



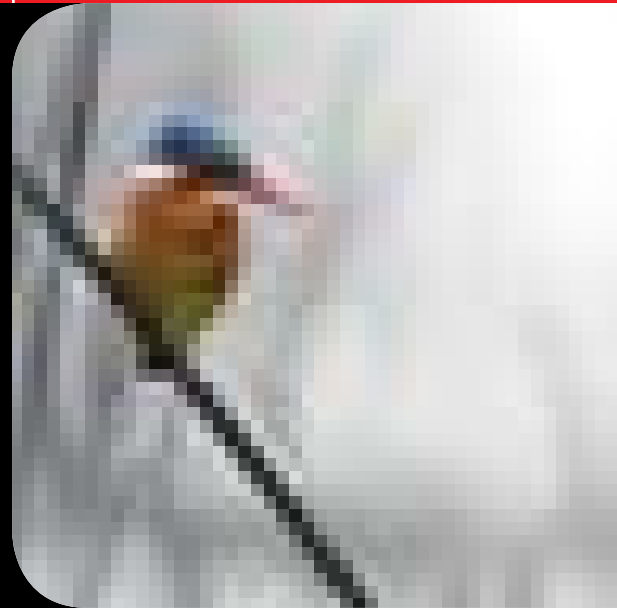
# Sustainability through Diversity



ANNUAL REPORT  
2010/2011

## Sustainability through Diversity

Compared to rainforests and coral reefs, wetlands are considered the most biologically diverse of all ecosystems. In fact, one can think of wetlands as “biological supermarkets”, as they provide immense volumes of food for a diverse range of animal species, such as the Kingfisher, that use these wetlands for part of or all of their life-cycle. Similarly, our diversified interests across some of the most dynamic industries in the world as well as our extensive operations in the ASEAN region offer great opportunities for sustained growth.



## Financial Calendar

### Announcement of Financial Results

First quarter	07 February 2011
Second quarter	05 May 2011
Third quarter	05 August 2011
Fourth quarter	04 November 2011

### Dividend

#### Interim & Special Dividend

• Announcement	05 May 2011
• Entitlement	07 July 2011
• Payment	03 August 2011

#### Proposed Final & Special Dividend

• Announcement	21 December 2011
• Entitlement	20 January 2012
• Payment	17 February 2012

### Press Conferences & Analyst Briefings Held

Half Year	06 May 2011
Full Year	04 November 2011

### General Meeting

Annual	13 January 2012
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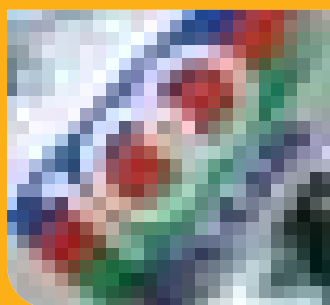
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### Notice of Annual General Meeting

### Proxy Form

SOFT DRINKS



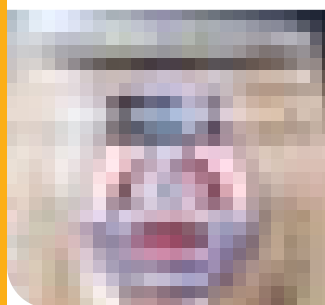
030

DAIRIES MALAYSIA



036

DAIRIES THAILAND



042

PROPERTY



046

# Five Years' Statistics

## Group Financials

Year Ended 30 September	2011	2010	2009	2008	2007
<b>Results (RM million)*</b>					
Revenue	3,915.4	4,004.7	3,737.1	3,674.2	2,931.5
Profit before taxation (PBT)	463.7	^777.9	299.8	239.7	220.9
Attributable profits	383.1	^695.3	224.4	166.8	152.9
<b>Dividend</b>					
Per share					
- Earnings - basic	(sen) 106.9	195.1	63.0	46.8	42.9
- Earnings - diluted	(sen) 106.0	194.2	62.9	46.8	NA
- Dividend - net	(sen) **97	164.5	41.8	40.1	34.2
- Dividend - cover	(times) 1.1	1.2	1.5	1.2	1.3
<b>Balance Sheet (RM million)</b>					
Share capital	360.4	357.3	356.5	356.5	356.5
Shareholders' equity	1,558.8	1,796.5	1,293.1	1,182.2	1,157.0
Total assets	2,475.8	2,968.9	2,759.9	2,514.1	2,455.7
Long term borrowings	150.0	150.0	360.4	359.4	83.1
Net assets per share	(RM) 4.33	5.03	3.63	3.32	3.25
<b>Ratio</b>					
PBT on revenue	(%) 11.8	19.4	8.0	6.5	7.5
Return on shareholders' equity	(%) 24.6	38.7	17.4	14.1	13.2
Net debt to equity ratio	(%) -	-	26.7	20.1	17.0

\* Results of prior years were on a total group basis, which include continuing and discontinued operations.

\*\* Included proposed dividend of 62 sen, which will only be recognised in the financial statements upon shareholders' approval

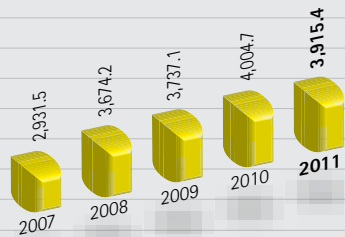
^ Included exceptional gain on divestment of glass container business of RM382 million

NA Not applicable

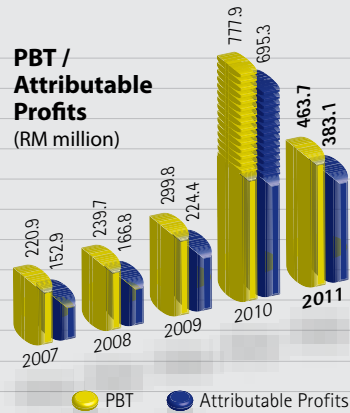
# Five Years' Statistics

## Group Financial Charts

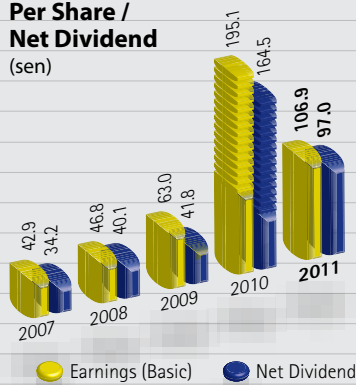
**Revenue**  
(RM million)



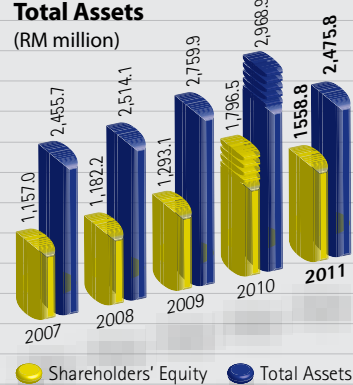
**PBT /  
Attributable Profits**  
(RM million)



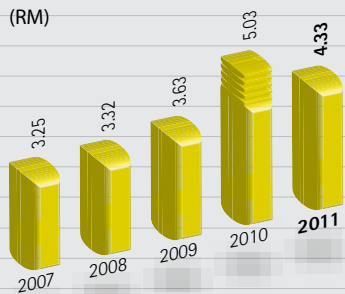
**Earnings  
Per Share /  
Net Dividend**  
(sen)



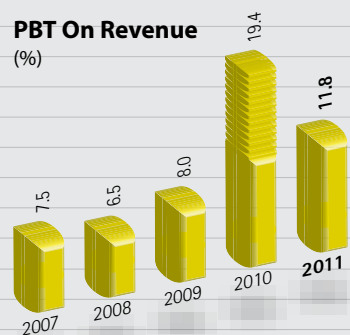
**Shareholders' Equity /  
Total Assets**  
(RM million)



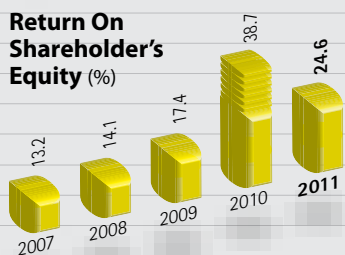
**Net Assets Per Share**  
(RM)




**PBT On Revenue**  
(%)



**Return On  
Shareholder's  
Equity (%)**



 Gain on divestment of glass container business



# Soaring to greater heights

From internal expertise to external acclaim, we have been delivering performances unparalleled by others.

# Corporate Review

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“ For the F&N Group, it was another bumper year and I am pleased to report that we were able to maintain our stellar performance, registering double digit growth, posting an unprecedented 11th consecutive year of record operating profit. ”

**A**s economies of the world continue to be threatened with increased financial volatility from the meltdown of traditionally strong markets, ASEAN economies grew, benefitting from the vibrance of the economic expansion of China and India.

In Malaysia, the economy grew at an average rate of 4.5 per cent fueled by increased public sector investment and government initiatives to develop a high income economy.

In Thailand, improved domestic demand, and both consumption as well as investment have been strong, underpinned by a high level of farm income, high employment, and buoyant consumer and business confidence throughout the year until October 2011 when floods inundated the country.

For the F&N Group, it was another bumper year and I am pleased to report that we were able to maintain our stellar performance, registering double digit growth, posting an unprecedented 11th consecutive year of record operating profits.

Revenue from the core businesses of soft drinks and dairies increased eight per cent from the last financial year to RM3.9 billion while operating profit rose 14 per cent to RM444 million. Profit after taxation grew 20 per cent to RM369 million. The soft drinks revenue jumped 16 per cent over the previous year while the overall dairies division grew two per cent with broad-based growth in Dairies Thailand spurring a 13 per cent increase in revenue whilst the Malaysia business contracted on account of price increases to absorb higher input cost. Earnings from properties rose by RM37 million due to the disposal of Brampton Holdings Sdn Bhd and proceeds from the sale of the glass factory land in Petaling Jaya.

## DELIVERING VALUE TO SHAREHOLDERS

Given our record results, the Directors recommend a final single tier dividend of 47 sen per share together with a special single tier dividend of 15 sen per share. If approved by shareholders at the forthcoming Annual General Meeting, the total normal dividend for the year would be 67 sen per share, an increase of 23 per cent from 54.5 sen per share paid in the previous financial year. As for the special dividend, the total would be 30 sen per share, comprising of the entire gains from the disposal of Fraser Business Park development project and the glass factory land. Similarly last year, a special dividend of RM1.10 per share was paid, arising from divestment of the glass container business. The high total dividend payout reflects the Board's confidence in the Group's future performance and is in line with the objective to optimise the Group's capital structure and reward shareholders' loyalty.

The Board will endeavour to maintain dividend payout in the coming years, in tandem with the Group's performance. With the strong operating cash flows generated by our F&B businesses,



I am confident and optimistic that the Group will continue to build on efforts to capitalise on new growth opportunities and disciplined cash flow management while returning even stronger value to our shareholders.

The shareholders may note that during the last financial year, our share price increased RM2.04 from RM14.46 on 30 September 2010 to RM16.50 this year.

### INVESTING FOR THE FUTURE

Commissioning of the RM350 million Pulau Indah dairies plant commenced in November and is on track for full commercial production within the second half of 2012. The Pulau Indah plant mirrors the achievements of the Rojana plant and showcases a myriad of innovative green technology that promotes significant gains in water, energy and environmental conservation. Together with our Rojana operation, the completion of the Pulau Indah plant will propel F&N among the ranks of the world's largest producers of canned milk.

Closure of our financial year on 30 September 2011 also heralded an amicable conclusion of a 73-year relationship with The Coca-Cola Company. Moving forward, the Group will focus on aggressive efforts to drive sales of its existing core products and to launch new products to reach out to loyal customers and consumers. Gearing up to meet the challenge, we have invested in a 3-in-1 monoblock PET production line and two tetrapak lines in Shah Alam. Production at our Kota Kinabalu plant was reactivated and a PET line installed to meet consumer demand in East Malaysia.

Additionally, our distribution and marketing networks and channels are also being deepened and widened, and strategic linkages established through collaborations and expansion to new markets and territories. The Red Bull distributorship franchise secured in the last financial year was one such successful venture.

### CORPORATE GOVERNANCE

The Board of Directors continued to establish benchmarks and oversight to ensure sustainability and momentum for the future. In addition, the Board of Directors have undergone training sessions with continuing emphasis on good governance and best practices, and updates on relevant issues which included competition law, corporate social responsibility and social networking.

The formation of the Group Executive Committee (Group Exco) last year saw the active involvement of the committee members in reviewing the operational performance of the business units. During the year, five Group Exco meetings were held during which management presented their operational updates and sought advice on strategic and investment matters.

In addition to the formal assessment of the effectiveness of the Board and Board Committee, Board peer review was included during the year.

An important component of the overall management processes is risk management and internal controls. Faced with increasing price volatility of raw materials and packaging materials, the Board has established a procurement framework to safeguard and manage purchasing risks in the Group.

### CORPORATE RESPONSIBILITY

The F&N Group is ever mindful of its responsibilities towards the environment and community within which we operate. Environmental consideration is an integral part of our operations and numerous

water and energy conservation measures have been initiated in our business operations. The group also aims to build long term sustainable value and make positive impact on its brands with its consumers and community.

## OUTLOOK AND PROSPECTS

Regional economic growth is expected to be subdued given the uncertain European financial environment. The F&B business sentiment is also expected to be dampened while fluctuations in raw material costs and rising commodity prices due to removal of government subsidies in Malaysia is expected to impact disposable incomes in the key markets of the Group.

Nevertheless, we are cautiously optimistic of the future of our businesses in Malaysia and Thailand. The start-up of the Pulau Indah plant will help meet both domestic and regional demand while in Thailand, efforts will be focused on recovery once flood waters subside.

For the soft drinks business, resources are being reorganised to meet the changing competitive landscape and an immediate step down of volume.

The Group will continue to pursue innovative sales and marketing initiatives, leverage on its well established distribution network and presence and ensure effective cost control and management of production, operations and raw materials. We will also continuously invest in human capital, technology, systems and automation in order to sustain and build on our current performance in the new financial year.

## ACKNOWLEDGEMENTS

The Board bids a warm farewell to Mr. Koh Poh Tiong, who retired after an illustrious 26-year career with the F&N Group. He had served as CEO of Asia Pacific Breweries and subsequently CEO of the Food & Beverage Division in Fraser and Neave Limited. Mr. Koh Poh Tiong was appointed as a Board member of Fraser & Neave Holdings Bhd in October 2008. The Board wishes to place on record its appreciation to Mr. Koh Poh Tiong for his contribution and exemplary service to the F&N Group.

Mr. Pascal de Petrini succeeds Mr. Koh at the helm of the Food & Beverage Division in Fraser and Neave Limited. Mr. de Petrini has vast Country and Regional general management experience in leading MNCs, with 11 of those years in Asia. We wish him a warm welcome to the F&N Group.

The year under review has been a challenging one and I wish to thank the Board of Directors for its wise counsel and advice in guiding management through this period. It goes without saying that our stakeholders have also been instrumental in the continued success of the Group. Thus I would like to extend my sincere gratitude and appreciation to our customers and partners for their continued trust and commitment to work with us; to our staff for their professionalism, loyalty and dedication to grow our business; and last but not least to our shareholders for their continued support.

Yours sincerely

**TENGGU SYARIF BENDAHARA PERLIS SYED BADARUDIN  
JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**

Chairman  
30 November 2011

**M**elihatkan kepada situasi ekonomi dunia yang masih gawat dengan ketidakstabilan kewangan dari pelaburan pasaran yang secara tradisinya adalah kukuh, kuasa ekonomi ASEAN pula tampak kian bersemangat berikutan perkembangan ekonomi negara China dan India.

Di Malaysia, ekonomi negara berkembang pada kadar sederhana, iaitu sebanyak 4.5 peratus, dijana oleh pelaburan dalam sektor awam dan inisiatif kerajaan dalam membangunkan ekonomi berpendapatan tinggi,

Di Thailand, permintaan domestik kian bertambah serta penggunaan dan pelaburan kekal kukuh. Situasi ini diperkukuhkan oleh tahap pendapatan hasil ladang yang tinggi, penggunaan tenaga kerja yang banyak, dan kepercayaan pihak konsumer serta keyakinan perniagaan yang tinggi telah berjaya diperolehi sepanjang tahun sehingga Oktober 2011, iaitu apabila negara tersebut dilanda banjir teruk.

Bagi Kumpulan F&N, hasil yang luar biasa tinggi berjaya dicatatkan pada tahun ini dan saya berbesar hati melaporkan bahawa kami berupaya mengekalkan prestasi cemerlang, malah menikmati pertumbuhan dua digit dan mencatatkan rekod keuntungan operasi yang tinggi buat 11 tahun berturut-turut.

Hasil dari perniagaan utama minuman ringan dan tenusu meningkat sebanyak lapan peratus, iaitu kepada RM3.9 bilion berbanding tahun kewangan lepas. Keuntungan operasi turut meningkat sebanyak 14 peratus kepada RM444 juta. Keuntungan selepas cukai pula melonjak ke RM369 juta, iaitu kenaikan sebanyak 20 peratus. Hasil minuman ringan mencatatkan peningkatan sebanyak 16 peratus berbanding tahun lepas, dan keseluruhan bahagian tenusu pula menginjak naik sebanyak dua peratus dengan rekod pertumbuhan dasar yang meluas dari Dairies Thailand yang menyumbang kepada peningkatan sebanyak 13 peratus. Perniagaan di Malaysia pula menurun ekoran daripada kenaikan harga yang berlaku akibat tanggungan kos input yang lebih tinggi. Pendapatan dari sektor hartanah meningkat RM37 juta susulan daripada penjualan Brampton Holdings Sdn Bhd dan hasil jualan tanah kilang kaca di Petaling Jaya.

## MENGHASILKAN NILAI UNTUK PARA PEMEGANG SAHAM

Berdasarkan keputusan rekod syarikat, pihak Pengarah mencadangkan dividen akhir satu peringkat sebanyak 47 sen sesaham bersama dengan dividen khas satu peringkat sebanyak 15 sen sesaham. Sekiranya diluluskan oleh para pemegang saham di Mesyuarat Agung Tahunan, pembayaran dividen biasa berjumlah 67 sen sesaham akan diberikan. Ia adalah peningkatan sebanyak 23 peratus berbanding dividen berjumlah 54.5 sen sesaham yang dibayar pada tahun kewangan lepas. Bagi dividen khas pula, jumlahnya adalah sebanyak 30 sen sesaham, iaitu hasil dari keseluruhan penjualan projek pembangunan Taman Perniagaan Fraser dan tanah kilang kaca. Seperti tahun lepas, dividen khas sebanyak RM1.10 sesaham dibayar susulan hasil daripada penjualan perniagaan bekas kaca. Jumlah bayaran dividen yang tinggi ini mencerminkan keyakinan pihak Lembaga dalam prestasi masa depan mantap dari Kumpulan serta matlamatnya yang setara dalam mengoptimalkan struktur modal Kumpulan dan sebagai ganjaran kesetiaan yang dipamerkan oleh para pemegang saham.

Pihak Lembaga akan berusaha untuk mengekalkan bayaran dividen yang sama dalam tahun-tahun akan datang, sejajar dengan prestasi Kumpulan yang mantap. Setelah perniagaan makanan & minuman (F&B) berjaya menjana aliran tunai operasi yang kukuh, saya yakin dan optimis bahawa Kumpulan akan terus berusaha untuk memanfaatkan peluang-peluang pertumbuhan baru dan

menguruskan aliran tunai dengan penuh disiplin untuk terus memberikan pulangan nilai yang lebih tinggi kepada para pemegang saham.

Para pemegang saham Kumpulan pasti menyedari bahawa saham Kumpulan telah meningkat sebanyak RM2.04, iaitu dari RM14.46 pada 30 September 2010 ke RM16.50 tahun ini.

## **PELABURAN UNTUK MASA HADAPAN**

Pembinaan kilang tenusu di Pulau Indah yang bernilai RM350 juta telah bermula sejak November dan jangkaan untuk memulakan pengeluaran komersil pada separuh tahun kedua 2012 adalah mengikut jadual. Kilang Pulau Indah memperlihatkan kejayaan kilang Rojana dan ia turut menyerlahkan penggunaan pelbagai teknologi hijau yang inovatif yang mendorong kepada penjimatan pemuliharaan air, tenaga dan alam semulajadi yang ketara. Bersama-sama dengan operasi kilang Rojana, kilang Pulau Indah yang siap kelak akan meletakkan F&N di antara para pengeluar susu dalam tin yang terbesar di dunia.

Tahun kewangan yang ditutup pada 30 September 2011 turut menandakan tamatnya perhubungan perniagaan yang baik selama 73 tahun bersama The Coca-Cola Company. Pada masa hadapan, Kumpulan akan menumpukan sepenuh perhatian kepada usaha-usaha agresif untuk menjana lebih banyak lagi jualan produk utama yang sedia ada dan melancarkan produk-produk baru untuk diedarkan kepada para pelanggan dan pengguna setia. Antara persediaan yang telah dibuat untuk menghadapi cabaran ini adalah dalam bentuk pelaburan yang dibuat bagi barisan pengeluaran PET monoblok 3-dalam-1 dan dua barisan tetrapak di Shah Alam. Pengeluaran kilang di Kota Kinabalu pula akan diaktifkan semula dan saluran PET akan dipasang untuk memenuhi permintaan pengguna di Malaysia Timur.

Susulan daripada itu, jaringan pengedaran dan pemasaran juga turut diperluaskan serta pautan strategik turut dimantapkan melalui kerjasama dan kemasukan ke pasaran dan wilayah baru. Pemerolehan francais Red Bull pada tahun kewangan yang lepas merupakan salah satu daripada usaha perniagaan yang berjaya.

## **URUS TADBIR KORPORAT**

Pihak Lembaga Pengarah masih menetapkan ukuran standard dan pengawasan untuk memastikan kesinambungan dan momentum pada masa depan. Seajar dengan itu, pihak Lembaga Pengarah turut menghadiri sesi-sesi latihan yang sentiasa memberi penekanan kepada urus tadbir yang baik dan amalan-amalan terbaik. Ini termasuk memberikan maklumat-maklumat terkini bagi isu-isu relevan yang melibatkan undang-undang persaingan, tanggungjawab sosial korporat dan rangkaian sosial.

Pembentukan Jawatankuasa Eksekutif Kumpulan (Exco Kumpulan) pada tahun lepas menampilkan penglibatan aktif ahli-ahli jawatankuasanya dalam menilai prestasi operasi unit-unit perniagaan. Sepanjang tahun ini, lima mesyuarat Exco Kumpulan telah dianjurkan, dan pihak pengurusan menyampaikan maklumat terkini serta meminta nasihat berkenaan hal-hal strategi dan pelaburan.

Selain dari penilaian rasmi yang dijalankan dalam memastikan keberkesanan Lembaga dan Jawatankuasa Lembaga, penilaian setara Lembaga turut dilaksanakan.

Satu komponen penting dalam proses pengurusan keseluruhan adalah pengurusan risiko dan kawalan dalaman. Dalam menangani harga bahan mentah yang berubah-ubah dan bahan pembungkusan yang kian meningkat, pihak Lembaga telah melaksanakan rangka kerja perolehan untuk melindungi dan menangani risiko pembelian di dalam Kumpulan.

### TANGGUNGJAWAB KORPORAT

Kumpulan F&N cukup peka akan tanggungjawabnya terhadap alam semulajadi dan masyarakat, terutamanya di kawasan-kawasan operasinya. Pertimbangan terhadap alam semulajadi adalah sebahagian penting dalam operasi kami, dan kami telah memulakan pelbagai usaha pemuliharaan air dan tenaga. Kumpulan juga turut bermatlamat untuk membina nilai kesinambungan jangka panjang dan memberikan kesan positif terhadap jenama-jenamanya bersama-sama para pengguna dan masyarakat.

### TINJAUAN DAN PROSPEK

Pertumbuhan ekonomi di rantau ini dijangka lembap berikutan krisis kewangan yang dihadapi Eropah. Sentimen perniagaan F&B turut dijangka perlahan sementara kos bahan mentah yang tidak stabil dan harga komoditi yang kian meningkat akibat pemansuhan subsidi kerajaan di Malaysia dijangka memberi kesan kepada pendapatan boleh-guna di pasaran-pasaran utama Kumpulan.

Namun begitu, kami sangat optimis terhadap masa depan perniagaan kami di Malaysia dan Thailand. Apabila bermulanya operasi operasi di kilang Pulan Indah kelak, ia akan dapat membantu untuk memenuhi permintaan domestik dan serantau. Sementara di Thailand pula, usaha akan ditumpukan kepada kerja-kerja membaikpulih apabila air banjir surut kelak.

Bagi perniagaan minuman ringan, pelbagai sumber telah disusun semula untuk menepati perubahan dalam lanskap saingan dan juga sebagai satu langkah serta-merta mengurangkan volum.

Kumpulan akan meneruskan usaha jualan inovatif dan inisiatif pemasaran, mengoptimumkan jaringan pengedaran dan kehadiran yang mantap serta memastikan kawalan kos serta pengurusan pengeluaran, operasi dan bahan mentah adalah efektif. Kami akan terus melabur dalam modal insan, teknologi, sistem-sistem dan automasi untuk menampung dan memajukan prestasi semasa dalam tahun kewangan baru.

### PENGHARGAAN

Pihak Lembaga Pengarah mengucapkan selamat tinggal kepada En. Koh Poh Tiong yang bersara selepas berkhidmat bersama Kumpulan F&N selama 26 tahun. Beliau bertugas sebagai Ketua Pegawai Eksekutif di Asia Pacific Breweries dan kemudiannya sebagai Ketua Pegawai Eksekutif di Bahagian Makanan & Minuman di Fraser and Neave Limited. En. Koh Poh Tiong telah dilantik sebagai ahli Lembaga Fraser & Neave Holdings Bhd pada Oktober 2008. Pihak Lembaga ingin merakamkan setinggi-tinggi penghargaan kepada En. Koh Poh Tiong di atas sumbangan dan perkhidmatan cemerlang beliau kepada Kumpulan F&N.

En. Pascal de Petrini telah mengambil alih pucuk pimpinan En. Koh di Bahagian Makanan & Minuman di Fraser & Neave, Limited. En. Pascal de Petrini membawa bersama beliau pengalaman pengurusan am di peringkat Negara dan Rantau di beberapa syarikat antarabangsa, di mana 11 tahun daripadanya adalah tertumpu di Asia. Kami mengalu-alukan kedatangan beliau di Kumpulan F&N.

Tahun di bawah tinjauan ini memperlihatkan pelbagai cabaran dan saya merakamkan jutaan terima kasih kepada pihak Lembaga Pengarah di atas tunjuk ajar dan nasihat yang telah diberi dalam membimbing pihak pengurusan dengan baik untuk menempuhi tahun ini. Kumpulan sememangnya mengiktirafkan pelbagai pihak yang berkepentingan dalam syarikat ini yang menyumbang kepada kejayaan berterusan. Maka, saya menyampaikan ucapan terima kasih dan penghargaan ikhlas kepada para pelanggan dan rakan-rakan syarikat di atas kepercayaan dan komitmen berpanjangan mereka; kepada para kakitangan bagi nilai profesionalisme, kesetiaan dan kegigihan mereka dalam memastikan perniagaan syarikat terus berkembang maju; dan tidak lupa kepada para pemegang saham yang sentiasa memberikan sokongan padu kepada syarikat.

Yang benar

**TENGGU SYARIF BENDAHARA PERLIS SYED BADARUDIN  
JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**

Pengerusi  
30 November 2011

正当全球经济继续受到由传统优势市场崩溃而引发，日益动荡的金融市场威胁之际，在中国与印度经济蓬勃发展下受惠的东盟区域却经历经济成长。

在马来西亚，公共领域投资的增加，加上政府推动各项措施以打造高收入经济，促使经济平均成长达到4.5%。

在泰国，国内需求提高，消费与投资都在高农业收入、高就业率、蓬勃消费市场以及商业信心高企的推动下，全年持续走强，直到2011年10月水灾侵袭该国。

对花莎尼集团而言，今年又是另一个丰收年，我很高兴地向大家汇报，我们成功保持出色的表现，达到两位数成长，创下连续11年刷新营业利润的记录。

汽水和乳制品这两项核心业务的收入比上个财政年增加了8%，达到39亿令吉；营业利润也飙升14%至4亿4400万令吉；税后盈利则增长20%至3亿6900万令吉。汽水部的收入在过去一年来上升16%，乳制品部整体上则成长2%，其中泰国乳制品部出现全面成长，收入飙涨13%，不过马来西亚业务则因为物价上涨而必须吸纳更高的成本，因此出现萎缩。脱售Brampton控股有限公司以及出售八打灵再也玻璃厂土地的收入，让房地产部的收入增加至3700万令吉。

### 为股东提供价值

基于我们的表现再创新高，董事部建议派发每股47仙的单层股息，连同一项特别的15仙单层股息。若接下来的股东大会批准这项建议，今年所派发的普通股股息总数将达到67仙，比上个财政年的54.5仙高出23%。特别股息的总数则是30仙，包括脱售Fraser Business Park发展计划和玻璃厂土地的所有收入。集团在去年脱售玻璃容器业务后，同样派发了1.10令吉的特别股息。高股息反映了董事部对集团未来的表现有信心，同时也符合集团的宗旨，即有效地使用集团的资本结构，以及奖励股东们的忠诚。

董事部将根据集团的表现，致力维持未来的股息派发。随着我们的食品与饮料业务带来强劲的流动资金，我相信并乐观地认为，集团将继续加倍努力，把握新的成长机会，谨慎地管理资金流动，为我们的股东带来更高的回报。

股东可能会注意到，在上个财政年里，我们的股价上升了2.04令吉，从2010年9月30日的14.46令吉提高至今年的16.50令吉。

### 为未来投资

耗资3亿5000万令吉的英达岛乳制品厂房已经在11月开始兴建，并达到预期的进度，能在2012年下半年全面投入生产。英达岛的厂房模仿Rojana厂房所取得的成就，具有各种创新的绿色工艺，在用水、能源与环保方面都有显著的效益。一旦英达岛的厂房竣工，再加上Rojana厂房的运作，花莎尼将晋身全球其中一个最大的罐装牛奶制造商。

当我们的财政年在2011年9月30日结束时，我们与可口可乐公司长达73年的合作关系，也在友好的情况下结束。展望未来，集团的焦点是积极推动现有核心产品的销售额，并推出新产品来接触忠实顾客与消费者。为了做好准备面对挑战，我们已在沙亚南投资一个三合一的单座苯二甲二乙酯（PET）生产线，以及两个tetrapak包装生产线。亚庇厂房也已重新启动，并安装一个PET生产线以满足东马顾客的需求。

此外，我们也在深化与扩大分销与营销网络和管道，并通过合作和扩展至新市场与区域，来建立策略性联系。在上个财政年签署的红牛（Red Bull）特许经营权就是其中一项成功的决定。

### 公司治理

董事部继续设立基准和监督机制，以确保未来的永续发展与动力。此外，董事部已进行培训计划，焦点依旧是良好治理与最佳做法，同时跟进最新课题，包括竞争法令、企业社会责任及社交。

去年成立的集团执行委员会（Group Exco），让委员会成员积极地参与检讨各个业务单位运作表现的工作。去年共召开了5次委员会会议，管理层在会议上汇报业务进展，并在策略与投资事务方面寻求意见。

除了正式的董事部与董事委员会工作效率评估，去年也纳入了董事之间的同侪评议（peer review）。

风险管理和内部管制是整体管理程序的其中一个重要部分，面对越来越波动的原料与包装材料价格，董事部设立了一个采购框架，以保护和管理集团的采购风险。

## 企业责任

花莎尼集团一直都了解我们对营业地区的环境与社区的责任。环保一直都是我们业务的一部分，我们已在业务运作里采纳许多节约用水与能源的措施。集团也致力于建立长期的永续价值，并利用其品牌为消费者与社区带来正面影响。

## 展望及前景

不明朗的欧洲经济预料将阻碍本区域的经济成长，原料价格波动预料将打击食品与饮料业的士气，同时马来西亚政府削减津贴的措施将提高原产品价格，预料将导致集团的关键市场的可支配收入受到影响。

无论如何，我们对马来西亚与泰国的业务保持谨慎的乐观，英达岛厂房的启动将有助于满足国内与区域需求。在泰国方面，我们将把重点放在洪水消退后的修复工作。

至于汽水业务，我们正在重组资源以面对不断变化的竞争格局以及生产量直接下调的情况。

集团将不断追求创新的销售和营销方式，并利用成熟的分销网络与市场地位，确保有效的成本控制，以及生产、运作和原料的管理。我们也将继续投资在人力资源、科技、系统和自动化方面，以便在新的财年保持与提升我们目前的表现。

## 鸣谢

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Asia Pacific

Breweries首席执行官，之后成为花莎尼有限公司的食品与饮料部首席执行官。许宝忠在2008年10月受委为花莎尼控股有限公司的董事。董事部要在这里向许宝忠致谢，感激他对花莎尼集团的贡献与出色服务。

潘斯加（Pascal de Petrini）将接任成为花莎尼有限公司食品与饮料部的掌舵人。潘斯加曾在许多领先的跨国公司服务，其中11年的时间都在亚洲，拥有丰富的国家与区域管理经验。我们热烈欢迎他加入花莎尼集团。

过去一年充满挑战，我要感谢董事部的真知灼见，在这段期间给予管理层的指导。当然，我们的股东对集团的持续成功也是至关重要的。我也要向我们的顾客与合作伙伴献上由衷的感激，感谢他们继续信任我们，并致力与我们合作。此外，感谢职员的专业、忠诚与付出，让我们的业务能持续成长，最后也要谢谢股东们不间断的支持。

谨此致意

TENGGU SYARIF BENDAHARA PERLIS SYED BADARUDIN  
JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL

主席

2011年11月30日

# Board Of Directors

## Y.A.M. TENGU SYARIF BENDAHARA PERLIS SYED BADARUDIN JAMALULLAIL IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL

*Malaysian, age 66*

*Chairman of the Board, Independent and non-executive director*

*Chairman of the Group Executive, Nominating, Remuneration and Share Buy Back Committees*

*Member of the Audit Committee*

Tengku Syed Badarudin Jamalullail graduated from Cambridge University in 1968 with a Master of Arts degree in Law & History. From 1968 to 1978, he was employed and held various executive positions in Fraser & Neave (Malaya) Sdn Bhd. Currently Tengku is involved in his family business and he is a Director of Hwang-DBS (Malaysia) Berhad / Hwang-DBS Investment Bank Berhad/Hwang DBS Investment Management Berhad. Tengku Syed is also a board member of Yayasan Tuanku Syed Putra, a charitable foundation and the President of Tuanku Syed Putra Dialysis Centre, Perlis.

Tengku Syed was appointed to the Board on 24 February 1987 and on 27 February 2001 was appointed its Chairman. During the financial year, he attended all the 7 scheduled meetings of the Board. 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.



## Y.BHG. TAN SRI DATO' DR LIN SEE YAN

*Malaysian, age 72*

*Independent and non-executive director*

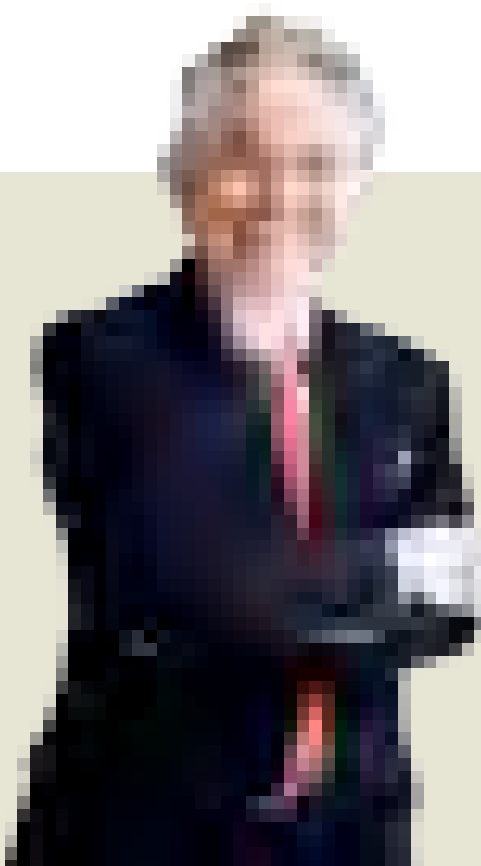
*Chairman of the Audit Committee*

*Member of the Group Executive and Nominating Committees*

Tan Sri Dato' Dr Lin is an independent strategy and finance consultant. Qualified as Malaysia's first Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received 3 degrees, including a PhD in economics). He is Professor of Economics (Adjunct) Universiti Utara Malaysia and Professor of International Finance & Business (Adjunct) Universiti Malaysia Sabah, as well as an Eisenhower Fellow. He is also a Chartered Scientist, London.

Prior to 1998, he was Chairman / President and CEO of Pacific Bank and for 14 years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. Dr Lin continues to serve the public interest; some current appointments include : member of the PM's Economic Action Council Working Group and a member of key Steering Committees at the Ministry of Higher Education' Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia; Member, Asian Shadow Financial Regulatory Committee; Governor, Asian Institute of Management, Manila; Director on the Board of Monash University Sunway Campus Malaysia; Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University; and President, Harvard Club of Malaysia. Tan Sri advises and sits on the boards of a number of publicly listed and private businesses in Malaysia, Singapore and Indonesia, including Chairman, Cabot (Malaysia) Sdn Bhd and is Director of Ancom Berhad, Genting Berhad, Wah Seong Corporation Bhd, Jobstreet Corporation Bhd, KrisAssets Holdings Bhd and Top Glove Corporation Bhd.

Tan Sri Lin was appointed to the Board on 12 March 1996. During the financial year, he attended all the 7 scheduled meetings of the Board. 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.



## MR PASCAL DE PETRINI

*French, age 51*

*Non-independent and non-executive director  
Member of the Group Executive, Nominating,  
Remuneration and Share Buy Back Committees*

Mr Pascal De Petrini graduated with a Master's degree from Mines De Nancy, France, in 1981 and a Master of Science in Management, ESSEC, France, in 1983.

Mr De Petrini has vast experience in Country and Regional General Management in leading MNC. He joined the Danone Group in 1984 and has worked in various capacities from Project Manager-Danone France to Supply Chain Director LU (Paris). In 1998, he became the first non-Asian to head Danone Biscuits China (Shanghai) as General Manager until 2002 where he assumed another position as General Manager-Themis ERP Project for 2 years. He moved on to be the General Manager of Danone Aqua (Jakarta) from 2004-2007. His last position with Danone was as the Vice President of Danone Baby Nutrition Asia Pacific (Singapore) from 2007-2011.

Mr De Petrini is currently the Chief Executive Officer, Food & Beverage of Fraser and Neave, Limited. He oversees the performance and growth of all of the Group's beer and non-beer food and beverage businesses.

Mr De Petrini was appointed to the Board on 10 October 2011. 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 except in his capacity as the Chief Executive Officer, Food & Beverage of Fraser and Neave, Limited, a major shareholder of the Company.



## MR ANTHONY CHEONG FOOK SENG

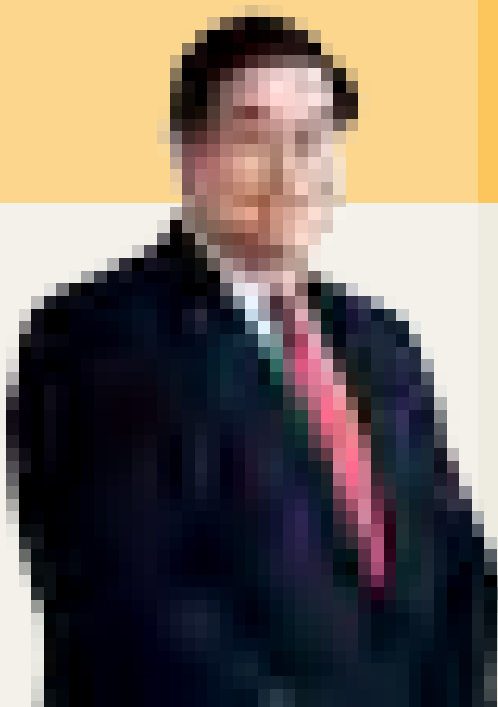
*Malaysian, age 57*

*Non-independent and non-executive director  
Member of the Group Executive and Audit Committees*

Mr Anthony Cheong is a member of the Institute of Chartered Accountants in England & Wales and the Institute of Certified Public Accountants in Singapore.

He has worked in the Audit & Corporate Advisory Services Division of Ernst & Young till 1989 when he joined CarnaudMetalbox Asia Ltd as Internal Audit Manager, later on assuming the position of Company Secretary. He joined the F&N Group in Times Publishing Ltd as Corporate General Manager (Group Finance) and Company Secretary in 2001. He was appointed the Group Company Secretary of the Fraser and Neave, Limited Group on 1 October 2002 and was a director from 1 February 2005 to 31 January 2008. He represents the F&N Group on the boards of a number of listed and unlisted subsidiaries.

Mr Anthony Cheong was appointed to the Board on 1 October 2002. During the financial year, he attended all the 7 scheduled meetings of the Board. Except for his position as the Group Company Secretary of Fraser and Neave, Limited, a major shareholder of the Company, 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.



# Board Of Directors

## MR HUANG HONG PENG

*Singaporean, age 52*

*Non-independent and non-executive director*

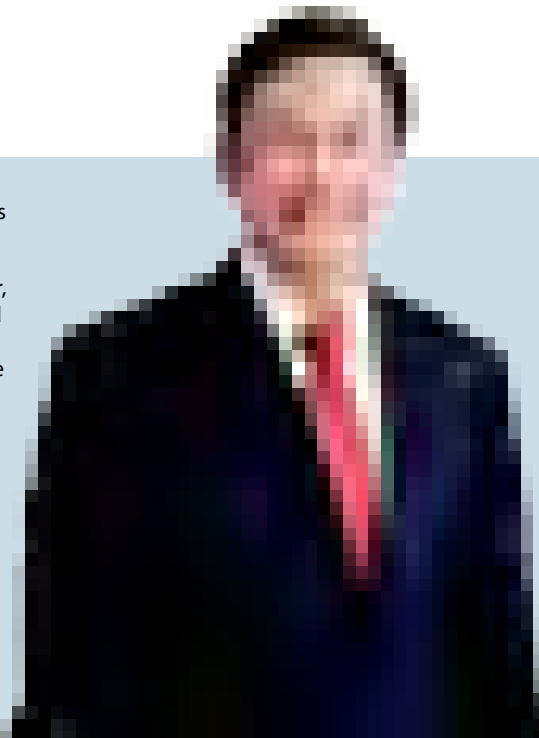
*Member of the Group Executive Committee*

Mr Huang Hong Peng is currently the Deputy Chief Executive Officer (Food & Beverage) of Fraser and Neave Group ("F&N Group"). He sits on the boards of F&N Group subsidiaries and associates.

Before his transfer to the F&N Group on 1 October 2008, he was the Regional Director, China/CEO's Office of Asia Pacific Breweries Limited ("APB"), a subsidiary of Fraser and Neave, Limited and was responsible for brewery operations of the APB Group in the People's Republic of China ("PRC") now consolidated under Heineken-APB (China) Pte Ltd. He joined the APB Group in November 1994 and has served in various positions in Myanmar and the PRC. He also sits on the boards of APB Group subsidiaries and associates.

Before joining the APB Group, Mr Huang was Assistant Director, Airport Management in the Civil Aviation Authority of Singapore and has a degree in Air Transport from the Ecole Nationale de l'Aviation Civile, Toulouse, France.

Mr Huang was appointed to the Board on 1 March 2009. During the financial year, he attended all the 7 scheduled meetings of the Board. 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 except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company.



## Y.BHG. DATO' ANWARRUDIN BIN AHAMAD OSMAN

*Malaysian, age 68*

*Independent and non-executive director*

*Member of the Group Executive and Audit Committees*

Dato' Anwarrudin Ahamad Osman graduated from the University of Malaya in 1966 with a Bachelor of Arts degree.

Upon graduation, he joined the Malaysian Civil Service in 1966 and served in the Ministry of Defence. In May 1975, he joined Petronas and served in various capacities until his retirement on 1 September 1998 as MD/CEO of Petronas Dagangan Berhad.

During the 23 years in Petronas, Dato' Anwarrudin held various senior positions. He was the General Manager of Corporate Planning Division in 1984, General Manager, Human Resources Management Division in 1985 before heading the International Marketing Division of Petronas responsible for sales of crude and products and processing of crude. He was a member of the Asean Council On Petroleum (ASCOPE) technical committee for several years and spoke at the ASCOPE oil marketing management seminars and local seminars on prospects of bumiputera in the marketing and distribution industry; represented Malaysia in the OPEC/NON-OPEC dialogues from 1989 -1991.

Currently, Dato' Anwarrudin holds directorship positions in KKB Engineering Bhd and in several non-listed companies. He is also Executive Vice-Chairman of Yasmin Engineering (M) Sdn Bhd.

Dato' Anwarrudin was appointed to the Board on 20 January 2005. During the financial year, he attended 6 out of the 7 scheduled meetings of the Board. 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.



## MR LEE KONG YIP

*Malaysian, age 67*

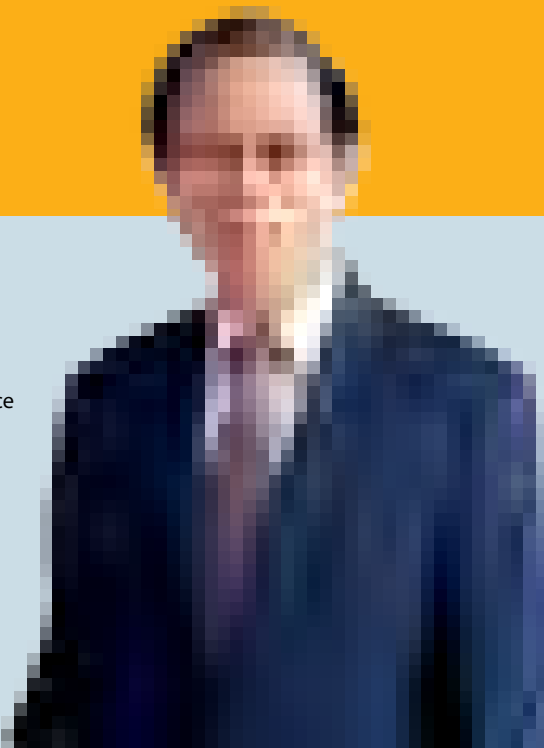
*Non-independent and non-executive director*

*Member of the Group Executive, Remuneration and Share Buy Back Committees*

Mr Lee Kong Yip graduated from the University of Malaya with a Bachelor in Economics (Hons) majoring in statistics in 1969. He completed the Executive Program in the Graduate School of Business Administration in the University of California Berkeley, USA in 1988.

From 1969 to 1994, he has held various executive positions in the Oversea-Chinese Banking Corporation Limited and its finance subsidiary, the Oversea-Chinese Finance Company Berhad. In 1995, he was appointed the Executive Vice President and director of the OCBC Bank (Malaysia) Berhad, a post he held until his retirement in April 2000. He is a director of Overseas Assurance Corporation (Malaysia) Berhad, Overseas Assurance Corporation (Holdings) Berhad, Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern Capital (Malaysia) Sdn Bhd and The Great Eastern General Insurance Company Sdn Bhd.

Mr Lee was appointed to the Board on 10 May 2000. During the financial year, he attended all the 7 scheduled meetings of the Board. 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 except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company.



## MR LESLIE OSWIN STRUYS

*Singaporean, age 74*

*Senior Independent and non-executive director*

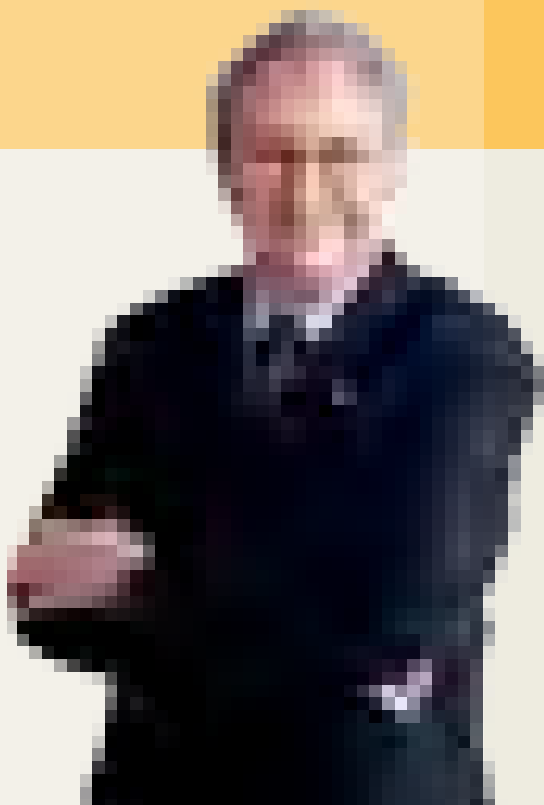
*Member of the Audit, Nominating, Remuneration and Share Buy Back Committees*

Mr Leslie Oswin Struys graduated from the University of Malaya in 1960 with a Bachelor of Arts degree in Economics.

He joined Fraser and Neave Limited in 1960 and in his career worked in numerous capacities in sales, marketing and production. He was based in various locations including KL and Ipoh and was the first Branch Manager of the new F&N bottling plant in Johor which was built in 1967. His last position was Product Manager in the soft drinks operations in Malaysia and Singapore in 1972. He was then transferred to Malaya Glass Berhad (which later became Fraser & Neave Holdings Bhd.) as its General Manager and held that position until his retirement in December 1997.

He was also a director of Malaya Glass Berhad from 1985 and later of Fraser & Neave Holdings Bhd. until December 1997. He is also a director of Leeden Ltd based in Singapore.

Mr Struys was re-appointed to the Board on 24 May 2001. During the financial year, he attended all the 7 scheduled meetings of the Board. 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.



# Board Of Directors

## Y.BHG. DATO' DR MOHD SHAHAR BIN SIDEK

*Malaysian, age 64*

*Non-independent and non-executive director*

Dato' Dr Mohd Shahar bin Sidek graduated from the University of Malaya with a Bachelor of Economics (Accounting) Hons in 1971. Upon graduation, he joined the Federal Treasury of Malaysia as Assistant Secretary. In 1980, he was transferred to INTAN as a lecturer where he completed his Masters in Economics (Public Administration) at the University of Malaya in the same year. He pursued his PhD in Public Finance at the Temple University, USA and completed it in 1989.

Upon completion of his doctorate in Finance, Dato' Dr Mohd Shahar joined the Penang State as its State Financial Officer in 1991 and held the position until 1994. He was promoted as the Director General of Biro Tata Negara in 1994. In 1997, he was posted to the Federal Treasury of Malaysia as Secretary for Supply and Procurement Division and was transferred to MAMPU as Deputy Director General in 1999. He was promoted as Director General of the Road Transport Department in the Ministry of Transport in 2000 until his retirement in April 2003.

Dato' Dr Mohd Shahar was appointed to the Board on 30 September 2003. During the financial year, he attended all the 7 scheduled meetings of the Board. 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 except that he is a nominee director of Permodalan Nasional Berhad, a major shareholder of the Company.



## Y.BHG. DATO' DR NIK NORZRUL THANI BIN NIK HASSAN THANI

*Malaysian, age 51*

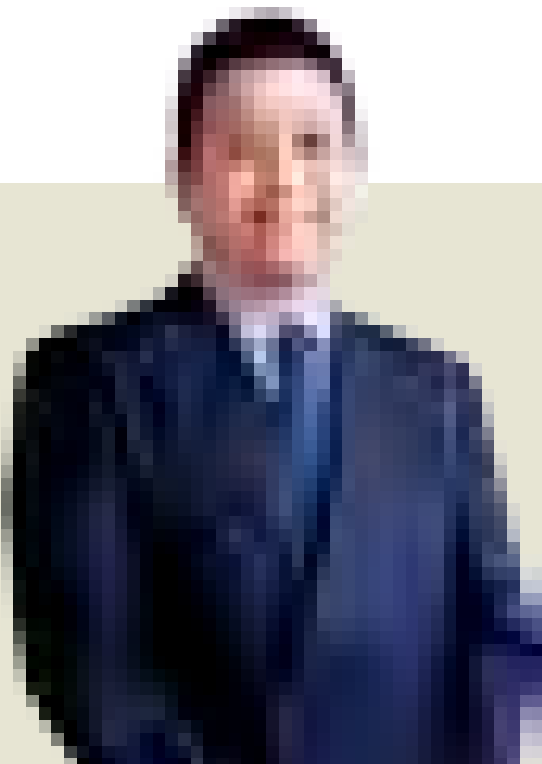
*Non-independent and non-executive director*

Dato' Dr Nik Norzrul Thani holds a Ph.D. in Law from the School of Oriental and African Studies (SOAS), University of London and a Masters in Law from Queen Mary College, University of London. He read law at the University of Buckingham, United Kingdom.

Dato' Dr Nik also holds a Post-Graduate Diploma in Syariah Law and Practice (with Distinction) from the International Islamic University of Malaysia. He is a Barrister of Lincoln's Inn and an Advocate & Solicitor of the High Court of Malaya. He was called to the Bar of England and Wales in 1985 and to the Malaysian Bar in 1986. He was a Visiting Fulbright Scholar, Harvard Law School in 1996 to 1997, and was formerly the Acting Dean/Deputy Dean of the Faculty of Laws, International Islamic University Malaysia.

Currently, Dato' Dr Nik Norzrul is a practising lawyer with Zaid Ibrahim & Co. Prior to joining Zaid Ibrahim & Co., Dato' Dr Nik was with Baker & McKenzie (International Lawyers), Singapore.

Dato' Dr Nik was appointed to the Board on 7 November 2006. During the financial year, he attended all the 7 scheduled meetings of the Board. 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 except that he is a nominee director of Permodalan Nasional Berhad, a major shareholder of the Company.



## Y.BHG. DATO' NG JUI SIA

*Singaporean, age 59*

*Executive Director*

*Chief Executive Officer of Fraser & Neave Holdings Bhd.*

Dato' Ng Jui Sia holds a Bachelor degree in Business Administration from the University of Singapore and is an Associate of the Institute of Chartered Accountants in England & Wales.

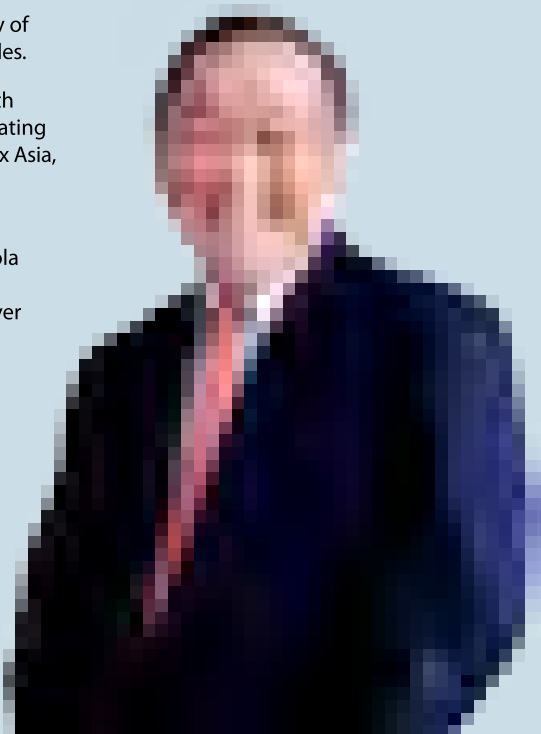
Dato' Ng spent his early years in accounting and auditing in London and Singapore with PriceWaterhouse, and has extensive general management experience since 1988 operating in Hong Kong, China, South Asia, Malaysia and Singapore. He was with Carnaud MetalBox Asia, an MNC headquartered in Singapore, managing the packaging start-up in Hong Kong and South China from 1989-1994.

Dato' Ng joined the F&N Group in 1995 and led the management team in F&N Coca-Cola Singapore in 1995-1999 in brand marketing, manufacturing, sales and distribution. He was responsible for a massive restructuring of the Malaysian soft drinks business over a 6-year period from 2000-2006. He was appointed CEO of F&N's Times Publishing Ltd in 2006 until 2010, an international portfolio of printing, publishing, distribution and book retailing over eight countries.

He was also a nominee director in Fung Choi Media Group Ltd, a China based company listed in the Singapore Stock Exchange and PMP Ltd, a company listed in the Australia Stock Exchange from November 2007 to August 2010.

Currently, Dato' Ng is the Chief Executive Officer of Fraser & Neave Holdings Group. He was appointed on 1 August 2010.

Dato' Ng was appointed to the Board on 19 January 2011. During the financial year, he attended all the scheduled meetings of the Board. 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.



## MR HUI CHOON KIT

*Singaporean, age 47*

*(Alternate director to Mr. Pascal De Petrini)*

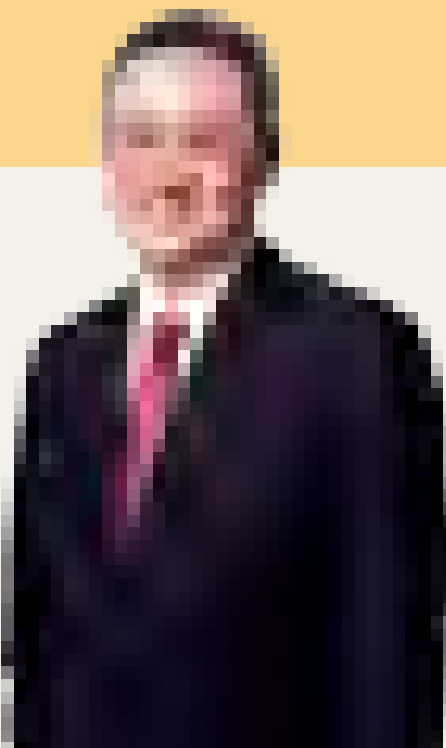
*Non-independent and non-executive director*

Mr Hui Choon Kit holds a Bachelor of Business degree from Curtin University, Australia and a Master of Business Administration degree from Nanyang Technology University, and is a member of the Institute of Certified Public Accountants of Singapore.

Mr Hui is currently the Group Financial Controller for the Fraser and Neave, Limited Group and is responsible for the Group's corporate finance, treasury, accounting, taxation, information technology and investor relations functions.

Mr Hui joined the F&N Group in February 2000 as Senior Manager, Business Development and has held a number of other positions. He is also a director of Frasers Property (China) Limited, a company listed on the Hong Kong Stock Exchange. Prior to joining the F&N Group, he worked as a corporate finance banker based in Singapore and Thailand, covering the Asia-Pacific region. Mr Hui commenced his career as an accountant and financial consultant with Ernst & Young.

Mr Hui was appointed as an alternate director to Mr Koh Poh Tiong on 10 March 2011, and subsequently as alternate to Mr Pascal De Petrini upon Mr Koh's resignation. 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 except that he is a nominee director of Fraser and Neave, Limited, a major shareholder of the Company.



*Note: None of the above directors have any disclosable offences as required under the Listing Requirements of Bursa Malaysia Securities Berhad.*

## BOARD OF DIRECTORS

### NON-EXECUTIVE DIRECTORS

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

*Chairman & Independent Director  
Chairman of the Group Executive, Nominating,  
Remuneration and Share Buy Back Committees  
Member of the Audit Committee*

**Y.Bhg. Tan Sri Dato' Dr Lin See Yan**

*Independent Director  
Chairman of the Audit Committee  
Member of the Group Executive and  
Nominating Committees*

**Mr Anthony Cheong Fook Seng**

*Member of the Group Executive and  
Audit Committees*

**Mr Pascal De Petrini**

*Member of the Group Executive, Nominating,  
Remuneration and Share Buy Back Committees*

**Mr Huang Hong Peng**

*Member of the Group Executive Committee*

**Y.Bhg. Dato' Anwarrudin bin  
Ahamad Osman**

*Independent Director  
Member of the Group Executive and Audit Committees*

**Mr Lee Kong Yip**

*Member of the Group Executive,  
Remuneration and Share Buy Back Committees*

**Mr Leslie Oswin Struys**

*Senior Independent Director  
Member of the Audit, Nominating, Remuneration and  
Share Buy Back Committees*

**Y.Bhg. Dato' Dr Mohd Shahar bin Sidek**

**Y.Bhg. Dato' Dr Nik Norzrul Thani  
bin Nik Hassan Thani**

**Mr Hui Choon Kit**

*Alternate Director to Pascal De Petrini*

### EXECUTIVE DIRECTOR

**Y.Bhg. Dato' Ng Jui Sia**

### COMPANY SECRETARIES

**Mr Joseph Tan Eng Guan**

*CA(M), MBA, (MIA 8834)*

**Ms Gan Mee Ling**

*LLB Hons (Malaya) (LS3160)*

### GROUP MANAGEMENT

**Y.Bhg. Dato' Ng Jui Sia**

*B.A (Admin) & ICAEW  
Chief Executive Officer*

**Mr Joseph Tan Eng Guan**

*CA(M), MBA  
Chief Financial Officer*

**Mr Jeffrey Bok**

*B. Sc (Hons.)  
Head, Group Human Resource*

**Ms Gan Mee Ling**

*LLB Hons. (Malaya)  
Group Company Secretarial Manager*

**Ms Tiah Oon Su**

*B. Econs(Accounting),  
LLB Monash University Australia  
Head, Group Legal*

**Mr Ong Kok Choon**

*MA (UK), FCMA (UK), CIA (USA)  
Group Internal Audit Manager*

**Mr Soh Swee Hock**

*MBA  
Manager, Group Corporate Services*

### BUSINESS UNIT SENIOR MANAGEMENT

#### Soft Drinks:

**Mr Khalid Alvi (joined on 7 Dec 2011)**

*B.Commerce & Economics and MBA- Karachi University  
Managing Director*

#### Dairies:

**Mr Tony Lee Cheow Fui**

*B.Com, CA (Aust.)  
Chief Operating Officer*

**Mr Tan Hock Beng**

*MICPA, CA (M)  
General Manager, Dairies Malaysia*

**Mr Somsak Chayapong**

*BSc (Chula),  
PED (IMD Business School, Lausanne)  
Country Head - Thailand & Indochina*

#### Property:

**Ir. Cheah Hong Chong**

*BSc (Hons), M. Phil (Cantab), MBA MIEM, P.E.  
General Manager*

### REGISTERED ADDRESS

Level 8, F&N Point  
No. 3 Jalan Metro Pudu 1  
Fraser Business Park,  
Off Jalan Yew  
55100 Kuala Lumpur  
Tel: 03-9235 2288 Fax: 03-9222 7878  
Email: cosec@fn.com.my

### SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Investor Services Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel: 03-2264 3883 Fax: 03-2282 1886

### AUDITORS

Ernst & Young, Kuala Lumpur

### PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad  
Deutsche Bank (Malaysia) Berhad  
Citibank Berhad

### STOCK EXCHANGE LISTING

Bursa Malaysia: Main Market Company  
Name & Code: F&N and 3689  
Stock Sector: Consumer Products

SOFT  
DRINKS

- 100% F&N Beverages Manufacturing Sdn Bhd
  - ↳ 100% Borneo Springs Sdn Bhd
- 100% F&N Beverages Marketing Sdn Bhd
  - ↳ 100% F&N Beverages (Thailand) Limited

DAIRIES  
MALAYSIA

- 100% F&N Dairies (Malaysia) Sdn Bhd
- 100% F&N Foods Sdn Bhd
- 100% Premier Milk (Malaya) Sdn Bhd
- 100% Arolys Singapore Pte Limited
- 100% Lion Share Management Limited
- 100% PML Dairies Sdn Bhd

DAIRIES  
THAILAND

- 100% F&N Dairies (Thailand) Limited

PROPERTY

- 100% Wimanis Sdn Bhd
- 100% Vacaron Company Sdn Bhd
- 100% Elsinburg Holdings Sdn Bhd
- 100% Greenclipper Corporation Sdn Bhd
- 100% Nuvak Company Sdn Bhd
- 100% Utas Mutiara Sdn Bhd
- 100% F&N Properties Sdn Bhd
- 100% Tropical League Sdn Bhd
- 100% Kuala Lumpur Glass Manufacturers Company Sdn Bhd
- 70% Lettricia Corporation Sdn Bhd

OTHERS

- 100% Fraser & Neave (Malaya) Sdn Bhd
- 100% Four Eights Sdn Bhd
- 100% F&N Capital Sdn Bhd

# Well-rooted to meet tomorrow's challenges

With a proven track record of rapid growth, we are well prepared to engage the changes in world markets head on.

# Business Review

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Property	046

# CEO's Message



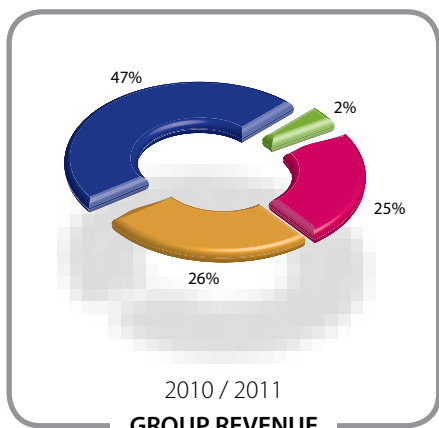
## DELIVERING SUSTAINABLE GROWTH BY INVESTING FOR THE FUTURE

As we sign off on our 11th consecutive year of success, the landscape in which we operate is continuously evolving and challenged. The maintenance of the health and success of our enterprise demands that we are able to spot the opportunities ahead of the competition and execute strategies that bring these efforts to fruition. Only then will we have a sustainable business model, sufficiently robust to adapt to the new realities of the marketplace.

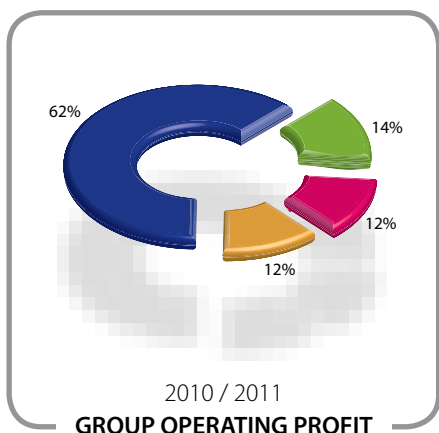
Fortunately, the F&N Group is endowed with DNA honed from our unrivalled 128 years of experience in the beverage business, and we march into a new dawn with confidence to implement the next leg of our transformational journey.

To consolidate and enhance our premier position in the business, we have had to reevaluate our work environment and engineer a paradigm shift in mindset and business processes throughout the organisation. This multidisciplinary and multidimensional approach encompasses brand building, research and development, and embracing new technology such as mobile consumer technology and social media to engage with customers and consumers. Initiatives were also laid

to extract synergies within the business units while continuing to enhance employees' learning skills. The sustainability of our human talents is imperative to our ability to develop and enhance our brand equity while meeting the changing aspirations and discerning tastes of customers for a wider range of wholesome product choices.



During the year under review, the soft drinks division established a new benchmark, creating an all-time sales record of 69.8 million cases while sustaining market leadership. The volume of F&N products alone sold in the period under review surpassed the total soft drinks volume achieved by the division in the FY07/08. Revenue was up 16 per cent to RM1.84 billion from RM1.59 billion last year while operating profit surged 41 per cent to RM274 million from RM194 million.



The commendable performance was a result of strong growth from the core brands comprising 100PLUS and SEASONS, while Red Bull continued to charge ahead with an impressive volume increase of 139 per cent. New products, including four new SEASONS tea variants launched in convenient 500ml PET bottles, also enhanced the sales performance of our differentiated products.

● Soft Drinks   
 ● Dairies Malaysia   
 ● Dairies Thailand   
 ● Property

100PLUS marked its official debut into new territory in southern Thailand and Brunei. In addition, the conclusion of the Coca-Cola franchise opened doors for potential exploration and expansion into other emerging markets of the world.

The numerous price increases to offset higher sugar costs as well as inflationary pressures dampened growth of Dairies Malaysia, which registered a lower volume for the year under review. This, coupled with the proliferation of lower-priced OEM brands, affected market competitiveness. Revenue dipped marginally to RM1.04 billion while an operating profit of RM53 million was entered. On a normalised basis, excluding Pulau Indah relocation costs and PJ building accelerated depreciation, an operating profit of RM60 million was recorded.

Progress of the new state-of-the-art Pulau Indah plant is on track and a seamless transition will be undertaken from the Petaling Jaya plant in the first half of the next financial year. While this move will increase operating costs in the short term, long term benefits of increased productivity are expected thereafter. Replicated from the blueprint of the Rojana plant, the Pulau Indah plant showcases the Group's initiatives to promote environmental sustainability. We have invested in cutting-edge green technology that minimises the company's carbon footprint via the incorporation of water, energy, solid waste and environmental conservation technology.

Once operations commence, the Group will be able to crystallise a deferred tax asset totalling approximately RM76 million in relation to the halal hub tax incentive. Efforts will also focus on expanding export opportunities in fast-growing emerging halal markets in the Middle East and Africa, thereby gaining visible presence outside the region.

Meanwhile, Dairies Thailand achieved a broad-based domestic volume growth of nine per cent while making greater inroads into Indochina, and recording a 40 per cent growth coupled with the appointment of a local distributor in Vietnam. Due to better pricing of sterilised milk and SBC, revenue grew 13 per cent to RM975 million while operating profit was RM54 million, including a provision of RM18 million for potential royalty underpayment of prior years. Excluding the provision, the normalised operating profit rose 12 per cent to RM72 million. This was due to higher operating efficiencies in the new Rojana plant and distribution centre facilities, which boosted profit margins.

The dairies plant at Rojana had to temporarily cease operations on 11 October 2011 due to the massive floods affecting Thailand. Production is expected to recommence approximately three to five months after floodwaters recede. In the interim, products from outsourced manufacturing locations will be shipped to mitigate disruptions to the marketplace. The floods also affected the workforce, with a third having suffered damage to their homes and personal belongings. The affected staff was provided temporary housing and company loans while a flood relief fund was set up to provide financial assistance.

On the property front, the sale of the college building in Fraser Business Park II and disposal of the Group's wholly owned subsidiary, Brampton Holdings Sdn Bhd, netted a profit of RM50 million. The sale of the old glass factory land in Petaling Jaya contributed an additional gain of RM10 million.

On 11 November, the Group entered into a conditional subscription-cum-shareholders agreement with FCL Centrepoint Pte Ltd, a subsidiary of Fraser and Neave Limited, to jointly redevelop the 12.7 acre Dairies Malaysia's plant site in Petaling Jaya. The proposed mix development with residential, retail, office and hospitality properties will be undertaken in phases and is expected to contribute positively to the Group in the future.

The investment in Cocoaland Holdings Bhd has enabled the Group to explore cross product marketing synergies and contract manufacturing of hot filled PET products.

## THE YEAR AHEAD

As expected, the soft drinks division will see an immediate fall in sales volume in the new financial year with the absence of the Coca-Cola brand in its product portfolio. In anticipation of this, the division has over the last few years focused on deepening and widening its product portfolio while building brand loyalty by strengthening its 360-degree approach in establishing more touch points with customers and consumers.

We will continue to roll out products that embrace F&N's core values of "Pure Enjoyment, Pure Goodness" and address the dynamic and evolving needs of consumers' health awareness and changing lifestyle. Besides having a broader product line, our extensive distribution network and infrastructure will enable us to take on complementary products that will further strengthen our market position. The introduction of new products has begun with the unveiling of an enhanced soda brand, Zesta, followed by Clearly Citrus in the lemon lime segment. Others will follow in due course. The additional markets of southern Thailand and Brunei will also contribute to the division's overall volume.

The continuation of the selective sugar subsidy by the authorities does not augur well for Dairies Malaysia as we have to operate in an environment of intense price competition. However, a brand repositioning strategy will be implemented to create value for consumers and differentiate F&N brands from the competition. In Thailand, the five billion baht all-risk insurance policy will mitigate business interruption until the plant is operationally ready while management is actively executing recovery actions in the marketplaces of Thailand and Indochina.

To create a sustainable operating environment, a consultant has been appointed to develop a strategic roadmap for F&N to integrate sustainability as part of the business, develop KPIs, enhance communication and responsiveness to stakeholder expectations as well as promote integrity and quality of products. This process is expected to take six months and will involve the engagement of various stakeholders such as suppliers, distributors, consumers and employees.

Cognisant of the current global economic and financial uncertainties, the Group's operations will be sensitive to the volatility in global commodity and fuel prices and the prospects of further subsidy reduction by the Government. Notwithstanding this, we are confident that the Group's sustained effort and past investments to strengthen distribution and brand equity, broaden product range and improve operating efficiency will alleviate the negative impact in the longer term. In this respect, the Group will forge ahead with its efforts to extract economies of scale from its operations to mitigate and minimise the impact of the higher input costs.

Yours sincerely

**Dato' Ng Jui Sia**  
Chief Executive Officer

30 November 2011

# Soft Drinks

## OVERVIEW

The Soft Drinks division continued to post strong double-digit growth in revenue and profit despite rising costs, in particular sugar and aluminum prices which spiked significantly over last year. Profit growth outpaced revenue growth on higher volume, favourable product mix and improved operational efficiency. The robust performance was mainly driven by F&N branded products especially 100PLUS and SEASONS. 100PLUS, a leading isotonic drink in Malaysia, recorded 10 per cent volume growth. SEASONS, the Asian drink and Tea brand, returned a strong 14 per cent volume growth on new flavours and well-executed marketing.

It was a momentous occasion for the division as its soft drinks manufacturing facility in Shah Alam was awarded the ISO 14001 certification during the period under review. In Kuching, F&N Beverages Manufacturing managed to attain its target of one million accident-free man hours during the same time frame. The division also accelerated its expansion plans with the setting up of a PET (polyethylene terephthalate) plant in Kota Kinabalu, East Malaysia.

