending on groceries and food for home consumption. For everyday needs, people seek convenience in food preparation, while for those special meals, they are prepared to splurge on more expensive ingredients. At the same time, as people start returning to work, demand for convenient foods and beverages that can be consumed on-the-go will increase.

Our Response

- We source for raw materials that are certified with eco-credentials, including Roundtable for Sustainable Palm Oil (RSPO), VIVE, BONSUCRO and Forest Stewardship Council (FSC) to ensure that they are produced in an environmentally and socially responsible manner.
- We have increased the use of recycled material in our packaging to 22% and aim for all our beverage and dairy packaging material to be 100% recyclable. To further promote recycling and post-consumption waste management, we are a pioneering member of the Malaysian Recycling Alliance, an industry coalition taking the lead in Extended Producer Responsibility (EPR) in Malaysia.
- This year, we have conducted a human rights risk assessment to uphold the human rights of all stakeholder groups across our value chain.
- Sri Nona Companies which dominate the ready-to-cook ketupat market, and is No. 2 in the oyster sauce segment, provide us with a strong base to supply halal packaged food for home consumption and meet the rising demand for convenience and ready-to-eat food products. We are looking into expanding our product range and production capacity to support this segment.
- In line with the fact that people are cooking more, we focused our marketing efforts on in-home consumption, and especially our dairy products as these have multiple applications in food preparation.
- For consumption on-the-go, we introduced TEAPOT 25g duo sachets; and mini packs of F&N Magnolia lactose-free milk.



ALWAYS ONLINE

One of the most discernible changes brought about by Covid-19 has been a surge in online shopping. Although this is a global phenomenon, market observers have identified Asia-Pacific as the region that will see the greatest growth in online purchases. According to Forrester, e-commerce in the region will grow from USD1.5 trillion in 2019 to USD2.5 trillion in 2024, at a compound annual growth rate (CAGR) of 11.3 per cent. Of particular note, the fastest growing purchasing category will be groceries, which is expected to see a CAGR of 30 per cent.⁵ Other than shopping, people are also looking at online platforms for information, entertainment and to connect with others who are like-minded.

⁵ <https://www.forrester.com/press-newsroom/online-retail-will-reach-us2-5-trillion-in-asia-pacific-by-2024/>



HOLISTIC WELL-BEING

In recent years, there has been mounting evidence that the food and drinks we consume have an effect not only on our physical health but also our mental and emotional well-being. With the pandemic, and an increase in psychological stress, demand for food that is calming while being nutritious has been on the rise. At the same time, for ethical and health reasons, more people are converting to a plant-based diet. While they seek products that will enhance their well-being, consumers are also wary of false promises and seek science-based evidence to support claims made by F&B brands.



GROWTH IN HALAL MARKET

The halal market has been growing steadily over the last few years, with the food and beverage segment widely acknowledged as being one of the fastest-growing consumer markets globally. According to Research and Markets, from 2015 to 2020, global halal F&B grew by USD412.33 billion, and that it will continue to expand at a CAGR of seven per cent up to the year 2026.⁶ The research organisation further notes that, as Asia Pacific has the highest Muslim population in the world, this region contributes to almost 90 per cent of the total halal market share.

⁶ <https://www.prnewswire.com/news-releases/global-halal-food--beverage-market-report-2021-market-grew-by-over-400-billion-during-2015-2020---market-analysis--forecasts-2015-2026-301348307.html>

- We continue to expand our offerings and explore different order fulfilment options in our flagship online store, F&N Life in Malaysia, and *nom aroi* in Thailand. This financial year, we have added an e-order platform for customers, making it easier for them to replenish their stocks.
- We have leveraged digital tools and social media to enhance our consumer/customer engagement. For example, in Malaysia, we partnered with eWallet platforms like Touch 'n Go and Boost to offer value-add promotions and presented 100PLUS-sponsored virtual workouts to help our consumers stay active during the MCO.
- In Thailand, we continue to build hawkers' loyalty using our LINE app, which has attracted close to 200,000 members. Meanwhile, our internal 'Fraserian Connect' app has become the key communication platform with our employees.

- Focus on reducing the sugar content of all our beverages since FY2004 has resulted in a 61 per cent reduction in our sugar index from then up to FY2021. This year, we increased the portfolio of products that carry the Healthier Choice (HC) logo in Malaysia and Thailand to 69.
- We further affirmed our commitment to promoting healthy lives and lifestyles with F&N Group's Nutrition Guidelines, based on the World Health Organisation's recommendations. With that, we commit to having all our products free from trans-fatty acids, and >70% of our products should contain less than 5% added sugar.
- We also cater to consumer preferences that have become more diverse through alternative options such as F&N Magnolia Lactose-free Milk and 100PLUS Zero.

- This financial year, we expanded into halal packaged foods with the acquisition of Sri Nona Companies. We are keen to grow this new business pillar further both organically and with further investments.
- All our products are halal-certified. Our strict Halal standards and robust assurance system have enabled Shah Alam and Pulau Indah plant to be awarded the Whitelist status by JAKIM, in which Halal applications and approval are fast-tracked.
- Efforts to promote halal F&B led to F&NHB winning the Halal Food and Beverage Excellence Award at the World Halal Conference 2020 organised by HDC, while FNDDT was named Thailand Best Halal Company of the Year 2020 by the Central Islamic Council of Thailand. F&NHB is also one of the 54 constituents in the newly introduced FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index.

Stakeholder Engagement

STAKEHOLDER ENGAGEMENT & VALUE CREATION

We engage with our stakeholders in various ways, through which they can voice their opinions and take part in conversations. Stakeholder engagement is a critical part of our planning and strategy for sustainable value creation.



People Who Matters Most










STAKEHOLDER ENGAGEMENT

F&N’s stakeholders include any individual or group who is impacted by or interested in our activities. We strive to build and maintain strong relationships, based on trust and respect, with all stakeholders. We engage with our stakeholders in various ways, through which they can voice their opinions and take part in conversations. Stakeholder engagement is a critical part of our planning and strategy for sustainable value creation.

We identify stakeholder groups with which to engage through consideration of individuals or groups which may have an interest in our business, and/ or have influence over the functioning of our business. We tailor our engagement approach depending on the stakeholder groups level of interest and influence. A summary of our engagement approach for different stakeholder groups is below.

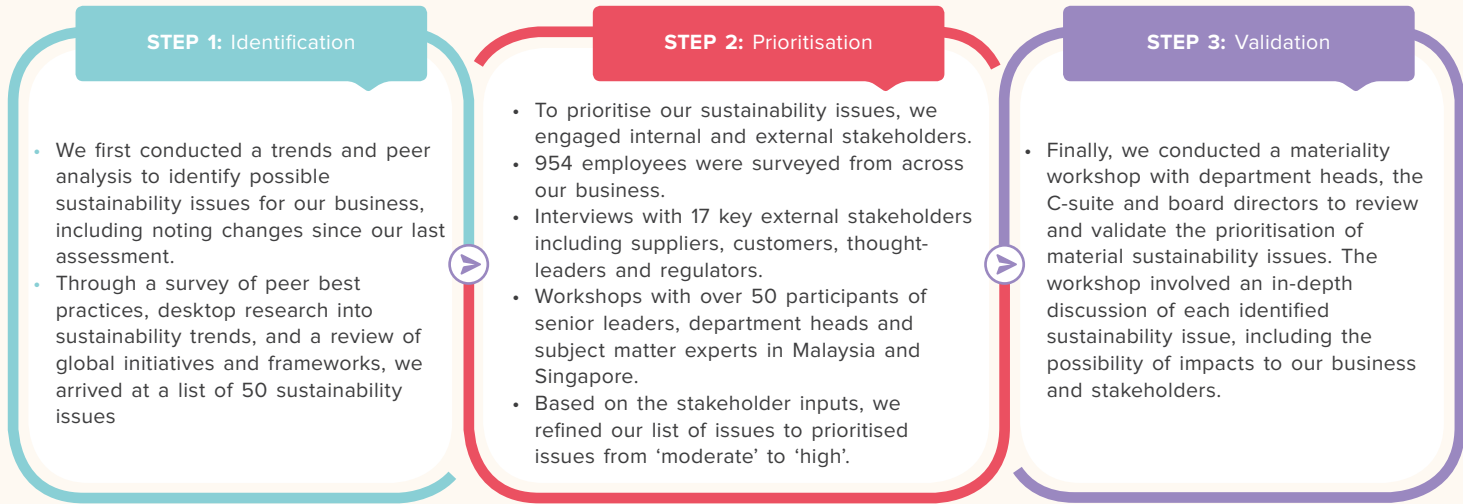
F&N ENGAGEMENTS WITH STAKEHOLDERS

	Engagement Channels and Frequency of Engagements	Key Concerns	How F&N Creates Value for this Stakeholder
Shareholders & Investors 	<ul style="list-style-type: none"> • Annual General Meetings (AGMs) • Regular face-to-face meetings & conference calls • Office/plant visits, as and when required • Investor days/briefing 	<ul style="list-style-type: none"> • Transparent & accurate disclosure • Return on investment • Sustainable financial & operational performance 	<ul style="list-style-type: none"> • Managing our resources effectively to maximise profits • Maintaining a strong balance sheet <p>Relevant chapters: Governance & Ethics, Economic Performance</p>
Employees 	<ul style="list-style-type: none"> • Biennial employee engagement survey • Annual CEO town hall/roadshow • Annual dinner • Festive gatherings • Sports tournaments • F&N Chairman’s Award • iConnect (intranet), F&N BITES (news update), monthly email news highlights, digital TV, Fraserians Connect (mobile app) • F&N Voice WhatsApp channel • Dialogues with unions 	<ul style="list-style-type: none"> • Compensation & benefits • Competency development • Senior leadership • Learning & development • Rewards & recognition • Safety at work • COVID-19 related safety precautions and employee wellness 	<ul style="list-style-type: none"> • Career advancement and ability to reach individual potential • Boosting earning potential of employees with training and development • Strict hygiene practices and sanitary environment in the workplace <p>Relevant chapters: Human Capital Development, Employee Safety, Health & Well-being, Human Rights</p>
Distributors & Trade Customers 	<ul style="list-style-type: none"> • Annual customer meetings • Annual factory visits • Annual business planning • Regular business development activities • Joint supply chain meetings • Quarterly business reviews • Customer appreciation events 	<ul style="list-style-type: none"> • Latest consumer & shopper trends • Product innovation • Customer relationship management • Shopper loyalty programmes • Improving customer service level • Business practices & ethics • Efficient delivery systems • COVID-19 related payment challenges 	<ul style="list-style-type: none"> • Partnering with retailers on shared opportunities • Source of income and job creation at our distributors • Supporting the livelihood of SMEs in Thailand, Laos and Cambodia • Case-to-case flexible payment method <p>Relevant chapters: Innovation, Nutrition, Product Quality & Safety, Product & Service Labelling</p>
Consumers 	<ul style="list-style-type: none"> • Marketing & sales promotions • Brand communication through advertising • On-going social media interactions • On-ground events & activities • Dedicated consumer hotline 	<ul style="list-style-type: none"> • Product quality & safety • Consumer health & safety • Fair & reasonable product pricing • Social & community engagement • Environmentally-friendly packaging 	<ul style="list-style-type: none"> • Launching innovative products • Fulfilling consumers’ demand for safe and quality products • Providing accessible products through an extensive distribution network coverage <p>Relevant chapters: Innovation, Nutrition, Product Quality & Safety, Product & Service Labelling</p>

	Engagement Channels and Frequency of Engagements	Key Concerns	How F&N Creates Value for this Stakeholder
Communities 	<ul style="list-style-type: none"> • Collaborations & partnerships • Meetings • Outreach programmes • Meetings/dialogues with community representatives • Leadership programmes • Sponsorships for more than 10 communities 	<ul style="list-style-type: none"> • Social & environmental responsibility • Job opportunities for locals • Promotion of good health & quality of life • Skill development in sports & leadership • Stimulating local economies 	<ul style="list-style-type: none"> • Social investment in community projects • Nurturing local sports champion • Advocating active lifestyles via sports events and activities • Supporting beneficiaries from vulnerable communities • Supporting frontliners, vaccine recipients and community during the COVID-19 pandemic <p>Relevant chapters: Community Development & Inclusive Growth, Human Rights</p>
Regulators 	<ul style="list-style-type: none"> • Active collaborations, e.g. Federation of Malaysian Manufacturers • Meetings with government agencies and statutory bodies • Collaboration & partnerships with local councils 	<ul style="list-style-type: none"> • Good governance • Fair labour practices • Safety at work • Compliance with laws & regulations • Water & waste management • Environmentally friendly labelling & packaging • Greenhouse gas emissions (GHG) • Recycling awareness • COVID-19 standard operating procedures 	<ul style="list-style-type: none"> • Compliance with regulation to mitigate against systemic risks • Adhering to sustainable practices to protect our stakeholders • Active industry collaboration and knowledge exchange • Adhering to COVID-19 guidelines and social distancing measures <p>Relevant chapters: Policy & Regulation</p>
Suppliers 	<ul style="list-style-type: none"> • Supplier meetings • Annual audits • Tender Management System • Annual supplier assessment review and audit 	<ul style="list-style-type: none"> • Fair & robust procurement system • Support of local businesses • Social & environmental responsibility • Ethics – anti-bribery & corruption 	<ul style="list-style-type: none"> • Working with local suppliers • Partnering with suppliers on shared opportunities <p>Relevant chapters: Supply Chain Stewardship, Biodiversity</p>

Material Matters

During 2020, F&N Group conducted a robust materiality assessment and stakeholder engagement to evaluate our most important sustainability issues. This assessment was based on three steps: Identification, Prioritisation and Validation.



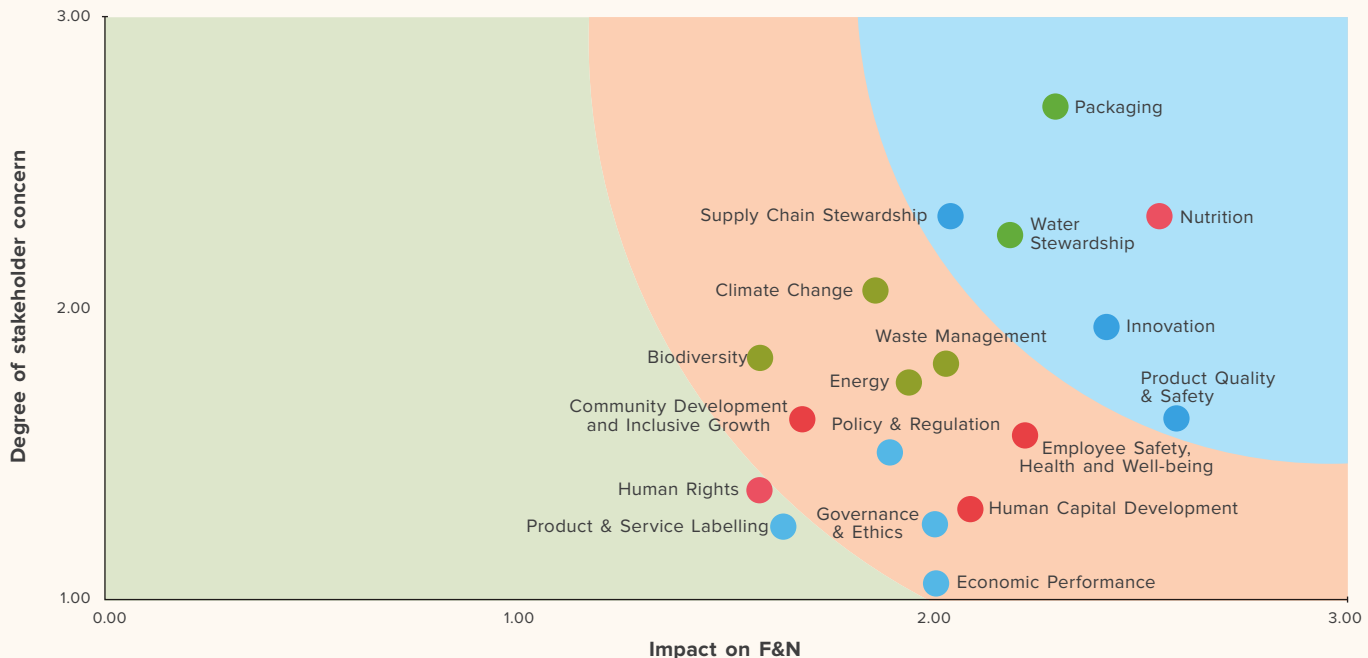
These are the key changes we made this year compared to our previous report:

- Separation of 'Consumer Health & Safety' into 'Nutrition' and 'Product Health & Safety'
- Merged two issues – 'Creating Value for Society' and 'Market Presence' into 'Community Development & Inclusive Growth'
- Addition of four new issues: Human Rights, Supply Chain Stewardship, Governance & Ethics, Policy & Regulation

We identified 18 material issues for F&N. Our most significant material issues 'Packaging' and 'Nutrition' continue to be priority issues for customers and consumers – reflecting two areas where our business can make significant impacts. Material issues that are closely interconnected are our highest priority material issues. For example, innovation and supply chain stewardship underpin our progress relating to nutrition, packaging and water stewardship.

We will continue to review our material issues annually.

F&N MATERIALITY MATRIX



MATERIAL ISSUES & IMPORTANCE



Better Business

Material Issues of F&N

Opportunities for F&N if issue is addressed

Potential Risks for F&N if issue is not addressed

Material Issues of F&N	Opportunities for F&N if issue is addressed	Potential Risks for F&N if issue is not addressed
 <p>Governance & Ethics Business policies and practices to ensure ethical, transparent and responsible governance.</p>	<ul style="list-style-type: none"> Upholding F&N’s reputation as a responsible business maintains trust amongst all stakeholders 	<ul style="list-style-type: none"> A reputational risk is failing to put in place transparent and sound governance
 <p>Policy & Regulation Regulatory compliance across our operations and engaging with policy-makers in a responsible and transparent manner.</p>	<ul style="list-style-type: none"> Engaging with regulators allows F&N to prepare for emerging legislation and ensure compliance 	<ul style="list-style-type: none"> Risk of lack of preparation to comply with emerging regulations Reputational risk is failing to put in place transparent and sound policies
 <p>Economic Performance Financial performance to deliver shareholder value and secure long-term viability of the company.</p>	<ul style="list-style-type: none"> Sustainable financial performance creates long-term value for all stakeholders 	<ul style="list-style-type: none"> Hinder F&N’s business continuity
 <p>Product Quality & Safety Delivering products to consumers which meet the highest quality and safety standards.</p>	<ul style="list-style-type: none"> Deliver F&N’s brand promise to consumers through product excellence Retain and increase market share through product range expansion and portfolio diversity 	<ul style="list-style-type: none"> Reputational risk and customer claims arising from a break in the supply chain or compromised packaging outside the factory Regulatory changes that may affect product recipe and/or packaging
 <p>Product & Service Labelling Labelling our products and services in a responsible and transparent way for consumers.</p>	<ul style="list-style-type: none"> Meet regulatory requirements Meet consumer expectations relating to product and ingredient communication 	<ul style="list-style-type: none"> Failure to meet stakeholder expectations on transparency of product information
 <p>Innovation Building competitive advantage through innovative products and solutions to meet consumer and societal needs.</p>	<ul style="list-style-type: none"> Meet customer and consumer demands and stay relevant Adoption of emerging and disruptive technologies increases competitive edge 	<ul style="list-style-type: none"> High investment cost in R&D and equipment with uncertain commercial returns Balancing between risk of non-acceptance by consumers and risk of being overtaken by competitors
 <p>Supply Chain Stewardship Procurement policies, contractor management and supplier relationships which address material issues across the value chain.</p>	<ul style="list-style-type: none"> Elevate vendors’ productivity and performance in sustainability practices and compliance with food safety standards. Cost savings with stronger collaboration Establish robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and malpractice 	<ul style="list-style-type: none"> Many ESG risks are present in F&N’s supply chain (e.g. human rights, product quality); unethical practice leads to regulatory violations, monetary fines and reputational risk Disruption to operations Price fluctuation as a result of global economic performance and foreign exchange exposure



Better Society

Material Issues of F&N

Opportunities for F&N if issue is addressed

Potential Risks for F&N if issue is not addressed



Nutrition

Helping consumers' lead healthy lives by developing nutritious and accessible products.

- Innovation opportunity to meet customer and consumer demands
- Transforming product portfolio towards healthier options that contribute to consumers' well-being

- Regulatory risks (e.g. sugar tax) from the markets we operate in; focusing on Nutrition helps mitigate this



Community Development & Inclusive Growth

Supporting economic development and creating positive social impact for communities connected to our business activities.

- Investing in communities supports national social and economic development and ensures F&N grows alongside society
- Working with communities strengthens our relationships, our credibility and presence

- Lack of community programmes and initiatives impacts our reputation as a corporate citizen and affects employee morale
- Failure to balance social, economic and environmental needs will bring financial implications



Human Rights

Upholding strong human rights practices in our operations and supply chain.

- Proactively identify and address human rights risks in F&N's operations and supply chain ensures a safe workforce
- Reduce inequalities (e.g. gender inequality)
- Improve productivity and resource efficiency

- Human rights violations in operations and supply chain lead to regulatory risks, monetary fines and reputational risk
- Disruption to operations
- Demotivated and unproductive workforce



Human Capital Development

Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.

- Skilled and diverse employees allow F&N to deliver our business strategy and remain competitive
- Effective training and upskilling programmes contribute to a high-performance culture
- Provide job opportunities for the local community where we operate

- Challenge to attract and retain talent
- Adapting to the rapid skill set requirement changes of the evolving market



Employee Safety, Health & Well-being







Improving and maintaining the health, safety and well-being of our employees.

- A healthy and safe workforce increases productivity of F&N's operations
- Improvements in talent acquisition and retention
- Positive employer branding

- Injuries, occupational diseases, lost days and fatalities may result in productivity loss, business continuity and the company's license to operate
- Financial and reputational risks

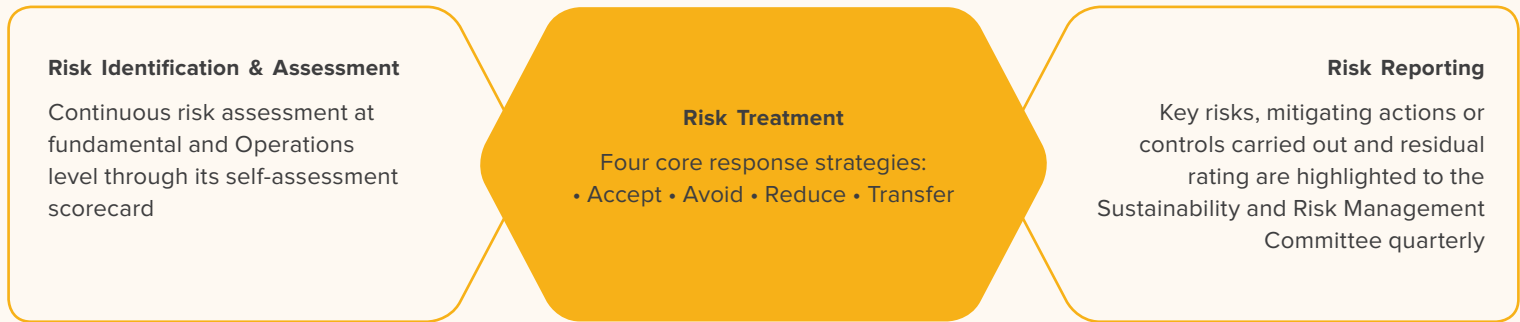


Better Planet

Material Issues of F&N	Opportunities for F&N if issue is addressed	Potential Risks for F&N if issue is not addressed
 <p>Energy Minimising GHG emissions and energy use in our operations, in line with global climate goals.</p>	<ul style="list-style-type: none"> Reducing energy use and emissions allows F&N to reduce costs Pre-empt future regulation (e.g. carbon tax) Align with targets of governments and customers 	<ul style="list-style-type: none"> Public pressure resulting in reputational risks Rise in operational costs with stricter regulations and energy sourcing changes
 <p>Climate Change Adapting our business model to ensure resiliency to climate-related risks.</p>	<ul style="list-style-type: none"> Meet growing expectations of investors and regulators to assess climate-related risks and opportunities, e.g. supply chain disruption, market shifts or extreme weather events 	<ul style="list-style-type: none"> Extreme weather events due to climate change expose our assets and operations to costly damages Failure to meet stakeholders' expectations in managing climate change pose reputational risks
 <p>Water Stewardship Protecting and preserving shared water resources.</p>	<ul style="list-style-type: none"> Efficient water management presents cost saving opportunities for the F&N Enhance water security for suppliers, increasing supply chain resilience 	<ul style="list-style-type: none"> Water insecurity will have a direct impact on the F&N operations and business as water is a key material resource Regulatory risks around water as an important national resource
 <p>Waste Management Minimising waste and safely disposing of hazardous materials.</p>	<ul style="list-style-type: none"> Reducing and reusing waste supports operational efficiency, which leads to cost savings Inculcate sustainable practices and values in employees and communities through the 3Rs: Reduce, Reuse and Recycle 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in managing our waste impact pose reputational risks
 <p>Packaging Developing sustainable packaging solutions to reduce the impact of packaging on the environment.</p>	<ul style="list-style-type: none"> Meeting customer and consumer demands for sustainably packaged products uplifts reputation Improve packaging resource efficiency Reduce reliance on virgin materials, and saving costs 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in managing the packaging pose reputational risks Risk of competitors taking the lead and capturing market shares
 <p>Biodiversity Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.</p>	<ul style="list-style-type: none"> Mitigate reputational risks of negative environmental practices, particularly in our supply chain The move away from exploitative processes creates a sustainable business operation 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in protecting the natural environment and biodiversity

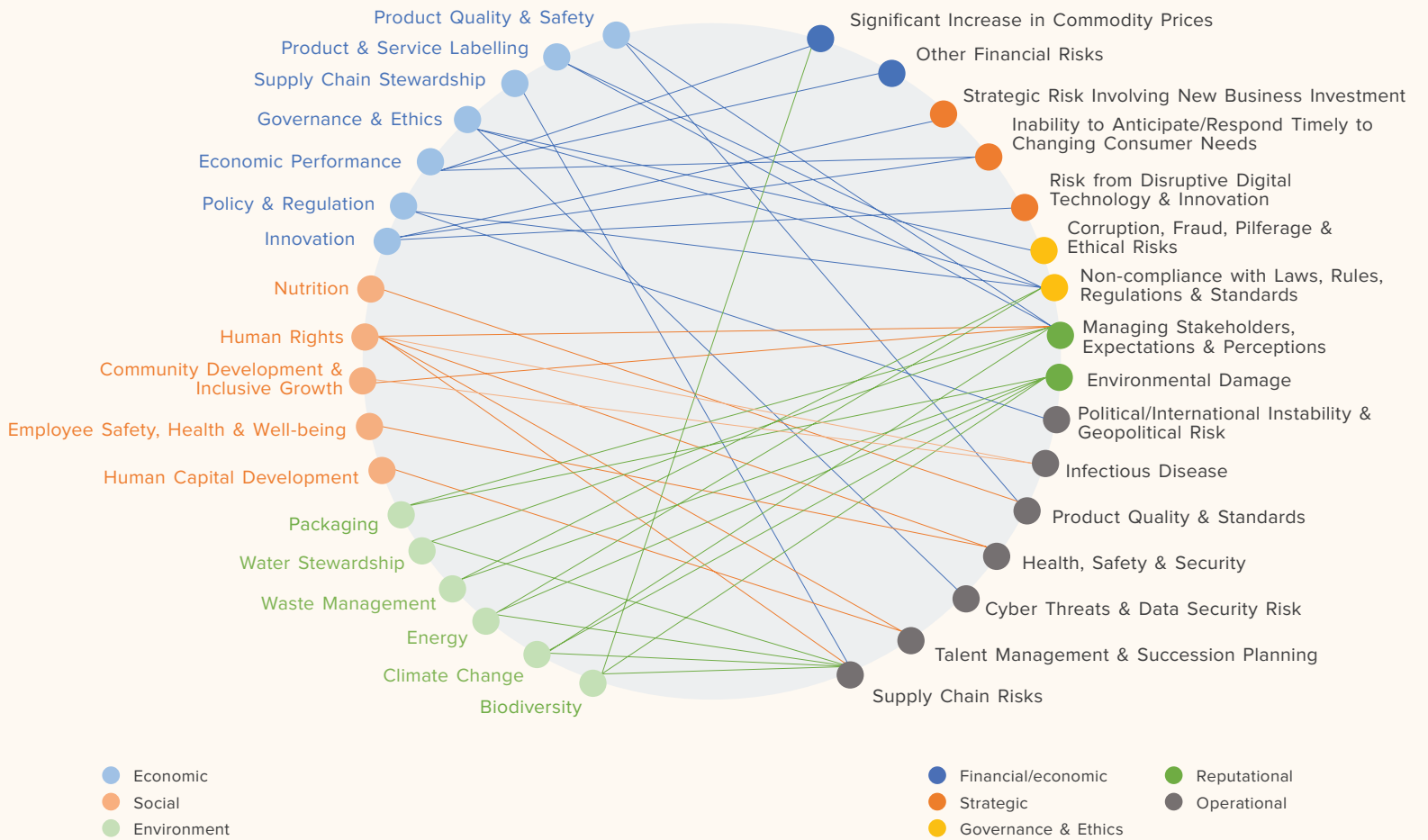
Key Risks and Mitigation

SNAPSHOT OF THE ENTERPRISE RISK MANAGEMENT PROCESS FLOW



MATERIAL ISSUES

KEY RISKS



ADDRESSING OUR RISKS & OPPORTUNITIES

1 Significant Increase in Commodity Prices (Emerging Risk)

RISK

Commodities and material prices are influenced by the global & local supply and demand, weather conditions as well as regulatory changes imposed by the government. As such, any significant increase in prices of commodities and materials could materially affect the cost and profitability of our products.

MITIGATION ACTIONS

- Commodities and materials price risk is managed through forward purchase of key commodities, active monitoring of commodities price trends, and vigilant sales forecasting and production planning.
- In addition, we also source from multiple suppliers and origin of commodities/materials as listed in our approved vendors list to enable us to respond ably in the event of shortage in supply and/or increase in price.
- We also hedge our purchases using our enlarged and collective purchasing capability.

Link to material issues:



2 Exposure to Fluctuations in Exchange Rates

RISK

In times of foreign currency market volatility, the Group is exposed to the risk of fluctuations in foreign exchange rates against the local currency due to:

- Importation of materials for production;
- Exports of goods are traded in foreign currency; and
- Overseas operations are valued in foreign currencies.

MITIGATION ACTIONS

- The Group is guided by the Group Treasury Policy which outlines the policy in hedging the identified and committed foreign exchange exposure.
- Typically, at least 60 per cent of our forex requirements are hedged to manage fluctuating prices of commodities as well as forex movements.
- Exports serve as additional natural hedge to cushion the impact of depreciating local currencies.

Link to material issues:



3 Product Quality and Standards

RISK

As a player in the food & beverage industry, the Group is exposed to the risks associated with product quality and standards as product safety and quality are of paramount importance to the Group.

The exposure in product quality and standards may bring serious ramifications in terms of financial impact as well as reputational impact.

MITIGATION ACTIONS

- Quality assurance cycle begins with suppliers' pre-qualification and approval, source or origin of raw materials, manufacturing facilities and procedures, up to the distribution and storage of our products.
- Comprehensive policies and procedures established on processing, packaging and storage, equipment and plant sanitisation as well as employee personal hygiene to prevent contamination.
- Compliance with stringent quality systems in place such as ISO22000, Food Safety System Certification 22000 and HACCP Certification by Ministry of Health.
- Contingency plans on product traceability and product recall/ withdrawal should such circumstances arise.

Link to material issues:




KEY RISKS AND MITIGATION

4 Ability to Anticipate/Respond Timely to Changing Consumer Needs (Emerging Risk)



 **RISK**

Consumers are becoming more informed on nutritional facts of their diet and adoption of active/healthy lifestyles. This risk relates to the Group’s ability to stay competitive and relevant to consumer needs by building competitive advantage through innovation.

Should we fail to address the shift in the consumer trends nimbly and effectively, it may result in financial as well as reputational impact in the longer term.

 **MITIGATION ACTIONS**


- Prioritise Research & Development initiatives on developing new products and further improve our product offerings to meet consumers’ demand for healthier choices such as low-sugar, non-sugar added and mid-calorie beverages, without compromising on taste.
- Continuous improvement on the offerings of healthier choice products in our innovation roadmap with target to offer a healthy option in every product category that we are in.
- Introduce new pack size as part of our portion control commitment.
- Promote sports and active lifestyles through programs that target schools and communities.

Link to material issues:  







5 Supply Chain Risks

 **RISK**

The Group is exposed to risks associated with anticipated or unanticipated disruption to the supply chain and normal operations of the Group which could be due to internal or external factors such as extreme weather events, infectious diseases, etc.

 **MITIGATION ACTIONS**


- Group Business Continuity Management Framework (BCMF) has been established which sets out the policies and procedures in relation to response, recovery and restoration of business in the event of a crisis or disaster.
- Business Continuity Plans (BCP) are in place and being tested in accordance with the BCMF.
- Regular engagement with internal and external stakeholders to ensure resilience in the supply of materials amidst supply chain disruptions.
- Maintain healthy cashflow positions during crisis.
- Ensure compliance with SOPs issued by government.

Link to material issues:      


6 Cyber Threats and Data Security Risks

 **RISK**

Amid the evolving technology-reliant business environment, the Group is exposed to cyber security threats from cyber criminals which may compromise data integrity and even leakage of confidential and sensitive information which is valuable to the Group.

 **MITIGATION ACTIONS**

- The Group has developed Cybersecurity Framework to provide guidance to businesses on managing cyber security risks.
- Regular trainings via e-Learning platform and constant updates related to cyber threats are provided to all employees to maintain awareness level.
- Implementation of Data Leakage Protection solutions to mitigate cyber threats and data security risks.

Link to material issues: 

7 Managing Stakeholders' Expectations and Perceptions

RISK

Managing and balancing stakeholders' expectations/perceptions in relation to environmental, social and governance (ESG) aspects such as human rights, Halal assurance, community development and inclusive growth have always been challenging as ESG topics have rapidly climbing on the ranking of top concerns amongst many leaders, investors, and other stakeholders.

MITIGATION ACTIONS

- Proactive stakeholder engagements including shareholders & investors, customers, suppliers, regulators, communities, and employees.
- Full commitment from our Board of Directors in implementing our strategic initiatives as well as sustainability priorities.
- Policies and procedures are established, supported by dedicated resources to implement the framework, and uphold the various compliance standards, including Halal Governance and Assurance Framework.
- Stringent compliance with various compliance standards along our entire value chain, from sourcing of raw materials to delivery of products.
- Close monitoring of news published in the media and response procedures are in place to address circumstances should it occur.

Link to material issues:



8 Fraud and Corruption Risks

RISK

The Group could be exposed to governance and ethics-related risks such as fraud and corruption practices involving employees and/or external stakeholders which eventually may result in financial losses and reputational repercussions.

MITIGATION ACTIONS

- Top-level commitments from the Board and Senior Management on zero-tolerance towards unethical practices.
- Awareness training programme for employees designed to enhance awareness in protecting the interest of the Group.
- Whistleblowing channel is available for internal employees as well as the public to escalate concerns or report to the Receiving Officer should there be any incident detected.

Link to material issues:



9 Environmental Concerns (Emerging Risk)

RISK

Rising concerns associated with environmental impact such as biodiversity loss, waste and pollution risks, water-related risks, and extreme weather events.

MITIGATION ACTIONS

- At F&N, we recognise the role of business in protecting the environment. The transition to a circular economy offers opportunities to create business value as well as minimise environmental impacts.
- We are guided by our Environmental, Safety and Health Policy, which ensures all major plants in the group are ISO 14001:2015 (environmental management system) certified.
 - We undertake Environmental Impact Assessments prior to any project; we work with local communities to protect and preserve the environment; and
 - We strive for zero waste as well as zero pollution through continuous improvement of our environmental management system.

Link to material issues:



Strategic Performance Review

OUR VISION

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

OUR MISSION

To be **ASEAN's leading owner and provider of quality and innovative products** that consumers choose and trust.

To support our mission, we are guided firmly by our **commitment to create value** for our stakeholders by ensuring that our corporate actions **positively impact socio-economic and environmental factors**.

GLOBAL VALUES

Collaboration, **Creating Values & Caring** for Stakeholders.

PASSION 2025 Strategic Domains



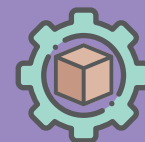
BUILD

Building New Capabilities and Business Opportunities



STRENGTHEN

Strengthening Our Core Businesses for Market Leadership Positions



UNLOCK

Unlocking Potentials of the Group to Create Maximum Value

FY2021 Key Highlights

- Successfully launched 13 new products in different product categories, with five healthier options without compromising taste.
- Launched our fourth business growth pillar in Halal packaged food business via the acquisition of Sri Nona Companies.
- Built new capabilities in supply chain management via fully integrated warehouses (equipped with ASRS) in Malaysia and Thailand.
- Began the installation of our 10MWp rooftop solar photovoltaic (PV) systems which would supply renewable energy in Shah Alam, Pulau Indah and Bentong manufacturing plants.

Priorities for FY2022

- Continuous innovation across all facets of our businesses, from new product development, channels management to value chain activities to better serve the rapidly evolving consumer and stakeholders needs.
- Grow halal packaged food business organically and with further investments to meet the rising demand for convenience and ready-to-eat food segment.
- Continue to explore and form new strategic partnerships/ collaboration with different stakeholders to achieve our sustainability priorities.

- The Group recorded revenue growth in FY2021, with Group Export contributing close to RM900 million amidst COVID-19 disruptions.
- Maintained market share leaderships in Malaysia and Thailand within our core categories.
- Rapid growth in our e-commerce business. Expanded our products and explore different order fulfilment options in our flagship online store, F&N Life in Malaysia, and *nom aroi* in Thailand.
- Our continuous effort in the marketplace, workplace and environment received external validation through numerous awards and recognitions in Malaysia and Thailand.

- Continue to drive market leadership through transformative projects to strengthen our brand portfolio management. Continue to drive Exports in Malaysia and Thailand and build on the positive momentum in halal markets.
- Achieve operational and cost efficiencies across our value chain, including refining pricing, demand planning, procurement, manufacturing, and logistics & distribution, and newly completed capex projects.
- Safeguard the health & well-being of our people and assist our trade partners to get back on track with the easing of economies.

- Unlocked value through a strategic collaboration with our aluminium can supplier that will result in a stable supply and lower cost for the Group.
- Realigned our structure with the business needs and opportunities presented by COVID-19 and digital technology to become a more efficient, agile and focused organisation.
- Streamlined systems and processes that improved productivity, as well as generated cost savings and better business insights.

- Leveraging on sukuk programme to fund the acquisition if suitable opportunity is available.
- Create a smart hybrid workplace that facilitates greater integration and collaboration when our team are housed under one roof in Shah Alam.
- Continue to review our governance efforts and establish strong governance programme to improve operations, empower our employees, strengthen stakeholder engagement and deliver business value.

Key Performance Indicators

HOW WE TRACK OUR PROGRESS

F&N is focused on building a stronger and more sustainable business for the future through continued focus on profitable growth, sustainable cost structure, and organisation excellence.

Here are several financial and operating metrics that help us to measure our effectiveness in creating value for our people and stakeholders while we expand our portfolio and reach.

SUSTAINABLE PRACTICES

Complementing these metrics are 12 F&N Group Sustainability targets to be achieved by 2025 that track our ESG performance in three primary themes of sustainable value creation. These 2025 targets will drive our ambition for Better Business through responsible business fundamentals; a Better Society by caring for the well-being of people and communities; and a Better Planet through circularity & environmental protection initiatives.

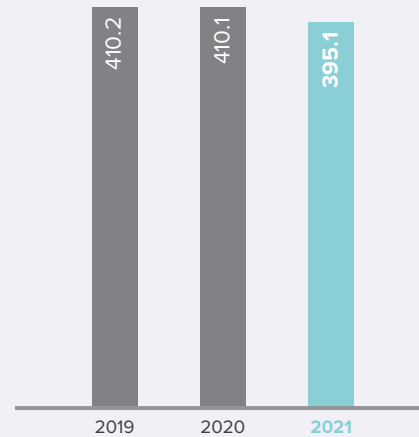


Refer to page 152 for a summary of the targets and progress to date.

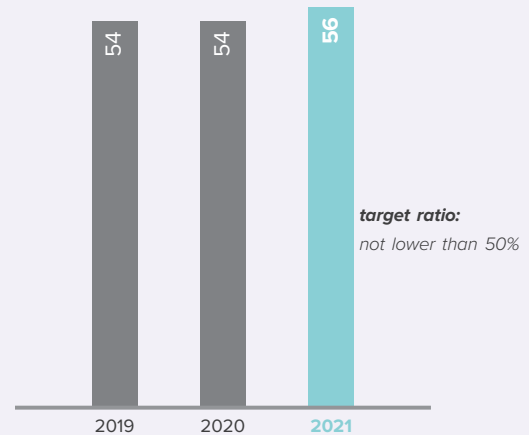
FINANCIAL INDICATORS

Objective: Maximise value creation and provide good returns to shareholder.

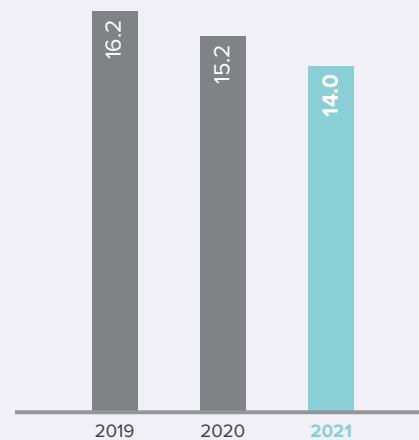
Profit After Tax (RM million)



Dividend Payout Ratio (%)



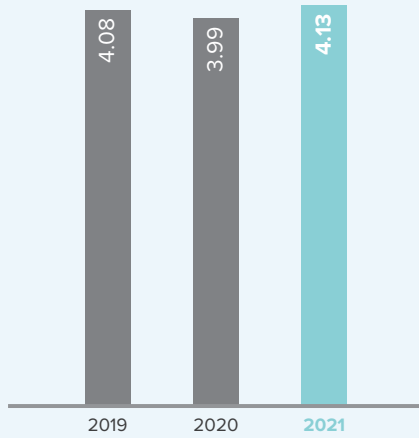
Return on Shareholders' Equity (ROE) (%)



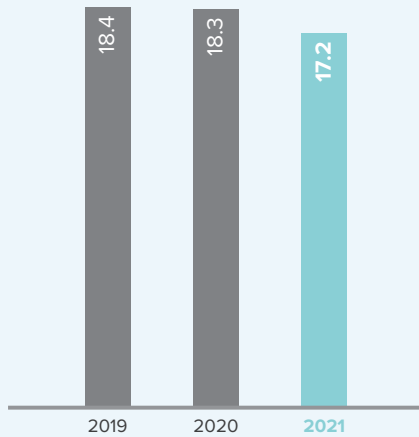
OPERATIONAL EXCELLENCE

Objective: Ensure sustainable revenue growth and increase the Company's efficiency and cost competitiveness.

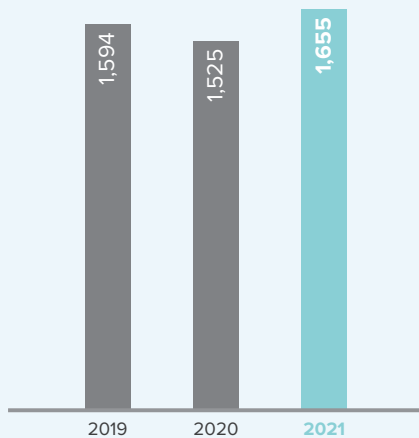
Revenue (billion)



OPEX* as percentage of NSR (%)



Revenue over Full Time Equivalent (FTE) (RM 000)

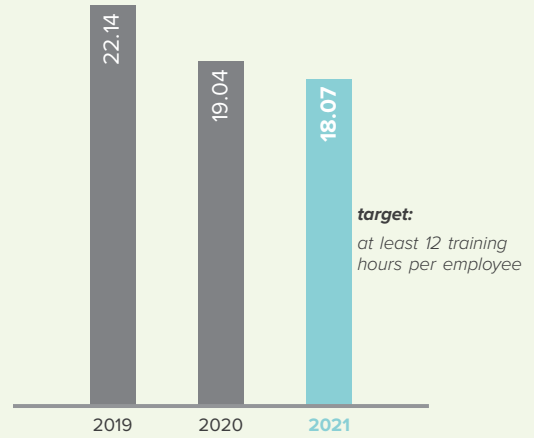


* Comprise distribution, marketing and administrative expenses.

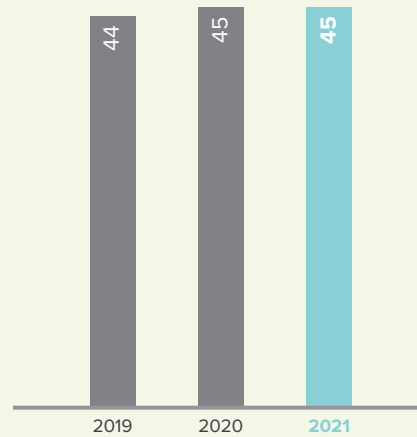
ORGANISATIONAL CAPABILITY

Objective: Build capability of our talents and product innovation to maintain our competitive edge.

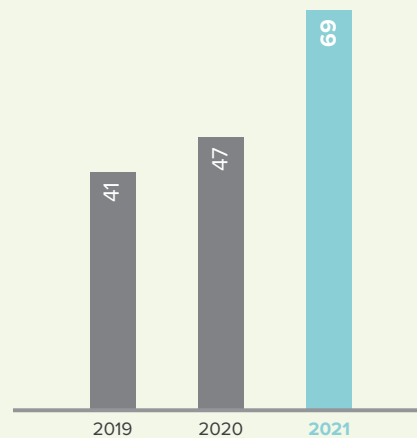
Average Training Hours per Employee



Women in Management (%)



No. of Healthier Choice Products



Strengthening our Halal Ecosystem

RECOGNITION TOWARDS OUR HALAL COMMITMENT



FRASER & NEAVE HOLDINGS BHD

Halal Food & Beverage Excellence Award
World Halal Excellence Awards 2020
Halal Development Corporation Berhad



F&N DAIRIES (THAILAND) LIMITED

Thailand Best Halal Company of the Year 2020
Central Islamic Council of Thailand



FTSE4Good

FRASER & NEAVE HOLDINGS BHD

A proud constituent of the newly introduced
FTSE4Good Bursa Malaysia Shariah
(F4GBMS) Index



ESTABLISHING GROUP HALAL COUNCIL (GHC)

- 1 F&NHB established a Group Halal Council in 2016 to embed the Halalan Toyyiban guidelines, extending it into our operations and our engagement with consumers and society.

The **Group Halal Council** is assisted by the **Halal Affairs Department**

A dedicated **Internal Halal Committee** is set up in each of our manufacturing plants

The **internal Halal Committee** is responsible for all matters pertaining to halal compliance in our supply chain, from material selection to the storage and transportation of our products

F&N IS COMMITTED TO BE A LEADING PRODUCER OF HALAL PRODUCTS.

Halal policy and resources made available to ensure high level of integrity to stakeholders.



ENSURING HALAL COMPLIANCE & INTEGRITY ACROSS OUR VALUE CHAIN

- 1 Our Halal Affairs Department and Internal Halal Committee are responsible for Halal compliance through our value chain, from material selection to production, storage and transportation of products to our consumers.
- 2 All our products are Halal-certified by the relevant authorised certification bodies:
 - Department of Islamic Development Malaysia (JAKIM).
 - Majelis Ulama Indonesia (MUI)
 - Central Islamic Council of Thailand (CICOT).
- 3 Our Shah Alam and Pulau Indah plant are awarded the Whitelist status by JAKIM, in which Halal applications and approval are fast-tracked.
- 4 Halal Assurance Management System (HAS) is implemented and maintained to ensure effectiveness of halal production processes.
 - A pool of qualified Halal Executives is established to implement a robust HAS.
 - Internal Halal Audits are conducted for all our plants.
- 5 We perform scheduled porcine analysis for our all products to validate our HAS. No traces of porcine were detected.
- 6 Used equipment or machines brought into our factories underwent sertu cleansing (Shariah cleansing) to maintain Halal integrity of our products.
- 7 Our Halal Risk Management plan for all plants is updated to meet new Malaysian Halal Management System (2020) requirements.
- 8 To ensure Halal compliance downstream our supply chain, halal awareness trainings are conducted for our key transporters.
 - Halal audits were also conducted on our distributors.



CULTIVATING INTERNAL HALAL CULTURE

- 1 We continuously strengthen our employee's Halal awareness and understanding through:



- 2 All employees in Malaysia undergo mandatory Halal awareness training, while employees managing Halal matters also attended a series of professional training related to Halal internal audits and assurance.



FACILITATING EXTERNAL ENGAGEMENT TO UPLIFT HALAL ECOSYSTEM

- 1 We facilitate positive collaborative engagement with Halal authorities such as JAKIM, Jabatan Agama Islam Selangor (JAIS) and Halal Development Corporation Berhad (HDC).
 - Partner with JAKIM and JAIS in community outreach programmes.
- 2 We are actively engaging with the Department of Malaysia standards through Federation of Malaysian Manufacturers to provide our input towards developing Halal related standards to, such as:
 - Sertu standards.
 - Malaysian Standard 1514 Good Manufacturing Practice (GMP for Food).
- 3 To further propel the Halal ecosystem, we partner HDC on the Halal Sourcing Partnership Programme, a capacity-building programme aimed at:
 - sharing Halal industry best practices.
 - providing technical advice and knowledge transfer to small and medium enterprises (SMEs).
 - coaching the SMEs to elevate their capability to be qualified as Halal vendors for multi-national companies.

Through the programme, we have successfully onboarded two companies as our suppliers and are in the midst of developing more.
- 4 We also actively participate in knowledge-sharing forums such as:
 - SC – HDC FORUM 2021.
 - 17th Malaysia International Halal Showcase (MIHAS).

Business Review

066



Suchit Riewcharoon

Managing Director
F&N Dairies (Thailand) Limited

Bryan Lee Chee Kong

Director
Domestic Commercial Operations
(East Malaysia & Brunei)



Tony Chan Chwee Wan

Chief Operating Officer (Sri Nona)

Bart Lim Siang Chin

Managing Director
International Markets Development
Malaysia

Graham Lim

Managing Director
Commercial Operations
(Peninsular Malaysia)

FOOD & BEVERAGES

Thailand

The operating landscape was similarly challenging in Thailand, with COVID-19 cases increasing drastically from the second half of the financial year. Added to this, a weakening Thai Baht meant a sharp increase in cost of production further squeezing profits. Yet, domestic demand remains resilient in Thailand. The team was able to sustain a commendable performance of high sales through effective loyalty and promotional programmes and continuous efforts to expand distribution coverage. F&B Thailand also increased its share in all core segments despite overall market decline.

068



KEY FOCUS AREAS





- Protect the health and safety of our employees
- Inventory management to ensure on-time performance by suppliers
- Ensuring enhanced productivity to meet customer service level
- Offering products & packaging that cater to consumption at home
- Maintaining brand visibility with optimal spend
- Further strengthening of customer relationships
- Build our online presence to connect more effectively with consumers

COVID-19 IMPACT



- Thailand was not spared from global supply chain disruptions
- Due to a shortage of shipment containers, ocean freight charges increased
- Families took to cooking at home as dining outlets were closed during lockdown, thus decreasing sales in the HORECA channel, including hotels, restaurants and cafes, while increasing sales of products consumed at home
- Further acceleration in online shopping, which was increasing even before the pandemic

BUSINESS PERFORMANCE REVIEW



STRATEGIC OBJECTIVE: **1** ENHANCE REVENUE

Key Initiatives	Achievements
 <p>Product re-engineering</p>	<ul style="list-style-type: none"> Launched three new products: TEAPOT Sweetened Condensed Milk (SCM) Squeeze Tubes in Strawberry Yogurt flavour; BEAR BRAND Gold Acerola Cherry in 140ml cans; and a reformulated F&N Magnolia Choc Malt with 50 per cent less sucrose (sugar). BEAR BRAND Gold Acerola Cherry carries the Healthier Choice Logo.
 <p>Innovative packaging for customer/ consumer convenience</p>	<ul style="list-style-type: none"> Introduced the user-friendly and value-for-money TEAPOT SCM in 500g stand-up pouches (for the HORECA channel). Introduced TEAPOT SCM in 25g duo sachets (for home consumption). Introduced F&N Magnolia Lactose-free Single Serve Pack – in 180ml for the Plain version, and 170ml for Vanilla White Choc and Peppermint Brownie (for on-the-go consumption). Introduced BEAR BRAND Sterilised Milk in 150ml tall cans (for home consumption).
 <p>Enhance route-to-market strategy</p>	<ul style="list-style-type: none"> Continued to expand distribution network in Thailand and Indochina despite challenges from COVID-19. Supported hawkers with collaterals and decorations to increase the brand visibility. Organised nationwide hawker loyalty campaign to encourage hawkers to earn points and redeem prizes via an official LINE account.
 <p>Grow export market</p>	<ul style="list-style-type: none"> Strong performance in Indochina market, driven by double-digit growth in Cambodia and higher OEM exports. Expanded distribution coverage by 14,000 outlets in Cambodia and Laos. Maintained TEAPOT's leadership in the SCM segment in Cambodia and Laos. Launched Gold Coin in Cambodia and Laos to secure position in the economy segment.

BUSINESS PERFORMANCE REVIEW (continued)

STRATEGIC OBJECTIVE: 2 INCREASE PRODUCTIVITY & PROFIT	
Key Initiatives	Achievements
 Automation in plants/warehouses	<ul style="list-style-type: none"> Opened an ASRS-equipped Regional Distribution Centre at Rojana in November 2021 with a capacity of 30,000 pallets, which allows greater distribution and cost efficiencies. <ul style="list-style-type: none"> A fully integrated distribution centre with an enterprise resource planning system and efficient information flow.
 Use of renewable energy	<ul style="list-style-type: none"> Commissioned solar PV system on roof in Rojana with 1MWp capacity in April 2020, which will reduce energy costs by almost THB5 million per year.

070

STRATEGIC OBJECTIVE: 3 ENHANCE STAKEHOLDER RELATIONSHIPS	
Key Initiatives	Achievements
 Cementing ties with hawkers	<ul style="list-style-type: none"> Building on the LINE app for hawkers, the team continued to organise activities as well as keep the close to 20,000 members updated on relevant news via the platform. Supported hawkers with collaterals and decorations that are both functional and attractive, while increasing brand visibility. TEAPOT products were distributed for free to LINE members from April to July 2021 in a gesture of appreciation for their loyalty as well as to help them sustain their business during the lockdown. TEAPOT organised a nationwide Hawker Loyalty Campaign, encouraging hawker customers to earn points and redeem various prizes via an official LINE account – “TEAPOT Ying Chai Ying Dai”.
 Contributing to dairy farmers	<ul style="list-style-type: none"> Helped to install a water storage tank for the use of 24 dairy farms and 180 families in Chaiphum Province. Contributed a Grass/Corn Silage Bundling machine and a Tiller Fertiliser machine to Thepsathit Dairy Cooperative in Chaiphum Province, which helps to reduce cow feed costs by reusing cow waste as fertiliser for corn and corn silage fermentation.

MEETING OUR CHALLENGES

Challenge	Mitigation Efforts	Results
Keeping employees safe from Covid-19	<ul style="list-style-type: none"> Implemented all relevant measures to protect employees Read more in “Supporting COVID-19 Recovery”	<ul style="list-style-type: none"> Maintained business continuity at all levels Production was sufficient to meet demand
Supply constraints	<ul style="list-style-type: none"> Liaised closely with suppliers to meet production demand Improved stock management 	<ul style="list-style-type: none"> Achieved almost 100 per cent on-time performance by suppliers Met all delivery commitments
Increased cost of goods due to cost of commodities & logistics	<ul style="list-style-type: none"> Hedging policy to smooth out the impact of any increase of raw material prices Savings of operational costs and tighter control over expenditure 	<ul style="list-style-type: none"> Achieved cost and operational efficiencies
Intensifying competition & price wars	<ul style="list-style-type: none"> Defend our turf by ensuring we continue to delight our consumers with quality, taste, and value Enhanced focus on innovation on products & packaging to meet customers’ expectations Prioritised promotion activities, including thematic campaign and lucky draw, to secure sales volume and maintain brand awareness with optimal spend 	<ul style="list-style-type: none"> Increased market share in the condensed milk and evaporated milk market despite overall market decline Maintained market leadership in isotonic, sweetened condensed milk and evaporated milk segments* The latest variant of TEAPOT SCM Squeezable Tube – Strawberry Yogurt captured 2% of the total Thailand market shares in the SCM squeeze tube market within 8 months of launch

* F&N Dairies (Thailand) Limited ranked first as a manufacturer in both value share and volume share in total Condensed Milk Market since 1 August 2016 to 30 September 2021. The Nielsen retail index report covers Supermarkets, Hypermarkets, Convenience Stores and Traditional Trades.

OUTLOOK

Along with most countries in the region, Thailand is gradually easing movement and social restrictions. Most pertinently, it is re-opening its tourism industry, which has been dormant for close to 18 months.¹ This will necessarily mean greater demand for our products by on-the-go retail outlets and the HORECA channel.

As the team prepares for a pick-up in business, it will continue to focus on key elements that determine its performance, such as product innovation, distribution/logistics and customer/consumer engagement while building its export pillar.

Meanwhile, the team will continue to promote the F&N e-commerce platform, “nom aroi” in Thailand and engage with its customers and consumers on various social media platforms.

¹ <https://www.reuters.com/world/asia-pacific/thailand-further-ease-coronavirus-restrictions-2021-09-27/>

Marketing Highlights

TEAPOT



072

To strengthen our leadership in the sweetened condensed milk (SCM) market, we launched a new exciting variant for the TEAPOT SCM squeezable tube – Strawberry Yogurt in November 2020. Its rich, creamy and aromatically delicious taste makes the SCM a perfect bread spread and ingredient in desserts and beverages. Available initially at 7-Eleven stores, it was rolled out nationally in February 2021, along with TV advertisements, a digital marketing campaign, and out-of-home and in-store visibility. The TV ads featured new brand ambassador, actor/singer Alex Rendell, who is also United Nations Environment Programme’s Goodwill Ambassador for Thailand. Within 8 months of launch, TEAPOT SCM Strawberry Yoghurt captured 2% of the total Thailand market shares in the SCM squeeze tube market.

Within 8 months of launch, **TEAPOT SCM Strawberry Yoghurt** captured 2% of the total Thailand market shares in the SCM squeeze tube market



The well-known and well-liked personality was engaged in a thematic campaign run from September-December 2020 to uplift TEAPOT's brand image with a new tagline, 'TEAPOT creamy, aromatic, rich and delicious taste that you always delight'. Further brand-building exercises for TEAPOT included a nationwide lucky draw campaign from January-April 2021 to win weekly prizes of gold and mobile phone, and a final grand prize of pick-up truck. The campaign received overwhelming response, attracted a total of 1.78 million submissions by consumers.

Apart from a lucky draw campaign for consumers, TEAPOT also organised a nationwide Hawker Loyalty Campaign, encouraging hawker customers to earn points and redeem various prizes via an official LINE account – "TEAPOT Ying Chai Ying Dai". Phase 1 was conducted from December-April 2021, and phase 2 from July-September 2021, attracting participation of more than 14,000 participants.



We also introduced more innovative packaging for on-the-go and outdoor (hawker) consumption. For the former, TEAPOT SCM Duo Sachets in Original and Chocolate flavours were introduced. Made from high quality fresh milk, the twin 25g sachets are affordably priced at THB10. The pack size provides the convenience of usage, and at the same time maintains the hygiene of product. Hawkers, meanwhile, are now better served with the user-friendly and value-for-money 500g stand-up pouch. The pouch was promoted online via YouTube and Facebook, in addition to product sampling.

Marketing Highlights

CARNATION



A six-month nationwide campaign was organised from March to August 2021 to underline CARNATION's market leadership, and especially its unparalleled taste, with a lucky draw offering a range of attractive prizes.

The brand also further strengthened its customer loyalty through a brand loyalty programme. CARNATION distributed attractive branded decoration items to our core customers – restaurants and coffee shops (RESCO market). From January to June 2021, the programme was participated by 1,300 outlets, further enhancing brand visibility and loyalty, and strengthening top of mind recall among customers.



074

F&N MAGNOLIA



New mini packs of F&N Magnolia Plus Lactose-free Milk were introduced to the market, with the objective of boosting on-the-go consumption. The packs of 180ml Plain Flavour, and 170ml Vanilla White Choc and Peppermint Brownie are exclusive to 7-Eleven outlets in Thailand, priced at 19 Baht each.

F&N Magnolia also introduced a reformulated F&N Magnolia Choc Malt milk product. The new formula containing 50 percent less sucrose, is low in fat and is high in calcium and Vitamins B2, 6 and 12. The 450ml and 800ml packs are available nationwide.

BEAR BRAND



Targeting the younger group of consumers, the campaign highlighted the fact that BEAR BRAND Gold products are high in Vitamins A, B, C, D, E and calcium while low in fat

In the sterilised milk segment, BEAR BRAND Gold launched a new variant – BEAR BRAND Gold Acerola Cherry – making it the first ready-to-drink milk with acerola cherry in Thailand. The launch was supported by TVC, online communication and in-store visibility. Offering the distinctive aroma of acerola cherry and a uniquely rich taste, this new variant contains all the goodness of BEAR BRAND Gold.

BEAR BRAND Gold also introduced a new brand ambassador – famous Thai actress Yaya Urassaya – under a new communication campaign themed ‘Tasty... Achieve Your Every Day’s Challenges’. Targeting the younger group of consumers, the campaign highlighted the fact that BEAR BRAND Gold products are high in Vitamins A, B, C, D, E and calcium while low in fat, making them the ideal nourishment for active women.



FOOD & BEVERAGES Malaysia

The year was without doubt tough for F&B Malaysia, with sales shadowing the trajectory of Covid-19 incidence in the country, and profit being impacted by the cost of commodities. We worked closely together to Reimagine and find ways on how can we do things differently and look for ways to pivot our business especially in the ever-changing pandemic environment – through, for example, new routes-to-market, new marketing strategies and new ways of connecting with customers and consumers. Performance was also boosted significantly by the addition of halal packaged food into F&B Malaysia’s portfolio, following the acquisition of Sri Nona companies in January 2021.



076

KEY FOCUS AREAS




- Protect the health and safety of our employees
- Ensure uninterrupted supply of raw materials to support production
- Analyse customer behaviour and adapt sales & marketing strategies accordingly to maintain market leadership
- Re-engineer our products & packaging to meet evolving tastes and expectations of consumers
- Build our online presence to connect more effectively with consumers
- Integrate Sri Nona as part of F&B Malaysia, serving as a platform to expand into more halal food segments

COVID-19 IMPACT



- Supply chains have been disrupted due to production and logistics challenges
- Freight and warehousing charges have increased significantly due to worldwide container shortage
- Reduced demand from most channels – particularly dine-in and on-the-go outlets
- Increased demand for food and beverage that cater to home consumption
- Increased online shopping and interaction

BUSINESS PERFORMANCE REVIEW



STRATEGIC OBJECTIVE: **1** ENHANCE REVENUE

Key Initiatives	Achievements
 <p>Develop new stream of revenue</p>	<ul style="list-style-type: none"> Acquired Sri Nona Companies, a leader in the ready-to-cook ketupat segment and No. 2 brand for the oyster sauce in the respective segment domestically. With Sri Nona, we have diversified into the halal packaged food segment.
 <p>Build existing businesses</p>	<ul style="list-style-type: none"> Launched six new products in Malaysia, including F&N Sparkling in Apple Barley, Espresso and Honey Lemon flavours; est Cola Brown Sugar; F&N Bandung; and Gold Coin Juara Condensed Milk. F&N Sparkling Apple Barley and Espresso, est Cola Brown Sugar, and F&N Bandung carry the Healthier Choice logo. Introduced F&N Teh Tarik in East Malaysia, as well as Mango and Madu Kurma flavours of Sun Valley Cordial during Raya, Gawai and Kaamatan Festival. Enhanced distribution with cash sales vans to serve sub-urban and rural areas as well as to cater for the growing mobile food trucks & roadside stalls during the pandemic period. Focused on stalls, modern grocers and mini markets within or near residential areas, which were more heavily frequented than other outlets. Continued to expand our e-commerce business. <ul style="list-style-type: none"> Worked closely together with major e-commerce merchants to expand the reach of our products' reach to a broader audience. Our flagship online store, F&N Life also serves as a channel for direct engagement with our key customers. Set up the F&N Life's fulfilment centre in Kuala Lumpur during 2021 to give our consumers flexible options such as self-pickup and express next day deliveries. Conducted product launches online; and continued to build relationships with customers and consumers with social media. Formed new partnerships to drive sales, eg with Touch 'n Go and McDonald's. Offer products in all price tiers to cater to all consumers; and created value packs, eg 1.2L Pek Jimat bottles of F&N Fun Flavours such as F&N Strawberry, F&N Fruitade, F&N Sarsi and F&N Orange at only RM2.50.
 <p>Growing global footprint</p>	<ul style="list-style-type: none"> Continued to strengthen our exports to Halal markets. Promoted and expanded usage of our products via new applications for Food Services and industrial Channels. Fostered closer collaborations with key OEM customers which results in new products and additional regions. Expanded to three new export markets: Mozambique, Turkmenistan and Mongolia; while operationalising our first wholly-owned international subsidiary, Fraser and Neave MENA DWC-LLC.

BUSINESS PERFORMANCE REVIEW *(continued)*

STRATEGIC OBJECTIVE: 2 INCREASE PRODUCTIVITY & PROFIT	
Key Initiatives	Achievements
 <p>Automation in plants/warehouses</p>	<ul style="list-style-type: none"> Developed an integrated warehouse in Shah Alam which will be the biggest featuring an ASRS in the country, with capacity to store over 50,000 pallets. <ul style="list-style-type: none"> – Able to maximise storage efficiency, reduce operational costs, shorten delivery lead time to customers and reduce carbon footprint. Building a production plant for drinking water and warehouse in Kota Kinabalu Industrial Park, signaling our entry into drinking water business in Sabah. <ul style="list-style-type: none"> – Cost savings by in-sourcing of warehousing needs in Kota Kinabalu.
 <p>Enhance route-to-market</p>	<ul style="list-style-type: none"> Working with logistics partner to reduce delivery turnaround for purchases made on F&N Life from seven days to two working days in the Klang Valley.

078

STRATEGIC OBJECTIVE: 3 ACHIEVE COST EFFICIENCIES & CARBON FOOTPRINT REDUCTION	
Key Initiatives	Achievements
 <p>Workplace 4.0 transformation</p>	<ul style="list-style-type: none"> Accelerated our digital journey and intensified the adoption of more systems driven by the latest technology. Restructuring our workplace to be leaner and more efficient; and upskilling as well as reskilling all employees.
 <p>Renewable energy programme</p>	<ul style="list-style-type: none"> Building rooftop solar PV systems in Shah Alam, Pulau Indah and Bentong plants with a total combined capacity of 10MWp, sufficient to meet 20 per cent of our total electricity requirements in Malaysia. <ul style="list-style-type: none"> – Estimated annual electricity cost avoidance: RM3 – 4 million.

MEETING OUR CHALLENGES

Challenge	Mitigation Efforts	Results
<p>Keeping employees safe from COVID-19</p>	<ul style="list-style-type: none"> Implemented all relevant measures to protect employees <p>Read more in “Supporting COVID-19 Recovery”</p>	<ul style="list-style-type: none"> Maintained business continuity at all levels Production was sufficient to meet demand
<p>Interrupted flow of raw materials</p>	<ul style="list-style-type: none"> Improved stock management Helped some suppliers obtain licence to operate during MCO 	<ul style="list-style-type: none"> Met commitments to customers Further strengthened relationships with suppliers
<p>Increased cost of goods due to cost of commodities & logistics</p>	<ul style="list-style-type: none"> Hedging policy to smooth out the impact of any increase of raw material prices Compensate by reducing overheads through automation, digitalisation, and organisational restructuring 	<ul style="list-style-type: none"> Achieved cost and operational efficiencies
<p>Intensifying competition & price wars</p>	<ul style="list-style-type: none"> Defend our turf by ensuring we continue to delight our consumers with quality, taste, and value Enhanced focus on product & packaging innovation to meet customers’ expectations 	<ul style="list-style-type: none"> Maintained market leadership in isotonic, sweetened condensed milk and evaporated milk segments* Grew our market share in the entire canned milk segment Catapulted to top spot in the RTD Milk Tea category with our newly launched RTD F&N Teh Tarik

* Based on Retail Index Service for the 12 months ending July 2021 in Total Malaysia. (©2021 Nielsen Consumer LLC.)

PROSPECTS

After a relatively subdued FY2021, F&B Malaysia looks forward to some exciting product launches in FY2022. We will also be launching a new revamped e-commerce online portal, F&N Life 2.0, which will be an upgrade from our current F&N Life platform; incorporating all the learnings gained to date to offer a better experience for consumers.

There are also plans to further grow Sri Nona’s basket of products, and to start the process of integrating manufacturing, distribution, and export activities within F&B Malaysia.

While prospects for FY2022 are looking up, the team will remain cautious recognising that it will take time for most retail businesses and individual consumers to recover fully from the pandemic. Given the current landscape, the team will continue to monitor the market carefully and respond in a manner that is sensitive to customers’ and consumers’ needs.

Marketing Highlights

100PLUS

MCOs notwithstanding, it was a busy yet exciting year for 100PLUS, which continued to reinforce its brand value through community programmes as well as by supporting sporting personalities and promoting active lifestyles in the country.

Throughout the holy month of Ramadan, 100PLUS spread positivity by contributing over RM1 million worth of F&N products and essentials to B40 families, COVID-19 frontliners and non-governmental organisations (NGOs) through its 'Keberkatan Plus Plus' programme. As part of the programme, 100PLUS brand ambassadors Mira Filzah, Hairul Azreen and Syafiq Kyle joined the 'Squad Keberkatan 100PLUS' to distribute the 'F&N Pek Penyayang' – comprising 100PLUS Active, F&N SEASONS Soya, Magnolia Full Cream Milk, F&N Bandung, Sunkist Orange, Ketupat Sri Nona and face masks – to the targeted recipients in the country.



Watch video highlights: <https://www.facebook.com/my100plus/videos/765547014154241>



In conjunction with Chinese New Year, 100PLUS launched limited-edition gold cans in six 'auspicious' designs, with greetings of happiness, good health, wealth, success, abundance and new beginnings. These were packaged in collectable 100PLUS Turnaround Fortune Gift Packs or 28 Cans Prosperity Packs.

On the sporting front, the brand sealed a sponsorship deal with badminton doubles aces, Aaron Chia and Soh Wooi Yik, and women's double pair, Pearly Tan and M. Thinaah, whose jerseys now will proudly tell the world which isotonic drink the two badminton pairs prefer! 100PLUS celebrated Aaron Chia-Soh Wooi Yik's victory at the Tokyo Olympics this year by rewarding them with an incentive of RM60,000.


080

Over **RM1 million** F&N products to spread positivity to families

Over **RM1 million** products have been distributed to vaccine recipients & frontliners

In support of the Malaysian government's COVID-19 Immunisation Programme, we raised public awareness on the importance of maintaining optimal hydration levels during the vaccination period, through the #HidratkanDiriSihatkanBadan campaign. As part of the programme, 100PLUS was distributed to vaccine recipients at major vaccination centres in Klang Valley. We also supported frontliners on duty at the vaccination centres hydrated and energised with our products. Over 1 million products have been distributed to vaccine recipients, frontliners through the #HidratkanDiriSihatkanBadan campaign.





Sponsorship deal with badminton doubles aces, Aaron Chia & Soh Wooi Yik, and women's double pair, Pearly Tan and M. Thinaah



In addition, 100PLUS presented Lee Zii Jia, national singles ace with a special bonus of 1,000 F&N shares worth RM30,300, in recognition of his stunning victory at the All-England championship. Zii Jia follows in the illustrious footsteps of fellow 100PLUS Brand Ambassador, Datuk Wira Lee Chong Wei, the last Malaysian to win the All-England, in 2017.



1,000 F&N shares worth **RM30,300** to All-England champion, Lee Zii Jia



Crossing into e-sports, the brand has created the E-Sports Hub 100PLUS, a special platform featuring live broadcasts of Good Game With 100PLUS (GGW100PLUS) tournaments, live streams from famous players, latest news and more. 100PLUS also became the official sponsor of Malaysia's Team Secret, which has been making waves in the international scene.

Meanwhile, to continue inspiring Malaysians to keep active, 100PLUS presented the 'Stay Home: Stay Fit With 100PLUS' on social media platforms for second consecutive year. Featuring fitness instructors Ain Ramli, Hanif Shawn and Teo Yi Ping, the online workout sessions, which included HIIT and dance sessions, were part of 100PLUS' one month campaign running from 24 July – 28 August 2021.



Marketing Highlights

F&N SPARKLING



The year became even more exciting with the introduction of the all new F&N Sparkling sensation. Available in 350ml PET, the F&N Sparkling comes in 3 unique flavours- Honey Lemon, Apple Barley and Espresso. Following the launch of these fizzy sensations, we sparked interest in the new beverages with the #FnNSparklingDanceChallenge on TikTok offering prizes including the iPhone 12 Mini and Apple Watch SE.

EST COLA



The best, coolest Cola that has been crafted to suit local tastes became even more localised this year with the launch of a new recipe using brown sugar. Launched on April 2021, est Cola Brown Sugar, the first ever brown sugar cola in Malaysia, comes in 300ml and 1.2L in Peninsular Malaysia; and 500ml and 1.5L in East Malaysia.

082

F&N FUN FLAVOURS

F&N TEH TARIK



Already a fast favourite since its launch in 2020, F&N Ready-to-Drink Teh Tarik shook up the market some more with the #ShakeNTarik Challenge @ TikTok. Fans of the milk tea captured their dancing prowess on videos, to stand the chance of winning attractive prizes worth up to RM4,800 each. With the successful execution of this campaign, F&N Teh Tarik bagged 2 awards at the 2021 MARKies award – Gold in Most Effective Use of Audio and Silver in Most Creative Audio.



To add sparkle to Chinese New Year, we brought back the much-loved F&N Orange Crush and F&N Classic Sarsi. Consumers were guaranteed of reliving joyful memories with every sip of these F&N classics. In April this year, we also made available the first ever carbonated 'air bandung' in Malaysia. Endorsed with the Health Choice Logo by the Malaysian Ministry of Health, the limited edition F&N Bandung was presented in 1.2L and 1.5L packs specifically to add an extra zing during Ramadan and Raya celebrations.

F&N MAGNOLIA



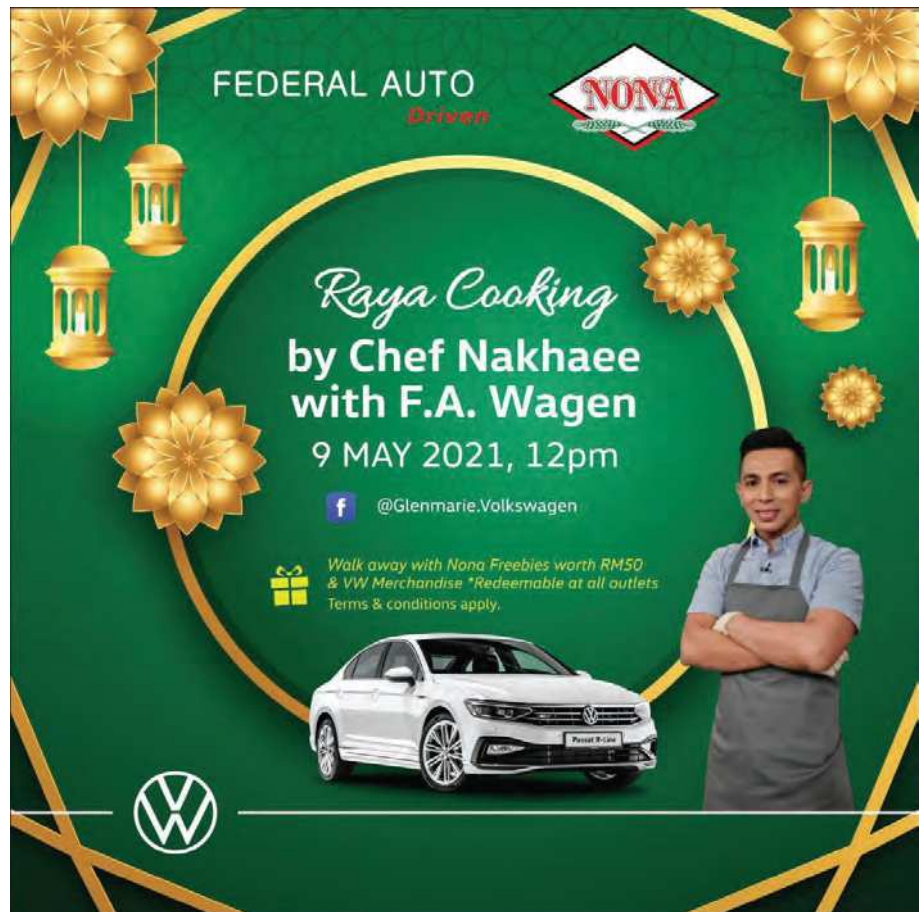
In support of the nation's vaccination programme, we collaborated with 7-Eleven Malaysia to reward Malaysians with free packs of F&N Magnolia UHT Full Cream Milk or F&N Magnolia Chocolate Milk after receiving their COVID-19 vaccination in August 2021.

F&N ICE MOUNTAIN



Tapping into increasing demand for quality drinking water at home, F&N ICE MOUNTAIN Mineral Water launched the super-sized 6L bottles in Peninsular Malaysia. Initially available only on F&N Life, the super-sized bottles can now be purchased conveniently in retail outlets. To make it even easier for consumers at Klang Valley to stock up on the 100% natural mineral water at home, we launched subscription plans for six or 12 months with free delivery and complimentary electronic water dispensers.

SRI NONA



As one of Malaysia's favourite household food brands, Sri Nona continued to enrich the Ramadan and Hari Raya celebration. Theme 'Jauh Dimata Dekat Dihati', the campaign revolved around different ways to celebrate the festive season with their loved ones amidst the pandemic. In collaboration with Federal Auto Wagen Volkswagen, Sri Nona hosted a LIVE streaming Raya cooking session on Facebook featuring celebrity chef, Chef Nakhae. During the LIVE streaming session, Chef Nakhae shared his special recipes made with Sri Nona products.

Tapping on social media, Sri Nona boosted its brand presence by engaging Shafiq Cute and Zarra Riana, Key Opinion Leaders (KOLs) to showcase food recipes using its products in their social media platforms. The collaboration was proven a success, with a high number of views and purchase of products through its e-commerce platforms.

Five-Year Group Financial Summary

Year ended 30 September		2017	2018	2019	2020	2021
Results (RM million)						
Revenue		4,101.4	3,871.0 ⁽ⁱ⁾	4,077.1	3,988.5	4,130.9
Profit before tax ("PBT")		353.7	424.1 ⁽ⁱ⁾	533.0	522.9	479.4
Profit for the year		323.3	386.5 ⁽ⁱ⁾	410.2	410.1	395.1
Dividend per share						
Earnings – basic	(sen)	88.3	105.3 ⁽ⁱ⁾	111.9	111.9	107.8
Earnings – diluted	(sen)	88.0	104.9 ⁽ⁱ⁾	111.6	111.7	107.6
Dividend – net	(sen)	57.5	57.5	60.0	60.0	60.0⁽ⁱⁱ⁾
Dividend – cover	(times)	1.5	1.8	1.9	1.9	1.8
Dividend – payout	(%)	65%	55%	54%	54%	56%
Statement of Financial Position (RM million)						
Share capital		816.8	816.8	816.8	816.8	816.8
Shareholders' equity		2,124.2 ⁽ⁱ⁾	2,305.4 ⁽ⁱ⁾	2,529.3	2,690.6	2,819.0
Total assets		3,231.5	3,345.3	3,503.8	3,520.1	3,631.7
Total borrowings		379.1	335.5	123.3	91.9	1.0
Share capital	(number of shares)	366.8	366.8	366.8	366.8	366.8
Net assets per share	(RM)	5.79 ⁽ⁱ⁾	6.29 ⁽ⁱ⁾	6.90	7.34	7.69
Ratio (%)						
PBT on revenue		8.6	11.0 ⁽ⁱ⁾	13.1	13.1	11.6
Return on shareholders' equity		15.2	16.8 ⁽ⁱ⁾	16.2	15.2	14.0
Debt to equity ratio		17.8	14.6	4.9	3.4	<1
Net debt to equity ratio		–	–	–	–	–

Notes:

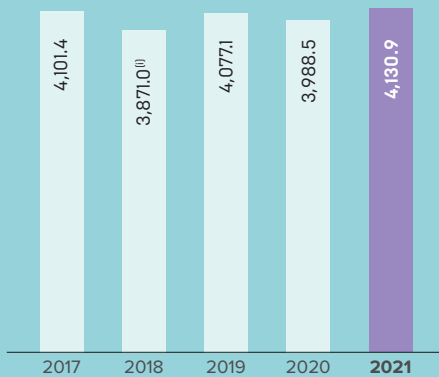
(i) Restated for adjustments pursuant to the adoption of MFRS 15, Revenue from Contracts with Customers. Comparatives for financial years prior to 2018 have not been restated.

(ii) Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

Five-Year Group Financial Highlights

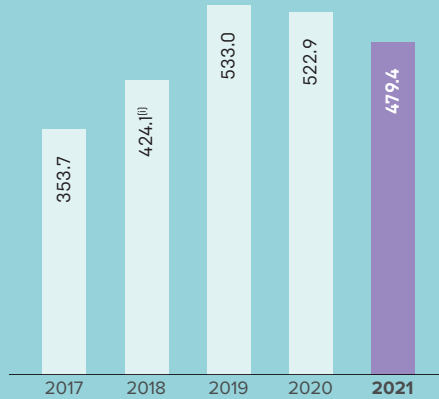
REVENUE
(RM million)

+3.6%



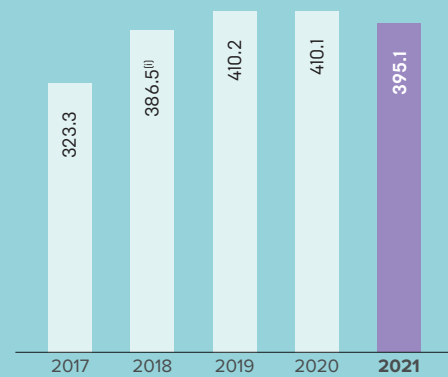
PROFIT BEFORE TAX
(RM million)

-8.3%



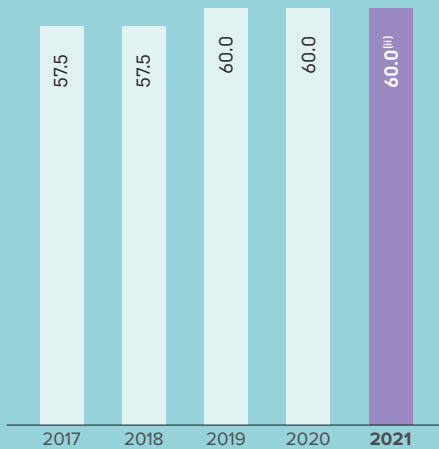
PROFIT FOR THE YEAR
(RM million)

-3.7%



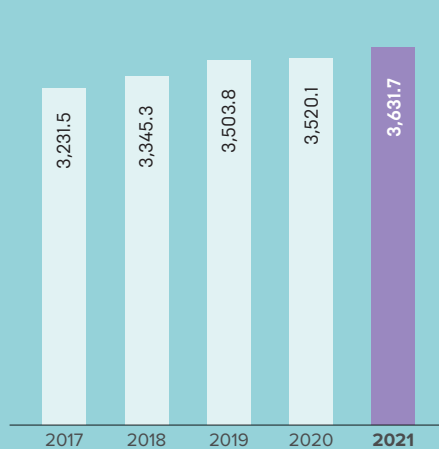
NET DIVIDEND PER SHARE
(sen)

+0 sen



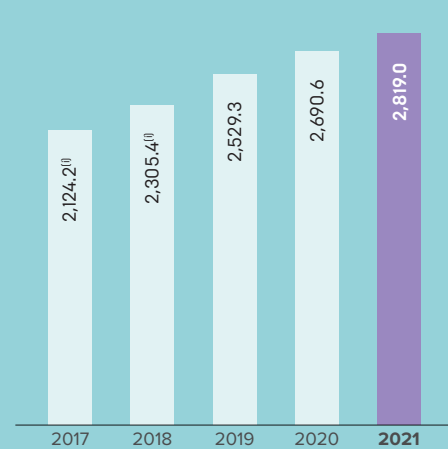
TOTAL ASSETS
(RM million)

+3.2%



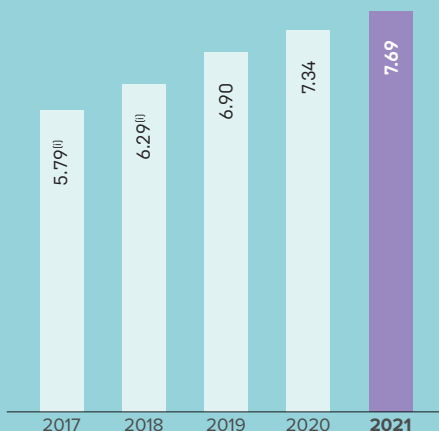
SHAREHOLDERS' EQUITY
(RM million)

+4.8%



NET ASSETS PER SHARE
(RM)

+RM0.35

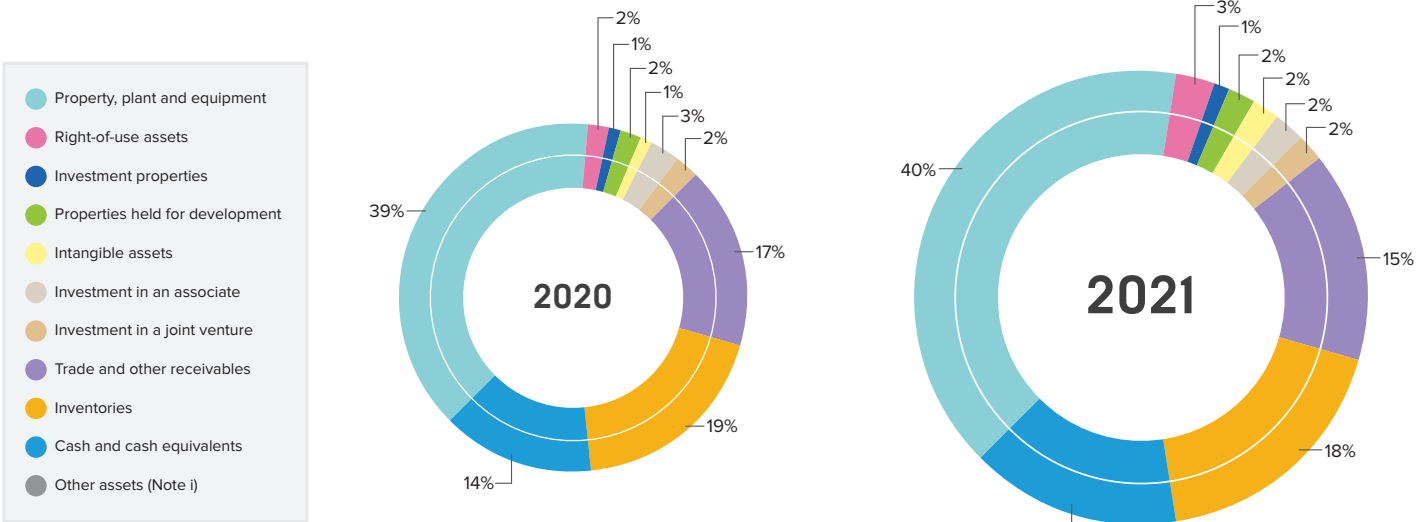


Notes:

- (i) Restated for adjustments pursuant to the adoption of MFRS 15, Revenue from Contracts with Customers. Comparatives for financial years prior to 2018 have not been restated.
- (ii) Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

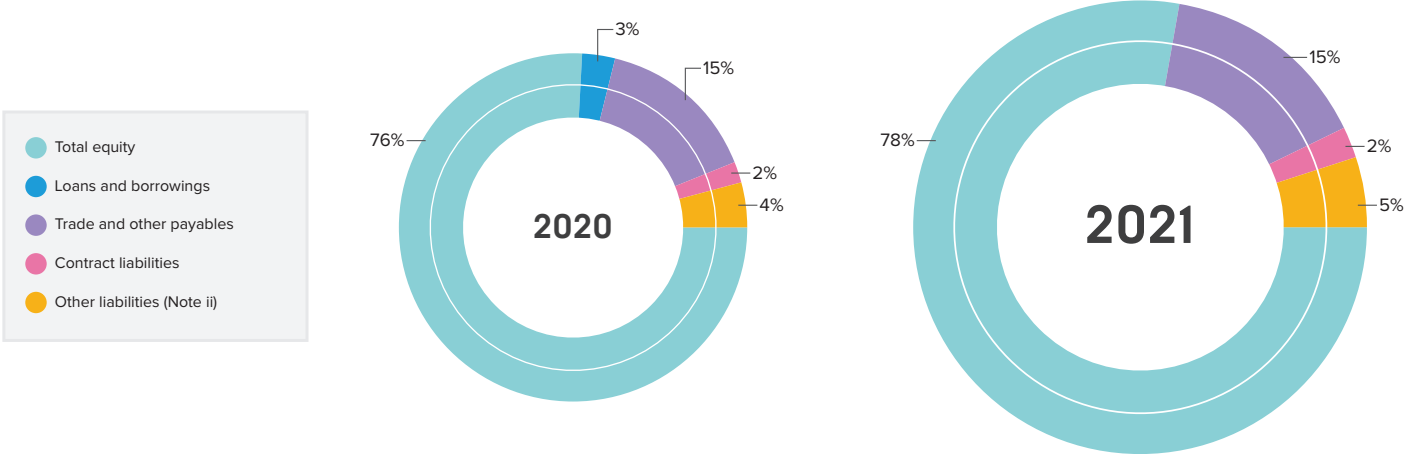
Simplified Group Statement of Financial Position

TOTAL ASSETS



086

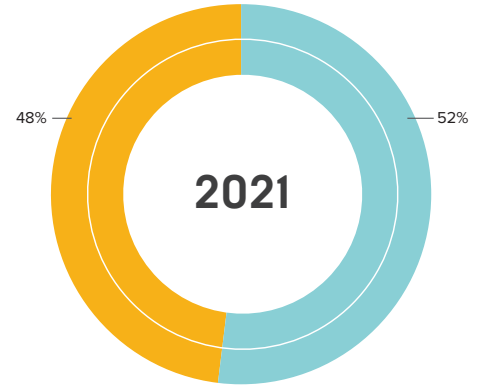
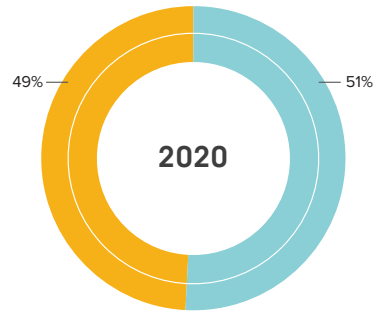
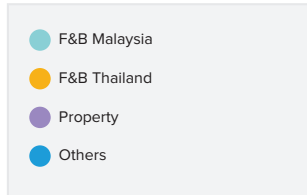
TOTAL EQUITY AND LIABILITIES



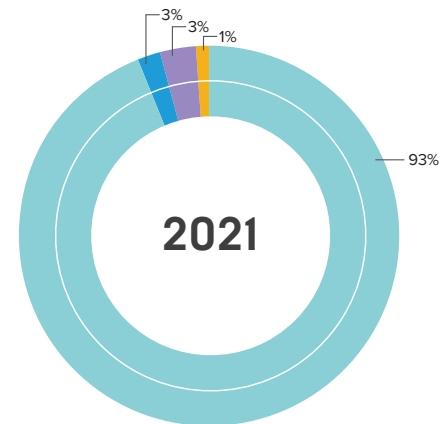
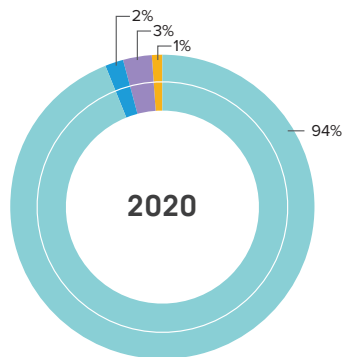
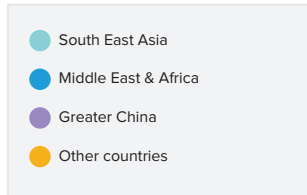
Notes:
 (i) Comprise deferred tax assets, current tax assets and derivative financial assets.
 (ii) Comprise lease liabilities, employee benefits, deferred tax liabilities, current tax liabilities and derivative financial liabilities.

Group Segmental Analysis

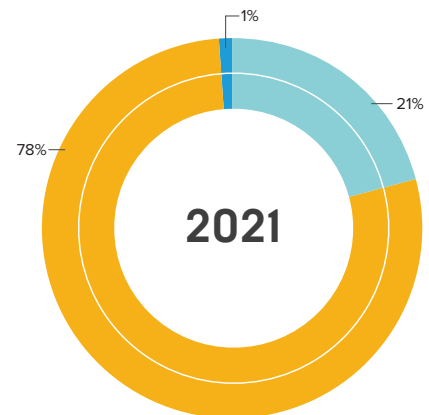
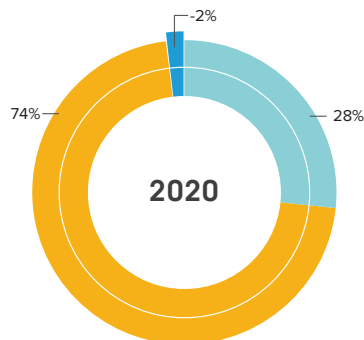
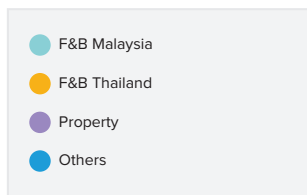
REVENUE – BY OPERATING SEGMENTS



REVENUE – BY GEOGRAPHICAL SEGMENTS



OPERATING PROFIT



Statement of Value Added

ECONOMIC PERFORMANCE



Notes:

- (i) Employee benefit expenses comprise of wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense, one-off restructuring costs and other staff costs.
- (ii) Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (annual dividends, cost of sales, employee benefit expenses and income tax expenses). Community investments are not included.

Group Quarterly Financial Performance

RM million	Q1	Q2	Q3	Q4	FY2021
Revenue	1,083.1	1,091.8	1,059.6	896.4	4,130.9
Operating profit	156.8	138.0	117.2	60.3	472.3
Profit before tax	158.9	139.3	119.2	62.0	479.4
Profit for the year	136.8	103.5	96.1	58.7	395.1
Basic earnings per ordinary share (sen)	37.3	28.2	26.2	16.0	107.8

RM million	Q1	Q2	Q3	Q4	FY2020
Revenue	1,111.1	1,005.6	918.1	953.7	3,988.5
Operating profit	157.9	130.4	119.0	107.9	515.2
Profit before tax	160.6	134.1	120.0	108.2	522.9
Profit for the year	128.4	102.2	93.8	85.7	410.1
Basic earnings per ordinary share (sen)	35.0	27.9	25.6	23.5	111.9

Financial Calendar



19 January 2021

59th Annual General Meeting, Extraordinary General Meeting



21 January 2021

Date of entitlement of the final single tier dividend of 33 sen per share for the financial year ended 30 September 2020



27 January 2021

Quarterly announcement on consolidated results for the financial period ended 31 December 2020



5 February 2021

Date of payment of the final single tier dividend of 33 sen per share for the financial year ended 30 September 2020



4 May 2021

Quarterly announcement on consolidated results for the financial period ended 31 March 2021



20 May 2021

Date of entitlement of the interim single tier dividend of 27 sen per share for the financial year ended 30 September 2021



16 June 2021

Date of payment of the interim single tier dividend of 27 sen per share for the financial year ended 30 September 2021



4 August 2021

Quarterly announcement on consolidated results for the financial period ended 30 June 2021



3 November 2021

Quarterly announcement on consolidated results for the financial period ended 30 September 2021



16 December 2021

Announcements on the Notice of 60th Annual General Meeting and dates of entitlement and payment for the proposed final single tier dividend of 33 sen per share for the financial year ended 30 September 2021



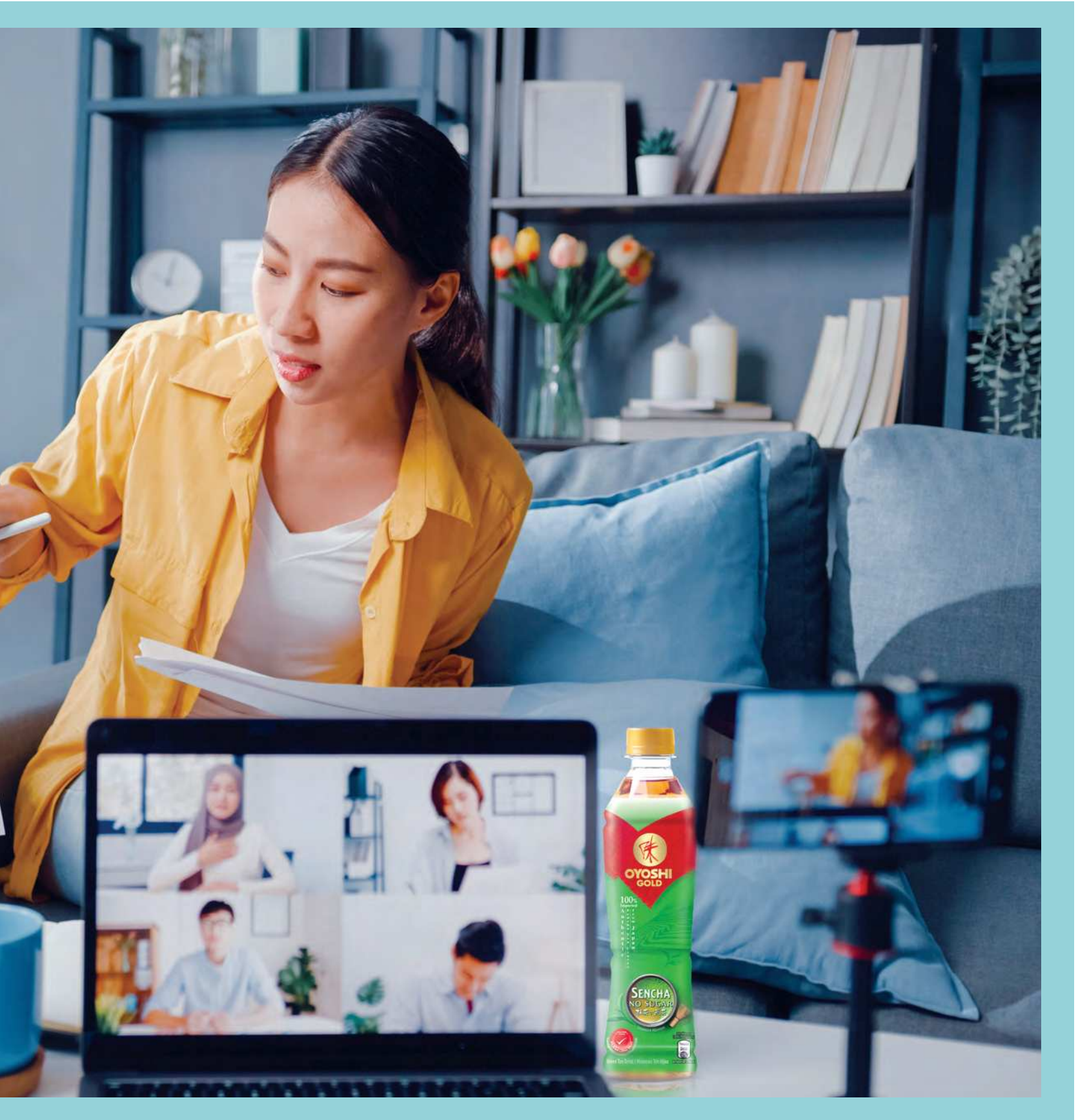
17 December 2021

Issuance of Annual Report for the financial year ended 30 September 2021 and Circular to Shareholders



17 January 2022

60th Annual General Meeting



Investor Relations

As at 15 November 2021

SHARE CAPITAL

RM816.80
million

NO. OF SHAREHOLDERS

6,480

TOTAL NO. OF ISSUED SHARES

366,778,501

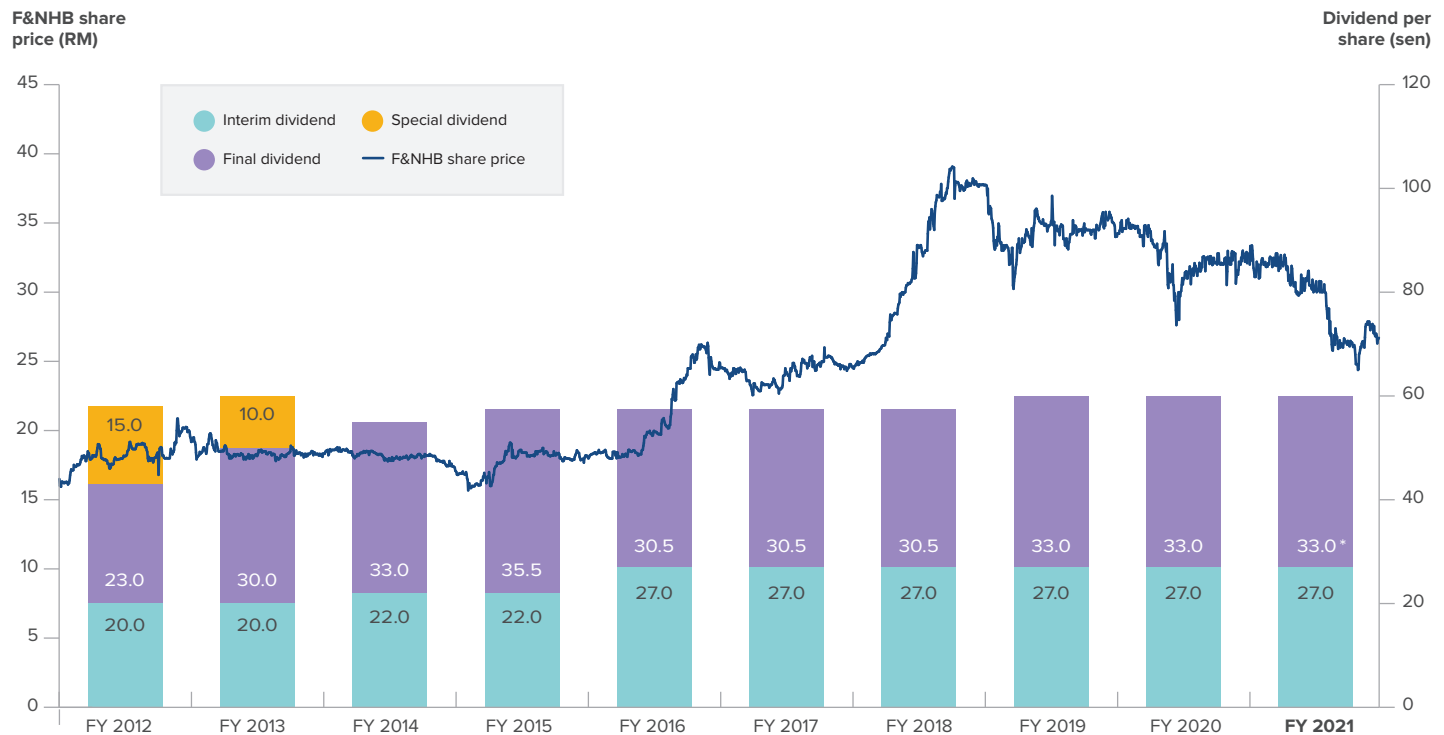
Substantial Shareholders 75.503%

Fraser and Neave, Limited 55.475%

Employees Provident Fund Board 12.510%

Amanahraya Trustees Berhad – Amanah Saham Bumiputera 7.518%

SHAREHOLDER RETURN (FY2012 – FY2021)



* Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

OUR INVESTOR PORTAL

We communicate with our shareholders and general public via our corporate website, www.fn.com.my/investors/. This website is also a platform where we share our annual reports, financial results, financial briefing presentation decks, press releases and disclosures to Bursa Malaysia.

OUR INVESTOR CALENDAR

19 January 2021

59th Annual General Meeting

5 May 2021

Half Year Results Briefing

5 November 2021

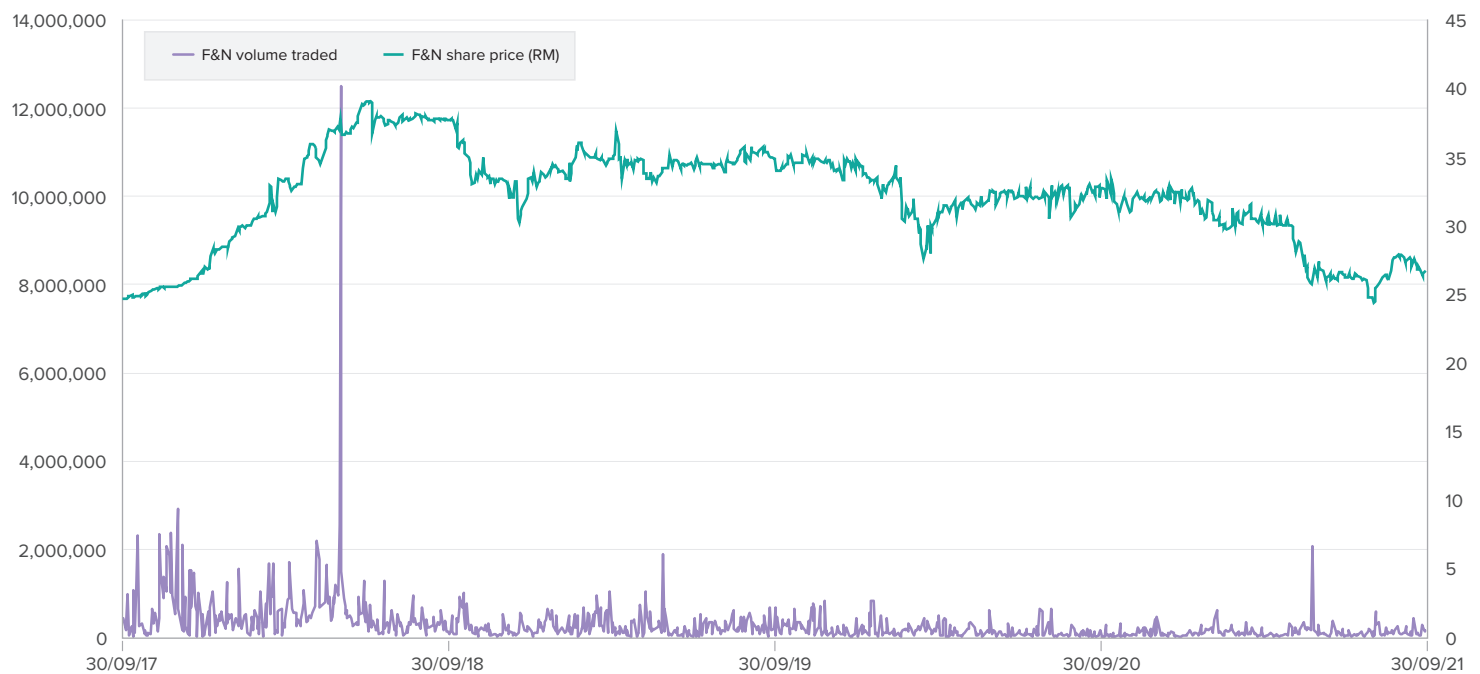
Full Year Results Briefing

Share Price Movements

FRASER & NEAVE HOLDINGS BHD'S SHARE PRICE AND FTSE BURSA MALAYSIA KLCI INDEX ("FBM KLCI INDEX")



FRASER & NEAVE HOLDINGS BHD'S SHARE PRICE AND VOLUME TRADED







Leadership

- Corporate Information
 - Board Composition
 - Profile of Board of Directors
 - Management Team
 - Profile of Chief Executive Officer
 - Profile of Key Senior Management
 - Organisation Structure
-

Corporate Information

BOARD OF DIRECTORS

- ▶ Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail (*Chairman*)
- ▶ Mr. Lee Meng Tat
- ▶ Mr. David Siew Kah Toong
- ▶ Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo
- ▶ Mdm. Tan Fong Sang
- ▶ Y.Bhg. Dato' Jorgen Bornhoft
- ▶ Mr. Hui Choon Kit
- ▶ Puan Aida binti Md Daud
- ▶ Puan Faridah binti Abdul Kadir
- ▶ Y.Bhg. Datuk Mohd Anwar bin Yahya
- ▶ Y.Bhg. Datuk Kamaruddin bin Taib
- ▶ Y.Bhg. Dato' Ng Wan Peng (*Alternate Director to Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo*)

COMPANY SECRETARY

- ▶ Mr. Timothy Ooi Aik Tuan
LS0010357
SSM PC No. 201908002732

GROUP EXECUTIVE COMMITTEE

Chairman

- ▶ Mr. Lee Meng Tat

Members

- ▶ Y.Bhg. Dato' Jorgen Bornhoft
- ▶ Mr. Hui Choon Kit
- ▶ Y.Bhg. Datuk Kamaruddin bin Taib
- ▶ Mdm. Tan Fong Sang

SUSTAINABILITY & RISK MANAGEMENT COMMITTEE

Chairman

- ▶ Mdm. Tan Fong Sang

Members

- ▶ Y.Bhg. Dato' Jorgen Bornhoft
- ▶ Mr. Hui Choon Kit
- ▶ Puan Aida binti Md Daud

AUDIT COMMITTEE

Chairman

- ▶ Mr. David Siew Kah Toong

Members

- ▶ Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo
- ▶ Mr. Hui Choon Kit
- ▶ Y.Bhg. Datuk Mohd Anwar bin Yahya

NOMINATING COMMITTEE

Chairman

- ▶ Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo

Members

- ▶ Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail
- ▶ Mr. Lee Meng Tat
- ▶ Mr. David Siew Kah Toong
- ▶ Puan Faridah binti Abdul Kadir

REMUNERATION COMMITTEE

Chairman

- ▶ Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail

Members

- ▶ Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo
- ▶ Mr. Lee Meng Tat
- ▶ Mr. David Siew Kah Toong
- ▶ Puan Faridah binti Abdul Kadir

SHARE BUY-BACK COMMITTEE

Chairman

- ▶ Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail Ibni Almarhum Tuanku Syed Putra Jamalullail

Members

- ▶ Puan Aida binti Md Daud
- ▶ Y.Bhg. Datuk Mohd Anwar bin Yahya
- ▶ Mdm. Tan Fong Sang

REGISTERED OFFICE

Level 3A, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park, Off Jalan Yew
55100 Kuala Lumpur, Malaysia
Telephone No.: 603-9235 2288
Facsimile No. : 603-9222 3779

AUDITORS

KPMG PLT

Level 10, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Telephone No.: 603-2783 9299
Facsimile No.: 603-2783 9222
E-mail: is.enquiry@my.tricorglobal.com
Website: www.tricorglobal.com

Customer Service Centre:

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

PRINCIPAL BANKERS

- ▶ OCBC Bank (Malaysia) Berhad
- ▶ Deutsche Bank (Malaysia) Berhad

STOCK EXCHANGE

Bursa Malaysia Securities Berhad:
Main Market

Stock Name: F&N

Stock Code: 3689

Stock Sector: Consumer Products
& Services

Board Composition

COMPOSITION

6 INDEPENDENT
NON-EXECUTIVE DIRECTORS

5 NON-INDEPENDENT
NON-EXECUTIVE DIRECTORS

ETHNICITY

6 MALAY

4 CHINESE

1 OTHERS

GENDER

8 MALE

3 FEMALE

AGE GROUP

1 BELOW 50 YEARS OLD

3 51-60 YEARS OLD

5 61-70 YEARS OLD

2 ABOVE 70 YEARS OLD

COMMITTEE MEMBER KEY

AC Remuneration Committee

NC Nominating Committee

RC Remuneration Committee

GEC Group Executive Committee

SBC Share Buy-Back Committee

SRC Sustainability & Risk Management Committee

Profile of Board of Directors

98



**Y.A.M. TENGKU SYARIF BENDAHARA PERLIS
SYED BADARUDIN JAMALULLAIL
IBNI ALMARHUM TUANKU SYED PUTRA
JAMALULLAIL**

Chairman of Board, Non-Independent
Non-Executive Director

Date of Appointment
24 February 1987

Length of service (as at 30 November 2021)
34 years 9 months

Number of Board Meetings Attended
5/5

 Malaysian

 Male

 76 years old

Qualification(s)

- Master of Arts in Law & History, University of Cambridge, United Kingdom

Membership(s) of Board Committees

- Remuneration Committee (Chairman)
- Share Buy-Back Committee (Chairman)
- Nominating Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > None

Present Appointment(s)

- Director, Fraser and Neave, Limited, Singapore
- Board member, Yayasan Tuanku Syed Putra, a charitable foundation
- President, Tuanku Syed Putra Dialysis Centre, Perlis
- Director, Besar Holdings Sdn Bhd
- Director, Mega SPJ Sdn Bhd

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Director, Hwang Capital (Malaysia) Berhad
- Director, Hwang-DBS Investment Bank Berhad
- Director, Hwang Investment Management Berhad
- Director, HDM Capital Sdn Bhd
- Director, Asian Islamic Investment Management Sdn Bhd

Y.A.M. Tengku Syed Badarudin Jamalullail does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company save and except that he is a Lead Independent and Non-Executive Director of Fraser and Neave, Limited, a major shareholder of the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

 Singaporean

 Male

 58 years old

Qualification(s)

- Master of Business Administration, Imperial College, London
- Bachelor of Engineering (Mechanical), National University, Singapore
- Advanced Management Programme, Harvard Business School
- Certificate in Corporate Governance, International Directors Programme (IDP-C), INSEAD

Membership(s) of Board Committees

- Group Executive Committee (Chairman)
- Nominating Committee
- Remuneration Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > None

Present Appointment(s)

- Chief Executive Officer, Non-Alcoholic Beverages of the Fraser and Neave, Limited Group
- Director, Vietnam Dairy Products Joint Stock Company, a company listed on the Ho Chi Minh Stock Exchange

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Chief Executive Officer, Wildlife Reserves Singapore
- Chief Corporate Development Officer, Food and Beverage Division, Fraser and Neave, Limited Group
- Regional Director, China, Asia Pacific Breweries Limited
- Chief Executive Officer, China, Heineken-APB (China) Management Services Co. Ltd.

Mr. Lee Meng Tat does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company save and except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



MR. LEE MENG TAT

Non-Independent Non-Executive Director

Date of Appointment
1 October 2015

Length of service (as at 30 November 2021)
6 years 1 month

Number of Board Meetings Attended
5/5

PROFILE OF BOARD OF DIRECTORS

100



MR. DAVID SIEW KAH TOONG

Independent Non-Executive Director

Date of Appointment
23 February 2016

Length of service (as at 30 November 2021)
5 years 9 months

Number of Board Meetings Attended
5/5

 Malaysian

 Male

 67 years old

Qualification(s)

- Member, Malaysian Institute of Accountants ("MIA")
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")
- Member, CPA Australia

Membership(s) of Board Committees

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

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > Director and member of Audit Committee, Great Eastern Life Assurance (Malaysia) Berhad

Present Appointment(s)

- Managing Partner, Messrs Sekhar & Tan, Chartered Accountants
- Member of the Public Practice Committee, MICPA

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Director, Chairman of Audit Committee and member of Remuneration Committee, Wing Tai Malaysia Berhad (now known as Wing Tai Malaysia Sdn Bhd)
- Finance Director, Malaysian Mosaics Berhad
- Managing Partner, Messrs BDO
- Board member, Financial Reporting Foundation
- Member, the Developing Nations Committee, International Federation of Accountants
- Special Administrator for several public listed companies pursuant to the Pengurusan Danaharta Nasional Berhad Act 1998
- Member, the Practice Review Committee, MIA
- Member, the Auditing and Accounting Technical and Financial Statement Review Committees, MICPA
- Director, Chairman of Audit Committee, member of the Risk Management and Sustainability Committee and Nominating and Remuneration Committee, Tan Chong Motor Holdings Berhad

Mr. David Siew Kah Toong does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

 Malaysian

 Male

 49 years old

Qualification(s)

- Bachelor of Arts (Honours) Degree in Business Economics, Reading University, United Kingdom
- Associate Member, the Society of Investment Professionals, United Kingdom (CFA Institute) and European Associate of Financial Analysts

Membership(s) of Board Committees

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

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > None

Present Appointment(s)

- Managing Director and Chief Investment Officer, Amara Investment Management Sdn Bhd, a fund management company licensed by the Securities Commission

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Portfolio Manager, Coutts & Co. (London) Ltd
- Director, Kenanga Asset Management Sdn Bhd
- Director, Kenanga Unit Trust Berhad

Dato' Sri Johan Tazrin bin Hamid Ngo does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATO' SRI JOHAN TAZRIN BIN HAMID NGO

Independent Non-Executive Director

Date of Appointment
23 January 2013

Length of service (as at 30 November 2021)
8 years 10 months

Number of Board Meetings Attended
5/5

PROFILE OF BOARD OF DIRECTORS



 Malaysian

 Female

 57 years old

Qualification(s)

- Member, Malaysian Institute of Accountants
- Bachelor Degree in Accounting, National University of Malaysia

Membership(s) of Board Committees

- Sustainability & Risk Management Committee (Chairman)
- Group Executive Committee
- Share Buy-Back Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > Director, Great Eastern General Insurance (Malaysia) Berhad

Present Appointment(s)

- Director, Crystal Coast Sdn Bhd

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Director, Great Eastern Life Assurance (M) Berhad
- Director, e2 Power Sdn Bhd, OCBC Credit Berhad, OCBC Capital Sdn Bhd and OCBC Advisers (M) Sdn Bhd, subsidiaries of Oversea-Chinese Banking Corporation Limited (“OCBC”)
- Executive positions in OCBC Bank (Malaysia) Berhad including position of the Chief Financial Officer

MDM. TAN FONG SANG

Non-Independent Non-Executive Director

Date of Appointment
1 October 2020

Length of service (as at 30 November 2021)
1 year 2 months

Number of Board Meetings Attended
5/5

Mdm. Tan Fong Sang does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company except she is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

 Danish

 Male

 79 years old

Qualification(s)

- Degree in Accountancy and Finance (Bachelor of Commerce), Copenhagen Business School

Membership(s) of Board Committees

- Group Executive Committee
- Sustainability & Risk Management Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > None

Present Appointment(s)

- Director, International Beverage Holdings Limited

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Chairman, Managing Director, Director and Chief Executive Officer, Carlsberg Brewery Malaysia Berhad
- Chief Executive Officer, Carlsberg Asia Pte Ltd, Singapore
- Vice-President, Carlsberg International A/S, Denmark
- President, Malaysian International Chamber of Commerce and Industry
- Director, Hap Seng Plantations Holdings Berhad
- Chairman, Hap Seng Consolidated Berhad
- Director, Mega First Corporation Berhad

Dato' Jorgen Bornhoft does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company save and except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATO' JORGEN BORNHOFT

Non-Independent Non-Executive Director

Date of Appointment
7 May 2013

Length of service (as at 30 November 2021)
8 years 7 months

Number of Board Meetings Attended
5/5

PROFILE OF BOARD OF DIRECTORS



Singaporean | Male | 57 years old

Qualification(s)

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

Membership(s) of Board Committees

- Group Executive Committee
- Audit Committee
- Sustainability & Risk Management Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
> None
- Non-Listed
> None

Present Appointment(s)

- Chief Financial Officer and Company Secretary, Fraser and Neave, Limited Group

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Senior positions within Fraser and Neave, Limited Group (Corporate Communications, Treasury & Budget and Corporate Planning & Business Development)
- Corporate Finance Banker in Singapore and Thailand
- Accountant and Financial Consultant, Ernst & Young

Mr. Hui Choon Kit does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company save and except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

MR. HUI CHOON KIT

Non-Independent Non-Executive Director

Date of Appointment
6 August 2014

Length of service (as at 30 November 2021)
7 years 4 months

Number of Board Meetings Attended
5/5

 Malaysian

 Female

 61 years old

Qualification(s)

- Master in Business Administration, Strathclyde University, Scotland
- Bachelor of Science in Business Administration (Finance and Law), Portland State University, The United States of America
- Senior Associate Member of the Financial Securities Institute, Australia
- Certified Member of Financial Planning Association, Malaysia
- Diploma in Public Administration, Institute Teknologi MARA, Malaysia

Membership(s) of Board Committees

- Sustainability & Risk Management Committee
- Share Buy-Back Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > Director, Amway (Malaysia) Holdings Berhad
- Non-Listed
 - > None

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Group Head, Human Capital Division, Permodalan Nasional Berhad (“PNB”)
- Head, Human Resource Operations & Administration Department, PNB
- Head, Human Capital Planning & Development Department, PNB
- Chief Executive Officer and Director, PNB Investment Institute Sdn. Berhad
- Head, Corporate Services Department, PNB
- Senior Vice President, Human Capital Division, PNB
- Research and Corporate Services Analyst, PNB
- Represented PNB on the board of Cerebos Malaysia Sdn Bhd, Kim Fashion Knitwear (Malaysia) Sdn Berhad, Malaysian Nasional Reinsurance Berhad, Amalgamated Industries Steel Berhad and Lion Corporation Berhad
- Member of the Board of Governors, Financial Planning Association, Malaysia

Puan Aida binti Md Daud does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



PUAN AIDA BINTI MD DAUD

Independent Non-Executive Director

Date of Appointment
10 December 2018

Length of service (as at 30 November 2021)
2 years 11 months

Number of Board Meetings Attended
5/5

PROFILE OF BOARD OF DIRECTORS



 Malaysian

 Female

 61 years old

Qualification(s)

- Master of Business Administration, Cranfield School Management, United Kingdom
- Economics (Accounting & Finance) Degree, London School of Economics, United Kingdom

Membership(s) of Board Committees

- Nominating Committee
- Remuneration Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > None
- Non-Listed
 - > None

Present Appointment(s)

- Board member, Trustees of Yayasan Kadir & Fatimah
- Vice President, Society for the Severely Mentally Handicapped Selangor
- Director, Fibertex Personal Care Sdn Bhd, Kay & Ef Sdn Bhd, Kay and Ef Trading Sdn Bhd and Fatimah Hashim Holdings Sdn Bhd

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Board member, Malaysian Danish Business Council, ISS Facility Services Sdn Bhd and Danfoss Industries Sdn Bhd
- Regional Representative, The Industrialization Fund for Developing Countries, Denmark ("IFU")
- Advisor, IFU (Malaysian projects)
- Executive, Permata Chartered Merchant Bank

PUAN FARIDAH BINTI ABDUL KADIR

Independent Non-Executive Director

Date of Appointment
24 January 2018

Length of service (as at 30 November 2021)
3 years 10 months

Number of Board Meetings Attended
5/5

Puan Faridah binti Abdul Kadir does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

 Malaysian

 Male

 67 years old

Qualification(s)

- Bachelor of Science (Honours) Degree in Economics and Accountancy, University of Hull, United Kingdom
- Chartered Accountant, Fellow of Institute of Chartered Accountant England & Wales
- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants

Membership(s) of Board Committees

- Audit Committee
- Share Buy-Back Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > Director, Sime Darby Plantation Berhad
- Non-Listed
 - > Director, Maybank Islamic Berhad
 - > Director, Amanah Saham Nasional Berhad
 - > Trustee, Padu Corporation

Present Appointment(s)

- Partner, Sage 3 Sdn Bhd
- Director, Technology Park Corporation Malaysia Sdn Bhd

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Finance Manager, Lembaga Kemajuan Kelantan Selatan
- Chief Executive Officer, Permodalan Kelantan Berhad
- Partner, PricewaterhouseCoopers
- Director, Usains Holdings Sdn Bhd
- Partner, Maybridge Consulting PLT
- Director, FGV Holdings Berhad
- Director, Pelaburan Hartanah Nasional Bhd

Datuk Mohd Anwar bin Yahya does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATUK MOHD ANWAR BIN YAHYA

Independent Non-Executive Director

Date of Appointment
24 January 2018

Length of service (as at 30 November 2021)
3 years 10 months

Number of Board Meetings Attended
5/5

PROFILE OF BOARD OF DIRECTORS

108



 Malaysian

 Male

 AGE 64 years old

Qualification(s)

- Bachelor of Science in Mathematics, University of Salford, United Kingdom

Membership(s) of Board Committees

- Group Executive Committee

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > Chairman, GHL Systems Berhad
 - > Director, Malaysia Smelting Corporation Berhad
- Non-Listed
 - > Chairman, HSBC Amanah Malaysia Berhad
 - > Director, Great Eastern General Insurance (Malaysia) Berhad
 - > Director, RAM Holdings Berhad

Present Appointment(s)

- Director, FIDE FORUM (Financial Institutions Directors Education FORUM)
- Non-Independent Non-Executive Director, Boost Holdings Sdn Bhd

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Executive Chairman and Director, DNV Malaysia Sdn Bhd (formerly known as DNV GL Malaysia Sdn Bhd)
- Director, BFC Exchange Sdn Bhd
- Trustee, the Malaysian Oil & Gas Services Council
- Chairman, Great Eastern Takaful Berhad
- Director, I Great Capital Holdings Sdn Bhd
- Director and member of the Independent Review Panel, Great Eastern Life Assurance (Malaysia) Berhad
- Member, Internal Audit Sub-committee and Human Resource Sub-committee, The Royal Selangor Golf Club

DATUK KAMARUDDIN BIN TAIB

Independent Non-Executive Director

Date of Appointment
8 November 2018

Length of service (as at 30 November 2021)
3 years 1 month

Number of Board Meetings Attended
5/5

Datuk Kamaruddin bin Taib does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

 Malaysian

 Female

 57 years old

Qualification(s)

- Bachelor Degree in Computer Science, Universiti Sains Malaysia
- Senior Executive Leadership, Harvard Business School

Date of Appointment

- 30 July 2021

Present Directorship(s) in Other Public Companies in Malaysia

- Listed
 - > Director, Securemetric Berhad
- Non-Listed
 - > Director, Hong Leong Assurance Berhad

Present Appointment(s)

- President, Big Bad Wolf Ventures Sdn Bhd

Past Directorship(s) in Public Company(ies) and/or Past Appointment(s)

- Chief Operating Officer, Malaysia Digital Economy Corporation
- Program Manager, Project Manager, Senior Systems Engineer, Sapura Advanced Systems
- Vice President and Senior Manager, Multimedia Development Corporation
- Alternate Director, Commerce Dot Com Sdn Bhd
- Alternate Director, Cyberview Sdn Bhd
- Systems Engineer, Uniphone Sdn Bhd

Dato' Ng Wan Peng does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATO' NG WAN PENG

*(Alternate Director to
Dato' Sri Johan Tazrin Bin Hamid Ngo)*

Independent Non-Executive Director

Date of Appointment
30 July 2021

Length of service (as at 30 November 2021)
4 months

Number of Board Meetings Attended
1/1

Management Team



- 1 **Lim Yew Hoe**
Chief Executive Officer
- 2 **Lai Kah Shen**
Director, Finance/Chief Financial Officer
- 3 **Suchit Riewcharoon**
Managing Director, F&N Dairies (Thailand) Limited
- 4 **Ng Eng Cheang** (from 1 December 2021)
Managing Director, Commercial Operations
- 5 **Bart Lim Siang Chin**
Managing Director, International Markets Development Malaysia
- 6 **Graham Lim**
Managing Director, Commercial Operations (Peninsular Malaysia)
- 7 **David Hoong Cheong Wai**
Senior Director, Human Capital
- 8 **Dr. Yap Peng Kang**
Senior Director, Manufacturing & Procurement
- 9 **Soh Swee Hock**
Senior Director, Business Development & Special Projects
- 10 **Bryan Lee Chee Kong**
Director, Domestic Commercial Operations (East Malaysia & Brunei)



11 Tony Chan Chwee Wan
Chief Operating Officer (Sri Nona)

12 Timothy Ooi Aik Tuan
Director, Group Legal Counsel & Company Secretary

13 Jasmine Teo Geok Lin
Director, Digital Solutions & Technology

14 Karen Tan Chui Chui
Director, Communications, Corporate Affairs & Sustainability

15 Lau Cheng Yew
Director, Property & Integrated Projects

16 Dato' Raffiq bin Md Ariff
Director, Government & Industry Engagement & Halal Affairs

17 Albert Loh Wee Han
Head, Internal Audit

18 Kelleigh Foo Chooi Kian
Senior Manager, Risk Management & Corporate Planning

19 Lee Lay Yean
Senior Manager, Business Capability & Strategy

20 Zainal Abidin Musa
Senior Manager, Business Development (Foods) & Innovation



Profile of Chief Executive Officer



LIM YEW HOE

Chief Executive Officer

Age 55	Male	Singaporean
--------	------	-------------

Date of Appointment: **1 December 2014**

Academic/Professional qualification(s)

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

Working Experience

- Joined Asia Pacific Breweries Limited (now known as Heineken Asia MTN Pte Ltd) in 1997 and has held various senior positions in Asia Pacific Breweries Limited Group, the last being Managing Director of Asia Pacific Brewery (Hanoi) Limited in 2014

Present Directorship(s) in public company(ies) and listed issuer(s)

- Cocoland Holdings Bhd

Other than holding 15,000 shares in Fraser & Neave Holdings Bhd ("Company"), he does not hold any shares in the Company's subsidiaries. He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Profile of Key Senior Management



LAI KAH SHEN

Director, Finance/Chief Financial Officer

Age 48	Male	Singaporean
--------	------	-------------

Date of Appointment: **4 February 2019**

Academic/Professional qualification(s)

- Bachelor of Accountancy, Nanyang Technological University, Singapore
- Chartered Financial Analyst, Association for Investment Management & Research
- Bachelor of Law, University of London

Working Experience

- Positions held in Fraser and Neave, Limited Group since May 2003:
 - Financial Controller, Food & Beverage including heading Fraser and Neave, Limited Group's ice cream division and concentrate plant operation
 - Group Finance Manager
- July 1997 to April 2003 – Auditor in PricewaterhouseCoopers before moving on to public-listed companies in banking and commercial sectors

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



SUCHIT RIEWCHAROON

Managing Director, F&N Dairies (Thailand) Limited

Age 57	Male	Thai
--------	------	------

Date of Appointment: **1 April 2019**

Academic/Professional qualification(s)

- Master in Marketing, Thammasart University, Thailand
- Bachelor of Business Administration majoring in Marketing, Assumption University, Thailand

Working Experience

- February 2007 to March 2019 – Head of Sales for Thailand and Indochina of F&N Dairies (Thailand) Limited
- 1988 to 2007 – held various managerial positions in Nestle (Thai) Limited, the last being Business Excellence and Training Manager

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



NG ENG CHEANG

Managing Director, Commercial Operations (from 1 December 2021)

Age 57	Male	Malaysian
--------	------	-----------

Date of Appointment: **1 December 2021**

Academic/Professional qualification(s)

- Bachelor of Business in Business Administration (Distinction), RMIT Melbourne

Working Experience

- 30 years of experience in FMCG across many MNCs namely Cadbury, Danone, Campbell Soups, Etika/Asahi and the last role in Bernas as the Group Managing Director for its Go to Market businesses

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

PROFILE OF KEY SENIOR MANAGEMENT



BART LIM SIANG CHIN

Managing Director, International Markets Development Malaysia

Age 51	Male	Singaporean
--------	------	-------------

Date of Appointment: **1 July 2021**

Academic/Professional qualification(s)

- Bachelor of Business Studies, Nanyang Technological University, Singapore

Working Experience

- Over 24 years of experience in customer development, marketing and operation controls, and has held various operational and leadership roles, among which were the positions of Regional Director for Johnson & Johnson Consumer (Asia Pacific), General Manager for Carlsberg Singapore Pte Ltd and Chief Operating Officer for St. Joseph's Home
- Positions held in Fraser and Neave, Limited Group:
 - January 2018 to September 2018 – General Manager, Emerging and New Markets
 - April 2014 to September 2015 – General Manager, Non-Alcoholic Beverages CEO's Office
- October 2018 to June 2021 – Managing Director, Domestic Commercial Operations (Peninsular Malaysia)

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



GRAHAM LIM

Managing Director, Commercial Operations (Peninsular Malaysia)

Age 44	Male	Singaporean
--------	------	-------------

Date of Appointment: **1 July 2021**

Academic/Professional qualification(s)

- Bachelor of Business majoring in Marketing & Finance, University of Technology, Sydney

Working Experience

- Positions held in Fraser and Neave, Limited Group:
 - September 2011 to April 2016 – Country Manager for F&N Foods Myanmar Branch Office
 - February 2008 to August 2011 – Regional Marketing Manager, Sports Beverages
- October 2017 to June 2021 – Director, Marketing of Fraser & Neave Holdings Bhd Group prior to assuming the current position, a combined role of Domestic Commercial Operations and Marketing

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DAVID HOONG CHEONG WAI

Senior Director, Human Capital

Age 61	Male	Malaysian
--------	------	-----------

Date of Appointment: **5 August 2013**

Academic/Professional qualification(s)

- Bachelor Degree of Arts majoring in business administration and industry psychology, Wilfrid Laurier University, Waterloo Ontario, Canada

Working Experience

- Over 35 years of human resource management experience in the manufacturing environment for large organisations of various industries.
- June 2006 to July 2013 – Vice President, Human Resource of Unisem (M) Berhad

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DR. YAP PENG KANG

Senior Director, Manufacturing and Procurement

Age 54	Male	Singaporean
--------	------	-------------

Date of Appointment: **1 October 2018**

Academic/Professional qualification(s)

- Doctorate of Philosophy (PhD) in Microbiology, National University, Singapore
- Bachelor of Science (Hons) in Microbiology, National University, Singapore

Working Experience

- October 2017 to present - Head, Group Research & Development of Fraser and Neave, Limited prior to assuming the current role
- Over 21 years of experience in the brewery industry and has held various senior positions in the Heineken Group of Companies

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

PROFILE OF KEY SENIOR MANAGEMENT



BRYAN LEE CHEE KONG

Director, Domestic Commercial Operations (East Malaysia & Brunei)

Age 58	Male	Malaysian
--------	------	-----------

Date of Appointment: **3 December 2018**

Academic/Professional qualification(s)

- Chartered Institute of Marketing, Berkshire, United Kingdom

Working Experience

- 30 years of experience at various multinational companies with solid range of experience not limited to Strategic Developments, Innovations & New Product Development, Brand and Trade Marketing. The last posting was in Myanmar heading the Commercial Division at a leading Beverage Company

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



TONY CHAN CHWEE WAN

Chief Operating Officer (Sri Nona)

Age 55	Male	Malaysian
--------	------	-----------

Date of Appointment: **1 April 2021**

Academic/Professional qualification(s)

- Bachelor of Business (Marketing), Chisholm Institute of Technology, Melbourne, Australia

Working Experience

- More than 25 years experience in business development and sales and marketing covering FMCG industry (food and alcoholic beverages) and healthcare industry (Nephrology) in Vietnam, Philippines, Singapore, Nigeria, Cote d'Ivoire and Ghana

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



TIMOTHY OOI AIK TUAN

Director, Group Legal Counsel & Company Secretary

Age 59	Male	Malaysian
--------	------	-----------

Date of Appointment: **5 December 2018**

Academic/Professional qualification(s)

- LL.B (Hons), University of London
- Barrister-at-Law, Middle Temple
- Licensed Company Secretary

Working Experience

- Over 35 years' experience as legal counsel, company secretary and compliance officer in various organisations in Hong Kong and Malaysia
- 2012 – Head, Legal of Fraser & Neave Holdings Bhd Group
- 2018 – In addition to overseeing the legal department, he is also responsible for the company secretarial services of Fraser & Neave Holdings Bhd Group

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



JASMINE TEO GEOK LIN

Director, Digital Solutions & Technology

Age 56	Female	Singaporean
--------	--------	-------------

Date of Appointment: **1 January 2020**

Academic/Professional qualification(s)

- Bachelor Degree of Science majoring in Mathematics in National University, Singapore

Working Experience

- 32 years of IT experience working in both public and private sectors in Singapore, in the area of applications design and development, SAP system support and maintenance. Before joining the Fraser & Neave Holdings Bhd Group, she has had over 16 years' experience as senior vice president in Sembcorp Industries, setting up and heading the IT Shared Services function for the whole group

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

She does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

PROFILE OF KEY SENIOR MANAGEMENT



KAREN TAN CHUI CHUI

Director, Communications, Corporate Affairs & Sustainability

Age 46	Female	Malaysian
--------	--------	-----------

Date of Appointment: **1 October 2015**

Academic/Professional qualification(s)

- Bachelor of Social Science (Hons) majoring in Economics, University Science of Malaysia

Working Experience

- Over 20 years' cross-industry experience in the area of Communications, Public Relations and Marketing in Malaysia and Singapore
 - October 2015 to September 2020: Head of Communications & Corporate Affairs before assuming the current role
 - November 2011: Group Corporate Affairs Manager, Fraser & Neave Holdings Bhd
 - Prior to F&N, she held managerial roles in Fuji Xerox Malaysia, Hewlett-Packard Malaysia, and the last being Southeast Asia Communications Specialist at DHL Express

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

She does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATO' RAFFIQ BIN MD ARIFF

Director, Government and Industry Engagement & Halal Affairs

Age 51	Male	Malaysian
--------	------	-----------

Date of Appointment: **1 November 2019**

Academic/Professional qualification(s)

- Bachelor of Accountancy, University Technology MARA
- ACCA (Partial), Emile Woolf College of Accountancy, United Kingdom

Working Experience

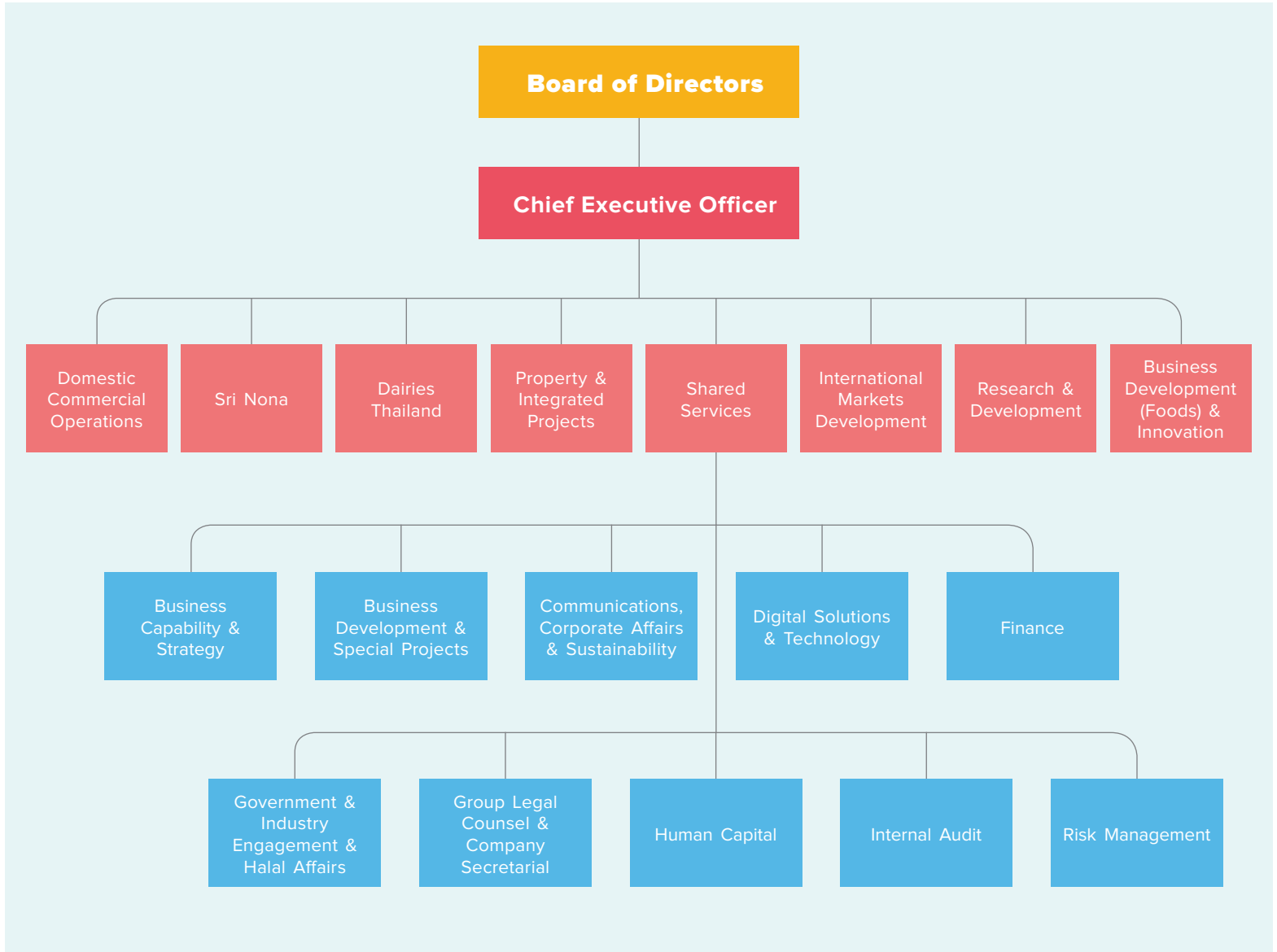
- January 2017 - Senior Manager, International Markets Development of Fraser & Neave Holdings Bhd Group prior to assuming the current role
- Began his career at a public accounting firm before assuming managerial positions in several multinational companies such as Samsung Malaysia

Present Directorship(s) in public company(ies) and listed issuer(s)

- Nil

He does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Organisation Structure



WORKFORCE

BY EMPLOYMENT STATUS

2,454

Permanent Contract

42

Temporary Contract

NUMBER OF EMPLOYEES

2,496

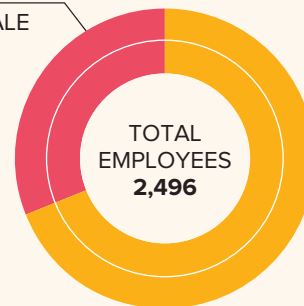
AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE PER YEAR

18 hours*

* Excluding Sri Nona's data

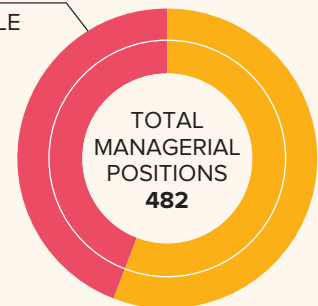
BY GENDER

31%
MALE



69%
FEMALE

44%
MALE



56%
FEMALE





Governance

- Chairman's Introduction to Corporate Governance
 - Corporate Governance Overview Statement
 - Nominating Committee Report
 - Audit Committee Report
 - Statement on Risk Management and Internal Control
 - Statement on Directors' Responsibility
 - Additional Compliance Information
-

Chairman's Introduction to Corporate Governance

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Fraser & Neave Holdings Bhd (F&NHB) Corporate Governance Overview Statement for the financial year 2021.

This Statement gives an insightful overview into the activities of the Board and its Committees throughout the year and how the Board provides effective stewardship to F&NHB to ensure it achieves its strategic priorities. We have set out details of our work as testament to our commitment to deliver sustainable value to all our stakeholders.

In determining the Company's strategic priorities, we embrace principles of good governance and instil a sense of responsibility in our corporate culture, focusing on accountability, integrity and ethics to drive responsible growth.

The Board believes that the highest standards of corporate governance are critical for delivering consistent performance, creating long-term economic and sustainable value as well as growth for all stakeholders.

In a year marked by challenges of the COVID-19 pandemic that continued to have a profound effect on how companies around the world had adapted their operations, good governance, consistent engagement and collaboration with stakeholders have never been more important.

During the year under review, the Board's oversight role was focused on continuing to build a resilient organisation. The Board continued to monitor closely the development of the pandemic, its impact on the Company's business operations, Management's response and its follow through of the initiatives taken, whilst constantly fostering a safe working environment for employees.

In the year ahead, the Board will continue to play a significant role through calculated interventions that will positively influence our resilience and agility in a changed world.

Today, as economies rebuild and the world transitions to the new normal, I am confident that we are ready to meet the demands of a significantly changed world and forge ahead even stronger, towards a sustainable tomorrow.



**Y.A.M. TENGKU SYARIF BENDAHARA PERLIS
SYED BADARUDIN JAMALULLAIL
IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**
Chairman

I am especially pleased to report that our efforts to build trust with stakeholders through transparent, quality, and relevant disclosures includes benchmarking our practices with FTSE4Good Bursa Malaysia and S&P Corporate Sustainability Assessment and that we are also performing at the top 15% among our industry for both.

I am pleased to report that F&NHB has applied and complied with the relevant provisions of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), the Companies Act 2016, the Corporate Governance Guide – 3rd Edition issued by Bursa Malaysia, in addition to benchmarking our practices against the ASEAN Corporate Governance Scorecard. Additionally, the Company has applied and complied with almost all the Practices enumerated in our Corporate Governance Report which is accessible to the public on the Company's corporate website at www.fn.com.my.

Corporate Governance Overview Statement

Fraser & Neave Holdings Bhd (“F&NHB” or “Company”) recognises the importance of strong corporate governance and has in place sound policies, business practices and internal controls to help safeguard its assets and shareholders’ interests while building a sustainable business. The Company is guided by the principles of the Malaysian Code on Corporate Governance (“CG Code”) and the Corporate Governance Guide issued by Bursa Malaysia Berhad in its corporate governance practices, and continues to strive towards achieving a high standard of corporate governance.

This statement provides an overview of the Company’s corporate governance practices throughout the financial year ended 30 September 2021 (“Financial Year 2021”) with reference to the three key principles A to C below as set out in the CG Code. This statement is to be read together with the Corporate Governance Report 2021 (“CG Report”), which is available on the Company’s website at <https://fn.com.my/investors/ar2021/>. The CG Report describes how the Company has applied each practice of the CG Code, any departure thereof and alternative measures taken, where applicable during the financial year under review.

GOVERNANCE PHILOSOPHY

F&NHB is an organisation based on values and committed to high standards of business integrity and ethics. Ethical and effective leadership underpins the Board’s oversight and strategic steer. The Board embraces and promotes value-creating governance through a deliberate and structured approach.

F&NHB embraces world-class business practices and robust institutional governance and risk frameworks. The Board together with management regularly reviews these practices and frameworks, always mindful of the dynamic and evolving corporate landscape, to ensure that the Company acts in the best interests of stakeholders. The Board and management believe that good governance contributes to living the corporate values through, among others, enhanced accountability, strong risk and performance management, transparency and effective leadership.



→ PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. BOARD DUTIES AND RESPONSIBILITIES

In pursuing sustainable value and growth of the Group, the Board provides entrepreneurial leadership, sets strategic directions and oversees the business affairs of the Group and management effectiveness. The Board is guided by a Board Charter to ensure orderly and effective discharge of its duties and responsibilities as set out in the Board Charter. The Board Charter further defines the respective roles of the Chairman of the Board, the Chief Executive Officer (“CEO”), the Non-Executive Directors and the Senior Independent Director. The Board Charter is available for reference on the Company’s website.

The Group has two sets of Charts of Authority (“COA”) i.e. Board COA and Management COA, which set out matters reserved for the Board’s approval and matters delegated to the Board Committees and management. The delegation of authority to the Board Committees, the CEO and senior management are set out in the Terms of Reference (“TOR”) of the Board Committees, the Board COA and the Management COA respectively. Among the Group’s key matters reserved for the Board’s approval are annual business plans and budgets, dividends, accounting policies, Group funding and restructuring, expenditures above certain pre-determined limits; disposal and acquisition of land, properties, equities and businesses.

2. BOARD COMMITTEES

The Board has established six Board Committees, namely the Group Executive Committee (“EXCO”), Audit Committee (“AuditCom”), Nominating Committee (“NomCom”), Remuneration Committee (“RemCom”), Sustainability & Risk Management Committee (“SRMCom”) and Share Buy-Back Committee, all of which operate within their respective TORs, which are available for reference on the Company’s website.

The Board Committees review matters within their TORs and make recommendations to the Board for approval, where relevant. The Board is kept apprised of the activities of the Board Committees through circulation of minutes of meetings of the Board Committees and update on meeting deliberations and outcomes by the respective chairmen of the Board Committees at meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. CHAIRMAN AND CEO

The positions of the Chairman of the Board and the CEO are held by different individuals and their roles are clearly defined in the Board Charter. Separation in the positions ensures a balance of power and authority while facilitating effective discharge of the distinct roles of the Chairman and CEO.

The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct by focusing on strategy, governance and compliance; promoting constructive and respectful relations between Directors, and between the Board and management; and ensuring a smooth, open and constructive dialogue between the Board and shareholders.

The CEO of the Company is responsible for the day-to-day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions. The CEO together with the management team manages the business of the Group in accordance with the Board's strategic plans, instructions and directions.

4. COMPANY SECRETARY

The Board is supported by a Company Secretary who has a legal qualification and is qualified to act as company secretary under the Companies Act 2016. The Company Secretary plays an important advisory role in advising the Board on statutory and regulatory requirements, particularly on corporate governance issues and ensuring compliance with the relevant acts, rules and regulations.

5. ACCESS TO INFORMATION AND ADVICE

The Board's rights to all information pertaining to the Group and independent access to senior management for information and clarification in furtherance of its duties are set out in the Board Charter. Besides, the Board Charter also provides for the Directors, either as a group or individually to seek and obtain independent professional advice where necessary, at the Company's expense, to discharge their duties effectively.

Directors have unrestricted access to senior management for information or updates regarding the Group. Senior management provides Directors with the required information or updates either personally or at meetings. The Board emphasises provision of timely and quality information by management to facilitate effective deliberation and decision-making process.

6. FORMALISED ETHICAL STANDARDS

Directors, officers, employees and business associates of the Group are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with laws, regulations and the Group's policies, including those relating to anti-bribery and anti-corruption.

The Group has in place a Code of Business Ethics and Conduct which sets out the standards and ethical conduct expected of all employees in the course of their employment with the Group. The Board has established a system with relevant policies and procedures to manage bribery and corruption risks of the Group as guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

The Group also has a Whistleblowing Policy with a well-defined process to provide an independent feedback channel through which staff may, in confidence and in good faith, raise concerns about possible improprieties in matters of financial reporting and other matters. Besides, a Fraud Control Policy is in place to protect the revenues, assets and reputation of the Group from loss or damage due to fraud.

More details of the Code of Business Ethics and Conduct, Whistleblowing Policy, Fraud Control Policy and policies relating to anti-bribery and anti-corruption are set out in the Statement on Risk Management and Internal Control. The said code and policies are published on the Company's website.

7. STRATEGIES PROMOTING SUSTAINABILITY

The Board is responsible for formulating on-going programmes to promote sustainability, where attention is given to environmental, social and governance ("ESG") aspects of business which underpin sustainability.

To support the Group's long-term strategy and success, the Board and management emphasise strategic management of material sustainability risks and opportunities, which includes integration of ESG factors in their decision-making process and in the Group's operations.

The SRMCom provides oversight and approves strategic initiatives and policies for the sustainability agenda of the Company and reports to the Board regularly. The SRMCom, at its quarterly meetings, receives regular updates on the Group's sustainability agenda.

Details of the corporate sustainability of the Group are presented in the Sustainability Report.

II. BOARD COMPOSITION

1. BOARD COMPOSITION

The Company's Constitution provides for the Board to compose of a maximum of eleven Directors.

The present Board comprises eleven Non-Executive Directors whose varied skills and vast experience are relevant to the business operations of the Group.

The mix of Directors on the current Board is broadly balanced to reflect the interests of the controlling shareholder and minority shareholders. Of the eleven Directors, six are Independent Directors and five are Non-Independent Directors including the Chairman and four nominees of the controlling shareholder, Fraser and Neave, Limited. Representation of Independent Directors on the Board remained at 55% throughout the Financial Year 2021.

The Board through the NomCom conducts an annual review of its composition and annual evaluation to determine if the Board has sufficient diversity with independence elements and its effectiveness.

2. INDEPENDENCE OF DIRECTORS

The Board recognises the importance of independence and objectivity in its decision-making process. The Independent Directors who are professionals of high calibre and integrity and possess in-depth knowledge of the Group's business, bring their independent and objective views and judgement to Board deliberations.

The Company has a Policy on Independence of Directors, which is available on the Company's website. The policy specifies the considerations taken into account by the Board to assess the independence of each Independent Director. The policy sets out the test of independence that will be used to determine the independence of Directors and the disclosure of information in the Company's annual report. Independent Directors will provide the Board with an annual confirmation of their independence based on the criteria set out in the policy. The Board through the NomCom will assess the independence of Directors upon appointment and annually and will re-assess determinations of independence when any new interests or relationships are disclosed by Directors.

During the Financial Year 2021, the Board through the NomCom engaged an external consultant, Aon Solutions Singapore Pte Ltd (formerly known as Aon Hewitt Singapore Pte Ltd) to perform a self/peer evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors continued to exercise independent and objective judgement and acted in the interest of the Company and its stakeholders.

The Board also recognises that an extended time on the Board may impair a Director's independence and takes cognisance of the recommendations of the CG Code regarding tenure of Independent Directors. Based on the Policy on Independence of Directors, the tenure of an Independent Director shall not exceed a cumulative of nine years and shall not be further extended unless the Independent Director is re-designated as Non-Independent. As it is not contemplated that any Independent Director will continue to serve on the Board as a Non-Independent Director, the Board, through the NomCom, shall be entitled to commence a search for replacement of an outgoing Independent Director prior to the end of the anticipated nine-year term.

3. BOARD DIVERSITY

The Board acknowledges the importance of Board diversity to the effective functioning of the Board. The Board has adopted a Board Diversity Policy, which is available on the Company's website.

Differences in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender will be considered in determining the optimum Board composition.

A Board Skills Matrix has been used as reference for the Directors' improvement and succession planning. The Board as a whole possesses a diverse set of skills, experience and expertise in relation to food and beverages business, financial and accounting, legal practice, human resource and labour relations, strategy and analytics, sales and marketing, information technology, supply chain management and logistics, corporate governance, risk management and internal controls, which are necessary to govern the Group.

In terms of nationality diversity, 73% of the current eleven Directors are Malaysians and 27% are foreigners. 36% of the Directors are between the ages of 45 to 60 and the remaining 64% are above 60 years old. 27% of the Board are women Directors. The Board will be increasing its women representation to more than 30% as Y.Bhg. Dato' Ng Wan Peng is being proposed as an Independent Non-Executive Director for shareholders' approval at the Company's forthcoming 60th Annual General Meeting ("AGM") to be held on 17 January 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4. TIME COMMITMENT AND PROTOCOL FOR ACCEPTING NEW DIRECTORSHIPS

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees and other types of meeting. Board meetings, meetings of Board Committees and the Company's AGM for each financial year are scheduled in advance for Directors to plan their schedule ahead.

The Board is satisfied with the level of time commitment given by the Directors in the discharge of their roles and responsibilities as Directors of the Company as evidenced by their attendance at the respective meetings in the Financial Year 2021:

Directors	Board Committees						Annual General Meeting	Extraordinary General Meeting
	Board	AuditCom	NomCom	RemCom	EXCO	SRMCom		
Y.A.M Tengku Syed Badarudin Jamalullail	5/5		4/4	2/2			1/1	1/1
Mr. Lee Meng Tat	5/5		4/4	2/2	4/4		1/1	1/1
Mr. David Siew Kah Toong	5/5	4/4	4/4	2/2			1/1	1/1
Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo	5/5	4/4	4/4	2/2			1/1	1/1
Mdm. Tan Fong Sang	5/5				4/4	4/4	1/1	1/1
Y.Bhg. Dato' Jorgen Bornhoft	5/5				4/4	3/4	1/1	1/1
Mr. Hui Choon Kit	5/5	4/4			4/4	4/4	1/1	1/1
Puan Aida binti Md Daud	5/5					4/4	1/1	1/1
Puan Faridah binti Abdul Kadir	5/5		4/4	2/2			1/1	1/1
Y.Bhg. Datuk Mohd Anwar bin Yahya	5/5	4/4					1/1	1/1
Y.Bhg. Datuk Kamaruddin bin Taib	5/5				4/4		1/1	0/1
Y.Bhg. Dato' Ng Wan Peng <i>(appointed as an Alternate Director to Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo on 30 July 2021)</i>	1/1		1/1	1/1				

Under the existing practice, Directors will inform the Board immediately after accepting new directorships in other companies so long as their number of directorships in public listed companies is not more than five in compliance with the Listing Requirements of Bursa Securities.

5. DIRECTORS' TRAINING

In compliance with the Listing Requirements of Bursa Securities, all members of the Board have attended the required training programmes as prescribed by Bursa Securities.

From time to time, the Directors attend training to keep abreast with current developments as well as the new statutory and regulatory requirements. In addition to this, the Group, in collaboration with external training providers, also organises internal training programmes for the Directors.

The Board had via the NomCom evaluated the training needs of Directors, and identified the training topics required by the Directors. Set out below are the training programmes attended by the Directors during the Financial Year 2021:

Directors	Training Programmes Attended
1. Y.A.M. Tengku Syed Badarudin Jamalullail	<ul style="list-style-type: none"> • Business Foresight Forum – Evolutionary Change to Revolutionary Impact: Reimagining a New World Post COVID-19 • Board and Audit Committee Priorities 2021 • Staying Resilient through Unprecedented Times • The New Reality of Cyber Hygiene • Updates to the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual and Code of Corporate Governance • Directors’ Continuing Education Programme (“CEP”) 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: Malaysian Code on Corporate Governance (“MCCG”) 2021 > Module 3: Halal Awareness • Resurgence, Recalibration and Risk – the World in Transition • Using a Science-Based Approach to Reduce Your Company’s Emissions and Improve Customer Loyalty
2. Mr. Lee Meng Tat	<ul style="list-style-type: none"> • Managing Human Rights: Why Is It Important to Corporations? • Nominating and Remuneration Committees – Beyond Box-Ticking & Enhancing Effectiveness • SID Directors Conference 2021: “Asia’s Renaissance – The New Era of Recovery & Reopening” • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness
3. Mr. David Siew Kah Toong	<ul style="list-style-type: none"> • MFRS 17 Insurance Accounting • Financial Institutions Directors Education (“FIDE”) Core Module B: Board Simulation on Merger & Acquisition • MFRS 17 Insurance Contracts: Understanding Its Impact and Consequences • Dawn Raid: Don’t Be Caught Unprepared • Economic Outlook 2021: Investing at the Right Time and Sector • Digital Revolution: What Does the Future Hold? • Sustainable Finance: Making Better Financial Decisions • MASB Dialogue on MFRS 17 Insurance Contracts: What Every Director Must Know • Board and Audit Committee Priorities 2021 • The Future of Malaysia’s Financial Sector • Implementing Amendments in the MCCG • Joint Committee on Climate Change Annual Flagship Conference • National Tax Conference 2020 • National Tax Conference 2021 • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness
4. Y.Bhg. Dato’ Sri Johan Tazrin bin Hamid Ngo	<ul style="list-style-type: none"> • CGS – CIMB 13th Annual Malaysia Virtual Corporate Day • 24th Credit Suisse Asian Investment Conference • CGS – CIMB Malaysia Virtual Investor Corporate Day • US Forced Labor Legislation: Impact on Corporate Malaysia • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors		Training Programmes Attended
5.	Mdm. Tan Fong Sang	<ul style="list-style-type: none"> • Climate Action: The Board's Leadership in Greening the Financial Sector • Board Educational Series: <ul style="list-style-type: none"> > Anti-Money Laundering and Countering Financing of Terrorism – Regulatory Development and Internal Process > Sustainability – Getting the Board on Board > The Future in Question: Economic Cycles, Technology and Cyber Security > Implementation of MFRS 17 Insurance Contracts: Technical Accounting Papers (Batch 5) • Green Fintech: Ping An's Journey to Becoming a Top ESG-Performing Financial Institution ("FI") • Rethinking Our Approach to Cyber Defence in Fls • Managing Human Rights • Transfer Pricing: Understanding COVID-19 Positions of the Organisation for Economic Co-operation and Development ("OECD") & the Inland Revenue Authority of Singapore ("IRAS") and Their Impact on Business • The Evolution of Digital Service Tax & Its Impact on Business in Singapore & ASEAN • Board Effectiveness Evaluation Industry Briefing • A Dialogue with CEO of the Inland Revenue Board • Sustainable Finance: Making Better Financial Decisions • Board Educational Series: Sanctions Screening and Getting Ready for Dawn Raids • MASB Dialogue on MFRS 17 Insurance Contracts • Board Educational Series: <ul style="list-style-type: none"> > Environment, Social & Governance ("ESG") > Responsible Investments > Security Operations Centre & Security Monitoring • The future of Malaysia's Financial Sector • JC3 Flagship Conference 2021: Finance for Change <ul style="list-style-type: none"> > Day 1: Sustainability as a Business Strategy for Fls > Day 2: JC3 Outcomes and implications for Fls > Day 3: Sustainable Finance for the Private Sector • Risk Management in Technology ("RMIT"): Insights 1 Year on • Engagement Session on Board Leadership Framework • The Board's Role and Responsibilities in Crisis Communication • Cyber Security Trends: Keeping Up with 2021 New Normal • Risk Based Capital Framework for Insurers and Takaful Operators • US Forced Labor Legislation: Impact on Corporate Malaysia • Directors' CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness
6.	Y.Bhg. Dato' Jorgen Bornhoft	<ul style="list-style-type: none"> • Directors' CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness
7.	Mr. Hui Choon Kit	<ul style="list-style-type: none"> • KPMG Business Leaders Budget 2021 Forum • Managing Human Rights: Why Is It Important to Corporations? • SGX Regulatory Symposium 2021 • A talk on "Implementing Amendments in the MCCG" • Power to the People: Building a Data-Driven Organisation • F&N Group Accounting Seminar • SID Directors Conference 2021 • Updates to SGX-ST Listing Manual and Code of Corporate Governance • Directors' CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness • SGX-GCNS Webinar: Roadmap to Mandatory Climate-Related Disclosures

Directors		Training Programmes Attended
8.	Puan Aida binti Md Daud	<ul style="list-style-type: none"> • Government-Linked Companies (“GLC”) Disaster Response Network • Cyber Security Threats and Incident Response Awareness • Business Plan for 2021 (Part 1 to Part 4) • Bridging Divide & Protege • PNB Knowledge Sharing Initiatives Forum 2020 Malaysia and ASEAN: Navigating China-US Relations in the 21st Century • YTI Memorial Lecture 2020: How Safe Are the Save Haven Assets in Malaysia? Lessons From COVID-19 Pandemic • Dawn Raid: Don’t Be Caught Unprepared • Anti-Bribery and Corruption Training • Shariah Investing Dialogue with Public Listed Companies 2021 (Session 1) • Raising Defences: Section 17A, the Malaysian Anti-Corruption Commission Act 2009 • Disrupting Governance: Reinventing Board Supervision in an Agile World • A Talk on “Implementing Amendments in the MCCG” • Corporate Governance Revisited: The Co-Existence of Ethics & Law Sets You F.R.E.E • Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies • ESG Reporting Health Check • Fireside Chat with Dato’ Zuraidah Atan on Importance of ESG • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness
9.	Puan Faridah binti Abdul Kadir	<ul style="list-style-type: none"> • Business Foresight Forum – Evolutionary Change to Revolutionary Impact: Reimagining a New World Post COVID-19 • Understanding Board Decision-Making Process • Managing Human Rights: Why Is It Important to Corporations? • Economic Outlook 2021: Investing at the Right Time and Sector • Digital Acceleration and Innovation for Business Recovery and Growth • Rethinking Business Sustainability During Pandemic • Board and Audit Committee Priorities 2021 • A Talk on “Implementing Amendments in the MCCG” • Board’s Role in the Changing World of Work • Global BLC Webinar “Building Back Better: A Board’s Eye View” • The New Reality of Cyber Hygiene • Nominating and Remuneration Committees – Beyond Box-Ticking & Enhancing Effectiveness • Corporate Director’s Summit “Governance 4.0: Transforming Business, Transforming Boards” • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness
10.	Y.Bhg. Datuk Mohd Anwar bin Yahya	<ul style="list-style-type: none"> • Malaysian Financial Reporting Standards • Tax Conference – Tackling Practical Problems Faced by Taxpayers • Audit Committee Conference 2021 • iRAC (Integrity, Risk, Assurance, Compliance) • Responsible Investments and Sustainability Agenda • Board and Audit Committee Priorities • The Role of Independent Director in Embracing Present and Future Challenges • Investing in Crypto Assets • Board’s Role in the Changing World of Work • SRI 2021 Conference – “Paving the Way for Profitability through Sustainability” • Malaysia Insolvency Conference 2021 – Flattening the Insolvency Curve through Restructuring and Rescue Reliefs • Permodalan Nasional Berhad (“PNB”) Knowledge Forum 2021 – Rising Above COVID-19: Reimagining Work in Malaysia & Beyond • Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies • US Forced Labor Legislation: Impact on Corporate Malaysia • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors		Training Programmes Attended
11.	Y.Bhg. Datuk Kamaruddin bin Taib	<ul style="list-style-type: none"> • Navigating the “New Normal” – How Has Fintech Fared through COVID-19 Crisis? • Brave New World: Conceptualising the Future of Modern Financial Architecture • E-Berkat: Enabling Micro Finance Digital Product to the Underserved • Data Portability: Transforming the Financial Services Industry • Anti-Money Laundering & Countering Financing – Regulatory Development and Internal Process • Sustainability – Getting the Board on Board • The Future in Question: Economic Cycles, Technology and Cyber Security • Implementation of MFRS 17 Insurance Contract: Technical Accounting Papers (Batch 5) • Lending Fraud Awareness Training • Green Fintech: Ping An’s Journey to Becoming a Top ESG-Performing Financial Institution • Informal Liquidity Metrics Session • Non-Executive Global Mandatory Training – Trimester 1, Health Safety & Well-Being, Risk Management, Cyber Data Privacy • Non-Executive Global Mandatory Training – Trimester 2, Financial Crime Risk, Anti-Money Laundering, Sanctions, Fraud, Tax Transparency • Distinguished Board Leadership Series: Rethinking Our Approach to Cyber Defence in Financial Institutions • Walkthrough of the New Product Development • Budget 2021 • Non-Executive Global Mandatory Training Trimester 3 Conduct Including “Speak Up” Workplace Harassment • Board Effectiveness Evaluation Industry Briefing • ASEAN Healthcare Webinar: COVID-19 Vaccine Rollout and the Recovery of the ASEAN Economy • Sanctions • Dawn Raid • Bank Negara Malaysia (“BNM”)-FIDE Forum – MASB Dialogue: MFRS 17 Insurance Contracts: What Every Director Must Know • Regional Webinar: Scaling up Sustainable Finance in ASEAN – the Malaysian Journey • Implementing Amendments in the MCCG • Environmental, Social & Governance • Responsible Investments • Security Operations Centre & Security Monitoring • RMI & Digital Transformation: What They Mean for Governance & Strategy of Banks and Insurance Boards • Masterclass on Inclusion & Diversity for CEOs & Board Members • Flagship Event on Climate Change, Finance for Change Virtual Conference: <ul style="list-style-type: none"> > Sustainability as a Business Strategy for FIs > JC3 Outcomes and Implications for FIs > Sustainable Finance for the Private Sector • BNM-FIDE Forum Dialogue on RMI Implementation • Climate Change Impact on Banks & Role of the Board • Shaping the Future of FI Board Leadership • The Board’s Role and Responsibilities in Crisis Communication • Cyber Security in Time of COVID • Climate Risk • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness • How FIs Are Tackling the Net Zero Challenge
12.	Y.Bhg. Dato’ Ng Wan Peng <i>(appointed as an Alternate Director to Y.Bhg. Dato’ Sri Johan Tazrin bin Hamid Ngo on 30 July 2021)</i>	<ul style="list-style-type: none"> • The FIDE Core Program Module A: Insurance • Corporate Director’s Summit “Governance 4.0: Transforming Business, Transforming Boards” • Mandatory Accreditation Program • US Forced Labor Legislation: Impact on Corporate Malaysia • Directors’ CEP 2021: <ul style="list-style-type: none"> > Module 1: Executive Briefing and Digital Trends – Opportunities for Transformation > Module 2: MCCG 2021 > Module 3: Halal Awareness

6. NOMINATING COMMITTEE

The Board has established the NomCom to assist the Board in ensuring the existence of the right mix of skills, knowledge, experience, qualities, gender, nationality, age and other attributes that are relevant and contribute to the effective functioning of the Board. A summary of the activities of the NomCom is set out in the NomCom Report.

7. RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS

The NomCom is responsible for assessing and recommending appointments to the Board and Board Committees and reviewing the annual assessment of Directors. The recruitment and assessment processes are set out in the NomCom Report.

respect of salary packages for Executive Directors, CEO and senior executives. The current salary packages comprise a combination of basic salary and a variable performance incentive to attract and retain talent in a competitive environment. There was no change in the remuneration policies and practices during the Financial Year 2021.

The remuneration for Non-Executive Directors is based on a standard fixed fee, with the Chairman receiving a double amount in recognition of his additional responsibilities. An additional fee is also paid to Non-Executive Directors sitting on Board Committees. A meeting allowance is paid for attendance at meetings of the Board and Board Committees as well as general meetings. The Company has in force Directors and Officers insurance policy essentially covering the acts of Directors and Officers and personal accident insurance policy for Directors.

Fees and benefits payable to the Company's Directors are subject to yearly approval by shareholders at the Company's AGM.

Based on the Directors' Remuneration Policy, Directors' fees and meeting allowances are reviewed every two years.

The Directors' Remuneration Policy and Senior Management's Remuneration Policy are available on the Company's website.

III. REMUNERATION

1. FORMAL AND TRANSPARENT REMUNERATION POLICIES AND PROCEDURES FOR DIRECTORS

The Board has established the RemCom comprising five Non-Executive Directors, three of whom are Independent Directors, to assist the Board mainly in establishing formal and transparent remuneration policies and procedures to attract and retain Directors. The RemCom is also entrusted with the role of determining and recommending suitable policies in

2. DIRECTORS' REMUNERATION

The aggregate Directors' remuneration paid to the Directors of the Company for the Financial Year 2021 is disclosed in the financial statements.

Details of remuneration paid to Directors of the Company for the Financial Year 2021 are as follows:

Directors		Remuneration paid by the Company			
		Fees RM	Meeting Allowances RM	Benefits ^(Note) RM	Total RM
1.	Y.A.M Tengku Syed Badarudin Jamalullail	162,000	29,000	24,693	215,693
2.	Mr. Lee Meng Tat	99,000	24,500	600	124,100
3.	Mr. David Siew Kah Toong	104,000	24,500	600	129,100
4.	Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo	97,000	24,500	600	122,100
5.	Mdm. Tan Fong Sang	97,500	22,500	600	120,600
6.	Y.Bhg. Dato' Jorgen Bornhoft	90,000	17,500	600	108,100
7.	Mr. Hui Choon Kit	100,000	22,500	600	123,100
8.	Puan Aida binti Md Daud	82,500	14,500	600	97,600
9.	Puan Faridah binti Abdul Kadir	84,000	16,500	600	101,100
10.	Y.Bhg. Datuk Mohd Anwar bin Yahya	85,000	14,500	600	100,100
11.	Y.Bhg. Datuk Kamaruddin bin Taib	82,500	13,000	600	96,100
12.	Y.Bhg. Dato' Ng Wan Peng (appointed as an Alternate Director to Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo on 30 July 2021)	0	0	0	0
Total		1,083,500	223,500	30,693	1,337,693

Note: Benefits include personal accident insurance premium for Directors.



➔ PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. COMPOSITION AND FUNCTIONS OF AUDITCOM

The AuditCom of the Company comprises four Non-Executive Directors, three of whom including the Chairman of the AuditCom are Independent Directors. All members of the AuditCom are financially literate, possess an appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the AuditCom's TOR.

The Board is responsible for ensuring that financial statements are prepared in accordance with the Companies Act 2016 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company and the Group.

The Board recognises that an effective AuditCom is necessary in ensuring the Company's financial statements are a reliable source of financial information. To assist the Board in this matter, the AuditCom is entrusted with the responsibility to review the quarterly reports and annual financial statements focusing particularly on compliance with applicable financial reporting standards and other legal requirements, changes in major accounting policies and practices, implementation of new accounting policies and practices, significant matters highlighted including financial reporting issues, significant adjustments made by management, significant and unusual events or transactions, and how these matters are addressed.

The AuditCom also assists the Board, among others, to oversee the Group's external and internal audit functions; review any related party transactions and recurrent related party transactions and the relevant procedures to ensure compliance with the Listing Requirements. A summary of the activities of the AuditCom during the Financial Year 2021 is set out in the AuditCom Report.

2. ASSESSMENT OF EXTERNAL AUDITORS

The Board maintains a transparent and professional relationship with the external auditors through the AuditCom. Under the existing practice, the AuditCom invites external auditors to attend all meetings of the AuditCom. In addition, the AuditCom will also have private meeting(s) with the external auditors without the presence of the CEO and senior management to enable exchange of views on issues requiring attention. During the Financial Year 2021, the AuditCom had met with the external auditors once without the presence of the CEO and senior management.

The AuditCom conducts an annual assessment on the suitability, objectivity and independence of the external auditors. Areas of assessment include technical competencies, adequacy of specialist support and partners/director accessibility and time commitment, independence and objectivity, audit scope and planning, audit and non-audit fees and audit communications to the AuditCom.

The AuditCom ensures that the external auditors are independent of the activities they audit, and reviews the contracts for provision of non-audit services by the external auditors. Details of the non-audit fees incurred and the non-audit services provided by KPMG PLT during the Financial Year 2021 are set out in the Audited Financial Statements and AuditCom Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility to maintain a sound risk management and internal control system to manage and mitigate significant risks across the Group and to safeguard stakeholders' interests and the Group's assets.

The Board has established an effective risk management and internal control framework within the Group. The Board, through the SRMCom and AuditCom, continually reviews and ensures the adequacy and effectiveness of the Group's risk management and internal control system.

The SRMCom, at its quarterly meeting, reviews the implementation of the risk management framework as well as deliberates on the business risks and the mitigating controls to address the risks identified.

The Internal Audit function, which reports directly to the AuditCom, is primarily responsible in assessing and improving the effectiveness of the risk management, internal control systems and governance processes within the Group. More details on the Internal Audit function and its activities are set out in the AuditCom Report.

The AuditCom reviews and assesses the adequacy of the risk management and internal control systems mainly based on reports presented by management, external and internal auditors during its meetings.

The Statement on Risk Management and Internal Control provides an overview of the Group's risk management and internal control framework as well as the adequacy and effectiveness of the framework.



→ PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company observes the Corporate Disclosure Guide issued by Bursa Securities as well as the disclosure requirements of the Listing Requirements of Bursa Securities. The Company also acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and public at large. The Company holds two briefing sessions in each financial year for fund managers, investment analysts and media in conjunction with announcements of half-yearly and yearly financial results to Bursa Securities.

The Company maintains a corporate website at www.fn.com.my which provides information relating to among others, annual reports, quarterly financial reports, analyst briefing materials, corporate information, announcements, Board Charter, TORs of Board Committees and relevant policies of the Group. Shareholders and the public can also direct their queries through the email contacts provided on the corporate website.

The Board has in place a Shareholder Communication Policy, which is published on the Company's website.

II. CONDUCT OF GENERAL MEETINGS

The Board recognises the need for and the importance of effective communication with shareholders. The Company's AGM is especially important for individual shareholders as it is the principal forum for dialogue with the Board. Notice of AGM and annual report are sent to the shareholders at least 28 days ahead of the AGM date to encourage shareholders to attend the AGM. During the AGM, the Board and management take questions from the shareholders present.

All resolutions put to general meetings will be voted by poll. An independent scrutineer is appointed to validate the votes cast at general meetings. Decision for each resolution and the name of the independent scrutineer will be announced to Bursa Securities on the same day.

Nominating Committee Report

COMPOSITION

Chairman



Y.Bhg. Dato' Sri Johan
Tazrin bin Hamid Ngo

Independent
Non-Executive
Director

Members



Y.A.M. Tengku Syed
Badarudin Jamalullail

Non-
Independent
Non-Executive
Director



Mr. Lee Meng Tat

Non-
Independent
Non-Executive
Director



Mr. David Siew
Kah Toong

Independent
Non-Executive
Director



Puan Faridah
binti Abdul Kadir

Independent
Non-Executive
Director

NOMINATION, ELECTION AND SELECTION OF DIRECTORS

Procedures relating to appointment and re-election of Directors are contained in the Company's Constitution. When assessing the suitability of Directors for appointment to the Board, the Nominating Committee ("NomCom") will take into consideration the skills, knowledge, expertise and experience, professionalism, integrity, competencies, commitment, contribution, performance, gender, nationality and age of the candidates.

When a vacancy on the Board arises, the NomCom will meet to agree on the profile of the position to be filled and the search process, which includes soliciting recommendations from existing Directors and/or engaging external searches for candidates. The NomCom will then shortlist candidates and conduct interviews together with the other Directors. An invitation will be extended to the selected candidate to join the Board, and upon acceptance, the Board will approve the appointment and make the necessary announcement to Bursa Malaysia Securities Berhad. An induction programme will be organised for all newly appointed Directors which includes briefings and presentations by senior management, sharing of past minutes of meetings and company policies along with plant visits.

New Directors appointed by the Board are subject to re-election at the annual general meeting ("AGM") following their first appointment. In addition, one-third of the Directors are required by rotation to submit themselves for re-election by shareholders at every AGM of the Company.

EVALUATION OF BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS SELF/PEER

The Board is kept abreast of developments in the area of Board performance assessment. A formal evaluation process is in place to assess the effectiveness of the Board as a whole. The evaluation of the Board and Board Committees, Directors Self/Peer and Independent Directors are facilitated by the NomCom annually. An external consulting firm is engaged to carry out the evaluation to ensure that the process remains robust and thorough.

The annual Board evaluation is based on Board composition, Board role and functioning, information management, managing company's performance, Board priorities, Chief Executive Officer performance management and succession planning, Director development and management, sustainability and risk management. The Board Committees are assessed based on structure, responsibilities, right mix of capabilities, experience and skills and process while the individual Directors' self/peer assessments are based on objectivity, participation, independence, integrity, knowledge and abilities and personal commitment. The effectiveness of the Audit Committee ("AuditCom") and its members along with independence of Directors are also assessed.

Evaluation results of the Board and Board Committees are respectively presented to the NomCom and Board at meetings whereas evaluation results of the Directors are sent to the Board Chairman and the respective Directors. The NomCom reviews the evaluation results of the Directors who are due for retirement by rotation and casual vacancy before making recommendation to the Board for re-election.

In addition to the above, the NomCom also reviews the term of office and performance of the AuditCom and its members annually to determine that the AuditCom and its members have carried out their duties in accordance with the Terms of Reference of AuditCom.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE NOMCOM DURING FINANCIAL YEAR 2021

The NomCom held four meetings in the financial year ended 30 September 2021 ("Financial Year 2021") and discussed inter-alia the following matters:

- (a) assessed the independence of Independent Directors, namely Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo, Mr. David Siew Kah Toong, Puan Aida binti Md Daud, Puan Faridah binti Abdul Kadir, Y.Bhg. Datuk Mohd Anwar bin Yahya and Y.Bhg. Datuk Kamaruddin bin Taib and reviewed their yearly confirmation on independence;
- (b) considered candidates recommended by Directors and external sources including LeadWomen and identified a suitable candidate to fill the anticipated casual vacancy arising from Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo's retirement as an Independent Non-Executive Director at the Company's AGM to be held in January 2022 in view of his nine-year term ending on 22 January 2022;
- (c) reviewed and recommended the appointment of Y.Bhg. Dato' Ng Wan Peng as an Alternate Director to Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo;
- (d) reviewed and recommended re-election of Directors who are due for retirement for shareholders' approval at the AGM held on 19 January 2021;
- (e) reviewed and recommended the NomCom Report for the Financial Year 2020 for inclusion in annual report;
- (f) evaluated training needs of Directors and noted the training programmes attended by Directors;
- (g) reviewed the appointment of an external consulting firm, Aon Solutions Singapore Pte Ltd (formerly known as Aon Hewitt Singapore Pte Ltd) ("Aon Solutions"), to conduct a yearly evaluation of the Board, Board Committees, Directors Self/Peer and Independent Directors for the Financial Year 2022 onwards;
- (h) reviewed and noted the results of the evaluation of the Board and Board Committees for the Financial Year 2021 presented by Aon Solutions and proposed action plans to be taken;
- (i) reviewed the NomCom's evaluation results for the Financial Year 2021;
- (j) reviewed the effectiveness of the AuditCom and its members and was satisfied with the performance of the AuditCom and its members. Also reviewed and noted the term of office of the AuditCom and its members; and
- (k) reviewed the required mix of skills, knowledge, experience and other qualities which non-executive directors should bring to the Board along with diversity in gender, nationality, age, culture, socio-economic background and tenure.

Audit Committee Report

The Board is pleased to present the following report on the Audit Committee and its activities for the financial year ended 30 September 2021.

AUDIT COMMITTEE COMPOSITION AND MEETINGS

The Audit Committee, is chaired by Mr. David Siew Kah Toong. The Audit Committee comprises four Non-Executive Directors, a majority of whom are independent, which is in line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities Malaysia Berhad ("Bursa Securities").

The names of the members of the Audit Committee and the record of their attendance at meetings during the financial year are as follows:-

Names	Date of Meeting			
	3.11.2020	27.1.2021	4.5.2021	3.8.2021
Independent and Non-Executive Director				
Mr. David Siew Kah Toong (Chairman)	✓	✓	✓	✓
Y.Bhg Dato' Sri Johan Tazrin bin Hamid Ngo	✓	✓	✓	✓
Y.Bhg Datuk Mohd Anwar bin Yahya	✓	✓	✓	✓
Non-Independent and Non-Executive Director				
Mr. Hui Choon Kit	✓	✓	✓	✓

✓ Attendance at meetings

At the invitation of the Audit Committee, the Chief Executive Officer, relevant Senior Management personnel, external and internal auditors attended the Audit Committee meetings and presented their reports on financial results, audit and other matters for the information and/or approval of the Audit Committee. The Chairman of the Audit Committee thereafter tabled the recommendations of the Audit Committee to the Board and apprised the Board of relevant issues.

Throughout the year, there was continuous engagement between members of the Audit Committee and Senior Management on matters impacting the Group. This included the conduct of quarterly pre-Audit Committee meetings chaired by the Audit Committee Chairman and attended by the external and internal auditors as well as the Chief Executive Officer and Chief Financial Officer focusing on items related to financial management and internal controls.

TERMS OF REFERENCE

The Audit Committee is responsible among others, to review and monitor the integrity of the Group's reporting process, system of internal control, audit process as well as compliance with legal, regulatory and taxation matters for the Group. The Terms of Reference ("TOR") of the Audit Committee, which is annually reviewed, is made available on the Company's corporate website at www.fn.com.my.

SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee discharged its functions and carried out its duties as set out in its TOR. The summary of key activities undertaken by the Audit Committee during the financial year is provided below:

FINANCIAL REPORTING AND COMPLIANCE

The Audit Committee reviewed the quarterly and annual consolidated financial statements and announcements of the Group, before submission to the Board. In doing so, there was focus on changes in major accounting policies and practices as well as adjustments/issues affecting the audit to ascertain compliance with applicable financial reporting standards, the Bursa Securities Listing Requirements and other statutory requirements. The external auditors' annual audit reports and interim review reports as well as the accompanying management reports and responses by Management were also reviewed by the Audit Committee as part of their oversight over the accounting, auditing and financial reporting practices and procedures of the Group.

INTERNAL CONTROL

Based on reports presented by the Management, external and internal auditors during the Audit Committee meetings, the Audit Committee assessed the adequacy of the internal control system of the Group.

EXTERNAL AUDIT

At the Annual General Meeting held on 19 January 2021, the shareholders had approved the re-appointment of KPMG PLT as auditors of the Company.

The Audit Committee had conducted an evaluation of the external auditors, KPMG PLT for the financial year 2021, encompassing technical competencies, adequacy of specialist support and partners/director accessibility and time commitment, independence and objectivity, audit scope and planning, audit and non-audit fees and audit communications to the Audit Committee. On the basis of the evaluation by the Audit Committee, a recommendation was made to the Board to re-appoint KPMG PLT for the ensuing financial year. The re-appointment will be put to the shareholders for approval at the forthcoming Annual General Meeting.

Apart from conducting the annual statutory audit, the auditors were also appointed to review the Condensed Interim Financial Statements for each of the three quarters ended 30 June 2021 in accordance with the relevant Malaysian Financial Reporting Standards and Bursa Securities Listing Requirements.

Through the statutory audit and the quarterly reviews, the Audit Committee regularly engaged with the auditors, including at least one meeting without the presence of management, to ensure that the reviews and audits were robust, effective and consistent with professional auditing standards. During the financial year 2021, the Audit Committee had one meeting with the auditors without the presence of management. The Audit Committee reports that there was no significant matter of disagreement between the auditors and Management.

To reinforce the independence and objectivity of the auditors, the Audit Committee was apprised of all non-audit services that the auditors might be called upon to perform. This was so in those circumstances where the auditors were best qualified and suitable to provide the required services given their comprehensive knowledge of the Group's business operations, systems and processes. During the financial year, the amount incurred in respect of non-audit related fees amounted to RM439,629 (FY2020: RM191,800) and comprised of the following assignments:

- Quarterly Reviews;
- Review of Statement on Risk Management and Internal Control; and
- Update of Transfer Pricing Documentation for subsidiaries.

Other activities by the Audit Committee included a review and discussion of the annual audit plan to ensure that time allocated to audit the areas of high risks as highlighted in the Group's risk matrices were adequately dealt with and the level of resources and experiences assigned to the examination were appropriate.

Consistent with its examination, the external auditors performed review procedures to obtain reasonable assurance that the financial statements were free from material misstatement, whether caused by fraud or error. They reported that they did not note any instance indicating existence of fraud that might result in a material misstatement in the financial statements. The external auditors performed a limited assurance review of the Statement on Risk Management and Internal Control as required under the Bursa Securities Listing Requirements.

GROUP INTERNAL AUDIT

Group Internal Audit activities were performed by a team of six professional internal auditors, supervised by the Head, Internal Audit. The Head, Internal Audit was a Certified Practising Accountant (CPA Australia) as well as a professional member of the Institute of Internal Auditors, Malaysia. Some of the internal audit staff were also members of the Institute of Internal Auditors, Malaysia.

In accordance with the FNHB IA Charter, Group Internal Audit has a reporting line direct to the Audit Committee enabling it to be independent of Management so as to ensure objectivity. The Head, Internal Audit reports functionally to the Chairman of the Audit Committee and administratively to the CEO, this further ensures impartiality and independence in execution of the role.

Group Internal Audit did not have any direct operational responsibility or authority over any of the activities it audited or had engaged in any activity that might impair the internal auditor's judgment. All the internal audit staff had confirmed via an annual declaration that they were free from any relationships or conflict of interests which could impair their objectivity and independence.

Group Internal Audit had adopted and complied with the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") issued by the International Internal Audit Standards Board. The Department maintained a quality assurance and improvement program to evaluate the internal audit activity's conformance with the IIA Standards and the Code of Ethics. The quality assurance and improvement program included both annual internal self-assessment and an external assessment conducted by a qualified independent consulting firm, appointed once in four years.

The Audit Committee continually evaluated the Group Internal Audit function to ensure its activities were performed independently and with impartiality and due professional care. The annual internal audit plan was approved by the Audit Committee to ascertain the extent of its scope and coverage of the Group's activities, including the adequacy of Group Internal Audit's staffing strategies in supporting the plan's completion. Following the completion of audit reviews conducted, the audit reports and the corresponding key findings, audit recommendations and agreed action plans taken by Management were deliberated upon during the Audit Committee meetings.

In accordance with the annual internal audit plan approved by the Audit Committee, Group Internal Audit conducted regular reviews of the governance and internal controls processes within the Group. The audits were performed using a risk-based approach and were consistent with the Group's established framework in designing, implementing and monitoring of its control systems. Group Internal Audit had regular interactions with the Chairman of the Audit Committee, Senior Management, Risk Management and, when necessary, the external auditors.

The Audit Committee had assessed the performance of the Group Internal Audit function during the financial year 2021 through an internal stakeholders' satisfaction survey conducted by the Human Capital Department. Based on the survey findings, the Group Internal Audit function had been effective in performing its duties.

AUDIT COMMITTEE REPORT

The ambit of the Group Internal Audit function is defined in the Internal Audit Charter which is reviewed by the Audit Committee annually. During the financial year, the key activities carried out by Group Internal Audit included the following:

- Performed periodic audits of key subsidiaries and regional office operations within the Group to test appropriateness of control design and implementation as well as compliance with existing policies and procedures. This included the conduct of the following audits:
 - sales activities covering order processing, cooler and chiller management, distributor management, market returns management, customer master file management, credit management and collections;
 - marketing activities encompassing marketing plans and sponsorships, appointment and performance evaluation of media/advertising agencies, budget planning and marketing spend, advertising and promotion stock, promotion programs and brand promoters;
 - plant operations covering raw, packaging and work-in-progress materials management, production and quality control management, repair and maintenance of plant facilities as well as plant safety and security;
 - logistics and distribution, covering finished goods management, transporters as well as warehouse security and safety;
 - human capital management covering human resources administration, payroll processing, segregation of duties, industrial relations and employee relations management, training and staff development as well as building facilities and security;
 - procurement activities covering pre-qualification, sourcing, appointment, performance appraisal of suppliers, monitoring of purchase orders, contract management, vendor master file management and Capex projects;
 - information technology, covering access management, change management, IT operations (backup, disaster recovery, incident management), network security, cyber security, IT budget monitoring, project management and vendor management;
 - Anti-Corruption System; and
 - governance practices covering implementation of Group Policies, risk management process and legal documents management.
- Performed ad hoc audits to address specific management's concerns.
- Collated the status of implementation of audit recommendations provided by responsible management teams for reporting to the Audit Committee on a quarterly basis.

The operational costs incurred by Group Internal Audit for the financial year 2021 amounted to about RM1.5 million (FY2020 was RM1.4 million). In addition, Group Internal Audit incurred an amount of RM157,000 for outsourced IT audit services provided by a leading international audit firm for the financial year 2021. Previously, IT audits were performed by Group Internal Audit from its parent company, Fraser and Neave, Limited.

OTHER MATTERS

The related party transactions entered into by the Group were reviewed by the Audit Committee to ensure that they were conducted on the Group's normal commercial terms and adequate internal procedures had been deployed in the Group in relation to such transactions; for monitoring compliance with the Bursa Securities Listing Requirements and to ascertain that the transactions entered into were not prejudicial to the interest of the non-controlling shareholders. The Audit Committee were also apprised of recurrent related party transactions, particularly towards monitoring that amounts transacted were within the approved shareholders' mandate obtained. The Audit Committee was satisfied that during the financial year under review, the related party transactions were fairly concluded on prevailing market rates/prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and were not detrimental to the interests of the Company and its minority shareholders.

As at the date of this report, the Audit Committee had also reviewed the "agreed-upon procedures" performed by Group Internal Audit in relation to the allocation of share grants under the Restricted Share Grant Plan at the end of the financial year. This was to ensure that the actual and target key performance indicators were computed accurately based on the audited and approved budget figures to support the allocation of share grants to employees.

The Statement on Corporate Governance, Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in this Annual Report were reviewed by the Audit Committee prior to Board's approval.

The Audit Committee also reviewed the declaration of interim dividend and recommendation of final dividend, the press release relating to financial results, its revised TOR and the guidelines on related party transactions prior to the respective Board and/or shareholder approvals.

For the financial year 2021, the Audit Committee was of the view that the Company was in compliance with the Main Market Listing Requirements ("MMLR") and as such, the reporting to Bursa Securities under Paragraph 15.17 (Rights of the Audit Committee) of the MMLR was not required.

For the financial year under review, the Board assessed the performance of the Audit Committee through the annual evaluation exercise. The Board agreed that the Audit Committee had continued to support the Board in reviewing financial and audit matters, contributing to the overall effectiveness of the Board's decision-making process. The Board was satisfied that the Audit Committee had discharged its functions, duties and responsibilities in accordance with the Audit Committee's TOR.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control is intended to provide our stakeholders and readers of this Annual Report with sufficient and meaningful information about the adequacy and current state of Fraser & Neave Holdings Bhd (“F&NHB” or the “Group”)’s system of risk management and internal control.

INTRODUCTION

This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers (“Guidelines”). The Guidelines provide guidance for companies complying with paragraph 15.26 (b) of the Listing Requirements of Bursa Securities and Principle B and Practice 9.1 and 9.2 of the Malaysian Code on Corporate Governance.

BOARD’S RESPONSIBILITY AND ACCOUNTABILITY

F&NHB recognises that effective risk management and a sound system of internal control are fundamental to good corporate governance. The objective of risk management is to create and protect value for the Group through improving performance, encouraging innovation and supporting the achievement of objectives. The Board of Directors (“Board”) acknowledges its responsibility and is committed to maintain an effective risk management and internal control system to address all key risks which the Group considers relevant and material to its operations while Management plays an integral role in assisting the design and implementation of the Board’s policies on risk management and internal control.

The Board recognises that the system of risk management and internal control are designed to manage and mitigate risks rather than eliminate risks which may hinder the achievement of the Group’s objectives and would therefore provide only reasonable and not absolute assurances against material misstatements or losses.

For the purposes of this Statement, associated companies and joint ventures have been excluded from the Group.

THE GROUP’S RISK MANAGEMENT SYSTEM

The Group adopts the Enterprise-wide Risk Management Policy (“ERM Policy”) which is designed to manage risks in an integrated, systematic and consistent manner. It establishes the overall risk management framework and processes in defining the strategy to identify and manage risks across the Group. During the year under review, the ERM policy was reviewed and updated to benchmarked against the ISO31000:2018 Risk Management – Guidelines. In addition, ERM principles are embedded in the corporate culture, processes and structures of the Group. The main features of the Group’s risk management system are described in the following sections.

ROLES AND RESPONSIBILITIES

The Board regards risk management as an integral part of the operations and processes of the Group is assisted by the Sustainability* and Risk Management Committee (“SRMC”) to:

- provide oversight of the Group’s significant risks;
- determine the nature and extent of significant risks, i.e. the risk appetite and risk tolerance level, which the Group is willing to take in achieving its strategic objectives;
- identify, assess and monitor key business risks faced by the Group; and
- ensure that Management maintains an effective system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets.

The terms of reference (“TOR”) of the SRMC states, amongst others, that the SRMC also maintains a close relationship with the Audit Committee to minimise and/or prevent any overlapping of functions with the Audit Committee, which include the review of the adequacy and effectiveness of internal control system, including financial, operational, compliance, and information technology controls.

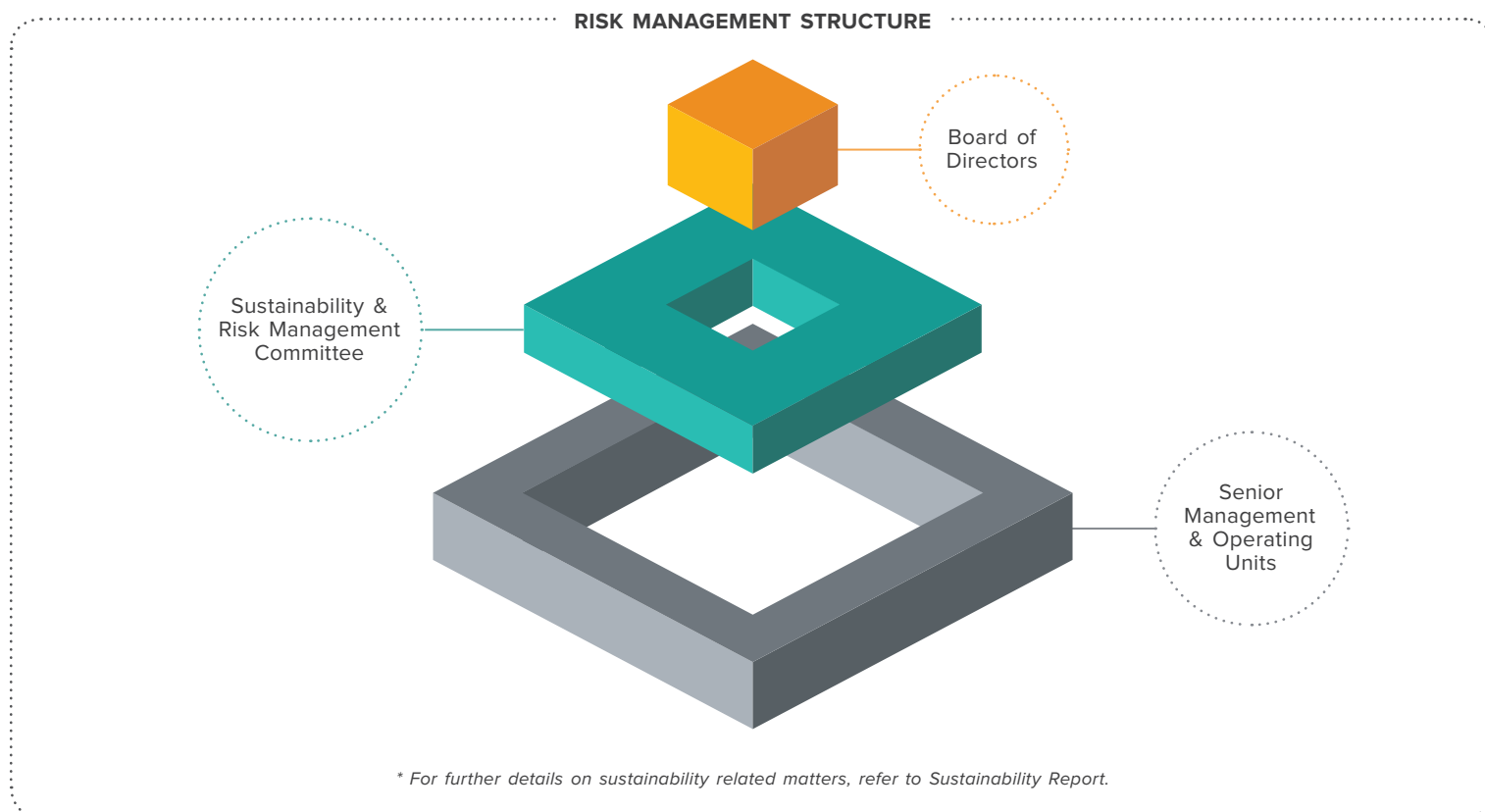
During the financial year, SRMC had held 4 meetings on a quarterly basis to:

- review the implementation of the risk management framework;
- deliberate on the key business risks and the mitigating controls to address the risks identified;
- provide oversight of the Group’s insurance, cyber risk management, business continuity management (“BCM”) programmes, Charts of Authority, and sustainability-related matters; and
- recommend to the Board for endorsement or approval where necessary.

The responsibility for day to day risk management resides with the Management of each function/business unit where they are the risk owners and are accountable for managing the risks identified and assessed. In managing the risks of the Group, Risk Management Department collaborates with the Management in reviewing and ensuring that there is on-going monitoring of risks, the adequacy and effectiveness of its related controls, and that action plans are developed and implemented to manage these risks within the acceptable level by the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Management Risk Committee, chaired by the Chief Executive Officer (“CEO”) and supported by the Functional Heads, Business Unit Head, and the Head of Departments, meets on a quarterly basis to share emerging and significant risks faced by the business, and ensure that the mitigating controls and action plans are conducted within the boundaries set by the ERM Policy, prior to escalation to the SRMC.



THE ENTERPRISE RISK MANAGEMENT (“ERM”) PROCESS

The ERM process involves a systematic application of the risk management methodology to facilitate risk identification, assessment, reporting as well as monitoring and review as described below:

RISK IDENTIFICATION AND ASSESSMENT

- The ERM process begins with the business strategies and objectives setting and/or review prior to the commencement of every financial year, which is also aligned to the Group’s vision and mission. Subsequently, risks arising from the business strategies and objectives to be pursued are identified.
- A consistent approach in determining the risk likelihood and risk impact is adopted across the Group to reflect the risk appetite approved by the Board.
- Risks identified are assessed to determine their likelihood of occurrence and potential impact on the relevant business strategies/ objectives. The outcome of the risk assessment process at respective functional or business unit levels will then be consolidated at the Group level in a Corporate Risk Scorecard which enables subsidiaries within the Group to report risks and risk status using a common platform.

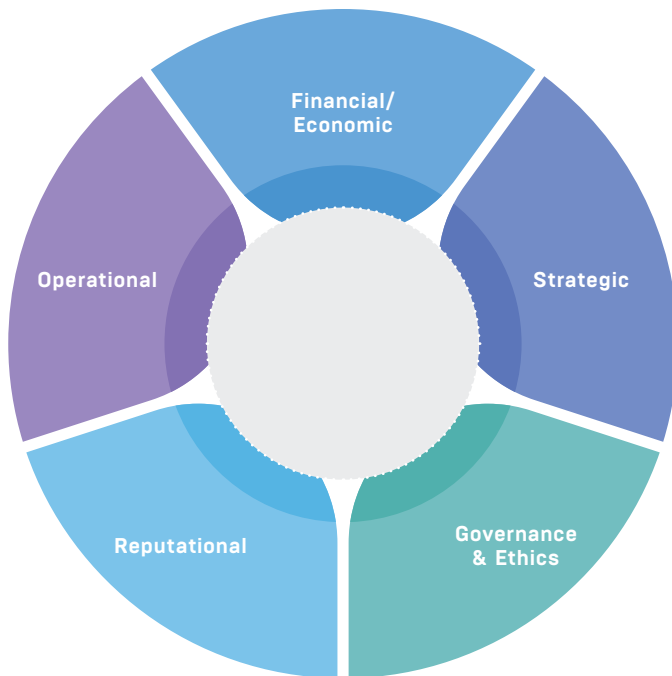
RISK REPORTING AND REVIEW

Annual Review

- Risk appetite and risk tolerance statements, which set out the nature and extent of risks that the Group is willing to accept or retain in pursuit of its goals and objectives, are reviewed by the SRMC and approved by the Board annually.
- Impact parameters, upon which the risk ratings are measured against the likelihood, are reviewed and updated annually.

Quarterly Review

- On a quarterly basis, the risk profiles of the key subsidiaries are tabled to the Management Risk Committee and the SRMC in a heat map, which sets out the priority and focus for risk mitigation strategies based on risk ratings at gross and net levels. The net risk level is determined after taken into consideration the effectiveness of existing controls and risk treatment plans. The risks identified and assessed are reported under the following categories:



- Key Risk Indicators (“KRIs”), presented in the form of Key Risk Dashboard, are also established to monitor risks and mitigating measures for risks that are material to the Group and included as part of the quarterly risk reporting.
- Changes to risk profiles and emerging risks are also identified and promptly brought to the attention of the Board and Board Committees.

For discussion on assessment of key risk areas and the controls in place to mitigate or manage those risks, refer to Management Discussion & Analysis section of the Annual Report.

ASSURANCE RECEIVED FROM MANAGEMENT

At the end of the financial year, the Board receives assurance from the CEO and Chief Financial Officer (“CFO”) that the risk management and internal control system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations through ERM Validation Report and Comfort Matrix.

ERM Validation Report summarises the risk management activities conducted and implementation of ERM Policy during the financial year whilst the Comfort Matrix sets out the key risks of the Group and presented against how strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place, in addressing these risks.

Both ERM Validation Report and Comfort Matrix are tabled at the SRMC and Audit Committee meetings respectively prior to recommendations to the Board on an annual basis.

In addition, the risk management process in the Group is reviewed on a periodic basis by Internal Audit team, according to its annual audit plan approved by the Audit Committee.

INTERNAL CONTROL

The following areas of governance contained clearly defined corporate values, code of business ethics and conduct as well as comprehensive policies and procedures to assist Management in ensuring that a sound system of internal control is maintained in the Group.

INTEGRITY AND ETHICAL VALUES

A framework which consists of Code of Business Ethics & Conduct, Whistleblowing Policy, Fraud Control Policy, Anti-Bribery and Anti-Corruption Policy and Code of Business Practices for Third Parties sets the expectation in upholding integrity and ethical values within the Group and they are made available to all staff in the Group’s intranet and the Group’s website.

CODE OF BUSINESS ETHICS & CONDUCT

Code of Business Ethics & Conduct (“the Code”) prescribes the values and principles committed by F&NHB and expects employees in F&NHB to act with integrity, respect and excellence. It defines expected behaviour for employees in dealing with key stakeholders in the Company, workplace, marketplace, and external stakeholders such as customers and suppliers. Provisions in the Code include (but are not limited to) the following:

- Protection of Company’s assets.
- Confidential information.
- Accuracy and completeness of accounting records and reports.
- Anti-discrimination and anti-harassment.
- Product quality.
- Anti-competitive behaviour.
- Conflict of interest.

FRAUD CONTROL POLICY

Fraud Control Policy defines a process focussing on the prevention, detection and management of fraud and applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, external agencies and employees of such agencies, and/or any other parties with a business relationship with F&NHB. The Group adopts a “zero tolerance” stance towards fraud. Where fraud is suspected, investigations will be conducted and where fraud has been established, appropriate actions will be taken in line with existing policies and procedures.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND CODE OF BUSINESS PRACTICES FOR THIRD PARTIES

F&N has been governed by integrity, honesty, fair dealing and compliance with applicable laws and regulations. The Group adopts a “zero-tolerance” stance in all forms of bribery and corruption by its employees and business associates, and is committed to uphold all applicable laws and regulations. In line with the foregoing, F&N implemented the Anti-Bribery and Anti-Corruption Policy and Code of Business Practices for Third Parties which prohibits all forms of bribery and corruption practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

WHISTLEBLOWING POLICY

Whistleblowing Policy enables the businesses within the Group to respond nimbly to concerns raised notwithstanding changes in the environment and to ensure that the corporate culture of integrity, transparency and accountability are upheld across the Group. The policy encourages and provides a channel to employees and members of the public to report in good faith and in confidence, without fear of reprisals, of concerns about possible improprieties. Allegations of improprieties which are reported via the whistle-blowing channel such as a dedicated hotline and email account are appropriately followed up and the outcome(s) will be reported at the Audit Committee meetings.

The above-mentioned policies/codes are available for reference at the Company's website at <https://www.fn.com.my/about-us/#our-codes-policies>.

BOARD AND BOARD COMMITTEES

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference. Board and Board Committees provide oversight function and ascertain the adequacy of the internal control framework in the Group. Further details on the structures of the Board and its committees are provided under Corporate Information as well as the Corporate Governance Statement and Audit Committee Report.

DELEGATION OF AUTHORITY

The authority limits aligned to the Group's organisational requirements in areas such as procurement, contracting, human resources and financial management are encapsulated in the Chart of Authority. The Chart of Authority provides guidance on the division of responsibilities between the Board and Management and is periodically reviewed and updated to reflect changes in the business, operational and organisational environment.

ANNUAL BUSINESS PLANS AND PERFORMANCE

The Annual Business Plan sets the targets and objectives based on the strategic directions and initiatives of the Group and is supplemented by key performance indicators to monitor and track the actual achievement against the Group's targets and objectives. Frequent engagements between the Board and the CEO/Management via Group Executive Committee meetings and management reports provide a platform for performance to be periodically monitored, followed up and/or adjusted where appropriate.

POLICIES, GUIDELINES AND PROCEDURES

The Group has set in place standard operating procedures covering critical and significant facets of the Group's business processes and are primarily geared towards the protection of assets and critical data as well as other major aspects of the Group's business operations. These areas include financial management, occupational safety procedures, information technology and cyber security, social media, human capital management, productivity benchmarks, product quality assurance, compliance with regulatory standards and disciplines, among other matters. Policies, standards and procedures that are available to enhance the Group's operational efficiency and internal controls include (but not limited to):

- Capital Expenditure & Acquisition Policy
- Credit Control Policy and Procedures
- Procurement Policy
- Supplier Code of Practices
- IT End User Policy
- Network Security Policy
- Executive Personnel Manual
- Human Rights Policy
- Halal Policy

Policies and procedures are also subject to review as processes change or when new business requirements need to be met. Compliance with these policies and procedures is an essential element of the internal control framework.

HUMAN CAPITAL

Talent plays a pivotal role in achieving the business objectives of the Group. Hence, processes have been put in place to assess talent for career development and succession planning. Roles and responsibilities are clearly defined in the job description for each position. In addition, continuous improvement approach is implemented in the areas of operational efficiencies as well as manpower productivity. To ensure the performance evaluation process is carried out in a systematic manner, Performance Management System which provides rating criteria for the assessment of employees' performance based on agreed Key Result Areas and operational Key Performance Indicators, sustainability targets as well as talent development targets is deployed.

INFORMATION AND COMMUNICATIONS SYSTEMS

The Group operates on an enterprise resource planning system which integrates various facets of the Group's operations. The system provides management with data, analysis, variations, exceptions and other input relevant to the Group's performance. Employees within the Group are guided by the Information Technology (IT) policies and procedures such as IT Security Policy, Access Management, Cyber Security Framework and End User Policy. As part of the measures to raise awareness, cyber security and ransomware awareness mandatory training are conducted to all employees through online learning platform.

BUSINESS CONTINUITY MANAGEMENT

The Board is cognisant of the importance of business continuity management (“BCM”) in strengthening the Group’s resilience in response to the evolving business environment and enhancement of shareholders’ values.

F&NHB has in place the following components within the BCM Framework to enable the Group’s operations to be prepared in the event of emergencies:

- business impact analysis;
- development of BCM strategies and plans;
- business recovery procedures;
- business continuity testing and exercise; and
- monitoring and evaluation of the overall effectiveness of BCM.

The Group’s pandemic preparedness was further strengthened, as seen from the cohesive responses and excellent teamwork amidst reduced workforce, work-from-home arrangement as well as collaboration and coordination with our external stakeholders such as our customers and suppliers impacted by the COVID-19 pandemic.

The Framework and the BCM plans developed are reviewed on an annual basis and tested periodically to ensure that it is up-to-date and relevant to the business environment. In addition, annual testing on Disaster Recovery which involves IT, vendors and respective department are conducted to ensure systems are able to recover in an organised, efficient and effective manner.

AUDIT COMMITTEE AND GROUP INTERNAL AUDIT

Group Internal Audit performs periodic audits of subsidiaries within the Group in accordance with an annual internal audit plan, which is formulated through a comprehensive risk-based methodology and approved by the Audit Committee. The audits are designed to test the appropriateness of control design and implementation as well as compliance with the existing policies and procedures. Based on the audits performed, areas of improvement on control design and implementation are highlighted, on a quarterly basis, to the Audit Committee and Management to implement internal audit recommendations. Status of implementation of agreed audit recommendations is tracked until completion and quarterly updates are provided to the Audit Committee and Management. Further details on the activities of the Audit Committee and Group Internal Audit are set out in the Audit Committee Report.

BOARD COMMENTARY AND OPINION

The Board, through the SRMC and Audit Committee, has undertaken review of the adequacy and effectiveness of risk management and internal control system in accordance with the Terms of Reference during the year under review. The Board is of the view that the Group’s overall risk management and internal control system is sound and adequate in all material aspects, and has received the same assurance from both the CEO and CFO of the Group. The Board ensures that the risk management process in identifying, evaluating and managing significant risks is operating adequately and effectively throughout the financial year up to the date of approval of this Statement. It is in the Board’s opinion that the Group’s system of internal control during the year under review is adequate and effective to safeguard the Group’s assets and the interests of shareholders and stakeholders.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors, KPMG PLT had reviewed the Statement pursuant to the scope set out in the Audit and Assurance Practice Guide (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountant and have reported to the Board that nothing has come to their attention that has caused them to believe that the Statement has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers or is factually inaccurate.

This Statement is made in accordance with the resolution of the Board dated 3 November 2021.

Statement on Directors' Responsibility

The Directors of the Company are required by the Companies Act 2016 in Malaysia (“the Act”) to ensure that the financial statements prepared for each financial year give a true and fair view of the financial position and the financial performance of the Group and of the Company. Pursuant to paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors is required to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors, have through the Statement by Directors on page 243 of the Annual Report given their opinion that the financial statements have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In preparing these financial statements, the Directors ensured that:

- appropriate accounting policies have been adopted and applied consistently;
- the going concern basis used in preparation of the financial statements are appropriate; and
- where judgements and estimates are made, they are reasonable and prudent.

The Directors are also responsible for ensuring that proper accounting and other records are kept in accordance with the provisions of the Act to sufficiently explain the transactions and financial position of the Group and of the Company.

144

The Directors also have the responsibility to ensure that a system of internal control is in place to ensure that the assets of the Group are safeguarded against loss from unauthorised use or disposition and that transactions are properly authorised and recorded as necessary to enable the preparation of financial statements that are true and fair and are free from material misstatement.

This Statement is approved by the Board of Directors on 3 November 2021.

Additional Compliance Information

The following information is provided in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”):

1. UTILISATION OF PROCEEDS

ISLAMIC COMMERCIAL PAPERS (“ICP”) AND ISLAMIC MEDIUM TERM NOTES (“IMTN”) PROGRAMMES OF RM3,000,000,000

On 7 May 2021, F&N Capital Sdn Bhd (“the Issuer”), a wholly owned subsidiary of Fraser & Neave Holdings Bhd (“F&NHB” or “the Company”) 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 (7) 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 IMTN of RM1,000,000 with a tenure of one (1) year from the issue date and ICP of RM1,000,000 with a tenure of one (1) month from the issue date. The ICP with profit rate of 2.20% per annum was fully repaid during the financial year. As at 30 September 2021, the outstanding IMTN with profit rate of 2.45% per annum amounted to RM1,000,000.

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

COMMERCIAL PAPERS (“CP”) PROGRAMME AND MEDIUM TERM NOTES (“MTN”) PROGRAMME OF RM1,500,000,000

On 11 June 2021, the Issuer had terminated the MTN Programme, which was expected to expire on 26 September 2028. The CP Programme had expired on 14 October 2020.

2. AUDIT AND NON-AUDIT FEES

The respective fees are disclosed in the Audit Committee Report and Audited Financial Statements set out in this Annual Report. Non-audit fees are disclosed in Audit Committee Report.

3. MATERIAL CONTRACTS

No material contracts (not being contracts entered into in the ordinary course of business) of the Company and/or its subsidiaries involving the interest of Directors, chief executive or major shareholders were either still subsisting at the end of the Financial Year 2021 or entered into since the end of the Financial Year 2020.

ADDITIONAL COMPLIANCE INFORMATION

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the 59th Annual General Meeting of the Company held on 19 January 2021, the Company had obtained shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature with the mandated related parties which are necessary for the day-to-day operation of the F&NHB Group.

Pursuant to the MMLR of Bursa Securities, the details of the recurrent related party transactions entered into during the Financial Year 2021 are as follows:

Mandated Related Parties	Relationship	Type of Transaction	Actual Value Transacted RM'000
Fraser and Neave, Limited ("F&N Ltd") Group	F&N Ltd is the holding company of F&NHB	Purchase of concentrates and/or raw materials from the F&N Ltd Group	146,010
		Purchase of finished products from the F&N Ltd Group	8,503
		Sale of finished products and/or raw materials to the F&N Ltd Group	266,543
		Payment of royalties to the F&N Ltd Group for the use of trademarks, trade names and brand names owned by F&N Ltd	58,126
		Receipt of rental from the F&N Ltd Group	438
		Receipt of corporate services fees and staff costs from the F&N Ltd Group	5,912
		Receipt of printing services from the F&N Ltd Group	799
Berli Jucker Public Company Limited ("BJC") Group	BJC's ultimate parent company is TCC Corporation Limited, which in turn is under the control of Y.Bhg. Tan Sri Charoen Sirivadhanabhakdi ("Tan Sri Charoen") and Y.Bhg. Puan Sri Wanna Sirivadhanabhakdi ("Puan Sri Wanna"), the ultimate major shareholders of ThaiBev and the Company. Hence, the BJC Group is deemed a person connected to the said ultimate major shareholders	Purchase of raw materials from the BJC Group	4,747
		Sale of finished products to the BJC Group	65,843
		Purchase of packaging materials from the BJC Group	859
		Receipt of logistic services from the BJC Group	7,299
Thai Beverage Public Company Limited ("ThaiBev") Group	ThaiBev is deemed a major shareholder of the Company by virtue of its indirect substantial interest in F&N Ltd held through its indirect wholly owned subsidiary, InterBev Investment Limited	Sale of finished products to the ThaiBev Group	5,080
		Receipt of tetrapak co-packing services from the ThaiBev Group	2,218
		Purchase of raw materials from the ThaiBev Group	1,287
		Receipt of marketing services from the ThaiBev Group	17,926
		Purchase of finished products from the ThaiBev Group	1,714
		Receipt of corporate services from the ThaiBev Group	2,272
		Sale of scrap to the ThaiBev Group	314
Payment of royalties to the ThaiBev Group for the use of trademarks, trade names and brand names owned by the ThaiBev Group	59		

Mandated Related Parties	Relationship	Type of Transaction	Actual Value Transacted RM'000
Frasers Property Limited ("FPL") Group	FPL's major shareholder is TCC Assets Limited, which in turn is under the control of Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the FPL Group is deemed a person connected to the said ultimate major shareholders	Receipt of corporate services fees and staff costs from the FPL Group	120
		Sale of finished products to the FPL Group	–
		Payment of rental to the FPL Group	1,159
Thai Group Holdings Public Company Limited ("Thai Group Holdings")	Thai Group Holdings's major shareholders are Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the Thai Group Holdings Group is a person connected to the said ultimate major shareholders	Payment of insurance premium to the Thai Group Holdings Group	3,337
		Lease of assets from the Thai Group Holdings Group	136
TCC Corporation Limited ("TCC Corporation") Group	TCC Corporation is under the control of Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the TCC Corporation Group is a person connected to the said ultimate major shareholders	Sale of finished products to the TCC Corporation Group	23
		Purchase of raw materials from the TCC Corporation Group	61,850
Asset World Corp Public Company Limited ("AWC") Group	AWC's major shareholders are Tan Sri Charoen and Puan Sri Wanna, the ultimate major shareholders of ThaiBev and the Company. Hence, the AWC Group is a person connected to the said ultimate major shareholders	Sale of finished goods to the AWC Group	93



Sustainability at F&N

• Sustainability Statement

Sustainability Statement

Sustainability is a key business driver for our company and a critical component of our success. We live by our brand promise 'Pure Enjoyment. Pure Goodness' – is commitment of Fraser & Neave Holdings Bhd (F&NHB or the Group) to consumers to deliver tasty high-quality products packed with nutritional goodness. We use high quality ingredients in the way we source, produce and distribute our products.

The scale of our operations goes beyond impacting our consumers, we recognise that F&NHB has an integral role as part of the community where operate in. We actively contribute to creating a better society by improving the livelihoods across our value chain, becoming the employer and partner of choice, providing professional opportunities for career advancement and development, and playing a leading role in community development. Concurrently, F&NHB works towards a better planet by demonstrating environmental responsibility and leadership.

We will continue to make positive strides to strengthen our approach in managing sustainability topics that are material to our business, demonstrate our constant commitment to incorporate sustainable practices into our business, and show leadership with the sustainability challenges faced.



Obtained

External Assurance

on environment and social data

Refreshed

our materiality matrix and **established** sustainability targets for 2025



F&NHB was **selected** to be a constituent of the newly launched



FTSE4Good Bursa Malaysia Shariah Index

F&NHB achieved **86th percentile** in our very first **S&P Global Corporate Sustainability Assessment**. Ranked **top 10** companies out of 46 assessed in the beverages industry.



(Score date: Nov 12, 2021)



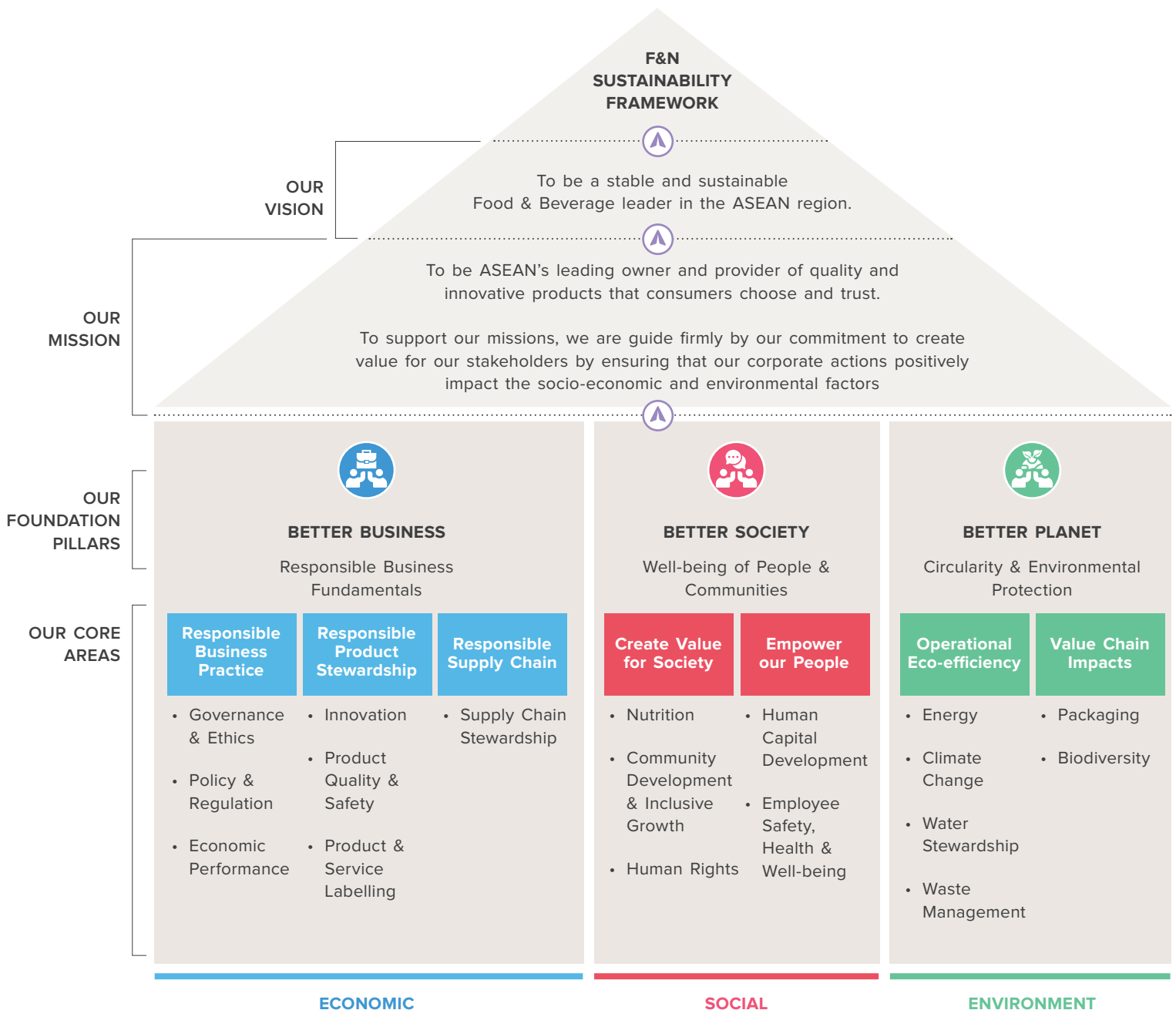
SUSTAINABILITY APPROACH

F&N Group conducted a materiality assessment in 2020 to determine our 2021 materiality matrix and establish our 2025 sustainability targets which will guide us in the next phase of our sustainability journey. This Sustainability Statement provides a snapshot of our Sustainability Report 2021 that aims to communicate what sustainability means to us; what our goals are; and the initiatives implemented to achieve these goals. In this Sustainability Statement, we provide a summary of the seven core themes, and share some highlights for the year.

F&N's Sustainability Focus Areas & 2025 Targets

The material issues have been mapped onto the seven pillars of our Sustainability Framework. Through this framework, we align our business and sustainability goals with a sharper focus on how we create value for each material issue.













F&N GROUP'S MATERIAL ISSUES MAPPED TO SUSTAINABILITY FRAMEWORK



SUSTAINABILITY STATEMENT

We have set ambitious sustainability performance targets to be achieved by 2025 on 12 priority material issues. These 2025 goals will drive F&N's sustainability performance throughout our business and strengthen our commitment to creating long-term value for our stakeholders.

F&N GROUP'S MATERIAL ISSUES

Material Issue	2025 Target	Progress in 2021
 Product Quality & Safety	100% of our plants and production processes certified with the Food Safety System Certification scheme 22000 and Halal Standard (or equivalent)	100% of our plants and production processes are certified with Halal Standards 50% of our plants and production processes are certified with FSSC scheme 22000
 Innovation	Achieve 10% product innovation for commercialised F&N products	13% product innovation for commercialised F&N products
 Supply Chain Stewardship	100% of our active key suppliers that accept and comply with F&N Group's Supplier Code of Practice	66% of our active key suppliers accept and comply with F&N Group's Supplier Code of Practice
 Nutrition	At least two third of beverage and dairy product ³ comply with the Nutritional Guidelines	53% of our beverage and dairy products are endorsed with Healthier Choice Logo
 Community Development & Inclusive Growth	Increase in the number of annual community programmes to 11	11 community programmes conducted this year
 Human Capital Development	Provide an average of at least 18 hours of training to executive level employees and 11 hours of training to non-executives	29 training hours per employee in the executive category and 11 training hours per employee in the non-executive category
 Employee Safety, Health & Well-being	Reduce the Lost Time Injury Frequency Rate (LTIFR) to 0	0 LTIFR
 Energy	Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8%	Our group energy intensity ratio increased 5% to 911.0 (as compared to FY2020 baseline at 865.4), impacted by the lower production volume at our plants due to COVID-19 pandemic.
 Climate Change	Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8%	Our group GHG emissions intensity ratio increased 3% to 0.068 (as compared to FY2020 baseline at 0.066), impacted by the lower production volume at our plants due to COVID-19 pandemic.
 Water Stewardship	Reduce the Group's water intensity ratio at our plants (from a 2020 baseline) by 8%	Our group water intensity ratio maintained at 2.29 this year (FY2020 baseline at 2.29), impacted by the lower production volume at our plants due to COVID-19 pandemic.
 Waste Management	Reduce the solid waste sent to landfill (from a 2020 baseline) by 30%	Our total solid waste sent to landfill was 1,091 MT (0.1% increase as compared to 1,035 MT in FY2020)
 Packaging	Increase the average recycled content in our packaging to 25%	The average recycled content in our packaging has improved from 20% in FY2020 to 22% in FY2021.

³ based on formulation, excluding canned milk and cordials

1. RESPONSIBLE BUSINESS PRACTICE

Responsible business practice is the foundation of F&N’s business and is critical in maintaining trust with stakeholders. We manage business practices through transparent communication of robust governance policies and standards of ethical behaviour. These practices are evident in our internal risk management systems and financial performance.

Sustainability risks and opportunities for F&NHB are governed by Sustainability & Risk Management Committee – providing oversight and approving strategic sustainability initiatives and policies. Our sustainability metrics are aligned with F&N Group’s targets and with all executives’ annual variable compensation (including senior management) for the following areas: Energy Management, Water Stewardship, Employee Safety, Health & Well-being, and Human Capital Development. Sustainability metrics are weighted at 15% of the annual variable compensation plan

As a leading manufacturer of Halal-compliant products, ensuring Halal compliance and maintaining Halal integrity is important throughout the supply chain. Strict adherence and implementation of Halal standards are needed to ensure the needs of our local and global Muslim consumers are met. To further propel the Halal ecosystem in Malaysia, we facilitate positive collaborative engagement with Halal authorities such as JAKIM, JAIS and HDC.

F&NHB maintained a resilient economic performance in the face of external shocks, to continue delivering value for all stakeholders. F&N economic performance depends upon all six capitals (financial, manufactured, intellectual, human, social & relationship and natural). F&N’s ability to create financial value is exhibited in our Value Creation Business Model.



ZERO INCIDENT

of non-compliance with **environmental laws** and regulations resulting in a fine, penalty or warning



ZERO INCIDENT

of non-compliance with laws and regulations in the **social and economic** area resulting in a fine, penalty or warning

2. RESPONSIBLE PRODUCT STEWARDSHIP

“Pure Enjoyment, Pure Goodness” to F&NHB means producing, marketing and selling our brands responsibly and enabling consumers to make informed purchasing choices. We are committed to delivering products of the highest quality, and continuously find ways to innovate to meet the changing needs and wants of our customers.

From boots to boardroom, we promote a culture for high product quality and safety standards. Our plants are certified with international standards – FSSC scheme 22000, ISO 22000 and HACCP Food Safety management systems, and all stages of our production processes are subjected to rigorous quality control procedures.

We ensure to communicate our high product quality proper through the use of labels and appropriate advertising activities. We go beyond mandatory labelling requirements because we believe that information provided to our customers should be comprehensive to provide clarity and transparency. We include fundamental nutrition information and packaging labels such as the Forest Stewardship Council™ logo on paper carton packaging. In Malaysia, we are a signatory to the ‘Responsible Advertising to Children’ initiative and have pledged to restrict marketing to children under 12 years of age.

To serve our customers better, F&NHB invests in product and process innovation to increase our product range, and improve operational efficiency and productivity. We encourage employee-driven innovative manufacturing processes that increase productivity and improve environmental performance.



100% of plants and production processes are certified with **HALAL STANDARD**



13 new products introduced

All employees in Malaysia **undergo mandatory Halal awareness training**



THB26.3 million annual cost avoidance through employee-driven **innovation projects** in 2021



SUSTAINABILITY STATEMENT

3. RESPONSIBLE SUPPLY CHAIN

As a Food and Beverage business, F&NHB is dependent on supply of raw materials including sugar, palm oil, aluminium and resin for production operations. Sustainability risks can cause massive disruptions to the global supply chain, like how COVID-19 has. A resilient and sustainable supply chain equips us with the ability to manage the cost of raw materials and ensure sustainable sourcing.

We work closely with our suppliers and conducts regular audits to ensure standards and practices for food safety and the environment are maintained throughout the value chain. F&NHB supports the UN Guiding Principles on Business and Human Rights and we are a member of the Supplier Ethical Data Exchange. Our Procurement Policy covers our full commitment to standard principles of ethical business practices throughout our supply chain.

We manage our existing and new suppliers through a systemic screening process that includes environmental and social criteria. We conduct a vendor performance evaluation for all critical suppliers, including sustainability. Non-compliant or underperforming suppliers must demonstrate commitment to taking necessary corrective actions within a predefined period, or risk having contracts terminated.



66% of our active key suppliers have accepted F&N Group's

Supplier Code of Practice

Begin to use **physical certified palm oil** this Financial Year



20% physical RSPO palm oil and balance **80%** RSPO credits

13% of product innovation for commercialised F&N products

4. CREATE VALUE FOR SOCIETY

Our successes over the last 138 years were made possible through the commitment of our people, the contributions of our consumers, and the support of communities in which we operate. As such we build collaborative relationships with these stakeholders by offering a strong portfolio of good quality and nutritious products for consumers, providing vulnerable groups support, empowering our employees and respecting the human rights of all stakeholders.

We aim to offer products that satisfy our consumers and enhance their health and well-being. The F&N Nutrition Charter outlines our commitment to developing products that are healthy for consumers and guides us through our product development. Our health and nutrition ambition focuses on: reducing sugar level, developing products without partially hydrogenated oils (trans fatty acids), fortifying our products with micronutrients, catering to consumers with diverse dietary needs and preferences, and promoting health and well-being through fitness programmes.

F&NHB believes that social inclusion allows for businesses and societies to flourish together. To serve and create greater social equity, we have undertaken long and short-term programmes under five themes: Supporting COVID-19 Relief, Strengthening Vulnerable Groups, Promoting Environmental Consciousness, Spreading Festive Cheer, and Promoting Active Lifestyles.

53% of products are in compliance with **national nutritional guidelines**

61% reduction of sugar per ml of our total beverages (2004-2021)



>90% of the Ready-To-Drink (RTD) beverages sold are considered as

healthier options

with less sugar



69 products certified with Healthier Choice Symbol/Logo



Community investment for the year **>RM2,500,000**

>2,000,000

products distributed to various beneficiaries nationwide under **Covid-relief** initiatives

>1,000,000

bottles of **100PLUS** distributed at major vaccination centres to promote hydration

100% of our operations underwent **human rights risk assessments**



5. EMPOWER OUR PEOPLE

At F&N, we value our people and believe they are the largest contributors to F&N’s long-term success. We empower our employees by developing employment opportunities accessible to all, keeping our employees engage and challenged to perform to their highest potential, and rewarding them fairly for their merits. Our practices are guided by our Human Capital Roadmap, specifically the seven modules for strategic human capital transformation.

7 Modules For Strategic Human Capital Transformation



Diversity in terms of cultural background, age and gender enables us to enrich the workplace with fresh perspectives that will steer us towards our business objectives. F&N strives to offer equal opportunities for all, regardless of an individual’s race, gender, religion and any other attributes unrelated to employment expectations.

The COVID-19 pandemic reiterated the importance of health, hygiene, and safety. We wanted to make sure our employees, especially essential staff in manufacturing and sales were not just safe from work hazards but also from COVID-19. We enforced extensive measures to

physically protect our employees on the ground, and implemented systems that would boost the mental health of our other employees working-from-home.

We foster a proactive ‘safety first’ culture with the implementation of Environmental, Safety and Health (ESH) systems and monitoring processes. Our employees undergo trainings and awareness initiatives (e.g. newsletters) which allows them to better comprehend their responsibilities to themselves and their colleagues.



2,347

number of employees

96% fully vaccinated as of **October 2021**

31% female representation in total workforce



44% female representation in managerial positions

3 days vaccination paid leave for all employees




29 training hours per employee in the **executive** category


11 training hours per employee in the **non-executive** category


SUSTAINABILITY STATEMENT

HUMAN RIGHTS

F&N is committed to upholding and promoting the human rights of all our stakeholder groups. This year, we conducted our inaugural Human Rights Due Diligence process to understand actual and potential human rights issues faced by our stakeholder groups. It is fundamental for our business to respect and promote the human rights of our stakeholders. We work to continuously improve stakeholder's health and well-being and treat all our stakeholders with dignity, respect, and equality. At F&N, human rights is managed through holistic policy commitment, conducting of human rights risk assessment, integrating findings and designing mitigation measures to potential impacts, tracking and communicating performance and remediating adverse impacts.

100% of our operations have been subjected to **human rights reviews** or **impact assessments** in FY2021 

zero Loss Time injury case for employees 

A total of **1,417 employees** participated in **10,434 hours** of safety training 

6. OPERATIONAL ECO-EFFICIENCY

We promote circularity and environmental efficiency in our operations through the management of energy, water and waste to reduce our negative impacts on the environment.

ENERGY AND CLIMATE CHANGE

Climate change is a defining global challenge of the 21st century, presenting risks to the global economy. F&N is committed to reducing our energy intensity and GHG emission intensity at our plants as one of the main priorities for our 2025 targets. Our approach is guided by our Energy Management policy with five focus areas: Energy efficiency in our operations, Renewable energy and sourcing and generation, Route planning, Operations' exposure to climate change risks, and Reducing carbon in our value chain.

Managing this topic presents the opportunity to turn challenges and risks into climate-related opportunities for F&N – cost savings, energy savings, alignment with customer ambitions and support and contribution to the development of government policies.

 The Extra Non-dairy Half Creamer for Cooking and Baking (net weight of 385g) is **F&N's first low-carbon footprint product** certified by Thailand Greenhouse Gas Management Organisation

Carbon footprint @ **295kg CO₂**

156


WATER STEWARDSHIP


Water is an important resource for F&N, as it is used extensively in our products as well as in operational processes. The success to our business depends on a reliable supply of water and effective water management. While none of our sites are in high water-stress areas, many regions in both Thailand and Malaysia have faced floods in recent years, and the effects of climate change are expected to intensify water stress in the future.

Guided by the F&N Environmental, Safety and Health Policy and the principles of a circular economy, we developed initiatives to increase water security and reduce our water consumption. We utilise a range of water assessment and action policies in all our facilities, and associated risks are regularly monitored as part of F&NHB enterprise risk management (ERM).

WASTE MANAGEMENT

Effectively managing our waste enhances F&N's ability to conserve natural resources and improve efficiency. Under the guidance of our Environmental, Safety and Health Policy and the principles of a circular economy, F&NHB applies strict standards over the quality of our effluent discharges and we continuously explore how 'waste' from our operations can be minimised and put to alternative uses. Our initiatives include embarking on Zero Waste to Landfill, Raising Employee Awareness, and managing Food Loss & Waste in the value chain.

10MWp rooftop solar system in Malaysia
Estimated **carbon avoidance of 9,000 tonnes CO₂e per year**, equivalent to approximately 2,000 cars driven annually 

 F&N installed a large water storage tank
Supply **1,680,000 litres** of water to **180 households** across communities in Chaiyaphum Province

7. VALUE CHAIN IMPACTS

We recognise our operations leave impacts on the environment – through the packaging we use and interaction of the Food & Beverage sector with biodiversity. As such, we are committed to adopting circularity in our packaging and sourcing certified ingredients that minimises the negative impacts on our ecosystem.

PACKAGING

With the increasing awareness of the environmental impacts of single-use plastics, consumers and stakeholders are actively demanding companies to take action and adopt sustainable solutions. Governments around the world are introducing environmental policies to encourage companies to change how their products are produced. Acting on this change could allow F&N to reduce our resource intensity in packaging.

Our focus is on designing for the environment – striving to leave a minimum impact on the environment. Incorporating circular economy principles in our packaging, we are working towards using recycled materials in our packaging and ensuring all our packaging is recyclable by 2025.

BIODIVERSITY

Our world is experiencing biodiversity loss and ecosystem degradation at an unprecedented pace. The F&N business is dependent on ingredients and materials such as palm oil, sugar and paper, and the natural environment may in turn be impacted by the F&N business, especially upstream of the supply chain. As such, we recognise the importance of sustainable sourcing and our role in ensuring healthy natural ecosystems together with our suppliers.



F&NHB is one of the ten founding members of the **Malaysian Recycling Alliance (MAREA)** – a voluntary, industry-led initiative that drives circular economy adoption through extended producer responsibility



97% of packaging is recyclable



100% industrial sludge **1,247 MT** converted to organic fertiliser and distributed to local farmers



Over 91% solid waste reused, recycled or recovered

22% recycled content in beverage and dairy packaging



Financial Statements

- Directors' Report
 - Statements of Financial Position
 - Statements of Profit or Loss
 - Statements of Other Comprehensive Income
 - Statements of Changes in Equity
 - Statements of Cash Flows
 - Notes to the Financial Statements
 - Statement by Directors
 - Statutory Declaration
 - Independent Auditors' Report
-

Directors' Report

for the financial year ended 30 September 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

HOLDING COMPANIES

Fraser and Neave, Limited ("F&NL"), a corporation incorporated in the Republic of Singapore is the immediate holding company whilst TCC Assets Limited, a corporation incorporated in the British Virgin Islands is regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	395,164	225,625
Non-controlling interests	(34)	–
	395,130	225,625

160

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

DIVIDENDS

Since the end of the previous financial year, the dividends paid by the Company were as follows:

- i) In respect of the financial year ended 30 September 2020 as reported in the Directors' Report of that financial year:
 - a final ordinary dividend of 33.0 sen per ordinary share totalling RM121,037,000 declared on 18 December 2020 and paid on 5 February 2021.
- ii) In respect of the financial year ended 30 September 2021:
 - an interim ordinary dividend of 27.0 sen per ordinary share totalling RM99,030,000 declared on 4 May 2021 and paid on 16 June 2021.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 30 September 2021 is 33.0 sen per ordinary share totalling RM121,037,000, is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2022.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tengku Syed Badarudin Jamalullail (Chairman)
 Lee Meng Tat
 David Siew Kah Toong
 Dato' Sri Johan Tazrin bin Hamid Ngo
 Tan Fong Sang
 Dato' Jorgen Bornhoft
 Hui Choon Kit
 Aida binti Md Daud
 Faridah binti Abdul Kadir
 Datuk Mohd Anwar bin Yahya
 Datuk Kamaruddin bin Taib
 Dato' Ng Wan Peng (appointed as an Alternate Director to Dato' Sri Johan Tazrin bin Hamid Ngo on 30 July 2021)

The Directors who held office in the subsidiaries of the Company during the financial year until the date of this report are:

Subsidiaries	Tengku Syed Badarudin Jamalullail	Lim Yew Hoe	Lai Kah Shen	Hui Choon Kit	Lim Siang Chin	Soh Swee Hock	Suchit Riewcharoon	Yap Peng Kang	Lau Cheng Yew	Ooi Aik Tuan	Goh Teong Hoe	Aisha Alkaff	Dato' Raffiq bin Md Ariff	Zainal Abidin bin Musa @ Hussain
Borneo Springs Sdn Bhd		✓								✓				
Elsinburg Holdings Sdn Bhd		✓								✓				
F&N AgriValley Sdn Bhd	✓	✓								✓				
F&N Beverages Manufacturing Sdn Bhd		✓		✓						✓				
F&N Beverages Marketing Sdn Bhd		✓	✓							✓				
F&N Capital Sdn Bhd		✓								✓				
F&N Dairies Distribution (Singapore) Pte Ltd		✓			✓					✓				
F&N Dairies (Malaysia) Sdn Bhd		✓	✓							✓				
F&N Dairies Manufacturing Sdn Bhd		✓						✓		✓				
F&N Dairies (Thailand) Limited		✓					✓			✓				
F&N Marketing (B) Sdn Bhd		✓										✓		
F&N Properties Sdn Bhd		✓							✓					
Fraser & Neave (Malaya) Sdn Bhd		✓		✓						✓				
Fraser and Neave MENA DWC-LLC		✓	✓			✓								
Greenclipper Corporation Sdn Bhd		✓								✓				
Letricia Corporation Sdn Bhd		✓									✓			
Lion Share Management Limited		✓								✓				
Nuvak Company Sdn Bhd		✓								✓				
Premier Milk (Malaya) Sdn Berhad		✓	✓							✓				
Tropical League Sdn Bhd		✓							✓					
Utas Mutiara Sdn Bhd		✓								✓				
Awana Citra Sdn Bhd													✓(i)	✓(i)
Lee Shun Hing Sauce Industries Sdn Bhd													✓(ii)	✓(ii)
Sri Nona Industries Sdn Bhd													✓(ii)	✓(ii)
Sri Nona Food Industries Sdn Bhd													✓(ii)	✓(ii)

(i) appointed on 10 November 2020

(ii) appointed on 15 January 2021

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' REPORT

for the financial year ended 30 September 2021

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in shares, Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

Companies in which Directors held interest	Number of ordinary shares			At 30.9.2021
	At 1.10.2020	Acquired	Disposed	
FRASER & NEAVE HOLDINGS BHD				
Tengku Syed Badarudin Jamalullail				
– direct interest	2,062,000	–	–	2,062,000
Faridah binti Abdul Kadir				
– direct interest	4,000	–	–	4,000
F&NL				
Hui Choon Kit				
– direct interest	553,182	73,425	–	626,607
Lee Meng Tat				
– direct interest	104,175	82,700	–	186,875

162

Companies in which Directors held interest	Number of share grants				At 30.9.2021
	At 1.10.2020	Awarded	Achievement factor	Vested	
F&NL					
Hui Choon Kit					
– F&NL RSP – Year 8	7,000	–	–	(7,000)	–
– F&NL RSP – Year 9	24,850	–	–	(12,425)	12,425
– F&NL RSP – Year 10	58,000	–	10,400	(34,200)	34,200
– F&NL RSP 2019 – Year 1	68,000	–	(22,400)	(15,200)	30,400
– F&NL RSP 2019 – Year 2	–	78,500	–	–	78,500
– F&NL PSP – Year 9	12,000	–	(7,400)	(4,600)	–
– F&NL PSP – Year 10	20,000	–	–	–	20,000
Lee Meng Tat					
– F&NL RSP – Year 8	7,875	–	–	(7,875)	–
– F&NL RSP – Year 9	25,750	–	–	(12,875)	12,875
– F&NL RSP – Year 10	58,000	–	20,900	(39,450)	39,450
– F&NL RSP 2019 – Year 1	68,000	–	(14,300)	(17,900)	35,800
– F&NL RSP 2019 – Year 2	–	78,500	–	–	78,500
– F&NL PSP – Year 9	12,000	–	(7,400)	(4,600)	–
– F&NL PSP – Year 10	20,000	–	–	–	20,000

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

- * The F&NL Remuneration Committee administers the F&NL's share-based remuneration incentive plans, namely, the F&NL RSP, F&NL PSP and the F&NL RSP 2019, (collectively, the "F&NL Share Plans"). The F&NL RSP and PSP expired on 21 January 2019, and were replaced by the F&NL RSP 2019. The expiry of the F&NL RSP and PSP does not affect awards granted prior to expiry of these share plans and which are pending final release.

Under the F&NL Share Plans, F&NL grants a base number of conditional share awards (the "Base Awards") to eligible participants annually. The Base Awards represent the right to receive fully paid ordinary shares of F&NL, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods. The F&NL Remuneration Committee, as the administrator of the F&NL Share Plans, has absolute discretion in granting the Base Awards. The first grant of F&NL Base Awards pursuant to the F&NL RSP 2019 was made on 28 August 2020. The performance periods for the F&NL RSP and F&NL PSP are two and three years respectively. For the F&NL RSP 2019, the performance period is one year.

Depending on the level of achievement of the pre-determined targets over the respective performance periods for the F&NL RSP and F&NL PSP, an achievement factor will be applied to the relevant F&NL Base Awards to determine the final number of shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the F&NL RSP and F&NL RSP 2019, and 0% to 200% for the F&NL PSP. Accordingly, the actual number of shares to be awarded pursuant to the F&NL Share Plans will range from: 0% to 150% of the F&NL Base Awards for the F&NL RSP and F&NL RSP 2019, and from 0% to 200% of the F&NL Base Awards for the F&NL PSP (the "F&NL Final Awards").

In respect of the F&NL RSP, the first tranche at 50% of the relevant F&NL Final Awards will be vested to participants after the end of the two-year performance period and followed by the balance which will be vested in equal instalments over the next two years. In respect of the F&NL PSP, 100% of the relevant F&NL Final Awards will be vested to the participants after the end of the three-year performance period. In respect of the F&NL RSP 2019, F&NL Final Awards will be vested in equal instalments over three years after the end of the one-year performance period.

None of the other Directors holding office at 30 September 2021 had any interest in shares, RSP and PSP of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the share grants granted pursuant to the immediate holding company's RSP and PSP.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

DIRECTORS' REPORT

for the financial year ended 30 September 2021

F&NHB SHARE GRANT PLANS

The Company has in place share-based remuneration incentive plans, details of which are as follows:

- i) The F&NHB Share Grant Plan 2012 ("F&NHB SGP 2012") established and implemented on 15 March 2012, comprises the F&NHB Restricted Share Plan ("F&NHB RSP 2012") and Performance Share Plan ("F&NHB PSP"). F&NHB SGP 2012 is due to expire on 14 March 2022.

Under F&NHB SGP 2012, the Company generally has been granting share awards ("Award(s)") to eligible participants with a performance period of two years and a vesting period over three years.

Please see Note 16(c) to the financial statement for further details.

To date, there were no grants made under the F&NHB PSP.

- ii) The F&NHB Share Grant Plan 2021 ("F&NHB SGP 2021") was approved by shareholders of the Company at the Extraordinary General Meeting held on 19 January 2021 and was implemented on 11 February 2021. The F&NHB SGP 2021 is valid for 10 years from 11 February 2021 to 10 February 2031.

The details of the shares awarded under the F&NHB SGP 2012 and F&NHB SGP 2021 are as follows:

		← Number of share grants →					
		At 1.10.2020/ grant date	Adjustment for achievement factor	Vested	* Lapsed	At 30.9.2021	Vesting period
F&NHB SGP 2012							
164	F&NHB RSP Year 6 (22.12.2016)	61,950	–	(61,650)	(300)	–	31.12.2018- 31.12.2020
	F&NHB RSP Year 7 (22.12.2017)	128,900	–	(64,150)	(10,625)	54,125	31.12.2019- 31.12.2021
	F&NHB RSP Year 8 (22.12.2018)	213,600	(60,700)	(76,450)	(12,450)	64,000	31.12.2020- 31.12.2022
	F&NHB RSP Year 9 (23.12.2019)	495,900	(194,750)	–	(106,400)	194,750	31.12.2021- 31.12.2023
		900,350	(255,450)	(202,250)	(129,775)	312,875	
F&NHB SGP 2021							
	F&NHB RSP Year 10 (15.02.2021)	384,200	–	–	(62,400)	321,800	31.12.2022- 31.12.2024
		1,284,550	(255,450)	(202,250)	(192,175)	634,675	

* Share grants lapsed upon cessation of employment.

The main features of the Company's SGP 2012 and SGP 2021 are disclosed in Note 16(c) to the financial statements.

The Directors do not participate in the F&NHB share grant plans.

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Group were covered by Directors' and Officers' liability insurance for any liability incurred in discharging their duties in their respective capacity, subject to the terms of the insurance policy. The premium paid in respect of the Directors' and Officers' liability insurance for the Directors and Officers of the Group amounted to RM21,475. The policy has an indemnity coverage of RM20,000,000.

There were no indemnity insurance and insurance costs effected for auditors of the Group during the financial year.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' report on the audited financial statements of the Company's subsidiaries did not contain any qualification or any adverse comments.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 September 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS

Significant events are disclosed in Note 8 and Note 17 to the financial statements.

AUDITORS

The auditors, KPMG PLT have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 25 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tengku Syed Badarudin Jamalullail
 Director
 Kuala Lumpur, Malaysia

.....
Lee Meng Tat
 Director
 Singapore

Statements of Financial Position

as at 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Property, plant and equipment	3	1,372,249	1,359,893	–	–
Right-of-use assets	4	125,367	87,183	–	–
Investment properties	5	47,569	47,569	–	–
Properties held for development	6	54,933	54,958	–	–
Intangible assets	7	88,319	45,921	–	–
Investments in subsidiaries	8	–	–	1,254,833	920,043
Investment in an associate	9	85,687	91,261	68,727	68,727
Investment in a joint venture	10	87,555	87,845	166,114	166,114
Deferred tax assets	11	5,240	5,970	–	–
Total non-current assets		1,866,919	1,780,600	1,489,674	1,154,884
Trade and other receivables	12	545,932	589,661	229,195	547,727
Inventories	13	659,745	655,981	–	–
Current tax assets		3,770	200	204	–
Derivative financial assets	14	–	4	–	–
Cash and cash equivalents	15	555,380	493,615	69,192	86,280
Total current assets		1,764,827	1,739,461	298,591	634,007
Total assets		3,631,746	3,520,061	1,788,265	1,788,891
EQUITY					
Share capital		816,770	816,770	816,770	816,770
Shares held by SGP Trust		(4,626)	(4,688)	(4,626)	(4,688)
Reserves		2,006,821	1,878,519	889,676	887,168
Equity attributable to owners of the Company	16	2,818,965	2,690,601	1,701,820	1,699,250
Non-controlling interests		(195)	(161)	–	–
Total equity		2,818,770	2,690,440	1,701,820	1,699,250
LIABILITIES					
Lease liabilities		53,904	10,785	–	–
Employee benefits	18	43,440	51,304	–	–
Deferred tax liabilities	11	59,754	48,073	–	–
Total non-current liabilities		157,098	110,162	–	–
Trade and other payables	19	558,253	516,654	86,445	89,316
Contract liabilities	20	55,815	57,787	–	–
Loans and borrowings	17	1,000	91,868	–	–
Lease liabilities		10,143	13,672	–	–
Current tax liabilities		30,501	39,111	–	325
Derivative financial liabilities	14	166	367	–	–
Total current liabilities		655,878	719,459	86,445	89,641
Total liabilities		812,976	829,621	86,445	89,641
Total equity and liabilities		3,631,746	3,520,061	1,788,265	1,788,891

Statements of Profit or Loss

for the financial year ended 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	21	4,130,872	3,988,507	240,707	278,256
Cost of sales		(2,936,714)	(2,758,139)	–	–
Gross profit		1,194,158	1,230,368	240,707	278,256
Other income		17,988	23,622	182	–
Distribution expenses		(338,451)	(338,863)	–	–
Marketing expenses		(251,517)	(260,575)	–	–
Administrative expenses		(119,437)	(129,030)	(2,951)	(3,935)
Net loss on impairment of financial instruments	30	(1,138)	(416)	–	–
Other expenses		(29,317)	(9,946)	(41)	(1,551)
Results from operating activities		472,286	515,160	237,897	272,770
Finance income	22	4,970	5,068	11,039	20,315
Finance costs	23	(3,179)	(4,858)	(1,317)	–
Net finance income		1,791	210	9,722	20,315
Share of profit of equity-accounted associate, net of tax	9	5,624	7,824	–	–
Share of loss of equity-accounted joint venture, net of tax	10	(290)	(283)	–	–
Profit before tax		479,411	522,911	247,619	293,085
Tax expense	24	(84,281)	(112,787)	(21,994)	(23,385)
Profit for the year	25	395,130	410,124	225,625	269,700
Profit for the year attributable to:					
Owners of the Company		395,164	410,384	225,625	269,700
Non-controlling interests		(34)	(260)	–	–
		395,130	410,124	225,625	269,700
Basic earnings per ordinary share (sen)	27(a)	107.8	111.9		
Diluted earnings per ordinary share (sen)	27(b)	107.6	111.7		

The notes on pages 175 to 242 are an integral part of these financial statements.

Statements of Other Comprehensive Income

for the financial year ended 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit for the year		395,130	410,124	225,625	269,700
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability	26	2,537	(1,231)	–	–
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	26	(46,282)	(28,286)	–	–
Other comprehensive expense for the year, net of tax		(43,745)	(29,517)	–	–
Total comprehensive income for the year		351,385	380,607	225,625	269,700
Total comprehensive income attributable to:					
Owners of the Company		351,419	380,867	225,625	269,700
Non-controlling interests		(34)	(260)	–	–
		351,385	380,607	225,625	269,700

Statements of Changes in Equity

for the financial year ended 30 September 2021

Group	Note	Attributable to owners of the Company									
		Non-distributable					Distributable				
		Share capital (Note 16(a)) RM'000	Shares held by SGP Trust (Note 16(b)) RM'000	Loss on purchase of shares for SGP (Note 16(d)) RM'000	Translation reserve RM'000	Share- based payment reserve RM'000	Legal reserve (Note 16(e)) RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 October 2020		816,770	(4,688)	(7,733)	94,284	14,434	9,934	1,767,600	2,690,601	(161)	2,690,440
Remeasurement of defined benefit liability	26	-	-	-	-	-	-	2,537	2,537	-	2,537
Foreign currency translation differences for foreign operations	26	-	-	-	(46,282)	-	-	-	(46,282)	-	(46,282)
Total other comprehensive (expense)/income for the year		-	-	-	(46,282)	-	-	2,537	(43,745)	-	(43,745)
Profit for the year		-	-	-	-	-	-	395,164	395,164	(34)	395,130
Total comprehensive (expense)/income for the year		-	-	-	(46,282)	-	-	397,701	351,419	(34)	351,385
<i>Contributions by and distributions to owners of the Company</i>											
- Employee share-based expense		-	-	-	-	3,577	-	-	3,577	-	3,577
- Shares vested under SGP		-	6,627	(1,542)	-	(5,085)	-	-	-	-	-
- Purchase of shares by SGP Trust		-	(6,565)	-	-	-	-	-	(6,565)	-	(6,565)
- Dividends to owners of the Company	28	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners of the Company		-	62	(1,542)	-	(1,508)	-	(220,067)	(223,055)	-	(223,055)
At 30 September 2021		816,770	(4,626)	(9,275)	48,002	12,926	9,934	1,945,234	2,818,965	(195)	2,818,770

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 September 2021

Group	Note	Attributable to owners of the Company									
		Non-distributable					Distributable				
		Share capital (Note 16(a)) RM'000	Shares held by SGP Trust (Note 16(b)) RM'000	Loss on purchase of shares for SGP (Note 16(d)) RM'000	Translation reserve RM'000	Share- based payment reserve RM'000	Legal reserve (Note 16(e)) RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
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
Remeasurement of defined benefit liability	26	-	-	-	-	-	-	(1,231)	(1,231)	-	(1,231)
Foreign currency translation differences for foreign operations	26	-	-	-	(28,286)	-	-	-	(28,286)	-	(28,286)
Total other comprehensive expense for the year		-	-	-	(28,286)	-	-	(1,231)	(29,517)	-	(29,517)
Profit for the year		-	-	-	-	-	-	410,384	410,384	(260)	410,124
Total comprehensive (expense)/income for the year		-	-	-	(28,286)	-	-	409,153	380,867	(260)	380,607
<i>Contributions by and distributions to owners of the Company</i>											
- Employee share-based expense		-	-	-	-	7,661	-	-	7,661	-	7,661
- Shares vested under SGP		-	6,400	(482)	-	(5,918)	-	-	-	-	-
- Purchase of shares by SGP Trust		-	(7,184)	-	-	-	-	(7,184)	(7,184)	-	(7,184)
- Dividends to owners of the Company	28	-	-	-	-	-	-	(220,067)	(220,067)	-	(220,067)
Total transactions with owners of the Company		-	(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

Company	Note	Attributable to owners of the Company					Retained earnings RM'000	Total equity RM'000
		Non-distributable			Distributable			
		Share capital (Note 16(a)) RM'000	Shares held by SGP Trust (Note 16(b)) RM'000	Loss on purchase of shares for SGP (Note 16(d)) RM'000	Share-based payment reserve RM'000			
At 1 October 2020		816,770	(4,688)	(7,733)	14,434	880,467	1,699,250	
Profit and total comprehensive income for the year		-	-	-	-	225,625	225,625	
<i>Contributions by and distributions to owners of the Company</i>								
- Employee share-based expense		-	-	-	3,577	-	3,577	
- Shares vested under SGP		-	6,627	(1,542)	(5,085)	-	-	
- Purchase of shares by SGP Trust		-	(6,565)	-	-	-	(6,565)	
- Dividends to owners of the Company	28	-	-	-	-	(220,067)	(220,067)	
Total transactions with owners of the Company		-	62	(1,542)	(1,508)	(220,067)	(223,055)	
At 30 September 2021		816,770	(4,626)	(9,275)	12,926	886,025	1,701,820	
At 1 October 2019		816,770	(3,904)	(7,251)	12,691	830,834	1,649,140	
Profit and total comprehensive income for the year		-	-	-	-	269,700	269,700	
<i>Contributions by and distributions to owners of the Company</i>								
- Employee share-based expense		-	-	-	7,661	-	7,661	
- Shares vested under SGP		-	6,400	(482)	(5,918)	-	-	
- Purchase of shares by SGP Trust		-	(7,184)	-	-	-	(7,184)	
- Dividends to owners of the Company	28	-	-	-	-	(220,067)	(220,067)	
Total transactions with owners of the Company		-	(784)	(482)	1,743	(220,067)	(219,590)	
At 30 September 2020		816,770	(4,688)	(7,733)	14,434	880,467	1,699,250	

Statements of Cash Flows

for the financial year ended 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Profit before tax		479,411	522,911	247,619	293,085
<i>Adjustments for:</i>					
Amortisation of intangible assets	7	2,084	1,799	–	–
Bad debts recovered	25	(31)	(30)	–	–
Change in fair value of investment properties	5	–	1,206	–	–
Depreciation of property, plant and equipment	3	108,677	104,907	–	–
Depreciation of right-of-use assets	4	25,094	25,865	–	–
Dividend income	21	–	–	(240,707)	(278,256)
Employee benefits expense	18	2,709	4,739	–	–
Finance income	22	(4,970)	(5,068)	(11,039)	(20,315)
Finance costs	23	3,179	4,858	1,317	–
Gain on disposal of intangible assets	25	–	(7,805)	–	–
Gain on lease termination/modification		(56)	(32)	–	–
Impairment loss:					
– Investments in subsidiaries	8	–	–	–	1,380
– Plant and equipment	3	3,043	582	–	–
Net loss on disposal of plant and equipment	25	46	594	–	–
Plant and equipment written off	25	373	458	–	–
Property development costs written off	6	25	1,089	–	–
Reversal of impairment loss on plant and equipment	3	(666)	(538)	–	–
Employee share-based expense	25	4,062	7,952	–	–
Share of profit of equity-accounted associate, net of tax	9	(5,624)	(7,824)	–	–
Share of loss of equity-accounted joint venture, net of tax	10	290	283	–	–
Operating profit/(loss) before changes in working capital		617,646	655,946	(2,810)	(4,106)
<i>Changes in working capital:</i>					
Changes in inventories		4,358	(77,577)	–	–
Changes in contract liabilities		(1,972)	3,367	–	–
Changes in trade and other payables		33,933	(148,109)	(4,188)	84,739
Changes in trade and other receivables		53,813	9,930	322,109	(70,229)
Cash generated from operations		707,778	443,557	315,111	10,404
Employee benefits paid	18	(6,212)	(3,880)	–	–
Tax paid		(84,964)	(108,574)	(22,595)	(25,276)
Tax refunded		495	11,500	72	–
Net cash from/(used in) operating activities		617,097	342,603	292,588	(14,872)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from investing activities					
Acquisition of intangible assets	7	(2,162)	(1,796)	–	–
Acquisition of property, plant and equipment	3	(145,188)	(207,423)	–	–
Acquisition of subsidiaries, net of cash and cash equivalents acquired	8	(49,868)	–	–	–
Dividends received		11,198	6,221	240,707	278,256
Interest received		5,004	5,463	11,039	20,315
Investment in subsidiaries	8	–	–	(334,790)	(10,000)
Investment in a joint venture		–	(500)	–	(500)
Proceeds from disposal of intangible assets		–	83,175	–	–
Proceeds from disposal of plant and equipment		299	242	–	–
Net cash (used in)/from investing activities		(180,717)	(114,618)	(83,044)	288,071
Cash flows from financing activities					
Dividends paid to owners of the Company	28	(220,067)	(220,067)	(220,067)	(220,067)
Drawdown of loans and borrowings		1,000	–	–	–
Interest paid		(4,081)	(4,736)	–	–
Payment of lease liabilities		(23,134)	(24,351)	–	–
Purchase of shares by SGP Trust	16(b)	(6,565)	(7,184)	(6,565)	(7,184)
Repayment of loans and borrowings		(86,582)	(26,248)	–	–
Net cash used in financing activities		(339,429)	(282,586)	(226,632)	(227,251)
Net increase/(decrease) in cash and cash equivalents		96,951	(54,601)	(17,088)	45,948
Effects of exchange rate fluctuations on cash and cash equivalents		(35,186)	(21,503)	–	–
Cash and cash equivalents at 1 October 2020/2019		493,615	569,719	86,280	40,332
Cash and cash equivalents at 30 September	15	555,380	493,615	69,192	86,280

CASH OUTFLOWS FOR LEASES AS A LESSEE

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	25	1,712	3,136	–	–
Payment relating to leases of low-value assets	25	1,420	1,643	–	–
Payment relating to variable lease payments not included in the measurement of lease liabilities	25	13,879	11,036	–	–
Included in net cash from financing activities					
Payment of lease liabilities		23,134	24,351	–	–
Interest paid in relation to lease liabilities	23	1,648	1,197	–	–
Total cash outflows for leases		41,793	41,363	–	–

STATEMENTS OF CASH FLOWS

for the financial year ended 30 September 2021

RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Group	At 1 October 2019 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	* Other changes RM'000	At 30 September 2020/ 1 October 2020 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Acquisition through business combinations RM'000	Foreign exchange movement RM'000	* Other changes RM'000	At 30 September 2021 RM'000
Lease liabilities	29,065	(25,548)	21,888	(480)	(468)	24,457	(24,782)	65,213	2,152	(495)	(2,498)	64,047
Islamic Medium Term Notes	-	-	-	-	-	-	1,000	-	-	-	-	1,000
Term loan	123,311	(26,248)	-	(5,195)	-	91,868	(86,582)	-	-	(5,286)	-	-
	152,376	(51,796)	21,888	(5,675)	(468)	116,325	(110,364)	65,213	2,152	(5,781)	(2,498)	65,047

* Comprise of interest expenses and termination of leases.

Notes to the Financial Statements

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 address of the registered office of the Company is as follows:

Level 3A, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park
Off Jalan Yew
55100 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associate and joint venture.

The Company is principally engaged in investment holding activities while the other Group entities are primarily engaged in the manufacture and sale of soft drinks, dairy and food products, property development activities and the provision of management services. There has been no significant change in the nature of these principal activities during the financial year. Information on the Group’s structure is provided in Notes 8, 9 and 10. Information on other related party relationships of the Group is provided in Note 33.

The immediate holding company is Fraser and Neave, Limited (“F&NL”), which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange. The ultimate holding company is TCC Assets Limited, which is incorporated in the British Virgin Islands.

These financial statements were authorised for issue by the Board of Directors on 3 November 2021.

1. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

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

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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 and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

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

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(A) STATEMENT OF COMPLIANCE (CONTINUED)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 October 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021, except for amendments to MFRS 4, *Insurance Contracts* which is not applicable to the Group and the Company.
- from the annual period beginning on 1 October 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)* which is not applicable to the Group and the Company.
- from the annual period beginning on 1 October 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17, *Insurance Contracts* which is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, interpretations and amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

(B) BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

(C) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- (i) Note 4 – extension options and incremental borrowing rate in relation to leases
- (ii) Note 5 – valuation of investment properties
- (iii) Note 7 – intangible assets
- (iv) Note 16(c) – share-based payments
- (v) Note 18 – employee benefits
- (vi) Note 20 – contract liabilities

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(A) BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF CONSOLIDATION (CONTINUED)

(v) Associate

An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses of an associate equals or exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the associate are prepared as of a different reporting date from that of the Group. The share of results of an associate refers to Cocoland Holdings Berhad and is derived from the sum total of its unaudited quarterly results recognised by the Group for the four quarters ended 30 June 2021. Where necessary, adjustments are made to bring the accounting policies of the associate in line with those of the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investment in a joint venture is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the joint venture, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses of a joint venture equals or exceeds its interest in a joint venture, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the joint venture are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies of the joint venture in line with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF CONSOLIDATION (CONTINUED)

(vi) Joint venture (continued)

When the Group ceases to have joint control over a joint venture, any retained interest in the former joint venture at the date when joint control is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

Investment in a joint venture is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associate and joint venture are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(B) FOREIGN CURRENCY

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) FOREIGN CURRENCY (CONTINUED)

(ii) Operations denominated in functional currencies other than RM

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(C) FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(D) PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

- buildings 10 – 60 years
- plant and machinery 3 – 15 years
- others * 2 – 12 years

* Comprise motor vehicles, postmix, coolers, vending machines, furniture, fittings, office equipment and computer equipment.

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted prospectively as appropriate.

(E) LEASES

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) LEASES (CONTINUED)

(ii) Recognition and initial measurement

(a) *As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) LEASES (CONTINUED)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(F) INTANGIBLE ASSETS

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associate and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associate and joint venture.

(ii) Brand

Brand was stated at cost less any accumulated impairment losses. The useful life of the brand was estimated to be indefinite because based on the current market share of the brand, management believed there was no foreseeable limit to the period over which the brand was expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Gains or losses arising from derecognition of a brand were measured as the difference between the net disposal proceeds and the carrying amount of the brand and were recognised in the profit or loss when the brand was derecognised. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

(iii) Computer software

Customised computer software and computer software license that is not integral to the functionality of the related equipment is recognised as an intangible asset, stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) INTANGIBLE ASSETS (CONTINUED)

(v) Amortisation

Goodwill and brand with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Computer software and computer software license are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives of computer software and computer software license for the current and comparative periods are between 2 to 10 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

(G) INVESTMENT PROPERTIES

(i) Investment property carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) PROPERTIES HELD FOR DEVELOPMENT

Properties held for development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Properties held for development are classified within non-current assets and are stated at lower of cost less any accumulated impairment losses and net realisable value.

Properties held for development are reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with acquisition of land includes the purchase price of land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(I) INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(K) IMPAIRMENT

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience and adjusted for forward-looking factors specific to the trade receivables and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) IMPAIRMENT (CONTINUED)

(i) Financial assets (continued)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) EQUITY INSTRUMENTS

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Treasury shares

When share capital recognised as equity was repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, was recognised as a deduction from equity. Repurchased shares that were not subsequently cancelled were classified as treasury shares in the statement of changes in equity.

When treasury shares were sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares was recognised in equity.

(iii) Shares held by Share Grant Plan (“SGP”) Trust

The Company has established a trust for its SGP and is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase the Company's shares from the open market for the purposes of this trust.

The shares purchased are measured and carried at the cost of purchase on initial recognition and subsequently maintained on the same basis. The SGP Trust is included in the Group's and the Company's financial statements as a deduction from equity and classified as “Shares held by SGP Trust”.

(M) EMPLOYEE BENEFITS

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

Certain subsidiaries of the Group operate unfunded defined benefit plans for its employees. The plans pay a lump sum amount (instead of a pension) at retirement. The schemes do not hold any physical assets but instead the Group makes provision to cover the estimated retirement benefit liabilities.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(M) EMPLOYEE BENEFITS (CONTINUED)

(iii) Defined benefit plans (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

The fair value of share awards granted to employees of subsidiaries are recharged by the Company to the subsidiaries.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(N) CONTRACT LIABILITIES

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers. Contract liabilities also include trade incentives yet to be paid to customers.

(i) Sale of goods with variable consideration

Some contracts for the sale of goods provide customers with trade incentives. Trade incentives give rise to variable consideration.

Trade incentives

The Group provides incentives to certain customers based on the achievement of the performance criteria stated in the signed incentive guide. Incentives are credited to the customer's account and available for purchase of products. Trade incentives give rise to variable consideration. To estimate the variable consideration for the expected future incentives, the Group applies the maximum achievement criteria of set targets. The sales thresholds contained in the signed incentive guide primarily drive the selected method that best predicts the amount of variable consideration. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future incentives.

(ii) Advances received from customers

Certain customers pay purchase consideration to the Group before the transfer of goods to the customer. The Group concluded that contract liability should be recognised for amount received as advances from customer for which goods are yet to be transferred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) REVENUE AND OTHER INCOME

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as reduction of rental income, over the term of the lease on a straight-line basis. Rental income from sub-leased property is recognised as other income.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(P) BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(Q) INCOME TAX

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(R) EARNINGS PER ORDINARY SHARE

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share grants granted pursuant to SGP and shares held by SGP Trust.

(S) OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker ("CODM"), which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

For management purposes, the Group's operating businesses are organised according to products and services, namely Food & Beverages ("F&B") Malaysia, F&B Thailand, Property, and others which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) FAIR VALUE MEASUREMENTS

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
COST							
At 1 October 2019		97,890	576,361	1,185,397	119,003	288,359	2,267,010
Additions		–	133	2,185	201,889	3,216	207,423
Transfer to intangible assets	7	–	–	–	(648)	–	(648)
Disposals		–	(19)	(4,603)	–	(8,993)	(13,615)
Written off		–	–	(720)	–	(4,194)	(4,914)
Reclassifications		–	28,250	85,436	(117,054)	3,368	–
Effect of movements in exchange rates		(979)	(8,442)	(16,055)	(740)	(1,707)	(27,923)
At 30 September 2020/							
1 October 2020		96,911	596,283	1,251,640	202,450	280,049	2,427,333
Additions		–	57	3,021	132,779	9,331	145,188
Acquisition through business combination	8	–	–	366	–	685	1,051
Transfer to intangible assets	7	–	–	–	(176)	–	(176)
Disposals		–	–	(591)	–	(10,819)	(11,410)
Written off		–	–	(1,565)	–	(3,687)	(5,252)
Reclassifications		–	1,953	46,546	(49,695)	1,196	–
Effect of movements in exchange rates		(1,280)	(11,257)	(21,389)	(4,150)	(2,319)	(40,395)
At 30 September 2021		95,631	587,036	1,278,028	281,208	274,436	2,516,339

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Assets under construction RM'000	* Others RM'000	Total RM'000
ACCUMULATED DEPRECIATION							
At 1 October 2019		–	(131,839)	(624,584)	–	(225,345)	(981,768)
Depreciation for the year	25	–	(13,416)	(69,895)	–	(21,596)	(104,907)
Disposals		–	6	4,097	–	8,676	12,779
Written off		–	–	669	–	3,787	4,456
Effect of movements in exchange rates		–	1,903	9,057	–	1,256	12,216
At 30 September 2020/ 1 October 2020		–	(143,346)	(680,656)	–	(233,222)	(1,057,224)
Depreciation for the year	25	–	(14,030)	(77,135)	–	(17,512)	(108,677)
Disposals		–	–	571	–	10,494	11,065
Written off		–	–	1,419	–	3,460	4,879
Effect of movements in exchange rates		–	2,859	13,592	–	1,925	18,376
At 30 September 2021		–	(154,517)	(742,209)	–	(234,855)	(1,131,581)
ACCUMULATED IMPAIRMENT LOSS							
At 1 October 2019		(2,216)	(1,519)	(6,083)	–	(422)	(10,240)
Impairment loss	25	–	–	(180)	–	(402)	(582)
Reversal of impairment loss	25	–	–	115	–	423	538
Effect of movements in exchange rates		–	56	12	–	–	68
At 30 September 2020/ 1 October 2020		(2,216)	(1,463)	(6,136)	–	(401)	(10,216)
Impairment loss	25	–	–	(2,664)	–	(379)	(3,043)
Reversal of impairment loss	25	–	–	272	–	394	666
Effect of movements in exchange rates		–	73	11	–	–	84
At 30 September 2021		(2,216)	(1,390)	(8,517)	–	(386)	(12,509)
CARRYING AMOUNT							
At 1 October 2019		95,674	443,003	554,730	119,003	62,592	1,275,002
At 30 September 2020		94,695	451,474	564,848	202,450	46,426	1,359,893
At 30 September 2021		93,415	431,129	527,302	281,208	39,195	1,372,249

* Comprise motor vehicles, postmix, coolers, vending machines, furniture, fittings, office equipment and computer equipment.

3.1 An impairment loss of RM3,043,000 (2020: RM582,000), representing the write-down of plant and equipment to its recoverable amount, was recognised in “cost of sales” line item of the profit or loss for the financial year ended 30 September 2021. The reversal of the impairment loss in respect of the plant and equipment of RM666,000 (2020: RM538,000) was made during the financial year as those plant and equipment were repaired and refurbished. The carrying amount of the plant and equipment was increased to its recoverable amount of RM666,000 (2020: RM538,000).

3.2 Assets under construction are mainly relating to buildings, plant and machinery.

4. RIGHT-OF-USE ASSETS

Group	Note	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	* Others RM'000	Total RM'000
At 1 October 2019		65,120	23,547	123	4,478	93,268
Additions		–	8,813	432	12,643	21,888
Depreciation for the year	25	(1,178)	(20,057)	(389)	(4,241)	(25,865)
Terminations/Modifications		–	(402)	–	(1,232)	(1,634)
Effect of movement in exchange rates		(40)	(363)	–	(71)	(474)
At 30 September 2020/1 October 2020		63,902	11,538	166	11,577	87,183
Additions		1,350	62,567	429	867	65,213
Acquisition through business combination	8	–	2,084	–	–	2,084
Depreciation for the year	25	(1,175)	(19,363)	(476)	(4,080)	(25,094)
Terminations/Modifications		(14)	(3,942)	(13)	(121)	(4,090)
Effect of movement in exchange rates		(43)	160	–	(46)	71
At 30 September 2021		64,020	53,044	106	8,197	125,367

* Comprise motor vehicles and forklifts.

Leasehold land relates to the lease of land with lease terms of eighteen to ninety-nine years (2020: ten to ninety-nine years) for the Group's factory buildings, office buildings and warehouse.

The Group leases various warehouses, office buildings, plant and machinery, and motor vehicles. Rental contracts are typically made for fixed periods of one to ten years with an option to renew the lease after that date. Lease terms are negotiated on an individual basis with different terms and conditions.

4.1 EXTENSION OPTIONS

Some leases of office buildings contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Group	Lease liabilities recognised (discounted)	
	2021 RM'000	2020 RM'000
Leasehold land	1,854	844
Buildings	52,212	9,261
Motor vehicles	–	242
	54,066	10,347

4.2 SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS IN RELATION TO LEASE

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES

	Group	
	2021 RM'000	2020 RM'000
At fair value – Buildings	47,569	47,569
At 1 October 2020/2019	47,569	48,775
Change in fair value recognised in profit or loss	–	(1,206)
At 30 September	47,569	47,569

Investment properties comprise commercial property and car park that are leased to third parties. Each of the lease contains an initial non-cancellable period of two to three years and subsequent renewals are negotiated with the lessee. No contingent rents are charged. The Group does not charge variable lease payments that do not depend on an index or rate.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2021 RM'000	2020 RM'000
Lease income	146	337
Direct operating expenses		
– income generating investment properties	(738)	(635)
– non-income generating investment properties	(527)	(482)

FAIR VALUE INFORMATION

Fair values of investment properties are categorised as follows:

	Group	
	2021 Level 3 RM'000	2020 Level 3 RM'000
Buildings	47,569	47,569

5. INVESTMENT PROPERTIES (CONTINUED)

FAIR VALUE INFORMATION (CONTINUED)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Properties	Valuation technique	Significant unobservable inputs	Range and rate	
			2021	2020
Commercial property	Investment approach: The valuation method considers the present value of net cash flows to be generated from the property, taking into account estimated rental value per square feet per month, capitalisation rate, void factor, capital expenditure reserve per square feet, discount factor, market interruption (if any) and other costs not paid by tenants.	Estimated rental value per square feet per month (RM)		
		– 1 st to 5 th year	4.00-5.50	4.00-5.50
		– 6 th year onwards	4.00-5.50	4.00-5.50
		Capitalisation rate		
		– 6 th year onwards	7.25%	7.25%
		Void factor		
		– 1 st to 5 th year	50%	50%
		– 6 th year onwards	12.50%	12.50%
		Capital expenditure reserve per square feet (RM)	1.00	1.00
		Discount factor		
– 1 st to 5 th year	7.00%	7.00%		
– 6 th year onwards	7.25%	7.25%		
		Market interruption	20.00%	20.00%
Car park	Direct comparison approach: The valuation method considers the sales of comparable or substitute properties are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot	Value per car park bay	RM30,000	RM30,000

Increase/(Decrease) in estimated rental value would result in higher/(lower) fair value of the investment properties assuming if all other assumptions were held constant. Increases/(Decreases) in the capitalisation rate, void factor, capital expenditure reserve, discount factor and market interruption would result in lower/(higher) fair value assuming if all other assumptions were held constant.

Valuation processes applied by the Group for Level 3 fair value

The fair values of investment properties are based on valuation performed by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining valuation report from the valuation company.

Highest and best use

The Group's investment properties comprise office building and car park which represented the highest and best use of the properties as they are on prime land in the city centre.

NOTES TO THE FINANCIAL STATEMENTS

6. PROPERTIES HELD FOR DEVELOPMENT

	Group	
	2021 RM'000	2020 RM'000
At cost		
At 1 October 2020/2019	54,958	56,047
Property development cost written off	(25)	(1,089)
As at 30 September	54,933	54,958
Properties held for development comprise:		
– Freehold land	49,783	49,783
– Development costs	5,150	5,175
	54,933	54,958

7. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
COST					
At 1 October 2019		45,929	75,370	28,970	150,269
Additions		–	–	1,796	1,796
Transfer from property, plant and equipment	3	–	–	648	648
Disposals		–	(75,370)	–	(75,370)
At 30 September 2020/1 October 2020		45,929	–	31,414	77,343
Additions		–	–	2,162	2,162
Acquisition through business combination	8	27,042	15,102	–	42,144
Transfer from property, plant and equipment	3	–	–	176	176
At 30 September 2021		72,971	15,102	33,752	121,825

ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS

At 1 October 2019

Accumulated amortisation		–	–	(24,231)	(24,231)
Accumulated impairment loss		(5,392)	–	–	(5,392)

		(5,392)	–	(24,231)	(29,623)
Amortisation for the year	25	–	–	(1,799)	(1,799)

At 30 September 2020/1 October 2020

Accumulated amortisation		–	–	(26,030)	(26,030)
Accumulated impairment loss		(5,392)	–	–	(5,392)

		(5,392)	–	(26,030)	(31,422)
Amortisation for the year	25	–	–	(2,084)	(2,084)

At 30 September 2021

Accumulated amortisation		–	–	(28,114)	(28,114)
Accumulated impairment loss		(5,392)	–	–	(5,392)

		(5,392)	–	(28,114)	(33,506)
--	--	---------	---	----------	----------

7. INTANGIBLE ASSETS (CONTINUED)

Group	Note	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
CARRYING AMOUNT					
At 1 October 2019		40,537	75,370	4,739	120,646
At 30 September 2020/1 October 2020		40,537	–	5,384	45,921
At 30 September 2021		67,579	15,102	5,638	88,319

(A) ALLOCATION OF GOODWILL, BRAND AND COMPUTER SOFTWARE

Goodwill, brand and computer software have been allocated to the Group's cash-generating units ("CGUs") as identified according to country of operation and business segment as follows:

Group	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
At 30 September 2021				
F&B Malaysia				
– Soft drinks and dairy products	39,538	–	1,700	41,238
– Food products	27,042	15,102	–	42,144
F&B Thailand	999	–	–	999
Property and Others	–	–	3,938	3,938
	67,579	15,102	5,638	88,319
At 30 September 2020				
F&B Malaysia				
– Soft drinks and dairy products	39,538	–	1,645	41,183
F&B Thailand	999	–	–	999
Property and Others	–	–	3,739	3,739
	40,537	–	5,384	45,921

(B) KEY ASSUMPTIONS USED IN VALUE IN USE CALCULATIONS

(i) Goodwill

No impairment loss is required for the goodwill assessed in the current financial year as their recoverable values are in excess of their carrying values.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. The value in use calculations apply a discounted cash flows model using cash flow projections based on financial budgets approved by management covering three-year period.

The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the respective CGUs.

The terminal growth rate used does not exceed the long-term average growth rate of the respective industry and country in which the entity operates.

NOTES TO THE FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS (CONTINUED)

(B) KEY ASSUMPTIONS USED IN VALUE IN USE CALCULATIONS (CONTINUED)

(i) Goodwill (continued)

Cash flows beyond these periods (i.e. three-year) are extrapolated using the estimated growth rate stated in the table below:

	Terminal growth rate	Average annual growth rate	Pre-tax discount rate
At 30 September 2021			
Dairy products	1.0%	10.0%	7.2%
Soft drinks	0.0%	8.2%	8.1%
Food products	0.0%	8.1%	8.1%
At 30 September 2020			
Dairy products	1.0%	10.1%	7.1%
Soft drinks	0.0%	11.7%	8.4%

(ii) Brand

During the financial year, the brand comprises “Nona” and “Lee Shun Hing” arose from the acquisition of Sri Nona Companies.

The value in use calculations applied a discounted cash flows model using cash flow projections based on business plan covering three-year period.

The discount rates applied to the cash flow projections were derived from the cost of capital plus a reasonable risk premium.

	Terminal growth rate	Average annual growth rate	Pre-tax discount rate
At 30 September 2021	0.0%	8.1%	8.1%

The key assumptions represented management’s assessment of future trends in food industry and were based on both external sources and internal sources (historical data).

(C) SENSITIVITY TO CHANGES IN ASSUMPTIONS

With regard to the assessment of value in use of these CGUs, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these CGUs to differ materially from their recoverable amounts except for the changes in the prevailing operating environment, the impact of which is not expected to be significant.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	RM'000	RM'000
At cost		
Unquoted shares:		
– Ordinary shares	697,991	363,201
– Redeemable non-cumulative convertible preference shares (“RNCCPS”)	565,404	565,404
	1,263,395	928,605
Less: Impairment loss	(8,562)	(8,562)
	1,254,833	920,043

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year,

- (a) The Company subscribed additional issued and paid up share capital of RM273,000,000 and RM790,000 respectively in its wholly owned subsidiaries, F&N Beverages Manufacturing Sdn Bhd and Nuvak Company Sdn Bhd for total cash consideration of RM273,000,000 and RM790,000 comprising 273,000,000 and 790,000 ordinary shares respectively.
- (b) The Company incorporated a wholly owned subsidiary, Awana Citra Sdn Bhd (“ACSB”) with a paid up share capital of RM61,000,000 comprising 61,000,000 ordinary shares. ACSB was set up as an investment holding company.
- (c) Purchase price allocation (“PPA”) arising from acquisition of Sri Nona Companies

On 15 January 2021, ACSB acquired the entire equity interest in Sri Nona Food Industries Sdn Bhd, Sri Nona Industries Sdn Bhd and Lee Shun Hing Sauce Industries Sdn Bhd (collectively referred to as, the “Sri Nona Companies”) for a total cash consideration for RM59,498,000. The principal activities of Sri Nona Companies are the manufacture, distribution and sale of, among others, rice cakes and condiments. The acquisition of Sri Nona Companies has further helped the Group establish Halal Food Pillar as a new pillar of growth. These subsidiaries are included in the F&B Malaysia segment. The contribution of Sri Nona Companies to Group revenue and profit is not material. Pursuant to the acquisition of Sri Nona Companies on 15 January 2021, the net identifiable assets and goodwill disclosed in Note 7 were finalised within twelve months from the acquisition date.

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

	Note	RM'000
Fair value of consideration transferred		
Cash and cash equivalents		59,498
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	3	1,051
Right-of-use assets	4	2,084
Intangible assets	7	15,102
Inventories		8,122
Trade and other receivables		10,083
Current tax asset		233
Cash and cash equivalents		9,630
Trade and other payables		(7,882)
Lease liabilities		(2,152)
Current tax liability		(137)
Deferred taxation		(3,678)
Total identifiable net assets		32,456

Fair value measurements

Assets acquired	Valuation technique
Intangible assets	Discounted cash flow: The valuation model considers expected net cash flow using risk-adjusted discount rate.

Net cash outflow arising from acquisition of subsidiaries

	RM'000
Purchase consideration settled in cash and cash equivalents	59,498
Cash and cash equivalents acquired	(9,630)
	49,868

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (c) Purchase price allocation (“PPA”) arising from acquisition of Sri Nona Companies (continued)

Goodwill

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

	Note	RM'000
Total consideration transferred		59,498
Fair value of identifiable net assets		(32,456)
Goodwill	7	27,042

The goodwill is attributable mainly to the skills and technical talent of Sri Nona Companies work force, and the synergies expected to be achieved from integrating the company into the Group’s existing halal business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of RM516,000 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group’s consolidated statement of profit or loss.

In the previous financial year,

- (a) The Company’s wholly owned subsidiary, Fraser & Neave (Malaya) Sdn Bhd incorporated a wholly owned subsidiary, Fraser and Neave MENA DWC-LLC (“F&N MENA”) with a registered and paid up share capital of AED300,000 comprising 300,000 ordinary shares of AED1 each. F&N MENA was set up to conduct the business of trading in food and beverages and dairy products.
- (b) The Company subscribed additional issued and paid up share capital of RM10,000,000 in its wholly owned subsidiary, F&N AgriValley Sdn Bhd for a total cash consideration of RM10,000,000 comprising 10,000,000 ordinary shares.
- (c) The Company recognised impairment loss of RM1,380,000 for the investments in its subsidiaries, F&N Dairies (Malaysia) Sdn Bhd, F&N Properties Sdn Bhd, Lettricia Corporation Sdn Bhd and Premier Milk (Malaya) Sdn Berhad in “other expenses” as the recoverable amounts are less than the carrying amounts.

The Company subscribed to the entire RNCCPS in the following subsidiaries:

	Issue price RM	Number of shares	2021 RM'000	2020 RM'000
Lion Share Management Limited	3,505	21,000	73,604	73,604
Utas Mutiara Sdn Bhd	1,000	17,700	17,700	17,700
Greenclipper Corporation Sdn Bhd	1,000	7,000	7,000	7,000
F&N Properties Sdn Bhd	1,000	57,000	57,000	57,000
Nuvak Company Sdn Bhd	1,000	28,100	28,100	28,100
F&N Dairies Manufacturing Sdn Bhd	1,000	382,000	382,000	382,000
		512,800	565,404	565,404

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows:

Name of company	Country of incorporation and place of business	Principal activities	Effective ownership and voting interest (%)	
			2021	2020
Subsidiaries of Fraser & Neave Holdings Bhd				
Awana Citra Sdn Bhd	Malaysia	Investment holding	100	–
F&N Beverages Marketing Sdn Bhd	Malaysia	Distribution and sale of soft drinks and dairy products	100	100
F&N Beverages Manufacturing Sdn Bhd	Malaysia	Manufacturing and sale of soft drinks	100	100
F&N Dairies Manufacturing Sdn Bhd	Malaysia	Manufacturing and sale of dairy products	100	100
F&N Dairies (Thailand) Limited ⁽ⁱ⁾	Thailand	Manufacturing, distribution and sale of dairy products	100	100
F&N Dairies Distribution (Singapore) Pte Ltd ⁽ⁱ⁾	Republic of Singapore	Distribution of dairy products	100	100
F&N Marketing (B) Sdn Bhd ⁽ⁱ⁾	Brunei Darussalam	Sale of soft drinks and dairy products	100	100
Fraser & Neave (Malaya) Sdn Bhd	Malaysia	Sale of soft drinks and dairy products, provision of management service and property investment holdings	100	100
F&N Capital Sdn Bhd	Malaysia	Provision of financial and treasury services	100	100
F&N Properties Sdn Bhd	Malaysia	Provision of property management services	100	100
Greenclipper Corporation Sdn Bhd	Malaysia	Property development	100	100
Lettricia Corporation Sdn Bhd	Malaysia	Property development	70	70
Tropical League Sdn Bhd	Malaysia	Property development	100	100
Nuvak Company Sdn Bhd	Malaysia	Property development	100	100
Utas Mutiara Sdn Bhd	Malaysia	Property investment holding	100	100
Elsinburg Holdings Sdn Bhd	Malaysia	Inactive	100	100
F&N AgriValley Sdn Bhd	Malaysia	Inactive	100	100
F&N Dairies (Malaysia) Sdn Bhd	Malaysia	Inactive	100	100
Lion Share Management Limited	British Virgin Islands	Inactive	100	100
Premier Milk (Malaya) Sdn Berhad	Malaysia	Inactive	100	100

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation and place of business	Principal activities	Effective ownership and voting interest (%)	
			2021	2020
Subsidiary of F&N Beverages Manufacturing Sdn Bhd				
Borneo Springs Sdn Bhd	Malaysia	Manufacturing and sale of mineral water, drinking water and rental of dispensers	100	100
Subsidiary of Fraser & Neave (Malaya) Sdn Bhd				
Fraser and Neave MENA DWC-LLC ⁽ⁱⁱ⁾	United Arab Emirates	Trading of food & beverages and dairy products	100	100
Subsidiaries of Awana Citra Sdn Bhd				
Sri Nona Food Industries Sdn Bhd	Malaysia	Manufacturing and sale of food products	100	–
Sri Nona Industries Sdn Bhd	Malaysia	Sale and distribution of food products	100	–
Lee Shun Hing Sauce Industries Sdn Bhd	Malaysia	Sale and distribution of food products	100	–

(i) Audited by other member firms of KPMG PLT.

(ii) Not audited by KPMG PLT.

The Group concluded that Lettricia Corporation Sdn Bhd, the subsidiary with non-controlling interest, is not material to the Group.

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At cost				
Quoted shares	68,727	68,727	68,727	68,727
Share of post-acquisition reserves	78,743	73,119	–	–
Dividends received	(61,783)	(50,585)	–	–
	85,687	91,261	68,727	68,727

	Group and Company	
	2021 RM'000	2020 RM'000
Market value		
Quoted shares	120,068	107,626

9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The associate is incorporated in Malaysia and the details are as follows:

Name of associate	Principal activity/Nature of relationship	Effective ownership and voting interest (%)	
		2021	2020
Cocoaland Holdings Berhad ("CHB") (Financial year end: 31 December)	Investment holding company, manufacturing, trading and marketing of processed and preserved foods and fruits of all kinds/Strategic supplier of the Group	27.19	27.19

The share of results of an associate is derived from the sum total of its unaudited quarterly results recognised by the Group for the four quarters ended 30 June 2021. It is impracticable to use the financial results of the associate at the same reporting date of the Group because the associate is a public listed company and its financial results has not been announced to the public.

The following table summarises the information of CHB, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in CHB, which is accounted for using the equity method.

	Group	
	2021 RM'000	2020 RM'000
Summarised financial information		
As at 30 June		
Non-current assets	118,997	110,189
Current assets	155,313	192,903
Non-current liabilities	(4,240)	(5,351)
Current liabilities	(21,712)	(28,880)
Net assets	248,358	268,861
Year ended 30 June		
Revenue	208,199	239,359
Profit for the year	20,685	28,774
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	67,529	73,103
Goodwill	18,158	18,158
Carrying amount in the statement of financial position	85,687	91,261
Group's share of profit for the year	5,624	7,824

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At cost				
Unquoted shares	127,820	127,820	127,820	127,820
Share of post-acquisition reserves	(23,267)	(22,977)	–	–
	104,553	104,843	127,820	127,820
Interest on shareholder's loan	38,294	38,294	38,294	38,294
	142,847	143,137	166,114	166,114
Less: Unrealised profit	(55,292)	(55,292)	–	–
	87,555	87,845	166,114	166,114

The joint venture is incorporated in Malaysia and the details are as follows:

Name of joint venture	Principal activity/Nature of relationship	Effective ownership and voting interest (%)	
		2021	2020
Vacaron Company Sdn Bhd ("VCSB") (Financial year end: 30 September)	Property development/Strategic to the property development activities of the Group	50.00	50.00

The following table summarises the information of VCSB, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in VCSB, which is accounted for using the equity method.

	Group	
	2021 RM'000	2020 RM'000
Summarised financial information		
As at 30 September		
Non-current assets	7	11
Current assets	286,020	286,595
Current liabilities	(76,939)	(76,939)
Year ended 30 September		
Revenue	–	–
Loss for the year	(580)	(566)

10. INVESTMENT IN A JOINT VENTURE (CONTINUED)

	Group	
	2021	2020
	RM'000	RM'000
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	104,544	104,834
Goodwill	9	9
Interest on shareholder's loan	38,294	38,294
Elimination of unrealised profit	(55,292)	(55,292)
Carrying amount in the statement of financial position	87,555	87,845
Group's share of loss for the year	(290)	(283)

The joint venture had no other contingent liabilities or capital commitments as at 30 September 2021 and 2020. VCSB cannot distribute its profits without the consent from the two venture partners.

SHAREHOLDER'S LOAN

On 11 November 2011, the Company entered into a conditional subscription cum shareholders' agreement ("SSA") with Frasers Property Holdings (Malaysia) Pte. Ltd. ("FPHM") to form a joint venture, via VCSB for the purpose of carrying out a proposed mixed development on the land held under PN 3679 for Lot No. 35 and PN 3681 for Lot No. 37, Seksyen 13, Bandar Petaling Jaya ("PJ"), Daerah Petaling, Selangor ("Land").

The Company and FPHM had both granted shareholders' loans to VCSB pursuant to the SSA. The loans were unsecured, borne interest at KLIBOR + 1.25% (2020: KLIBOR + 1.25%) per annum and were denominated in RM.

On 2 October 2019, the shareholder's loan was converted to 126,820 RNCCPS at issue price of RM1,000 each.

RNCCPS have the following salient terms:

- (i) Non-cumulative preferential dividend, the quantum of which will be at the discretion of the joint venture subject to the applicable laws and regulations governing the joint venture.
- (ii) The RNCCPS shall rank pari passu as between themselves and prior to the ordinary shares and all other classes of shares, if any, for the time being of the joint venture.
- (iii) Each RNCCPS is transferable subject to the Articles of Association and any applicable laws.
- (iv) The registered RNCCPS holder would not have the right to vote at any general meeting of the joint venture.
- (v) Subject to the applicable laws and regulations governing the joint venture, the RNCCPS is redeemable at the discretion of the joint venture.
- (vi) The RNCCPS are convertible into ordinary shares at the option of the joint venture.

UNREALISED PROFIT

On 18 January 2012, VCSB issued new ordinary shares of 499,998 and 500,000 to the Company and FPHM respectively. Consequent thereupon, the Company and FPHM each holds 50% equity interest in VCSB. With the announcement of the completion of the transaction in the financial year ended 30 September 2012, the Company had effectively divested 50% of its interest in the development land in PJ Section 13 and recognised a gain of approximately RM55,292,000. The remaining 50% unrealised profit of RM55,292,000 will be realised upon the disposal of the land by the joint venture or the date on which the Group ceases to have joint control over the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS/(LIABILITIES)

RECOGNISED DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment	4	4	(94,441)	(84,804)	(94,437)	(84,800)
Right-of-use assets	–	–	(12,683)	(5,475)	(12,683)	(5,475)
Investment properties	127	127	(651)	(651)	(524)	(524)
Intangible assets	–	–	(3,624)	–	(3,624)	–
Employee benefit plans	8,882	10,253	–	–	8,882	10,253
Tax loss carry-forwards and unutilised capital allowances	4,435	5,782	–	–	4,435	5,782
Unutilised tax incentives	25,648	23,220	–	–	25,648	23,220
Lease liabilities	13,243	5,556	–	–	13,243	5,556
Provisions, contract liabilities and others	4,546	3,885	–	–	4,546	3,885
Tax assets/(liabilities)	56,885	48,827	(111,399)	(90,930)	(54,514)	(42,103)
Set off of tax	(51,645)	(42,857)	51,645	42,857	–	–
Net tax assets/(liabilities)	5,240	5,970	(59,754)	(48,073)	(54,514)	(42,103)

UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2021 RM'000	2020 RM'000
Unutilised reinvestment allowances	100,880	100,880
Unutilised capital allowances	6,220	6,220
Tax loss carry-forwards	3,251	3,251
	110,351	110,351

Deferred tax assets have not been recognised in respect of these temporary differences because it is not probable that future taxable profit will be available against which subsidiaries of the Group can utilise the benefits therefrom.

Unutilised reinvestment allowances of RM79,934,000 will expire in 2025 whilst the remaining amount of RM20,946,000 will expire in 2027. Tax losses can be carried forward up to 7 consecutive years of assessments and will expire in 2025.

Unutilised capital allowances do not expire under the current tax legislation except that in the case of a dormant company, such allowances and losses will not be available to the company if there is change of 50% or more in the shareholdings thereof.

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)**MOVEMENT IN TEMPORARY DIFFERENCES DURING THE FINANCIAL YEAR**

Group	At 1 October 2019 RM'000	Recognised in profit or loss (Note 24) RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 30 September 2020 RM'000
Property, plant and equipment	(77,774)	(7,026)	–	–	(84,800)
Right-of-use assets	(6,382)	980	–	(73)	(5,475)
Investment properties	(813)	289	–	–	(524)
Employee benefit plans	9,368	487	389	9	10,253
Tax loss carry-forwards and unutilised capital allowances	7,803	(2,021)	–	–	5,782
Unutilised tax incentives	29,169	(5,949)	–	–	23,220
Lease liabilities	6,377	(894)	–	73	5,556
Provisions, contract liabilities and others	4,487	(370)	–	(232)	3,885
	(27,765)	(14,504)	389	(223)	(42,103)

Group (continued)	At 30 September 2020 RM'000	Recognised in profit or loss (Note 24) RM'000	Recognised in other comprehensive income RM'000	Acquisition through business combination RM'000	Exchange differences RM'000	At 30 September 2021 RM'000
Property, plant and equipment	(84,800)	(9,568)	–	(69)	–	(94,437)
Right-of-use assets	(5,475)	(7,322)	–	(501)	615	(12,683)
Investment properties	(524)	–	–	–	–	(524)
Intangible assets	–	–	–	(3,624)	–	(3,624)
Employee benefit plans	10,253	(383)	(801)	–	(187)	8,882
Tax loss carry-forwards and unutilised capital allowances	5,782	(1,347)	–	–	–	4,435
Unutilised tax incentives	23,220	2,428	–	–	–	25,648
Lease liabilities	5,556	7,812	–	516	(641)	13,243
Provisions, contract liabilities and others	3,885	761	–	–	(100)	4,546
	(42,103)	(7,619)	(801)	(3,678)	(313)	(54,514)

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Trade receivables from contracts with customers		418,962	446,163	–	–
Less: Allowance for impairment losses		(3,570)	(2,622)	–	–
		415,392	443,541	–	–
Other receivables					
– Prepayments		8,787	10,797	–	–
– Deposits		4,164	3,712	–	–
– Staff loans		950	2,094	–	–
– Sundry debtors	12.1	33,767	24,259	–	–
– Other tax recoverable		12,268	15,949	–	–
– Interest		150	194	2	–
– Other receivables		484	510	8	–
		60,570	57,515	10	–
Amounts due from related parties					
– Subsidiaries	12.2	–	–	229,185	547,723
– Related companies	12.3	69,958	88,590	–	–
– Joint venture	12.4	12	11	–	–
– Associate	12.5	–	4	–	4
		69,970	88,605	229,185	547,727
		545,932	589,661	229,195	547,727

12.1 Included in sundry debtors is mainly downpayment to suppliers of RM33,385,000 (2020: RM23,999,000).

12.2 The amounts due from subsidiaries are non-trade in nature, unsecured, receivable on demand and interest free, except for loan portion of RM227,557,000 (2020: RM543,877,000) which bears interest at KLIBOR + 1.25% (2020: KLIBOR + 1.25%) per annum.

12.3 The amounts due from related companies are trade in nature, except for non-trade portion of RM13,965,000 (2020: RM39,459,000). Non-trade amounts are unsecured, receivable on demand and interest free. Related companies refer to the subsidiaries or associates of TCC Assets Limited, Thai Beverage Public Company Limited, Berli Jucker Public Company Limited (“BJC”), Frasers Property Limited, TCC Corporation Limited and Asset World Corp Public Company Limited.

12.4 The amounts due from a joint venture are trade in nature, unsecured, interest free and subject to negotiated trade term.

12.5 The amounts due from an associate were non-trade in nature, unsecured, receivable on demand and interest free.

13. INVENTORIES

	Note	Group	
		2021 RM'000	2020 RM'000
Finished goods		239,011	184,241
Raw materials		326,243	389,977
Packaging materials		62,703	55,153
Other inventories	13.1	31,788	26,610
		659,745	655,981
Recognised in profit or loss			
Inventories recognised as cost of sales		2,551,588	2,393,750
Inventories written off	25	4,641	6,498
Inventories written down	25	5,721	5,215
Reversal of inventories written down	25	(1,577)	(298)

13.1 Other inventories comprise engineering spares and machine consumables.

14. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	2021			2020		
	Nominal value '000	Assets RM'000	Liabilities RM'000	Nominal value '000	Assets RM'000	Liabilities RM'000
Forward foreign exchange contracts (less than 1 year)						
– USD	–	–	–	4,602	1	(302)
– AUD	2,356	–	(166)	1,706	3	(65)
		–	(166)		4	(367)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the financial year. Where necessary, the forward contracts are rolled over at maturity.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	389,913	319,306	45,325	86,280
Short-term deposits	165,467	174,309	23,867	–
	555,380	493,615	69,192	86,280

NOTES TO THE FINANCIAL STATEMENTS

16. CAPITAL AND RESERVES

(A) SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	366,779	816,770	366,779	816,770

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

(B) SHARES HELD BY SGP TRUST

	Group and Company			
	2021		2020	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At 1 October 2020/2019	140	4,688	204	3,904
Acquired	226	6,565	214	7,184
Reissued pursuant to SGP	(202)	(6,627)	(278)	(6,400)
At 30 September	164	4,626	140	4,688

The Company established a trust ("SGP Trust") for its eligible executives pursuant to the SGP.

The SGP Trust is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of SGP holders are recorded as "Shares held by SGP Trust" in the Group's and the Company's financial statements as a deduction in arriving at the shareholders' equity.

Details of the shares acquired during the current and previous financial year are as follows:

	Share price (RM)			Number of shares '000	Total consideration RM'000
	Lowest	Highest	Average		
2021	25.89	32.46	29.11	226	6,565
2020	31.10	34.86	33.57	214	7,184

16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS

The Company has in place share-based remuneration incentive plans, details of which are as follows:

- (i) The F&NHB Share Grant Plan 2012 (“F&NHB SGP 2012”) established and implemented on 15 March 2012, comprises the F&NHB Restricted Share Plan (“F&NHB RSP 2012”) and Performance Share Plan (“F&NHB PSP”).

Under F&NHB SGP 2012, the Company grants a base number of conditional share awards (the “F&NHB Base Awards”) to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods.

The Remuneration Committee, as the administrator of F&NHB SGP 2012, has absolute discretion in granting the F&NHB Base Awards. Under F&NHB SGP 2012, the Remuneration Committee has determined the performance period to be two years and the vesting period to be over three years.

Depending on the level of achievement of the pre-determined targets over the two-year performance period, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of shares to be awarded at the end of the performance period (the “F&NHB Final Awards”).

The first tranche at 50% of the relevant F&NHB Final Awards will be vested to eligible participants after the end of the two-year performance period. The balance will be vested in equal instalments over the next two years.

The achievement factor ranges from 0% to 150% for both F&NHB RSP 2012 and F&NHB SGP 2021. Accordingly, the actual number of shares to be awarded could range from 0% to 150% of the initial grant of the F&NHB Base Awards.

F&NHB SGP 2012 is due to expire on 14 March 2022, whereupon any F&NHB Final Awards which have yet to be vested (whether fully or partially) shall be deemed to be cancelled and be null and void. The expiry of F&NHB SGP 2012, however, does not affect F&NHB Final Awards in respect of shares which are capable of being vested prior and up to 14 March 2022.

F&NHB RSP Year 8 Award

As the 3rd tranche of the F&NHB Final Awards of F&NHB RSP Year 8 Award (“F&NHB RSP Year 8 Final Awards”) will only be released at the end of 2022 after the expiry of F&NHB SGP 2012, shares to be released under F&NHB RSP Year 8 Final Awards will be deemed to be cancelled and be null and void.

The Company will award shares under F&NHB SGP 2021 to eligible participants equivalent to the number of shares that they would have been entitled to receive had F&NHB SGP 2012 not expired. Shares will be released in accordance with the original vesting schedule at the end of 2022 and will not be subject to any performance period nor any achievement targets.

F&NHB RSP Year 9 Award

As the 2nd and 3rd tranches of the F&NHB Final Awards of F&NHB RSP Year 9 Award (“F&NHB RSP Year 9 Final Awards”) will only be released at the end of 2022 and end of 2023 respectively after the expiry of F&NHB SGP 2012, shares to be released under F&NHB RSP Year 9 Final Awards will be deemed to be cancelled and be null and void.

The Company will award shares under F&NHB SGP 2021 to eligible participants equivalent to the number of shares that they would have been entitled to receive had F&NHB SGP 2012 not expired. Shares will be released in accordance with the original vesting schedule at the end of 2022 and end of 2023 respectively and will not be subject to any performance period nor any achievement targets.

F&NHB RSP Year 10 Award

F&NHB RSP Year 10 Award was not granted at the end of 2020 because the two-year performance period will traverse the expiry of F&NHB SGP 2012 and further, no shares can be released or vested after the two-year performance period as they would have been deemed cancelled. The Company had deferred the grant of F&NHB RSP Year 10 Award from end 2020 to 15 February 2021 post approval of the new F&NHB Share Grant Plan 2021 by shareholders of the Company. Please see note (ii) below.

The Remuneration Committee has determined that the performance period for F&NHB RSP Year 10 shall remain at two years. The first tranche of F&NHB shares pursuant to this grant (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the following two years.

F&NHB PSP

To date, there were no grants made under the F&NHB PSP.

NOTES TO THE FINANCIAL STATEMENTS

16. CAPITAL AND RESERVES (CONTINUED)

(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS (CONTINUED)

The Company has in place share-based remuneration incentive plans, details of which are as follows: (continued)

- (ii) The F&NHB Share Grant Plan 2021 (“F&NHB SGP 2021”) was approved by shareholders of the Company at the Extraordinary General Meeting held on 19 January 2021 and was implemented on 11 February 2021. The F&NHB SGP 2021 is valid for 10 years from 11 February 2021 to 10 February 2031.

Under F&NHB SGP 2021, the Company grants a base number of conditional share awards (the “F&NHB Base Awards”) to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods.

The Remuneration Committee, as the administrator of F&NHB SGP 2021, has absolute discretion in granting the F&NHB Base Awards and determining the performance period and the vesting period.

Depending on the level of achievement of the pre-determined targets over the performance period, an achievement factor will be applied to the relevant F&NHB Base Awards to determine the final number of shares to be awarded at the end of the performance period.

Having been deferred from end 2020, F&NHB RSP Year 10 Award was granted on 15 February 2021 under F&NHB Share Grant Plan 2021. Please see above note (i) on F&NHB RSP Year 10 Award.

The details of the shares awarded under F&NHB SGP 2012 and F&NHB SGP 2021 in aggregate are as follows:

	← Number of share grants →					Vesting period
	At 1.10.2020/ grant date	Adjustment for achievement factor	Vested	* Lapsed	At 30.9.2021	
F&NHB SGP 2012						
F&NHB RSP Year 6 (22.12.2016)	61,950	–	(61,650)	(300)	–	31.12.2018- 31.12.2020
F&NHB RSP Year 7 (22.12.2017)	128,900	–	(64,150)	(10,625)	54,125	31.12.2019- 31.12.2021
F&NHB RSP Year 8 (22.12.2018)	213,600	(60,700)	(76,450)	(12,450)	64,000	31.12.2020- 31.12.2022
F&NHB RSP Year 9 (23.12.2019)	495,900	(194,750)	–	(106,400)	194,750	31.12.2021- 31.12.2023
	900,350	(255,450)	(202,250)	(129,775)	312,875	
F&NHB SGP 2021						
**F&NHB RSP Year 10 (15.02.2021)	384,200	–	–	(62,400)	321,800	31.12.2022- 31.12.2024
	1,284,550	(255,450)	(202,250)	(192,175)	634,675	

* Share grants lapsed upon cessation of employment.

** The performance period for F&NHB RSP Year 10 remains at two years. The first tranche of F&NHB shares pursuant to this grant (being 50% of the relevant F&NHB Final Awards) will be vested to participants after the end of the two-year performance period. The balance 50% will be vested in equal instalments over the following two years.

16. CAPITAL AND RESERVES (CONTINUED)**(C) SHARE GRANTS UNDER F&NHB SHARE GRANT PLANS (CONTINUED)**

The Directors do not participate in the F&NHB share grant plans.

The estimated fair value of shares granted during the financial year ranges from RM27.58 to RM28.85. The fair value of equity-settled contingent award of shares are determined using the Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	← RSP →			
	2021	2020	2019	2018
Dividend yield (%)	2.24	2.33	2.34	2.72
Expected volatility (%)	12.83	13.30	16.35	11.56
Risk-free interest rate (%)	1.88-2.09	2.95-3.14	3.56-3.80	3.21-3.59
Expected term (years)	1.87-3.87	2.02-4.02	2.03-4.03	2.02-4.03
Share price at date of grant (RM)	30.08	34.66	31.34	26.38

(D) LOSS ON PURCHASE OF SHARES FOR SGP

Upon vesting of share awards, there will be a difference between total purchase price paid by SGP Trust (Note 16(b)) 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 included in the Group's and the Company's financial statements as a deduction from equity and classified as "Loss on purchase of shares for SGP".

(E) LEGAL RESERVE

Non-distributable legal reserve amounting to RM9,934,000 (2020: RM9,934,000) relates to a subsidiary in Thailand. Under the provision of Thailand Civil and Commercial Code, the subsidiary is required to set aside at least 5% of its net income after accumulated deficit (if any) as a legal reserve until the reserve is not less than 10% of the registered share capital. This reserve is non-distributable as dividends.

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS

	Currency	Group	
		2021 RM'000	2020 RM'000
Current			
IMTN – unsecured	Malaysia Ringgit (“MYR”)	1,000	–
Term loan – unsecured	Thai Baht (“THB”)	–	91,868
		1,000	91,868

ISLAMIC COMMERCIAL PAPERS (“ICP”) AND ISLAMIC MEDIUM TERM NOTES (“IMTN”) PROGRAMMES OF RM3,000,000,000

On 7 May 2021, F&N Capital Sdn Bhd (“the Issuer”), a wholly owned subsidiary of F&NHB 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 (7) 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 IMTN of RM1,000,000 with a tenure of one (1) year from the issue date and ICP of RM1,000,000 with a tenure of one (1) month from the issue date. The ICP with profit rate of 2.20% per annum was fully repaid during the financial year. As at 30 September 2021, the outstanding IMTN with profit rate of 2.45% per annum amounted to RM1,000,000.

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

COMMERCIAL PAPERS (“CP”) PROGRAMME AND MEDIUM TERM NOTES (“MTN”) PROGRAMME OF RM1,500,000,000

On 11 June 2021, the Issuer had terminated the MTN Programme, which was expected to expire on 26 September 2028. The CP Programme had expired on 14 October 2020.

TERM LOAN OF THB1,000,000,000

On 6 June 2018, a subsidiary of the Company, F&N Dairies (Thailand) Limited was granted term loan of THB1,000,000,000 with the tenure of three (3) years from the issued date and interest rate of 2.44% per annum. The term loan has been fully repaid during the financial year. As at 30 September 2020, the outstanding balance for the term loan is THB700,000,000.

18. EMPLOYEE BENEFITS

Certain subsidiaries of the Group operate unfunded defined benefit plan for its employees. The plan pays a lump sum amount (instead of a pension) at retirement. The schemes do not hold any physical assets but instead the Group makes provision to cover the estimated retirement benefits liabilities. The provisions are determined and assessed based on actuarial valuations using the Projected Unit Credit Method.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk.

MOVEMENT IN THE NET DEFINED BENEFIT LIABILITY

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

	Note	Group 2021 RM'000	2020 RM'000
Balance at 1 October 2020/2019		51,304	49,511
Included in profit or loss			
Current service cost		3,479	3,251
Past service credit		(237)	(17)
Gain on settlements		(1,838)	–
Interest cost		1,305	1,505
	25	2,709	4,739
Included in other comprehensive income			
Remeasurement (gain)/loss			
– Actuarial (gain)/loss arising from:			
– financial assumptions		(2,398)	2,793
– experience adjustments		(940)	(1,173)
Effect of movements in exchange rates		(1,023)	(686)
		(4,361)	934
Others			
Benefits paid		(6,212)	(3,880)
Balance at 30 September		43,440	51,304
Principal actuarial assumptions used			
Discount rate (%)		1.34-4.50	1.34-3.50
Rate of increase in salaries (%)		4.00-7.00	4.00-7.00
Mortality rate (%)		0.02-0.44	0.02-0.44
Disability rate (%)		0.00-0.04	0.00-0.04
Retirement age (years)			
– Malaysia		60	60
– Thailand		60	60

The average duration of the defined benefit plan obligation at the end of the financial year is 10 years (2020: 10 years).

NOTES TO THE FINANCIAL STATEMENTS

18. EMPLOYEE BENEFITS (CONTINUED)

SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Group	Discount rate		Rate of change in salaries	
	1% increase RM'000	1% decrease RM'000	1% increase RM'000	1% decrease RM'000
2021				
(Decrease)/Increase in defined benefit obligation	(3,662)	4,740	4,815	(3,777)
2020				
(Decrease)/Increase in defined benefit obligation	(4,570)	5,354	5,157	(4,497)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Trade payables		267,445	224,547	–	–
Other payables					
– Accrued expenses		45,583	43,080	979	1,367
– Advertising and promotion		42,530	49,904	–	–
– Deposits	19.1	22,637	20,354	–	–
– Distributor incentives, discounts and rebates		33,998	25,731	–	–
– Interest		225	1,127	–	–
– Staff costs		34,837	26,698	6	–
– Sundry creditors		40,150	43,074	47	–
– Others		36,440	41,134	195	–
		256,400	251,102	1,227	1,367
Amounts due to related parties					
– Subsidiaries	19.2	–	–	85,201	87,932
– Related companies	19.3	34,408	41,005	17	17
		34,408	41,005	85,218	87,949
		558,253	516,654	86,445	89,316

19. TRADE AND OTHER PAYABLES (CONTINUED)

19.1 Included in deposits are amounts received from dealers amounting to RM13,046,000 (2020: RM12,748,000) which bear interest at rate of 1.75% (2020: 2.40%) per annum.

19.2 The amounts due to subsidiaries are non-trade in nature, unsecured, repayable on demand and interest free.

19.3 The amounts due to related companies are trade in nature, except for non-trade portion for the Group and the Company amounting to RM17,475,000 (2020: RM17,369,000) and RM17,000 (2020: RM17,000) respectively. Non-trade amounts are unsecured, repayable on demand and interest free. Related companies refer to the subsidiaries or associates of TCC Assets Limited, Thai Beverage Public Company Limited, BJC, Frasers Property Limited, Thai Group Holdings Public Company Limited and TCC Corporation Limited.

20. CONTRACT LIABILITIES

Certain liabilities arose as a result of the Group's contracts with the customers as analysed below.

	Group	
	2021	2020
	RM'000	RM'000
Trade incentives	47,010	51,749
Customers' down payments	8,805	6,038
	55,815	57,787

21. REVENUE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	4,130,268	3,987,622	–	–
Other revenue				
Rental income	604	885	–	–
Dividend income				
– from subsidiaries	–	–	229,509	272,035
– from an associate	–	–	11,198	6,221
	604	885	240,707	278,256
Total revenue	4,130,872	3,988,507	240,707	278,256

NOTES TO THE FINANCIAL STATEMENTS

21. REVENUE (CONTINUED)

(A) DISAGGREGATION OF REVENUE

Group	F&B Malaysia		F&B Thailand		Property		Others		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Primary geographical markets										
South East Asia	1,860,695	1,842,466	1,964,813	1,915,024	120	120	5,337	2,997	3,830,965	3,760,607
Middle East and Africa	137,085	82,830	3,463	-	-	-	-	-	140,548	82,830
Greater China	104,693	89,499	21,500	21,977	-	-	-	-	126,193	111,476
Other countries	27,982	25,954	4,580	6,755	-	-	-	-	32,562	32,709
	2,130,455	2,040,749	1,994,356	1,943,756	120	120	5,337	2,997	4,130,268	3,987,622
Timing and recognition										
At a point in time	2,130,455	2,040,749	1,994,356	1,943,756	120	120	5,337	2,997	4,130,268	3,987,622
Revenue from contracts with customers										
	2,130,455	2,040,749	1,994,356	1,943,756	120	120	5,337	2,997	4,130,268	3,987,622
Other revenue	-	-	-	-	473	756	131	129	604	885
Total revenue	2,130,455	2,040,749	1,994,356	1,943,756	593	876	5,468	3,126	4,130,872	3,988,507

(B) NATURE OF GOODS AND SERVICES

The following information reflects the typical transactions of the Group and the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration
Food and beverages	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period ranging from 30 to 60 days from invoice date.	Trade incentives, discounts, returns and other rebates are awarded to customers as contracted and where relevant, subject to certain terms and conditions.
Dividend income	Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.	Not applicable.	Not applicable.

(C) SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS ARISING FROM REVENUE RECOGNITION

The Group estimates the variable consideration for expected future incentives based on maximum achievement criteria of set targets.

22. FINANCE INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
– at amortised cost	4,970	5,068	10,492	20,315
– other finance income	–	–	547	–
	4,970	5,068	11,039	20,315
Recognised in profit or loss	4,970	5,068	11,039	20,315

23. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
– bank borrowings	1,432	2,868	–	–
Interest expense on lease liabilities	1,648	1,197	–	–
Other finance costs	99	793	1,317	–
	3,179	4,858	1,317	–
Recognised in profit or loss	3,179	4,858	1,317	–

NOTES TO THE FINANCIAL STATEMENTS

24. TAX EXPENSE

RECOGNISED IN PROFIT OR LOSS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expense					
Current year		77,432	97,621	22,271	23,372
Prior years		(770)	662	(277)	13
		76,662	98,283	21,994	23,385
Deferred tax expense					
Origination of temporary differences		14,166	14,535	–	–
Over provision in prior year		(6,547)	(31)	–	–
	11	7,619	14,504	–	–
Total income tax expense		84,281	112,787	21,994	23,385
Reconciliation of tax expense					
Profit before tax		479,411	522,911	247,619	293,085
Income tax calculated using Malaysian tax rate of 24% (2020: 24%)		115,059	125,499	59,429	70,340
Effect of tax rates in foreign jurisdictions		(15,800)	(19,290)	–	–
Tax exempt income		(29,853)	(22,732)	(57,771)	(66,782)
Non-deductible expenses		2,080	10,114	207	772
(Over)/Under provided in prior years		(7,317)	631	(277)	13
Foreign withholding tax		21,392	20,375	20,406	19,042
Others		(1,280)	(1,810)	–	–
Total income tax expense		84,281	112,787	21,994	23,385
Effective income tax rate		18%	22%	9%	8%

25. PROFIT FOR THE YEAR

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit for the year is arrived at after charging/ (crediting):					
Auditors' remunerations					
Audit fees:					
– KPMG PLT		660	480	90	90
– Overseas affiliates of KPMG PLT		259	256	–	–
– Other auditors		20	14	–	–
Non-audit fees:					
– KPMG PLT		254	124	234	124
– Local affiliates of KPMG PLT		130	–	–	–
– Overseas affiliates of KPMG PLT		56	68	–	–
Material expenses/(income)					
Advertising and promotion expenses		172,732	174,125	–	–
Amortisation of intangible assets	7	2,084	1,799	–	–
Bad debts recovered		(31)	(30)	–	–
Depreciation of property, plant and equipment	3	108,677	104,907	–	–
Depreciation of right-of-use assets	4	25,094	25,865	–	–
Distributor incentives, discounts and rebates		669,895	713,683	–	–
Impairment loss:					
– Investments in subsidiaries	8	–	–	–	1,380
– Plant and equipment	3	3,043	582	–	–
Inventories written down	13	5,721	5,215	–	–
Inventories written off	13	4,641	6,498	–	–
Gain on disposal of intangible assets		–	(7,805)	–	–
Net fair value (gain)/loss on derivatives		(197)	233	–	–
Net loss on disposal of plant and equipment		46	594	–	–
Net realised foreign exchange (gain)/loss		(4,820)	(203)	47	149
Net unrealised foreign exchange (gain)/loss		(1,471)	843	(5)	23
Plant and equipment written off		373	458	–	–
Rental income from premises		(744)	(999)	–	–
Reversal of impairment loss on plant and equipment	3	(666)	(538)	–	–
Reversal of inventories written down	13	(1,577)	(298)	–	–
Royalties:					
– Related companies		58,126	49,477	–	–
– Third parties		91,570	91,388	–	–
Personnel expenses (including compensation of key management personnel)					
– Contributions to state plans		25,890	25,963	–	–
– Expenses related to defined benefit plans	18	2,709	4,739	–	–
– Employee share-based expense		4,062	7,952	–	–
– Wages, salaries and others		236,192	258,749	–	–
– Restructuring costs		20,884	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

25. PROFIT FOR THE YEAR (CONTINUED)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Expenses arising from leases:					
Expenses relating to short-term leases	a	1,712	3,136	–	–
Expenses relating to leases of low-value assets	a	1,420	1,643	–	–
Expenses relating to variable lease payments not included in the measurement of lease liabilities		13,879	11,036	–	–
Rental expense		40	306	–	–

Note a

The Group leases photocopier and others with contract terms of 1 to 5 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

26. OTHER COMPREHENSIVE INCOME

Group	← 2021 →			← 2020 →		
	Before tax RM'000	Tax benefit RM'000	Net of tax RM'000	Before tax RM'000	Tax benefit RM'000	Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	3,338	(801)	2,537	(1,620)	389	(1,231)
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	(46,282)	–	(46,282)	(28,286)	–	(28,286)

27. EARNINGS PER ORDINARY SHARE

(A) BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 30 September 2021 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2021 RM'000	2020 RM'000
Profit for the year attributable to owners of the Company	395,164	410,384
	2021 '000	2020 '000
Weighted average number of ordinary shares net of shares held by SGP Trust	366,738	366,653
Basic earnings per ordinary share (sen)	107.8	111.9

(B) DILUTED EARNINGS PER ORDINARY SHARE

The calculation of diluted earnings per ordinary share at 30 September 2021 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:

	Group	
	2021 RM'000	2020 RM'000
Profit for the year attributable to owners of the Company	395,164	410,384
	2021 '000	2020 '000
Weighted average number of ordinary shares net of shares held by SGP Trust	366,738	366,653
Adjustment for dilutive potential shares under SGP plan	635	900
Adjusted weighted average number of ordinary shares net of shares held by SGP Trust	367,373	367,553
Diluted earnings per ordinary share (sen)	107.6	111.7

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2021			
Final 2020 ordinary	33.0	121,037	5 February 2021
Interim 2021 ordinary	27.0	99,030	16 June 2021
		220,067	
2020			
Final 2019 ordinary	33.0	121,037	13 February 2020
Interim 2020 ordinary	27.0	99,030	12 June 2020
		220,067	

After the end of the financial year, the following dividends were proposed by the Directors. This dividend will be recognised in subsequent financial year upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final 2021 ordinary	33.0	121,037

29. OPERATING SEGMENTS

The Group's operating businesses are recognised according to products and services, namely F&B Malaysia, F&B Thailand, Property and others which are the Group's strategic business units. For each of the strategic business unit, the CODM (i.e. the Group's Chief Executive Officer) reviews internal management reports at least on a quarterly basis.

Segment performance is evaluated based on operating profit as included in the internal management reports that are reviewed by the CODM.

29. OPERATING SEGMENTS (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating businesses:

Financial year ended 30 September 2021	Note	F&B Malaysia RM'000	F&B Thailand RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue		2,130,455	2,034,707	3,118	71,108	4,239,388
Inter-segment		–	(40,351)	(2,525)	(65,640)	(108,516)
External		2,130,455	1,994,356	593	5,468	4,130,872
Results						
Operating profit		97,733	369,433	65	5,055	472,286
Finance income	29.1	–	–	–	–	4,970
Finance costs	29.1	–	–	–	–	(3,179)
Share of profit of equity-accounted associate, net of tax		–	–	–	5,624	5,624
Share of loss of equity-accounted joint venture, net of tax		–	–	(290)	–	(290)
Income tax expense		(12,105)	(48,007)	(133)	(24,036)	(84,281)
Profit for the year						395,130
Other information						
Segment assets		1,845,267	926,752	26,266	95,829	2,894,114
Investment in an associate		–	–	–	85,687	85,687
Investment in a joint venture		–	–	87,555	–	87,555
Deferred tax assets		–	5,109	131	–	5,240
Current tax assets		3,538	–	28	204	3,770
Cash and cash equivalents	29.1	–	–	–	–	555,380
Total assets						3,631,746
Segment liabilities		339,228	378,565	1,330	2,598	721,721
Loans and borrowings	29.1	–	–	–	–	1,000
Deferred tax liabilities		58,732	–	651	371	59,754
Current tax liabilities		10,189	19,699	4	609	30,501
Total liabilities						812,976
Others						
Purchase of property, plant and equipment and intangible assets		89,537	57,506	–	307	147,350
Depreciation of property, plant and equipment and amortisation of intangible assets		78,092	32,036	281	352	110,761
Purchase of right-of-use assets		9,117	56,096	–	–	65,213
Depreciation of right-of-use assets		15,733	9,289	–	72	25,094

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONTINUED)

Financial year ended 30 September 2020	Note	F&B Malaysia RM'000	F&B Thailand RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue						
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
Results						
Operating profit/(loss)		144,932	381,017	(1,957)	(8,832)	515,160
Finance income	29.1	–	–	–	–	5,068
Finance costs	29.1	–	–	–	–	(4,858)
Share of profit of equity-accounted associate, net of tax		–	–	–	7,824	7,824
Share of loss of equity-accounted joint venture, net of tax		–	–	(283)	–	(283)
Income tax expense		(36,149)	(53,185)	191	(23,644)	(112,787)
Profit for the year						410,124
Other information						
Segment assets		1,879,085	837,480	114,153	10,452	2,841,170
Investment in an associate		–	–	–	91,261	91,261
Investment in a joint venture		–	–	87,845	–	87,845
Deferred tax assets		–	5,190	133	647	5,970
Current tax assets		191	–	9	–	200
Cash and cash equivalents	29.1	–	–	–	–	493,615
Total assets						3,520,061
Segment liabilities		333,466	313,086	843	3,174	650,569
Loans and borrowings	29.1	–	–	–	–	91,868
Deferred tax liabilities		47,422	–	651	–	48,073
Current tax liabilities		12,746	25,858	35	472	39,111
Total liabilities						829,621
Others						
Purchase of property, plant and equipment and intangible assets		177,945	30,925	–	349	209,219
Depreciation of property, plant and equipment and amortisation of intangible assets		74,261	31,690	303	452	106,706
Purchase of right-of-use assets		17,258	4,630	–	–	21,888
Depreciation of right-of-use assets		18,052	7,742	–	71	25,865

29.1 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.

29. OPERATING SEGMENTS (CONTINUED)

GEOGRAPHICAL SEGMENTS

The Group operates significantly in South East Asia region.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on the geographical location of the assets and excluded investment in an associate, investment in a joint venture and deferred tax assets.

GEOGRAPHICAL INFORMATION

	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
South East Asia	3,831,569	3,761,492	1,688,070	1,595,354
Middle East & Africa	140,548	82,830	367	170
Greater China	126,193	111,476	–	–
Other countries	32,562	32,709	–	–
	4,130,872	3,988,507	1,688,437	1,595,524

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipment	1,372,249	1,359,893
Right-of-use assets	125,367	87,183
Investment properties	47,569	47,569
Properties held for development	54,933	54,958
Intangible assets	88,319	45,921
	1,688,437	1,595,524

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 30 September 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments as follows:

- (i) Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9; and
- (ii) Amortised cost ("AC").

2021	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000
FINANCIAL ASSETS				
Group				
Trade and other receivables	30.1	520,713	–	520,713
Cash and cash equivalents	15	555,380	–	555,380
		1,076,093	–	1,076,093
Company				
Other receivables	12	229,195	–	229,195
Cash and cash equivalents	15	69,192	–	69,192
		298,387	–	298,387
FINANCIAL LIABILITIES				
Group				
Trade and other payables	30.2	555,908	–	555,908
Derivative financial liabilities	14	166	166	–
Loans and borrowings	17	1,000	–	1,000
		557,074	166	556,908
Company				
Other payables	19	86,445	–	86,445

30. FINANCIAL INSTRUMENTS (CONTINUED)**(A) CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)**

2020	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000
FINANCIAL ASSETS				
Group				
Trade and other receivables	30.1	559,203	–	559,203
Derivative financial assets	14	4	4	–
Cash and cash equivalents	15	493,615	–	493,615
		1,052,822	4	1,052,818
Company				
Other receivables	12	547,727	–	547,727
Cash and cash equivalents	15	86,280	–	86,280
		634,007	–	634,007
FINANCIAL LIABILITIES				
Group				
Trade and other payables	30.2	510,980	–	510,980
Derivative financial liabilities	14	367	367	–
Loans and borrowings	17	91,868	–	91,868
		603,215	367	602,848
Company				
Other payables	19	89,316	–	89,316

30.1 Trade and other receivables amounting to RM25,219,000 (2020: RM30,458,000) are not regarded as financial assets. These include prepayments, deposits paid and other tax recoverable.

30.2 Trade and other payables amounting to RM2,345,000 (2020: RM5,674,000) are not regarded as financial liabilities. These include provision for unconsumed annual leave and other tax payable.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(B) NET GAINS AND LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net gains/(losses) on:				
Fair value through profit or loss				
– Mandatorily required by MFRS 9	197	(233)	–	–
Financial assets at amortised cost	8,649	4,855	10,992	20,166
Financial liabilities at amortised cost	(1,531)	(3,661)	1,317	–
	7,315	961	12,309	20,166

(C) FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(D) CREDIT RISK

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to certain subsidiaries of the Company. There are no significant changes as compared to previous financial year.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Certain customers are required to have collateral in the form of financial assets and/or bank guarantees.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(D) CREDIT RISK (CONTINUED)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. At the end of the financial year, financial guarantees received by the Group amounted to RM141,383,000 (2020: RM161,333,000) in respect of RM415,392,000 (2020: RM443,541,000) trade receivables. The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

- a) Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit management team; and
- b) Above 90 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(D) CREDIT RISK (CONTINUED)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the financial year which are grouped together as they are expected to have similar risk nature.

Group	2021			2020		
	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Current (not past due)	347,178	(399)	346,779	387,007	(607)	386,400
1-30 days past due	62,554	(647)	61,907	46,733	(187)	46,546
31-60 days past due	4,964	(527)	4,437	5,293	(382)	4,911
61-90 days past due	1,015	(419)	596	656	(187)	469
	415,711	(1,992)	413,719	439,689	(1,363)	438,326
Credit impaired						
More than 90 days past due	2,481	(808)	1,673	5,855	(640)	5,215
Individually impaired	770	(770)	–	619	(619)	–
	418,962	(3,570)	415,392	446,163	(2,622)	443,541

234

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by collateral such as bank guarantees, properties and other credit enhancement in managing exposure to credit risk.

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

Group	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 October 2019	2,003	584	2,587
Amount written off	–	(381)	(381)
Net remeasurement of loss allowance	–	416	416
Balance at 30 September 2020/1 October 2020	2,003	619	2,622
Amount written off	–	(312)	(312)
Net remeasurement of loss allowance	797	341	1,138
Acquisition through business combination	–	122	122
Balance at 30 September 2021	2,800	770	3,570

As at 30 September 2021, RM312,000 (2020: RM381,000) of trade receivables were written off but they are still subject to enforcement activity.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(D) CREDIT RISK (CONTINUED)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM1,024,000 (2020: RM93,944,000) representing the outstanding banking facilities of the subsidiary as at end of the financial year.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans.

Recognition and measurement of impairment loss

As at the end of the financial year, there was no indication that any subsidiary would default on repayment.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

As at the end of the financial year, there was no indication that the loans and advances to the subsidiaries are not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(E) LIQUIDITY RISK

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on undiscounted contractual payments:

	Note	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
2021							
Group							
Interest-bearing borrowings	17	1,000	2.45	1,024	1,024	-	-
Financial guarantees		-	-	14,775	14,775	-	-
Trade and other payables		542,862	-	542,862	542,862	-	-
Other payables – interest-bearing deposits	30(f)(ii)	13,046	1.75	13,274	13,274	-	-
Lease liabilities		64,047	3.25-5.32	100,244	13,404	26,759	60,082
Derivative financial liabilities	14	166	-	166	166	-	-
		621,121		672,345	585,505	26,759	60,082
Company							
Financial guarantees		-	-	1,024	1,024	-	-
Other payables	19	86,445	-	86,445	86,445	-	-
		86,445		87,469	87,469	-	-
2020							
Group							
Interest-bearing borrowings	17	91,868	2.44	93,944	93,944	-	-
Financial guarantees		-	-	15,591	15,591	-	-
Trade and other payables		498,232	-	498,232	498,232	-	-
Other payables – interest-bearing deposits	30(f)(ii)	12,748	2.40	13,054	13,054	-	-
Lease liabilities		24,457	2.37-5.32	25,667	14,092	10,738	837
Derivative financial liabilities	14	367	-	367	367	-	-
		627,672		646,855	635,280	10,738	837
Company							
Financial guarantees		-	-	93,944	93,944	-	-
Other payables	19	89,316	-	89,316	89,316	-	-
		89,316		183,260	183,260	-	-

30. FINANCIAL INSTRUMENTS (CONTINUED)

(F) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(i) Currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents, sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Australian Dollar ("AUD").

Risk management objectives, policies and processes for managing the risk

The Group hedges a portion of its foreign currency denominated trade payables. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the financial year. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year was:

Group	Denominated in		
	USD RM'000	SGD RM'000	AUD RM'000
2021			
Balances recognised in the statement of financial position			
Cash and cash equivalents	22,299	–	–
Receivables	82,702	4	–
Payables	(21,350)	(761)	(322)
	83,651	(757)	(322)
Forecast transactions			
Forecast purchases	–	–	(7,298)
Forward exchange contract on forecast purchases	–	–	166
	–	–	(7,132)
Net exposure	83,651	(757)	(7,454)
2020			
Balances recognised in the statement of financial position			
Cash and cash equivalents	24,868	–	–
Receivables	53,295	23	–
Payables	–	(567)	–
	78,163	(544)	–
Forecast transactions			
Forecast purchases	(19,173)	–	(5,125)
Forward exchange contract on forecast purchases	301	–	62
	(18,872)	–	(5,063)
Net exposure	59,291	(544)	(5,063)

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(F) MARKET RISK (CONTINUED)

(i) Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2020: 10%) strengthening of the following currencies against RM at the end of the financial year would have increased or decreased, respectively pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Group	
	2021	2020
	RM'000	RM'000
USD	8,365	5,929
AUD	(745)	(506)
SGD	(76)	(54)

A 10% (2020: 10%) weakening of the above currencies against RM at the end of the financial year would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(ii) Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

		Group		Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Fixed rate instruments					
Short-term deposits	15	165,467	174,309	23,867	–
Loans and borrowings	17	(1,000)	(91,868)	–	–
Lease liabilities		(100,244)	(25,667)	–	–
Other payables – interest bearing deposits	30(e)	(13,046)	(12,748)	–	–
		51,177	44,026	23,867	–
Floating rate instruments					
Loan to a subsidiary	12.2	–	–	227,557	543,877
		–	–	227,557	543,877

30. FINANCIAL INSTRUMENTS (CONTINUED)**(F) MARKET RISK (CONTINUED)****(ii) Interest rate risk (continued)*****Interest rate risk sensitivity analysis****Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change in 100 basis points in interest rates would have decreased or increased pre-tax profit or loss of the Company by the amounts shown below.

	Company	
	2021 RM'000	2020 RM'000
Floating rate instruments	2,276	5,439

(G) FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short-term receivables and payables, and short-term loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. 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.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000	
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
2021											
Financial liability											
Derivative financial liabilities	14	-	166	-	166	-	-	-	-	166	166
2020											
Financial asset											
Derivative financial assets	14	-	4	-	4	-	-	-	-	4	4
Financial liability											
Derivative financial liabilities	14	-	367	-	367	-	-	-	-	367	367

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(G) FAIR VALUE INFORMATION (CONTINUED)

Level 2 fair value

Derivatives

The fair value of a forward exchange contract is estimated by taking the difference of the future cash flows arising from the derivative financial instrument, each discounted by their respective risk-free rate (based on government bonds) to the measurement date based on residual maturity of the foreign exchange contract.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2020: no transfer in either directions).

31. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid up capital (excluding treasury shares) and such shareholders' equity is not less than minimum issued and paid-up capital.

The Group has complied with this requirement.

The Group and the Company monitor and maintain a prudent level of total debt to total equity attributable to owners of the Company ratio to optimise shareholders' value and to ensure compliance with covenants under debt agreements. The debt to equity ratio of the Group is as follows:

	Note	Group 2021 RM'000	2020 RM'000
Total loans and borrowings	17	1,000	91,868
Equity attributable to owners of the Company		2,818,965	2,690,601
Debt to equity ratio		<1%	3%

32. CAPITAL AND OTHER COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

	Group 2021 RM'000	2020 RM'000
Property, plant and equipment		
Contracted but not provided for	175,991	109,441

33. RELATED PARTIES

IDENTITY OF RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entities that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its holding companies, significant investors, subsidiaries, associate, joint venture and key management personnel.

SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions had been entered into in the normal course of business under negotiated trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 12 and 19.

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
A. F&NL Group					
Sales of goods		266,543	269,561	–	–
Purchases of goods		(154,513)	(169,306)	–	–
Royalties paid		(58,126)	(49,477)	–	–
Receipt of corporate service fees		5,912	3,211	–	–
Proceeds from disposal of intangible assets		–	83,175	–	–
B. Subsidiaries					
Dividend income	21	–	–	229,509	272,035
Finance income		–	–	10,492	19,678
C. CHB Group					
Dividend income		11,198	6,221	11,198	6,221
D. Thai Beverage Public Company Limited Group	33.1				
Sales of goods		5,080	2,553	–	–
Purchases of goods		(5,219)	(6,019)	–	–
Marketing expenses		(17,926)	(20,887)	–	–
Corporate service fees paid		(2,273)	(2,274)	–	–
Purchase of plant and machinery		(2,801)	(4,023)	–	–
Other income		150	1,967	–	–

NOTES TO THE FINANCIAL STATEMENTS

33. RELATED PARTIES (CONTINUED)

SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
E. BJC Group	33.1				
Sales of goods		65,843	69,410	–	–
Purchases of goods		(5,607)	(18,116)	–	–
Other expenses		(7,299)	(10,599)	–	–
F. Frasers Property Limited Group					
Rental expenses		(1,159)	–	–	–
G. Other related parties of TCC Group	33.1				
Purchases of goods		(61,850)	(57,045)	–	–
Insurance premium paid		(3,337)	(3,192)	–	–
H. Key management personnel					
<i>Non-Executive Directors</i>					
Fees		1,307	1,296	1,307	1,296
Estimated monetary value of benefits-in-kind		31	39	31	39
		1,338	1,335	1,338	1,335
<i>Other key management personnel</i>					
Remuneration		12,322	12,760	–	–
Contributions to defined contribution plan		789	704	–	–
Share-based payments		1,067	1,138	–	–
		14,178	14,602	–	–
		15,516	15,937	1,338	1,335

33.1 These refer to companies and entities which are jointly controlled by Tan Sri Charoen Sirivadhanabhakdi and his spouse, Puan Sri Wanna Sirivadhanabhakdi, who have a deemed indirect interest in the Company, held through F&NL pursuant to Section 8 of the Companies Act 2016.

The number of Directors of the Company whose total remuneration during the current and previous financial year within the following bands is analysed below:

Remuneration (RM)	Non-Executive Directors	
	2021	2020
0 – 50,000	1	1
50,001 – 100,000	2	4
100,001 – 150,000	8	6
150,001 – 200,000	–	–
200,001 – 250,000	1	1

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 166 to 242 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tengku Syed Badarudin Jamalullail
Director
Kuala Lumpur, Malaysia

.....
Lee Meng Tat
Director
Singapore

3 November 2021

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lai Kah Shen**, of F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur, Malaysia, being the Chief Financial Officer primarily responsible for the financial management of Fraser & Neave Holdings Bhd, do solemnly and sincerely declare that the financial statements set out on pages 166 to 242 are, to the best of my knowledge and belief, correct and I make this solemn declaration by virtue of the Oaths and Declarations Act (Cap 211), subject to the penalties provided by that Act for the making of false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

Subscribed and solemnly declared by the abovenamed **Lai Kah Shen, Passport No: K1667052B**, at the Republic of Singapore on 3 November 2021.

.....
Lai Kah Shen

Before me:

Commissioner for Oaths
Singapore

Independent Auditors' Report

to the Members of Fraser & Neave Holdings Bhd
(Registration No. 196101000155 (4205-V))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Fraser & Neave Holdings Bhd, which comprise the statements of financial position as at 30 September 2021 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 166 to 242.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the *Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

244

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Advertising and promotion expenses, and distributor incentives, discounts and rebates

Refer to Note 19 – Trade and other payables, Note 20 – Contract liabilities and Note 25 – Profit for the year of the financial statements.

The key audit matter

During the financial year, the Group incurred advertising and promotion expenses, and distributor incentives, discounts and rebates of RM172.7 million and RM669.9 million respectively. A total of RM76.5 million and RM47.0 million of these expenses were included in accruals and contract liabilities respectively as at financial year end. The advertising and promotion expenses, and distributor incentives, discounts and rebates are relating to food and beverages business, to support, promote and develop the Group's brands.

This was one of the areas that our audit focused on because of the high volume of transactions incurred during the financial year and estimation involved in determining the appropriate amount of accruals and contract liabilities as at financial year end and especially in relation to those promotion and brand support campaigns that were still ongoing subsequent to financial year end.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the process, evaluated the design and implementation and tested the operating effectiveness of controls over the accruals and payment process;
- We performed substantive procedures and checked samples of expenses to supplier's and customer's claim; and
- We checked accruals and contract liabilities to samples of supporting contracts and documents with the suppliers and customers to assess adequacy of the accruals and contract liabilities.

KEY AUDIT MATTERS (CONTINUED)**B. Purchase price allocation (“PPA”) arising from acquisition of Sri Nona Companies**

Refer to Note 2(a)(ii) – Significant accounting policies: Business Combination, Note 8 – Investments in subsidiaries.

The key audit matter

On 15 January 2021, the Group completed the acquisition of the entire equity interest of Sri Nona Food Industries Sdn. Bhd., Sri Nona Industries Sdn. Bhd. and Lee Shun Hing Sauce Industries Sdn. Bhd., collectively known as “Sri Nona Companies”, for a total consideration of RM59.5 million. Based on the PPA performed, the fair value of the net identifiable assets acquired is RM32.5 million. The intangible asset and goodwill recognised amounted to RM15.1 million and RM27.0 million respectively.

We have identified this acquisition of business as a key audit matter as the process of purchase price allocation of Sri Nona Companies required significant management judgement and estimation used by the Group.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We evaluated the appropriateness of the Group’s assessment on the fair value of identifiable assets and liabilities, with the involvement of KPMG’s valuation specialist.
- We evaluated the cash flow projections by performing retrospective assessment of the key assumptions driving the entity’s cash flow projections to the latest internal board approved budget and plan, the historical accuracy of the entities’ estimates in the previous years and our understanding of the future prospects of the business or investments;
- We worked with our internal valuation specialists to challenge the revenue growth rate, royalty rate, discount rates and long-term growth rates, and comparing these assumptions to economic and industry forecasts;
- We obtained confirmations that the key assumptions were subject to oversight from the Directors;
- We evaluated the appropriateness of the discount rate used by comparing it with our expectations based on our knowledge of the industry;
- We assessed the appropriateness of the key estimates and assumptions used in the cash flows projection to determine that they were appropriate and supportable;
- We recomputed the goodwill and intangible assets arising from the business combination;
- We have also assessed the adequacy of the disclosures in respect of the acquisition in the Group’s financial statements

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors’ report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS’ REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors’ Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors’ report thereon), which we obtained prior to the date of this auditors’ report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

INDEPENDENT AUDITORS' REPORT

to the Members of Fraser & Neave Holdings Bhd
(Registration No. 196101000155 (4205-V))
(Incorporated in Malaysia)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 8 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

.....
KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya

3 November 2021

.....
Chong Dee Shiang

Approval Number: 02782/09/2022 J

Chartered Accountant

Shareholdings Statistics

as at 15 November 2021

Total number of issued shares : 366,778,501
 Class of share : Ordinary shares
 Voting rights : One vote for each ordinary share held

ORDINARY SHARES DISTRIBUTION SCHEDULE

Size of Shareholdings	No. of Shareholders	%	No. of Voting Shares	%
Less than 100	606	9.351	6,365	0.001
100 to 1,000 shares	3,319	51.219	1,743,379	0.475
1,001 to 10,000 shares	1,923	29.675	7,046,463	1.921
10,001 to 100,000 shares	513	7.916	15,421,849	4.204
100,001 to less than 5% of issued shares	116	1.790	68,523,021	18.682
5% and above of issued shares	3	0.046	274,037,424	74.714
	6,480	100.00	366,778,501	100.00

DIRECTORS' SHAREHOLDINGS

(as per Register of Directors' Shareholdings)

No.	Name of Director	Direct Shareholding		Indirect Shareholding	
		No. of Voting Shares Held	%	No. of Voting Shares Held	%
1.	Y.A.M. Tengku Syed Badarudin Jamalullail	2,062,000	0.562	–	–
2.	Faridah binti Abdul Kadir	4,000	0.001	–	–

None of the Directors of the Company holds any share either directly or indirectly in its subsidiaries and associated companies save and except for the interest held through the Company.

SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders)

No.	Name of Shareholders	Direct Shareholding		Indirect Shareholding	
		No. of Voting Shares Held	%	No. of Voting Shares Held	%
1.	Fraser and Neave, Limited	203,470,910	55.475	–	–
2.	InterBev Investment Limited	–	–	203,470,910	55.475*
3.	International Beverage Holdings Limited	–	–	203,470,910	55.475*
4.	Thai Beverage Public Company Limited	–	–	203,470,910	55.475*
5.	Maxtop Management Corp.	–	–	203,470,910	55.475*
6.	Siriwana Company Limited	–	–	203,470,910	55.475*
7.	MM Group Limited	–	–	203,470,910	55.475*
8.	Shiny Treasure Holdings Limited	–	–	203,470,910	55.475*
9.	Tan Sri Charoen Sirivadhanabhakdi	–	–	203,470,910	55.475*
10.	Puan Sri Wanna Sirivadhanabhakdi	–	–	203,470,910	55.475*
11.	TCC Assets Limited	–	–	203,470,910	55.475*
12.	Employees Provident Fund Board	45,884,114	12.510	–	–
13.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	27,576,000	7.518	–	–
		276,931,024	75.503		

* Indirect interest in the Company is held through Fraser and Neave, Limited pursuant to Section 8 of the Companies Act, 2016.

No.	Name of Shareholders	Shareholdings	% of Voting Shares
1.	Fraser and Neave, Limited	203,470,910	55.475
2.	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	42,990,514	11.721
3.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	27,576,000	7.518
4.	Kumpulan Wang Persaraan (Diperbadankan)	8,251,000	2.249
5.	Amanahraya Trustees Berhad – Amanah Saham Malaysia	3,598,600	0.981
6.	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	3,415,300	0.931
7.	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (West CLT OD67)	3,231,200	0.880
8.	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	2,536,600	0.691
9.	Amanahraya Trustees Berhad – Public Islamic Dividend Fund	2,198,600	0.599
10.	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB for Syed Badarudin Jamalullail (PB)	2,062,000	0.562
11.	Cartaban Nominees (Tempatan) Sdn Bhd – PAMB for Prulink Equity Fund	2,044,800	0.557
12.	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (Affin-Hwg)	2,035,800	0.555
13.	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd.	1,944,400	0.530
14.	Permodalan Nasional Berhad	1,867,200	0.509
15.	Amanahraya Trustees Berhad – Public Islamic Equity Fund	1,684,500	0.459
16.	Amanahraya Trustees Berhad – Public Ittikal Sequel Fund	1,574,800	0.429
17.	Amanahraya Trustees Berhad – Public Islamic Select Enterprises Fund	1,344,100	0.366
18.	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Emerging Markets Stock Index Fund	1,329,500	0.362
19.	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Total International Stock Index Fund	1,273,008	0.347
20.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	925,700	0.252
21.	DB (Malaysia) Nominee (Asing) Sdn Bhd – BNYM SA/NV for People's Bank of China (SICL Asia EM)	884,600	0.241
22.	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	848,100	0.231

SHAREHOLDINGS STATISTICS

as at 15 November 2021

No.	Name of Shareholders	Shareholdings	% of Voting Shares
23.	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	750,000	0.204
24.	HSBC Nominees (Asing) Sdn Bhd – J.P. Morgan Securities Plc	737,200	0.200
25.	HSBC Nominees (Asing) Sdn Bhd – JPMCB Na for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts	675,677	0.184
26.	Key Development Sdn Berhad	600,000	0.163
27.	Citigroup Nominees (Asing) Sdn Bhd – UBS AG	590,426	0.160
28.	HSBC Nominees (Asing) Sdn Bhd – TNTC for QSuper	533,000	0.145
29.	Cartaban Nominees (Asing) Sdn Bhd – State Street London Fund 2GLH for St. James's Place Global Equity Unit Trust (NW TDS LTD TST)	519,600	0.141
30.	Chinchoo Investment Sdn Berhad	500,000	0.136
Total		321,993,135	87.789

List of Properties

Location	Land area (sq. ft.)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Net book value as at 30 September 2021 RM'000	Date of last revaluation/ acquisition
JOHOR						
Lot 6, Jalan Tampoi 81200 Johor Bahru Johor	59,895	Detached house/ Vacant	Freehold	54	1,171	February 1990
Batu 4¾, Jalan Tampoi 81200 Johor Bahru Johor	241,022	Industrial/ Warehouse and office	Freehold	54	10,131	February 1990
Lot 47261, Jalan Balau 1 Jalan Dato Sulaiman Jalan Tebrau Mukim Bandar Johor Bahru Johor	137,337	For development of commercial property	Freehold	–	19,599	2005
PERAK						
No. 217, Jalan Lahat 30200 Ipoh, Perak	287,738	Industrial/ Warehouse and office	Freehold	52	5,754	October 1995
No. 79 & 81, Jalan Tun Perak 30100 Ipoh, Perak	51,828	Industrial/ Leased premises	Freehold/ Leasehold expiring 2066 and 2118	115	465	October 1995
PULAU PINANG						
No. 3724, Jalan Sungai Nyior 12100 Butterworth, Pulau Pinang	138,848	Industrial/ Warehouse and office	Freehold	67	3,951	October 1995
No. 3725 & 3726 (Lot 3633) Jalan Sungai Nyior 12100 Butterworth, Pulau Pinang	106,450	Detached house/ Warehouse and office	Freehold	66	2,255	October 1995
KELANTAN						
Lot 9 & 10 Pengkalan Chepa Industrial Estate 16100 Kota Bharu, Kelantan	203,861	Industrial/ Warehouse and office	Leasehold expiring 2043	41	626	October 1995
PAHANG						
Lot 85, Mar Lodge, Tanah Rata 39000 Brinchang Cameron Highland, Pahang	90,931	Detached house/ Holiday bungalow	Leasehold expiring 2037	54	492	October 1995
Lot 7399 & 8081 Jalan Mempaga, Mukim Sabai 28600 Karak, Pahang	217,065	Industrial/ Factory	Freehold	14	14,383	2007

LIST OF PROPERTIES

Location	Land area (sq. ft.)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Net book value as at 30 September 2021 RM'000	Date of last revaluation/ acquisition
KUALA LUMPUR						
No. 3, Jalan Metro Pudu 1 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	7,208	Office premise	Freehold	14	11,084	2007
Kompleks Metro Pudu No. 1, Jalan Metro Pudu 2 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	87,847	Office	Freehold	12	58,346	2020
Lot 682 Seksyen 92 Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	40,763	Leased premise	Freehold	–	5,598	2018
MELAKA						
No. 10, Jalan Bukit Gedong 75050 Melaka	104,000	Industrial/ Warehouse and office	Freehold/ Leasehold expiring 2023	96	643	October 1995
SELANGOR						
No. 1, Jalan Bukit Belimbing 26/38 Persiaran Kuala Selangor Section 26, 40400 Shah Alam Selangor	1,373,447	Industrial/ Factory and office	Freehold	24	104,362	October 1995
Lot 3-2 (PT 16869) Lion Industrial Park Shah Alam, Selangor	558,875	Industrial/ Partially used for warehouse and carpark	Freehold	–	11,679	October 1995
Lot 56, Jalan Sungai Pinang 4/5 Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2, 42920 Pulau Indah Selangor	1,629,042	Industrial/ Factory	Leasehold expiring 2097	13	182,072	2008
Lot 609, Mukim Hulu Semenyih District of Hulu Langat Selangor	2,025,573	For the development of residential property	Freehold	–	17,824	2006
Lot 1954, Mukim Hulu Semenyih District of Hulu Langat Selangor	614,678	For the development of residential property	Freehold	–	6,762	2006

Location	Land area (sq. ft.)	Description/ Existing use of building	Tenure	Approximate age of building (years)	Net book value as at 30 September 2021 RM'000	Date of last revaluation/ acquisition
SARAWAK						
No. 94, Batu 11, Jalan Matang 93050 Kuching, Sarawak	118,776	Industrial/ Factory	Freehold	15	5,531	2006
Lot 1581, Block 4 Matang Land District 93050 Kuching, Sarawak	261,338	Commercial	Leasehold expiring 2071	15	8,282	2006
3½ Mile, Jalan Penrissen 93250 Kuching, Sarawak	308,709	Industrial/ Factory	Leasehold expiring 2074	–	24,334	October 1995
Lot 142 Lorong Abang Abdul Rahim 5A 93450 Kuching, Sarawak	1,540	Shop office/Vacant	Leasehold expiring 2784	15	355	2006
SABAH						
5½ Mile, Jalan Tuaran 88818 Kota Kinabalu, Sabah	142,140	Industrial/Vacant	Leasehold expiring 2062	11	1,205	October 1995
5½ Mile, Jalan Tuaran Inanam 88818 Kota Kinabalu Sabah	142,578	Industrial/ Factory	Leasehold expiring 2062	50	4,924	October 1995
Lot 808 Kota Kinabalu Industrial Park Sabah	929,135	Industrial Park Land	Leasehold expiring 2096	–	24,644	2017
THAILAND						
90 Moo 8 Mittraparp Road Phayayen District, Amphur Pakchong Nakornratchasima Province 30320 Thailand	125,857	Industrial/ Factory	Leasehold expiring 2037	14	2,945	2007
668 Moo 4 Rojana Industrial Park Zone 2 U-thai, Phra Nakhon Si Ayutthaya 13210 Thailand	990,280	Industrial/ Factory	Freehold	12	154,451	2010
Total					683,868	

Corporate Directory

HEADQUARTERS

Fraser & Neave Holdings Bhd

No. 3, Jalan Metro Pudu 1
Fraser Business Park
off Jalan Yew, 55100 Kuala Lumpur
Malaysia
Phone : +603 9235 2288
Fax : +603 9222 7878

CORPORATE OFFICES

F&N Dairies (Thailand) Limited

Q House Lumpini Building, 26th Floor
1 South Sathorn Road, Tungmahamek
Sathorn, Bangkok 10120, Thailand
Phone : +66(0) 2673 7900
Fax : +66(0) 2673 7979

F&N Marketing (B) Sdn Bhd

Lot 1, Tapak Perindustrian Lambak
Kanan Barat FASA II
Mukim Berakas A, B.S.B. BB1714
Brunei Darussalam
Phone : +673 239 2663
Fax : +673 239 2663

Sri Nona Industries Sdn Bhd

Lot 38, Jalan E1/4
Taman Ehsan Industrial Park
52100 Kepong
Selangor Darul Ehsan, Malaysia
Phone : +603 6274 0700

PLANTS

F&N Beverages Manufacturing Sdn Bhd

No. 1 Jalan Bukit Belimbing 26/38
Persiaran Kuala Selangor
Section 26, 40400 Shah Alam
Selangor, Malaysia
Phone : +603 5101 4288
Fax : +603 5192 3957

F&N Beverages Manufacturing Sdn Bhd

3½ Mile Jalan Penrissen
93250 Kuching, Sarawak, Malaysia
Phone : +6082 451 411
Fax : +6082 452 488

F&N Beverages Manufacturing Sdn Bhd

5½ Mile, Jalan Tuaran, Inanam
88818 Kota Kinabalu, Sabah, Malaysia
Phone : +6088 421 101
Fax : +6088 425 495

F&N Dairies Manufacturing Sdn Bhd

Lot 56, Jalan Sungai Pinang 4/5
Selangor Halal Hub
Taman Perindustrian Pulau Indah Fasa 2
42920 Pulau Indah
Selangor, Malaysia
Phone : +603 3377 2000
Fax : +603 3101 2399

Borneo Springs Sdn Bhd

No. 94, Batu 11, Jalan Matang
93050 Kuching
Sarawak, Malaysia
Phone : +6012 218 4420

Borneo Springs Sdn Bhd

Lot 7399, Jalan Mempaga
Mukim Sabai, 28600 Karak
Pahang, Malaysia
Phone : +609 231 0011
Fax : +609 231 0012

F&N Dairies (Thailand) Limited

668 Moo 4 Rojana Industrial Park Zone 2
U-thai, Phra Nakhon Si Ayutthaya
13210 Thailand
Phone : +66(0) 3574 6822
Fax : +66(0) 3574 6820

F&N Dairies (Thailand) Limited

90 Moo 8 Mittraparp Road
Phayayen District, Amphur Pakchong
Nakornratchasima Province
30320 Thailand
Phone : +66(0) 4493 8798
Fax : +66(0) 4493 8975

SALES OFFICES

F&N Beverages Marketing Sdn Bhd (Kuala Lumpur)

Kompleks Metro Pudu
No. 1, Jalan Metro Pudu 2
Fraser Business Park
off Jalan Yew
55100 Kuala Lumpur, Malaysia
Phone : +603 9232 9000
Fax : +603 9232 9005, +603 9232 9230

F&N Beverages Marketing Sdn Bhd (Seremban)

156-1 & 157-1, Lorong Haruan 5/5
Oakland Commerce Square
70300 Seremban
Negeri Sembilan, Malaysia
Phone : +606 631 8588, +606 631 8589

F&N Beverages Marketing Sdn Bhd (Johor)

Batu 4¾, Jalan Tampoi
81200 Johor Bahru
Johor, Malaysia
Phone : +607 332 2433
Fax : +607 332 8018

F&N Beverages Marketing Sdn Bhd (Batu Pahat)

Lot 729, Lorong Bintang
Mukim Perserai
80300 Batu Pahat, Johor, Malaysia
Phone : +607 413 9000
Fax : +607 413 9999

F&N Beverages Marketing Sdn Bhd (Kluang)

No. 11, Jalan 2
Taman Perindustrian Sinaran
86000 Kluang, Johor, Malaysia
Phone : +607 787 8816
Fax : +607 787 8817

F&N Beverages Marketing Sdn Bhd (Melaka)

No. 10, Jalan Bukit Gedong
75050 Melaka, Malaysia
Phone : +606 282 8011
Fax : +606 284 7458

F&N Beverages Marketing Sdn Bhd (Butterworth)

No. 3724, Jalan Sungai Nyior
12100 Butterworth
Pulau Pinang, Malaysia
Phone : +604 314 8600
Fax : +604 331 0427

F&N Beverages Marketing Sdn Bhd (Ipoh)

No. 217, Jalan Lahat
30200 Ipoh, Perak, Malaysia
Phone : +605 254 9461
Fax : +605 253 2091

F&N Beverages Marketing Sdn Bhd (Alor Setar)

No. 111, Taman Saga, Tingkat Bawah
 Jalan Alor Mengkudu
 05350 Alor Setar, Kedah, Malaysia
 Phone : +604 731 7687
 Fax : +604 731 6723

F&N Beverages Marketing Sdn Bhd (Kuantan)

Block A, Lot 95
 Kawasan Perindustrian Semambu
 25350 Kuantan, Pahang, Malaysia
 Phone : +609 560 1880
 Fax : +609 568 4712, +609 566 4197

F&N Beverages Marketing Sdn Bhd (Kota Bharu)

Lot 9 & 10, Pengkalan Chepa
 Industrial Estate, 16100 Kota Bharu
 Kelantan, Malaysia
 Phone : +609 771 5643, +609 771 5641

F&N Beverages Marketing Sdn Bhd (Kuala Terengganu)

Lot PT 7012K
 Kawasan Perindustrian Gong Badak
 21300 Kuala Terengganu
 Terengganu, Malaysia
 Phone : +609 667 0007, +609 667 0008

F&N Beverages Marketing Sdn Bhd (Mentakab)

No. 27, Jalan Angsana, Taman Rimba
 28400 Mentakab
 Pahang, Malaysia
 Phone : +609 277 6100
 Fax : +609 277 6200

F&N Beverages Marketing Sdn Bhd (Kuching)

3½ Mile Jalan Penrissen
 93250 Kuching
 Sarawak, Malaysia
 Phone : +6082 451 411
 Fax : +6082 452 488

F&N Beverages Marketing Sdn Bhd (Sibu)

No. 28, Lorong Lanang Barat 20-B
 Jalan Upper Lanang, 96008 Sibu
 Sarawak, Malaysia
 Phone : +6084 215 112
 Fax : +6084 213 611

F&N Beverages Marketing Sdn Bhd (Bintulu)

No. 55, BBC Workshop (Light Industrial Estate)
 Lot 214 & 217, Block 22
 Kemena Land District
 5½ Miles Jalan Bintulu Sibul
 97000 Bintulu
 Sarawak, Malaysia
 Phone : +6086 338 706
 Fax : +6086 336 706

F&N Beverages Marketing Sdn Bhd (Miri)

Lot 1830, Jalan Prunus 6
 Piasau Jaya Industrial Estate
 98000 Miri
 Sarawak, Malaysia
 Phone : +6085 491 002, +6085 491 642
 Fax : +6085 491 094

F&N Beverages Marketing Sdn Bhd (Kota Kinabalu)

5½ Mile, Jalan Tuaran, Inanam
 88818 Kota Kinabalu, Sabah, Malaysia
 Phone : +6088 421 101
 Fax : +6088 425 495

F&N Beverages Marketing Sdn Bhd (Sandakan)

Ground & Mezzanine Floor
 Block B, Lot 8, Phase IIA
 Taman Grandview, 90000 Sandakan
 Sabah, Malaysia
 Phone : +6089 227 035
 Fax : +6089 225 500

F&N Beverages Marketing Sdn Bhd (Tawau)

Lot No. 12200, Taman Megah Jaya
 KM 8, Off Jalan Tiku
 91000 Tawau
 Sabah, Malaysia
 Phone : +6089 769 008
 Fax : +6089 749 008

INTERNATIONAL OFFICE

Fraser and Neave MENA DWC-LLC
 Office 138, Building A3, Business Park
 Dubai World Central
 Dubai, United Arab Emirates (UAE)
 Phone : +971 58 501 1900

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 60th Annual General Meeting of Fraser & Neave Holdings Bhd (“Company”) will be held virtually through live streaming from the broadcast venue at the Auditorium, Level 3A, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 17 January 2022 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 30 September 2021 together with the Reports of the Directors and Auditors thereon.	Refer to Explanatory Note (i)
2.	To approve the payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2021.	Resolution 1
3.	To re-elect the following Directors who retire in accordance with Clause 100 of the Company’s Constitution, as Directors: (i) Mr. Lee Meng Tat (ii) Mr. David Siew Kah Toong (iii) Y.Bhg. Datuk Kamaruddin bin Taib Note: Y.Bhg. Dato’ Sri Johan Tazrin bin Hamid Ngo who also retires in accordance with Article 100 of the Company’s Constitution, will not be seeking re-election in view of his nine-year term as an Independent Non-Executive Director ending on 22 January 2022. Hence, his retirement as a Director and cessation of Y.Bhg. Dato’ Ng Wan Peng as his alternate will take effect upon the conclusion of the 60 th Annual General Meeting.	Resolution 2 Resolution 3 Resolution 4
4.	To appoint the following Director: “ THAT Y.Bhg. Dato’ Ng Wan Peng, who has consented to act as a Director and made a declaration that she is not disqualified from being appointed or holding office as a Director pursuant to Section 201 of the Companies Act 2016, be and is hereby appointed as a Director of the Company and designated as Independent Non-Executive Director with effect from the conclusion of the 60 th Annual General Meeting on 17 January 2022.”	Resolution 5
5.	To approve the payment of Directors’ fees and benefits of up to RM1,500,000 for the period from 18 January 2022 until the next annual general meeting (“AGM”) of the Company (2021 AGM: up to RM1,500,000), payable monthly in arrears after each month of completed service of the Directors.	Resolution 6
6.	To re-appoint Messrs KPMG PLT, the retiring auditors, as the auditors of the Company for the financial year ending 30 September 2022 and to authorise the Directors to fix their remuneration.	Resolution 7

SPECIAL BUSINESS

7.	<p>ORDINARY RESOLUTION – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY</p> <p>“THAT subject always to the Companies Act 2016 (“Act”), the provisions of the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant authorities, the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to the extent permitted by the law, to make purchases of ordinary shares in the Company’s issued shares (“F&N Shares”) from time to time through Bursa Securities, subject further to the following:</p> <p>(i) the maximum number of ordinary shares which may be purchased and held by the Company does not exceed ten per centum (10%) of the total issued shares of the Company at any point in time (“Proposed Share Buy-Back”);</p> <p>(ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company’s total retained profits at the time of purchase of the Proposed Share Buy-Back;</p>	
----	---	--

	<p>(iii) the approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company, following the passing of this resolution or the expiration of the period within which the next annual general meeting is required by law to be held unless earlier revoked or varied by ordinary resolution passed by shareholders of the Company at a general meeting but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority; and</p> <p>(iv) upon completion of the purchase(s) of the F&N Shares or any part thereof by the Company, the Directors be and are hereby authorised to cancel all the F&N Shares so purchased, retain all the F&N Shares as treasury shares for future re-sale or retain part thereof as treasury shares and cancel the balance or distribute all or part of the F&N Shares as dividends to shareholders, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of MMLR and any other relevant authority for the time being in force.</p> <p>AND THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought back) in accordance with the Act, the provisions of the Constitution of the Company, the MMLR and all other relevant governmental and/or regulatory authorities.”</p>	Resolution 8
8.	<p>ORDINARY RESOLUTION – PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE</p> <p>“THAT approval be and is hereby given for the Company and/or its subsidiaries (“F&N Group”) to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions set out in Sections 2.4.1 and 2.4.2, Part B of the Statement/Circular to Shareholders dated 17 December 2021 with the related parties mentioned therein, provided that such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group’s normal business practices and policies, and on terms not more favourable to the related parties than those extended to the other customers of the F&N Group, and not to the detriment of the minority shareholders AND THAT such approval shall be in force until:</p> <p>(i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;</p> <p>(ii) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or</p> <p>(iii) revoked or varied by the Company in a general meeting,</p> <p>whichever is the earlier AND THAT the Directors of the Company and each of them be authorised to do all such acts and things (including, without limitation, to execute all such documents) as they may consider necessary, expedient or in the interests of the Company to give effect to this resolution.”</p>	Resolution 9
9.	To transact any other business of which due notice shall have been given.	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the 60th Annual General Meeting of the Company, the proposed payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2021 will be paid to shareholders on 9 February 2022. The entitlement date for the proposed dividend shall be on 21 January 2022.

A depositor shall qualify for the entitlement to the dividend only in respect of:

- (a) Shares transferred to the depositor's securities account before 4:30 p.m. on 21 January 2022 in respect of ordinary transfer; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TIMOTHY OOI AIK TUAN

(LS0010357/SSM PC NO. 201908002732)
Company Secretary

Kuala Lumpur, Malaysia
17 December 2021

258

NOTES:

Virtual Annual General Meeting ("AGM")

- (1) The 60th AGM of the Company will be conducted virtually through live streaming and Remote Participation and Electronic Voting ("RPEV") facilities which will be made available on the online portal of Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657). Please refer to the Administrative Details for the 60th AGM for the procedures to register, participate and vote remotely via the RPEV facilities.
- (2) For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. Members/Proxies/Corporate Representatives will not be allowed to attend this AGM in person at the broadcast venue on the day of the AGM.

Appointment of Proxy

- (3) A member entitled to attend, speak and vote remotely at the above virtual meeting via the RPEV facilities may appoint a proxy or proxies (but not more than two) to attend, speak and vote on his/her behalf and such proxy or proxies need not be a member or members of the Company.
- (4) Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.
- (5) In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.

- (6) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of proxy by an exempt authorised nominee shall be by a separate instrument of proxy which shall specify the proportion of shareholding to be represented by each proxy.
- (7) The instrument appointing a proxy or proxies may be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> ("eProxy Lodgement") not less than 48 hours before the meeting. Please refer to the Administrative Details for the 60th AGM for the steps on the eProxy Lodgement.

Members Entitled to Attend the AGM

- (8) For the purpose of determining a member who shall be entitled to attend the 60th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 65(6) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at Friday, 7 January 2022. Only a depositor whose name appears on the Record of Depositors as at Friday, 7 January 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

EXPLANATORY NOTES:**A. FOR ORDINARY BUSINESS****(i) Audited Financial Statements**

Item 1 of the agenda is intended for discussion only as under Section 340(1) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of shareholders. As such, this item will not be put forward for voting.

(ii) Appointment of Director (Resolution 5)

Y.Bhg. Dato' Sri Johan, whose nine-year term as an Independent Non-Executive Director will be ending on 22 January 2022, will not be seeking re-election. This is in line with the Company's Policy on Independence of Directors, which limits the tenure of independent directors to a cumulative term of nine years without further extension.

Hence, his retirement as a Director and cessation of Y.Bhg. Dato' Ng as his alternate will take effect upon the conclusion of the 60th AGM. To fill the anticipated casual vacancy arising from Y.Bhg. Dato' Sri Johan's retirement, the Board has through the Nominating Committee reviewed and evaluated the proposed appointment of Y.Bhg. Dato' Ng as an Independent Non-Executive Director of the Company. Premised on the evaluation, the Board recommends that shareholders approve the proposed appointment of Y.Bhg. Dato' Ng. The profile of Y.Bhg. Dato' Ng is set out in the Statement Accompanying Notice of AGM.

The notice of nomination for the proposed appointment of Y.Bhg. Dato' Ng served by the Board is attached hereto as Appendix I.

(iii) Directors' Fees and Benefits (Resolution 6)

Section 230(1) of the Companies Act 2016 provides that fees of directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or of a listed company and its subsidiaries shall be approved at a general meeting.

At the AGM on 19 January 2021, shareholders approved the payment of Directors' fees and benefits of up to RM1,500,000 for the period from 20 January 2021 until 17 January 2022.

Total Directors' fees and benefits paid for the financial year ended 30 September 2021 amounted to RM1,337,693 as detailed in the Corporate Governance Overview Statement.

In determining the estimated Directors' fees and benefits of up to RM1,500,000, the Board has considered various factors including the number of scheduled and ad-hoc meetings of the Board and Board Committees and the AGM along with Directors' benefits.

Resolution 5, if passed, will facilitate the payment of Directors' fees and benefits on a monthly basis and/or as and when required. The Board is of the view that Directors should be paid such fees and meeting allowances upon them discharging their responsibilities and rendering their services to the Company.

B. FOR SPECIAL BUSINESS**(i) Proposed Renewal of Share Buy-Back Authority (Resolution 8)**

Resolution 8, if passed, will provide the Company with the authority to buy-back its shares and will allow the Company a further option to utilise its financial resources more efficiently. Additionally, it is intended to stabilise the supply and demand as well as the price of the Company's shares. Please refer to Part A of the Statement/Circular to Shareholders dated 17 December 2021 for more details.

(ii) Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 9)

Resolution 9, if passed, will enable the Company and/or its subsidiaries ("F&N Group") to enter into recurrent transactions with the related parties provided that such transactions are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group's normal business practices and policies and on terms not more favourable to the related parties than those extended to the other customers of the F&N Group, and not to the detriment of the minority shareholders. Please refer to Part B of the Statement/Circular to Shareholders dated 17 December 2021 for more details.

Statement Accompanying Notice of Annual General Meeting

INDIVIDUAL STANDING FOR APPOINTMENT AS DIRECTOR

Y.BHG. DATO' NG WAN PENG

Malaysian, Age 57
Independent Non-Executive Director

Y.Bhg. Dato' Ng Wan Peng holds a Bachelor degree in Computer Science from Universiti Sains Malaysia. She also completed a Senior Executive Leadership Programme from Harvard Business School.

Y.Bhg. Dato' Ng has more than 30 years' experience in information technology/digital transformation. She started her career as a Systems Engineer with Uniphone Sdn Bhd in 1989, before joining Sapura Advanced Systems in 1991 as Program Manager, Project Manager, and Senior Systems Engineer. Y.Bhg. Dato' Ng later joined Multimedia Development Corporation ("MDC") in 1998 to lead and implement the key digitalisation initiatives under MSC Flagship applications as well as developing key Digital Enablers of MDC. Her last held position was Chief Operating Officer of Malaysia Digital Economy Corporation from 2009 to 2020.

Y.Bhg. Dato' Ng is currently an Alternate Director to Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo. She was also an alternate director in Commerce Dot Com Sdn Bhd (2006-2009) and Cyberview Sdn Bhd (2006-2014).

Y.Bhg. Dato' Ng currently serves as the President of Big Bad Wolf Ventures Sdn Bhd, where she spearheads the digital transformation and ensures that all initiatives/programmes planned and executed are aligned with the strategy goals of Big Bad Wolf Ventures Sdn Bhd. She also serves on the board of Securemetric Berhad and Hong Leong Assurance Berhad.

Y.Bhg. Dato' Ng does not hold any shares in Fraser & Neave Holdings Bhd ("Company") and its subsidiaries. She does not have any family relationship with any director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has had no conviction for offences within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Letter of Nomination

APPENDIX I



F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park, Off Jalan Yew
55100 Kuala Lumpur, Malaysia
Tel : 603-9235 2288 Fax : 603-9222 7878

FRASER & NEAVE HOLDINGS BHD

Company No.: 196101000155 (4205-V)

Date: 3 November 2021

Mr Timothy Ooi Aik Tuan
Director, Group Legal Counsel and Company Secretary
Fraser & Neave Holdings Bhd
Level 3A, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park, Off Jalan Yew
55100 Kuala Lumpur

Dear Sir,

Nomination of Director for appointment to the Board of Directors of Fraser & Neave Holdings Bhd ("F&NHB")

On behalf of the Board, I hereby give notice of our intention to nominate Y.Bhg. Dato' Ng Wan Peng for appointment to the Board of F&NHB, to be designated as Independent Non-Executive Director, and seek shareholders' approval for her appointment at the forthcoming Annual General Meeting ("AGM") of F&NHB.

We propose that the appointment of Y.Bhg. Dato' Ng Wan Peng as Director of F&NHB to take effect from 17 January 2022 upon shareholders' approval immediately after the conclusion of the AGM.

Please arrange for this notice to be circulated to the shareholders of F&NHB.

Thank you.

Yours faithfully,
For and on behalf of the Board of
Fraser & Neave Holdings Bhd

Y.A.M. Tengku Syarif Bendahara Perlis
Syed Badarudin Jamalullail Ibni Almarhum
Tuanku Syed Putra Jamalullail
Chairman

261

Additional Information

Administrative Details

for the 60th Annual General Meeting of Fraser & Neave Holdings Bhd

MODE OF MEETING

1. As a precautionary measure to contain the spread of the COVID-19 pandemic and safeguard the health and safety of shareholders and all participants, Fraser & Neave Holdings Bhd (“**F&NHB**” or “**the Company**”) will continue to leverage on technology to conduct the 60th Annual General Meeting (“**AGM**”). The 60th AGM of F&NHB will be conducted virtually with proceedings of the AGM being streamed live from the broadcast venue on the date and time as set out below:

Day, Date and Time of meeting:

Monday, 17 January 2022 at 10.00 a.m.

Broadcast venue:

Auditorium, Level 3A,
Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200, Petaling Jaya,
Selangor Darul Ehsan, Malaysia

2. Shareholders will be able to access and participate in the proceedings through Remote Participation and Electronic Voting facilities (“**RPEV facilities**”), which will be made available on the online portal of Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (**Domain Registration No. with MYNIC-D6A357657**).
3. The broadcast venue is only meant to facilitate the conduct of the virtual AGM. **No shareholder or proxy shall be physically admitted to the broadcast venue on the day of the AGM.**

ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY

1. A shareholder whose name appears on the Record of Depositors as at Friday, 7 January 2022 shall be eligible to participate in the meeting or appoint proxy(ies) to participate on his/her behalf.
2. If a shareholder is unable to participate at the AGM, he/she may also appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

VOTING PROCEDURE

1. Voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn Bhd (“**Boardroom**”) as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Asia Securities Sdn Berhad as Independent Scrutineer to verify the poll results.
2. e-Voting for all the resolutions set out in the Notice of AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.
3. Members and proxies are required to use one (1) of the following methods to vote remotely:
 - a. Launch Lumi Online Platform by scanning the QR code given to you in the email along with your remote participation User ID and Password; or

- b. Access to Lumi Online Platform via website URL <https://meeting.boardroomlimited.my>

For the purpose of this AGM, e-Voting can be carried out by using either personal smart mobile phones, tablets, personal computers or laptops.

4. During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting Procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened and shall remain open until such time when the Chairman announces the closure of poll.
5. The Scrutineer will verify the poll result reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or otherwise.

LODGEMENT OF PROXY FORM

1. If you are unable to attend the AGM via RPEV facilities and wish to appoint the Chairman of the AGM as your proxy to vote on your behalf, please deposit your proxy form at the office of the Poll Administrator, Boardroom at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Saturday, 15 January 2022 at 10.00 a.m. Any alteration to the Form of Proxy must be initialled.
2. Alternatively, the proxy appointment may also be lodged electronically at <https://investor.boardroomlimited.com>, which is free and available to all individual shareholders, not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Saturday, 15 January 2022 at 10.00 a.m. For further information, kindly refer to the "Online Registration Procedure" below.
3. **If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.**

REVOCATION OF PROXY

1. If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

ONLINE REGISTRATION PROCEDURE




1. All shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees shall use the RPEV facilities to participate and vote remotely at the AGM. You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time whilst the meeting is in progress.

2. Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants. Therefore, kindly ensure that connectivity for the duration of the meeting is maintained.
3. Kindly follow the steps below to request for your login ID and password and usage of the RPEV facilities:

Before the day of the AGM	
Procedure	Action
i.	<p>Register Online with Boardroom Smart Investor Portal (for first time registration only)</p> <p><i>(Note: If you have already signed up with Boardroom Smart Investor Portal previously, you are not required to register again. You may proceed to Step (ii)] – Submit request for remote participation.)</i></p> <ol style="list-style-type: none"> a. Access website https://investor.boardroomlimited.com. b. Click <<Register>> to sign up as a user. c. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. d. Please enter a valid email address and wait for Boardroom’s email verification. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.
ii.	<p>Submit request for remote participation (User ID and Password)</p> <p><i>(Note: Registration for remote access will open on Friday, 17 December 2021. Please note that the closing time to submit your request is not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Saturday, 15 January 2022 at 10.00 a.m.)</i></p> <p>Individual Members</p> <ol style="list-style-type: none"> a. Login to https://investor.boardroomlimited.com using your user ID and password from Step (i) above. b. Select "FRASER & NEAVE HOLDINGS BHD SIXTIETH (60th) ANNUAL GENERAL MEETING" from the list of Corporate Meetings and click "Enter". c. Click on "Register for RPEV". d. Read and agree to the Terms & Conditions and click "Next". e. Enter your CDS Account and thereafter submit your request. <p>Appointment of Proxy – Individual members</p> <ol style="list-style-type: none"> a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step (i) above. b. Select FRASER & NEAVE HOLDINGS BHD SIXTIETH (60th) ANNUAL GENERAL MEETING from the list of Corporate Meetings and click "Enter". c. Click on "Submit eProxy Form". d. Read and accept the General Terms and Conditions by clicking "Next". e. Enter your CDS Account Number and number of securities held. Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies). f. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY. g. Review and confirm your proxy appointment. h. Click "Apply". i. Download or print the eProxy form as acknowledgement. <p>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</p> <ol style="list-style-type: none"> a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of shareholder, CDS account number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request. b. Please provide a copy of corporate representative’s MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.

ADMINISTRATIVE DETAILS

for the 60th Annual General Meeting of Fraser & Neave Holdings Bhd

Before the day of the AGM		
Procedure	Action	
iii. Email notification	<p>a. You will receive notification from Boardroom that your request(s) has been received and is being verified.</p> <p>b. Upon system verification against the Record of Depositories of the AGM as at Friday, 7 January 2022, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.</p> <p>c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.</p> <p>d. Shareholders are encouraged to register at least forty-eight (48) hours before the commencement of the Meeting i.e., by Saturday, 15 January 2022 at 10.00 a.m. to avoid any delay in the registration process.</p>	
On the day of the AGM		
Procedure	Action	
iv. Login to Virtual Meeting Platform	<p>a. The Virtual Meeting portal will be opened for login one (1) hour before the commencement of the AGM at 9.00 a.m. on Monday, 17 January 2022, which can be accessed via one of the following methods:</p> <ul style="list-style-type: none"> • Launch Lumi Online Platform by scanning the QR Code provided in the email notification; or • Access to Lumi Online Platform via website at https://meeting.boardroomlimited.my. <p>b. Insert the Meeting ID No. and sign in with the user ID and password provided to you via the email notification in Step (iii) above.</p>	
v. Participate	<p><i>(Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition)</i></p> <p>a. If you would like to view the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the AGM, select the messaging icon. </p> <p>c. Type your message within the chat box, once completed click the send button.</p>	
vi. Voting	<p>a. Once the Meeting is opened for voting, the polling icon  will appear with the resolutions and your voting choices.</p> <p>b. To vote, select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>	
vii. End of Participation	<p>a. Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end.</p> <p>b. You can now logout from the virtual meeting platform.</p>	

SUBMISSION OF QUESTIONS

- Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2021 commencing from Friday, 17 December 2021 and in any event no later than 10.00 a.m., Tuesday, 11 January 2022 via Boardroom's website at <https://investor.boardroomlimited.com> using the same user ID and password provided in Step (i) above, and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions").
- Thereafter, on the morning of the 60th AGM, shareholders may also submit questions via the messaging box on Lumi AGM webportal at <https://meeting.boardroomlimited.my> starting at 9.00 a.m. This webportal will remain open throughout the virtual AGM session.
- The Board will endeavour to respond to Pre-AGM Meeting Questions and questions submitted from 9.00 a.m. on the day of the 60th AGM and throughout the meeting. However, not all questions will be answered during the meeting. In such event, the responses will be posted on the Company's website as soon as practicable.

E-COUPON

Shareholders and proxy holders who participate at the AGM will receive an e-Coupon. The e-Coupon and its redemption instructions will be sent to eligible shareholders/proxy holders' email address used to register for the AGM within three (3) working days after the AGM on 17 January 2022. Please find below details of the terms and conditions of the e-Coupon:

- One (1) e-Coupon will be given for one (1) attendee only regardless of the number of shareholders you are representing as a proxy and whether you are attending both as proxy and shareholder.
- The e-Coupon is only valid for remote participants (via RPEV facilities) who logged in during the 60th AGM of F&NHB.
- The e-Coupon is limited to one (1) time redemption of one (1) carton of 100PLUS cans for the email address used to register for the 60th AGM.
- The e-Coupon is not exchangeable for cash or kind and is not replaceable for any other reason.
- This e-Coupon is only applicable on F&N Life, the e-commerce store of F&NHB and mobile application.
- This e-Coupon is valid until 28 February 2022.
- No charges or delivery fee is required. Delivery is only applicable to Peninsular Malaysia.
- F&NHB reserves the right to alter, extend or terminate the e-Coupon and change the terms and conditions at any time without prior notice.

RECORDING OR PHOTOGRAPHY

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

DIGITAL COPIES OF AGM DOCUMENTS

As part of our commitment to environmentally sustainable practices by reducing paper usage, the following documents can be accessed from our website at <https://fn.com.my/investors/ar2021/>:

- Annual Report 2021
- Notice of the 60th AGM and Proxy Form
- Sustainability Report 2021
- Circular in relation to the Share Buy-Back Statement and the Proposed Shareholders' Mandate for Recurrent Related Party Transactions
- Corporate Governance Report 2021

ENQUIRY

If you have any enquiries prior to the AGM or if you wish to request for technical assistance to participate in the virtual meeting, please contact Boardroom during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.), details as follows:

Boardroom Share Registrars Sdn. Bhd.

Address : 11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan Malaysia

General Line : 603-7890 4700 (Helpdesk)

Fax Number : 603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

PERSONAL DATA POLICY

By registering for the RPVE meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by F&NHB (or its agents) for the following purposes:

- for registration and processing of the RPEV facilities;
- communicate with the shareholders and proxy holders who participate at the AGM for redemption of e-Coupon;
- respond to shareholders' and proxy holders' enquiries;
- for internal record keeping;
- send promotional materials, advertisement for marketing purposes;
- publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
- for processing and administration by the Company (or its agents); and
- comply with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

This page has been intentionally left blank.

Proxy Form



FRASER & NEAVE HOLDINGS BHD
196101000155 (4205-V)

I/We _____ NRIC/Company No. _____
(full name in block letters)

of _____
(full address)

Tel. No. _____ Email address _____

being a member/members of Fraser & Neave Holdings Bhd, hereby appoint the following person(s):

Full name in block letters	NRIC/Passport No.	Proportion of shareholding to be represented	
		No. of shares	Percentage (%)
Address:			
Tel. No.:			
Email address:			

and/or (delete if inapplicable)

Full name in block letters	NRIC/Passport No.	Proportion of shareholding to be represented	
		No. of shares	Percentage (%)
Address:			
Tel. No.:			
Email address:			

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us on my/our behalf as indicated below, at the 60th Annual General Meeting of the Company to be held virtually through live streaming from the broadcast venue at the Auditorium, Level 3A, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Monday, 17 January 2022** at **10:00 a.m.** or at any adjournment thereof:

Ordinary Resolutions:	No.	For	Against
To approve the payment of a final single tier dividend of 33 sen per share for the financial year ended 30 September 2021.	1		
To re-elect Mr Lee Meng Tat who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	2		
To re-elect Mr David Siew Kah Toong who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	3		
To re-elect Y.Bhg. Datuk Kamaruddin bin Taib who retires in accordance with Clause 100 of the Company's Constitution, as a Director.	4		
To appoint Y.Bhg. Dato' Ng Wan Peng as a Director, to be designated as Independent Non-Executive Director.	5		
To approve the payment of Directors' fees and benefits of up to RM1,500,000 for the period from 18 January 2022 to the next annual general meeting ("AGM") of the Company (2021 AGM: up to RM1,500,000), payable monthly in arrears after each month of completed service of the Directors.	6		
To re-appoint Messrs KPMG PLT, the retiring auditors, as the auditors of the Company for the financial year ending 30 September 2022 and to authorise the Directors to fix their remuneration.	7		
To approve the Proposed Renewal of Share Buy-Back Authority.	8		
To approve the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.	9		

Please indicate with an "X" in the spaces above how you wish your vote(s) to be cast. If no specific direction as to voting is given, your proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____ 20____

Number of shares held:	
CDS Account No.:	

Signature(s)/Common Seal of Shareholder(s)

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
FRASER & NEAVE HOLDINGS BHD
(Registration No.: 196101000155 (4205-V))
c/o BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

First fold here

Notes:

Virtual Annual General Meeting (“AGM”)

- (1) The 60th AGM of the Company will be conducted virtually through live streaming and Remote Participation and Electronic Voting (“RPEV”) facilities which will be made available on the online portal of Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657). Please refer to the Administrative Details for the 60th AGM for the procedures to register, participate and vote remotely via the RPEV facilities.
- (2) For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. Members/Proxies/Corporate Representatives will not be allowed to attend this AGM in person at the broadcast venue on the day of the AGM.

Appointment of Proxy

- (3) A member entitled to attend, speak and vote remotely at the above virtual meeting via the RPEV facilities may appoint a proxy or proxies (but not more than two) to attend, speak and vote on his/her behalf and such proxy or proxies need not be a member or members of the Company.
- (4) Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.
- (5) In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.

- (6) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of proxy by an exempt authorised nominee shall be by a separate instrument of proxy which shall specify the proportion of shareholding to be represented by each proxy.
- (7) The instrument appointing a proxy or proxies may be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> (“eProxy Lodgement”) not less than 48 hours before the meeting. Please refer to the Administrative Details for the 60th AGM for the steps on the eProxy Lodgement.

Members Entitled to Attend the AGM

- (8) For the purpose of determining a member who shall be entitled to attend the 60th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 65(6) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at Friday, 7 January 2022. Only a depositor whose name appears on the Record of Depositors as at Friday, 7 January 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

FRASER & NEAVE HOLDINGS BHD

F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park,
off Jalan Yew, 55100 Kuala Lumpur, Malaysia

Tel : (603) 9235 2288 Fax : (603) 9222 7878

www.fn.com.my

