Corporate Structure

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%	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
	50%	Vacaron Company Sdn Bhd
OTHERS	100%	Fraser & Neave (Malaya) Sdn Bhd
	100%	Four Eights Sdn Bhd
	100%	F&N Capital Sdn Bhd

Glass blowing is a complex and intricate process. Mastery of glass blowing requires years of experience and is only perfected by master blowers who fully understand the nature of glass, its characteristics and know-how to transform it into different shapes for varied purposes. In the same manner, we manage our different businesses with key insights into our markets and careful analyses to meet the varied needs and demands of our consumers.

BUSINESS REVIEW

In spite of these challenges, the Group's revenue and operating profit only slipped 4 per cent and 19 per cent respectively relative to the absent Coca-Cola business contribution in the previous year to register RM3.24 billion in revenue and operating profit of RM231 million.

RESILIENT AND CREDIBLE PERFORMANCE IN THE FACE OF CHALLENGES

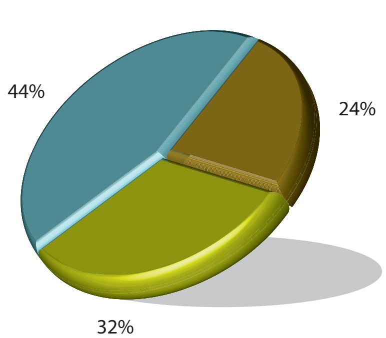
A multitude of challenges, climatic as well as intense changes in the business landscape provided the Group with one of the most challenging years in its 129-year history, to continue to deliver a creditable set of results, which stakeholders have grown accustomed to.

Our transformational journey to delivering credible, positive and sustainable business growth continued unimpeded despite a 200-day cessation of manufacturing activities due to floodwaters at our RM250 million greenfield dairies plant in Thailand; the RM544 million fall in revenue from the absence of Coca-Cola business and the absorption of costs from the shifting of Dairies Malaysia's manufacturing operations from Petaling Jaya to Pulau Indah.

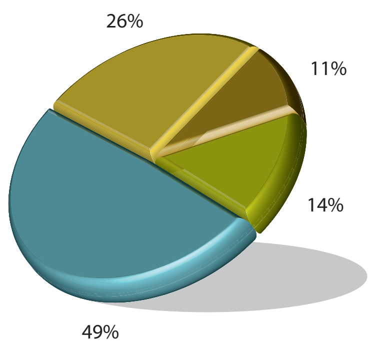
In spite of these challenges, the Group's revenue and operating profit only slipped 4 per cent and 19 per cent respectively relative to the absent Coca-Cola business contribution in the previous year to register RM3.24 billion in revenue and operating profit of RM231 million.

Revenue inclusive of the Coca-Cola revenue in the previous financial year was 17.3 per cent down from RM3.9 billion while operating profit slipped 49.5 per cent from RM458 million.

The results are in line with our expectations and achieved on the back of strategic plans that leveraged our core strengths - brands and products, distribution network and facilities to project the Group on a growth trajectory in the near to medium term.



GROUP REVENUE



GROUP OPERATING PROFIT

Soft Drinks | Dairies Malaysia | Dairies Thailand | Property

Our Brands

Our brands continue to be omnipresent in the lives of our consumers; a position further validated as F&N took top spot in the Food & Beverage category in the *2012 Malaysia's Most Valuable Brands* awards.

The soft drinks division maintained its focus by vigorously defending its leading positions despite the emergence of a partner turned competitor. As a result of its relentless focus on brand building and marketing campaigns, volume growth was achieved across its portfolio.

Our core soft drinks brands led by 100PLUS continued to lead the overall total soft drinks category with volume expanding 12 per cent to 57.3 million cases from 51.2 million cases the year before while revenue surged 10 per cent on the non-Coca-Cola business from RM1.30 billion to RM 1.43 billion with an additional sales boost coming from Brunei and contract packing for its related company in Singapore. Operating profit was also up 12 per cent to RM113 million from RM100 million last year.

Continuing strong performances from F&N SEASONS brand in the Asian Soft Drinks category and Red Bull in the energy drinks category powered our growth in these categories. Credible performance by F&N Clearly Citrus, our new entrant in the lemon lime segment saw the brand register a small yet significant stake in the sparkling soft drinks category.

Dairies Malaysia posted a marginal revenue improvement of RM1.04 billion from RM1.03 billion amidst a challenging environment of intense price competition and plant relocation to Pulau Indah. Domestic sales stabilised while exports were higher arising from manufacturing for Dairies Thailand during the flood period.

Operating profit declined 37.6 per cent to RM33.2 million from RM53.2 million in the period under review due to one-off relocation costs and accelerated depreciation of the Section 13 plant. Exports helped ease the decline.

The 200-day cessation of manufacturing at Dairies Thailand saw volume contract 22 per cent while revenue fell 21 per cent from RM975 million to RM771 million. In spite of the plant shutdown, Dairies Thailand delivered 79 per cent of the full year revenue compared with the previous year, due to strong market activation and products imported from associates outside Thailand.

Dairies Thailand's manufacturing is now in full swing and our ability to turnaround ahead of our competitors has not only created a new playing field but also provided the Group with distinct gains in certain categories of the business.

Our Reach

A key and distinct differentiator for the Group is our ability to rapidly deploy an unparalleled nationwide distribution system to ensure the pervasiveness of our brands and products in marketplaces and townships in every nook and cranny within Malaysia's 329,750 sq km land area.

Our enduring partnership with a strong network of distributors ensures seamless flow of deliveries, stocks and inventories to our combined operation and service of 90,000 outlets across Malaysia. Our success is reflected in the success of our partners and as we continue to grow the business, we will ensure our partners are mutually equipped and poised to grow in tandem with the Group.

Our Capability

Dairies Malaysia transitioned smoothly to the state-of-the-art plant at Pulau Indah, ending 52 years of production in Section13, Petaling Jaya. In spite of running only three lines compared with the five at the old plant, the Pulau Indah plant's technical and manufacturing capacity is leveraged to roll out higher value-added products for the condensed and evaporated milk category with up to 20 percent additional capacity.

Dairies Thailand's swift recovery received accolades from the Thai Board of Investment. A flood protection system costing Baht 68 million is now in place at our Rojana plant while the Rojana Industrial Park authorities have installed a 80km flood barrier around the perimeter of the industrial estate. This experience has also enabled our personnel to build early flood warning intelligence capabilities to facilitate rapid deployment to mitigate and safeguard the plant against such calamities in the future.

During the reconstruction of its Rojana facilities, Dairies Thailand has also embarked on various initiatives that resulted in lowered carbon footprint with higher recycling and regeneration process flow along with improved operational efficiencies.

While there is sufficient capacity for the immediate term, we continue to explore investment in new plant expansion programs in the mid to longer term.

Our People

The oft-repeated phrase that "people make an organisation" cannot be better illustrated than by our Thai counterparts, especially the indomitable spirit and positive attitude they demonstrated in the face of crisis.

I salute and deeply appreciate the efforts of our Thai colleagues in ensuring the safety, rehabilitation and recovery of our Rojana plant in the face of such a major calamity in their personal as well as professional lives. They are indeed living examples of the resilient spirit and esprit de corps embodied in our Group's core values.

Developing talents and succession planning are emphasised in our organisation and this year, the Group invested over 10,000 man-hours and about RM1.7 million in training and development.

Recognising the importance of diversity in cultivating agility and creativity in the workplace, knowledge sharing initiatives across the organisation have begun with inter-placements of key senior managers in the soft drinks and dairies division. Traditional hierarchy barriers are broken down with the introduction of an enterprise social network that promotes employee interaction and collaboration on a social platform. We look forward to such cross-fertilisation of talents contributing to the skills of our human capital.

GREATER OPPORTUNITIES AHEAD

We anticipate our business landscape will be even more competitive while consumers will become more sophisticated and discerning.

The future success of the Group will be determined by our ability to meet the varied demands of our consumers for a broader portfolio of functional as well as nourishing and refreshing beverages and products in tandem with our "Pure Enjoyment, Pure Goodness" platform. We will continue to keep our ear to the ground to keep abreast of trends while enabling loyal consumers to communicate and engage with us via strategic touchpoints and digital platforms.

New products introduced at the beginning of the next financial year include 100PLUS Edge and myCola while F&N High Calcium Sweetened Creamer will enhance our condensed milk portfolio.

The residential and commercial property sectors await the unveiling of the phased development of our Section 13 project, which has a projected total gross development value of RM1.6 billion. The first phase, a residential development will be launched in mid 2013.

On the domestic front, spending should remain positive owing to stable labour market conditions and the 2013 Government Budget initiatives. The business will however, continue to be challenged by global financial uncertainties affecting currencies and economic growth. On the upside, the prices of key raw materials have been on a descending trend, and we have taken advantage of this by locking in key materials in the mid-term.

We recognise that our daily presence in the lives of millions of people gives us a unique opportunity to engage with a multitude of stakeholders and be a force for good. In developing our sustainability roadmap, we have identified priority areas encompassing the marketplace, environment, workplace and community based on extensive engagement with both external and internal stakeholders.

Our continuous success hinges on our enduring partnerships with customers, suppliers and investors in generating sustainable performance harmoniously with the wellbeing of communities and the environment to meet consumers' present and future expectations.

The game changer for our business is our ability to leverage the core strengths of our 129-year enterprise, namely our vision, acute business acumen, resources and experience which distinguishes the Group in delivering sustainable performance and growth.

Yours sincerely,

Dato' Ng Jui Sia
Chief Executive Officer

30 November 2012

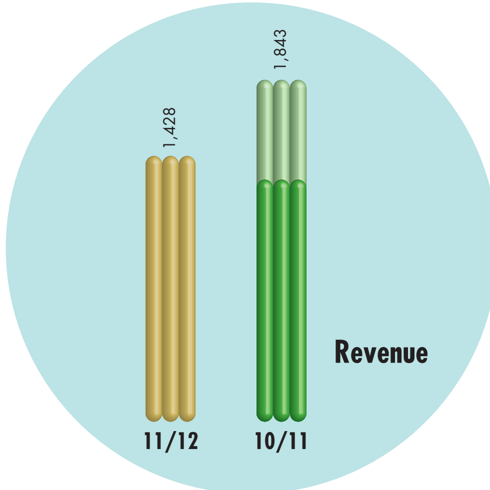
Soft Drinks

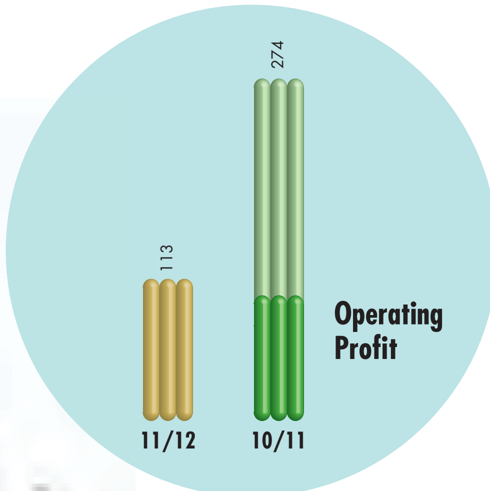
Overview

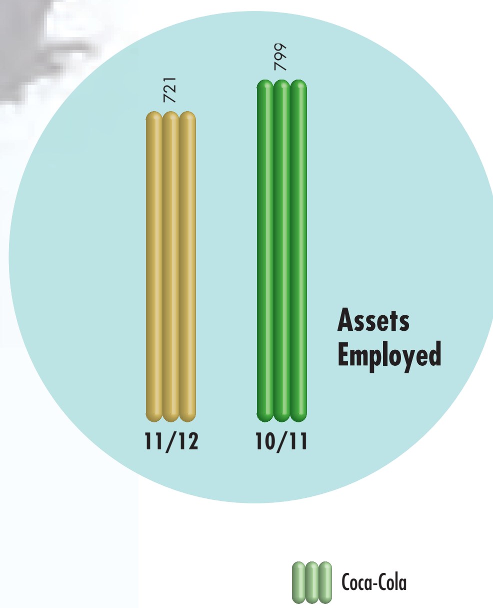
The soft drinks landscape witnessed a major paradigm shift in the year under review; it transformed into a highly competitive environment, following the entry of a former partner turned competitor and intensified the battle for larger share of throat of the RM5.3 billion ready-to-drink market.

The division went back to basics; re-energising the marketplace by improving touch points to enhance product availability, cold equipment services, merchandising intensity, depth of inventory and selling space.

Despite the challenges, the strength of generational relationships built over 129 years helped volume and revenue grow by 12 per cent and 10 per cent respectively. A year after the separation with Coca-Cola, the division has grown ahead of the market with volume growth in almost all categories.







CONSUMER FAVOURITES

100PLUS

100PLUS continued to be a mainstay at all major sporting events as the preferred isotonic beverage, benefiting from the support of sports enthusiasts while championing various sports-related community activities in line with the brand philosophy to advance a healthy and active lifestyle. Some of the major sponsorship engagements were the Ministry of Education's 100PLUS Super Cup U17 and U14 Football League, the Sukan Malaysia program, the Malaysian Open Super Series Badminton event and Football Association of Malaysia M-League. The choice of many sports personalities, 100PLUS extended its close association with sports via the appointment of national athletes as brand ambassadors.

Malaysians from all walks of life rallied to support the national contingent to the London Olympics in the 100PLUS *Road to London Campaign*. The two-month campaign consisted of activities such as *Cheer your Way to London Digital Contest* and *Road to London Consumer Contest*. In conjunction with the campaign, national celebrity athletes including Datuk Lee Chong Wei, Pandalela Rinong, Khairul Fahmi Che Mat and Safee Sali were signed on as 100PLUS ambassadors.

Senator Gan Ping Sieu, Youth and Sports Deputy Minister launches the "Jejak Ke London" series

The 100PLUS *Infinity Challenge Contest* treated contestants to a unique and enjoyable augmented reality online gaming experience as the first ever beverage brand to promote the use of webcams and QR codes on 100PLUS 500ml bottles to enable game play, with RM20,000 worth of prizes to be won.

F&N Fun Flavours

F&N Clearly Citrus was introduced in November 2011 to complement the current exciting flavoured soft drinks line up. Combining the zestiness of lemon and tanginess of lime, F&N Clearly Citrus presents consumers with a light and refreshing thirst-quencher. Major towns across Malaysia were invaded by F&N Clearly Citrus agents in bright yellow and green outfits, displaying the refreshing sight of lemons and limes as part of F&N's *"Fikir Fresh with F&N Clearly Citrus"* campaign.

The *F&N Relaunch – Fresh & New Interactive Experience* broke new ground as F&N moved into a new direction of consumer engagement with the merging of live digital media with traditional media. The fun *Fresh & New Bubble Blaster App* was played over 100,000 times by consumers who participated in the contests. As part of the Fresh & New campaign, a new look which better embodies the youthful and dynamic nature of the brand was designed for its range of drinks.

F&N Fruit Tree

A two-month mobile roadshow beginning in January 2012 succeeded in spreading the delicious goodness of Fruit Tree to some 180,000 Malaysians across Klang Valley, Ipoh, Penang, Melaka, Johor Bahru, Kelantan and Kuantan. Aside from sampling the delicious F&N Fruit Tree flavours, consumers were also offered a special promotion price for the 1.5L and 350ml size PET (polyethylene terephthalate) bottles and a chance to enter a Lucky Spin contest and win attractive prizes.

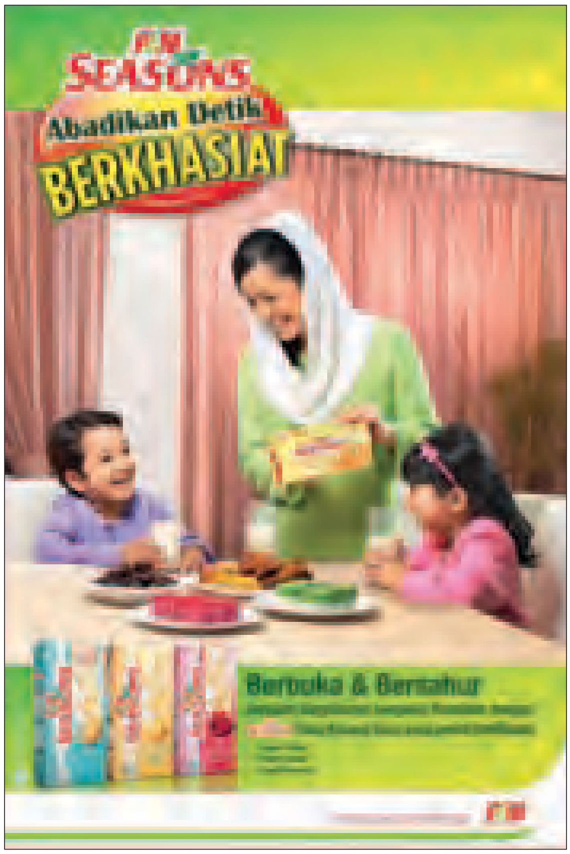
The "Malaysia Feels the Fruit" campaign

F&N SEASONS

F&N SEASONS range of teas continued to lead the market while the Asian Soft Drinks range maintained its strong position with double digit growth. To highlight the cooling properties of F&N SEASONS range, the *Stay Cool* with F&N SEASONS campaign encouraged consumers to "Share the healthy goodness with your friends". Leveraging its close association to the Chinese New Year celebrations, F&N SEASONS *Usher in the Dragon 2012* campaign promoted consumer creativity with a photo contest and customised online greeting cards through the F&N SEASONS Facebook page.

The introduction of F&N SEASONS Ice Lemon Tea in 1.5L PET extended the 'Chillax' moments for consumers who prefer larger packaging, to kick back and chill and relax at home.

F&N SEASONS Soya was promoted as a refreshing and tasty energy boost during the Ramadan month. The F&N SEASONS *Soya Moment* campaign was supported by strong above and below the line activities to accompany the aggressive sales effort during the period from Ramadan to Hari Raya festivities.



Red Bull

Red Bull continued to excite and invigorate consumers through various campaigns that championed an active lifestyle. This includes the *Red Bull Monkey Run 2012* held amongst university students across universities in Malaysia, Singapore and Brunei and the chance to participate in the *2nd* Tri-Nations Cup in 2013 via the *Red Bull Futsal 5.* Leading the energy category with more than half the market share, Red Bull continued the uptrend with a strong double digit volume growth.

Red Bull Monkey Run 2012

F&N Ice Mountain

Subsequent to the launch campaign carried out in the previous financial year, F&N Ice Mountain has stamped its mark on consumers, registering double digit volume growth. Channel development campaigns such as activation of innovative racks and block displays contributed to this growth.

PERVASIVE AVAILABILITY

The division's trade partners, who make up a crucial component of the business, helped manage an estimated 90,000 outlets nationwide. Apart from doubling investments in the installation of coolers, the F&N *Partner Rewards* program was enhanced with emphasis on strengthening partner relationship. Partner loyalty reflects the division's commitment in helping them transform alongside F&N while establishing greater equity and pride in being a F&N distributor.

With an established and demographically-organised distribution network across the country, the division is able to seamlessly position products in the marketplace and effectively gain insight into trends relating to on-ground market activities.

Employees across the Group execute in-outlet merchandising and increase brand presence for F&N

Information technology was a major enabler in advancing product and cooler penetration. The RM3.4 million investment in 3G-enabled hand held computers facilitated the provision of real time data and intelligence that helped the division respond faster to the market.

The division harnessed the strength of employees from across the Group to transform and re-energise the market in a four-day merchandising blitz. Over 600 employees across the Group covered 2800 outlets in Peninsular Malaysia to execute in-outlet merchandising thereby increasing F&N brand presence.

The efforts to date have proven fruitful. According to Nielsen, F&N products are available in 90 per cent of the outlets nationwide making F&N brands the most pervasive among FMCG products distributed in the country.

BUILDING FOR THE FUTURE

As part of a five-year manufacturing master plan, the division is examining various options to avail itself to sufficient capacity in anticipation of the growing market demand for PET products; these include upgrading or expanding current plants and capital expenditure to build greenfield facilities.

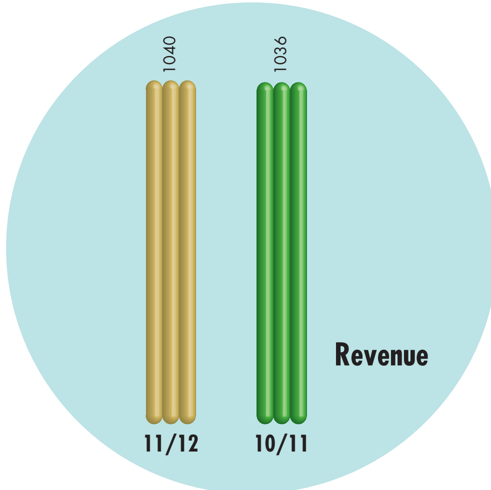
OUTLOOK

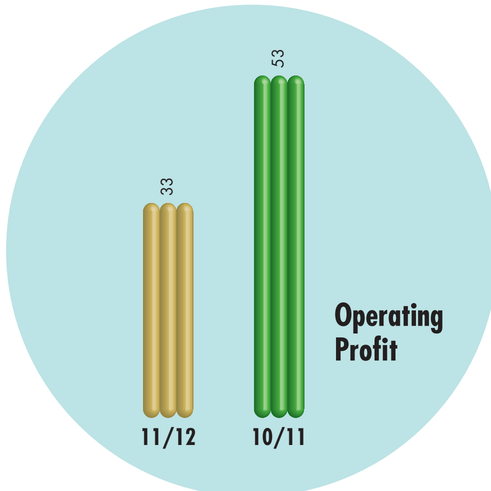
Moving forward, the division will continue to leverage on core strengths and increase efforts to extend market reach and accelerate growth amidst an increasingly competitive landscape in the beverage industry.

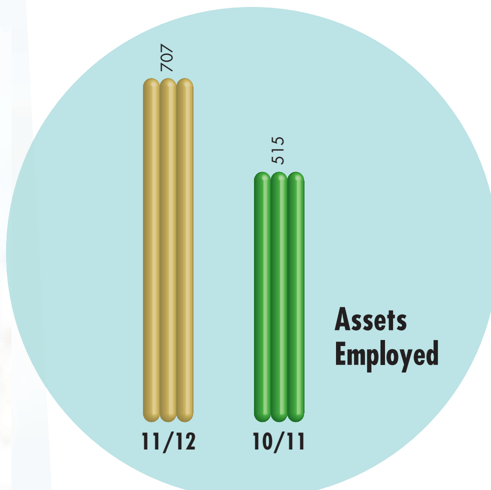
The launch of new products such as myCola and 100PLUS Edge will play a strategic role to sizzle up the market and complement the existing soft drinks portfolio that now comprises the broadest range of flavoured soft drinks, with representation in the cola and lemon-lime segments.

The rise in health awareness also provides an opportunity to develop and extend the health and wellness proposition of the division's Asian soft drinks and tea range.

Dairies Malaysia







Overview

A smooth transition of the manufacturing plant to the Selangor Halal Hub in Pulau Indah and brand repositioning were among Dairies Malaysia's key focus this year. The return of a level playing field following the removal of sugar subsidies for select manufacturers also means that Dairies Malaysia is poised to hit the market with full steam ahead.

On the back of stabilised domestic sales and enhanced exports, Dairies Malaysia concluded the year with a marginal 0.4 per cent increase in revenue to RM1.04 billion. Operating profit slid 37.6 per cent to RM33.2 million compared to the previous year due to one-off relocation costs to Pulau Indah and accelerated depreciation of the plant in Section 13, Petaling Jaya.

After 52 years, the division bid farewell to its Petaling Jaya plant as the manufacturing facility relocated to the Selangor Halal Hub in Pulau Indah, making way for the Section 13 property development project.

During the year, a brand positioning review of the division's product portfolio unveiled a definitive strategy that strengthened F&N's brand differentiation to cater for the premium, mid-priced and value segments of the market.

CONSUMER FAVOURITES

Canned Milk

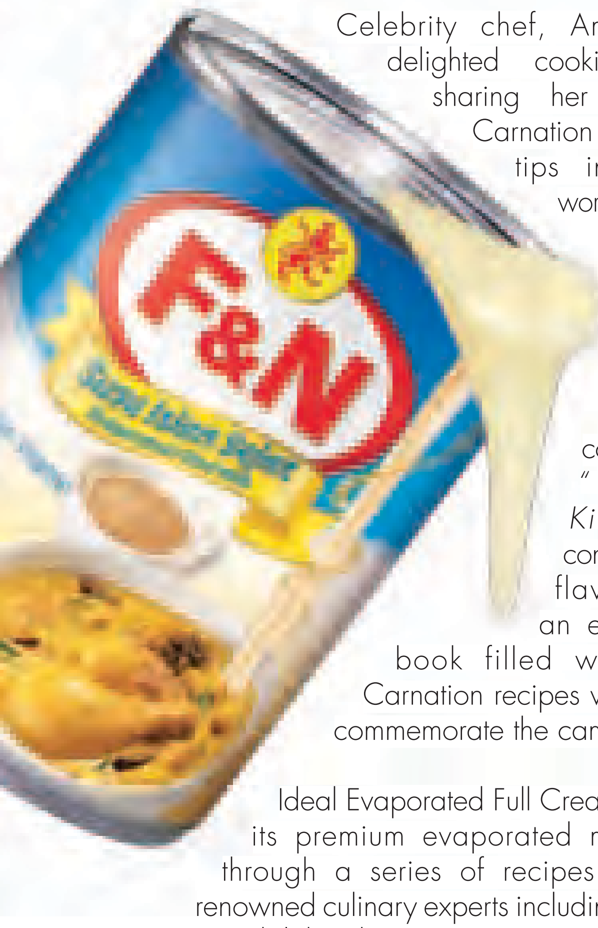
F&N continues to reinforce its position as the undisputed leader in the Condensed and Evaporated Milk market with more than half of the total market share in both categories through various initiatives and exciting consumer offers.

In *F&N Buka & Menang* contest, consumers simply had to purchase F&N Sweetened Creamers and check the lid to see if they were one of 10,000 instant cash reward winners. A total of RM250,000 was up for grabs. Thanks to the complementing Teh Tarik Ori sampling activities, consumers were popping open F&N Sweetened Creamer cans all across Malaysia to get a share of the bounty.

TEA POT emerged with a refreshing new look for 2012 and a KFC tie-in redemption campaign in May 2012 while consumers enjoyed instant savings of 65 sen for each can purchased during the *TEA POT Jimat* campaign.

Cap Junjung continued to be a part of the Harvest Festival celebrations for consumers in East Malaysia. In conjunction with the festival, a KFC treat awaited consumers who redeemed meal vouchers with Cap Junjung labels in May and June. Some 25 outlets in East Malaysia were also 'dressed for success' through the F&N Evaporated Signage Branding program.

F&N has always been synonymous with festivities. When it comes to preparing great-tasting festive delicacies, F&N Evaporated Creamer remains the preferred choice. Hence, the division ensured F&N Evaporated Creamer was highly visible and readily available at major retail outlets during the Deepavali and Hari Raya Qurban festivities. From July to August 2012, the F&N Evaporated Creamer Ramadan campaign rewarded consumers with savings of 40 sen per can.



Celebrity chef, Amy Beh again delighted cooking enthusiasts, sharing her mouth-watering Carnation recipes and tips in nine culinary workshops across major cities of Kuala Lumpur, Penang and Johor Bharu. The successful cooking workshop *"Carnation Kitchen Secrets"* continued with extra flavour this year; an exclusive recipe book filled with delectable Carnation recipes was published to commemorate the campaign.

Ideal Evaporated Full Cream Milk heralded its premium evaporated milk credentials through a series of recipes developed by renowned culinary experts including celebrity chef, Anis Nabilah. These recipes were shared through selected media outlets in September 2012.

"Carnation Kitchen Secrets" with celebrity chef, Amy Beh

A staple in Malaysian homes for all occasions, F&N's decades-old position was reinforced through *"Ideal Celebrations' Her World Cookbook"* and three corresponding cooking workshops which celebrated life's meaningful moments such as bridal showers, children's parties and wedding anniversaries with 15 recipes that were specially developed based on party themes.

Treasured Moments With F&N Teh Tarik

F&N's close affiliation with Malaysian consumer favourite, the iconic *teh tarik* is reflected in its market leadership and brand affinity embodied by F&N Sweetened Creamers.

Based on the favorite expression 'nothing like a good cup of *teh tarik* to get the conversation going', a platform was created with the innovative use of social media to foster the sharing of daily treasured moments with family and friends while enjoying Malaysia's much loved beverage.

"F&N Buka & Menang" contest

The interactive platform that leveraged web-based and mobile technologies resonated with consumers while *F&N Jom TTS (Teh Tarik Session)* via Facebook and *Teh Tarik Finder & Scheduler Apps* also received industry accolades at the 6th Malaysian Media Awards for *Best Use of Digital Marketing and Best Use of Social Media.*

In order to ensure consumers continued to enjoy treasured taste moments with their *teh tarik*, F&N Institut Teh Tarik (ITT) was established to institutionalise and set the standard for the perfect glass of *teh tarik* while profiling F&N Sweetened Creamer as the highest authority on this beverage.

Through F&N ITT, selected restaurants were appointed F&N ambassadors in recognition of their commitment to serve rich, creamy, frothy *teh tarik* made with F&N canned milk and also good tasting food offered in a comfortable ambience for family and friends to converge.

To date, some 200 outlets around the country have been recognised as F&N ITT outlets. To distinguish these outlets as the official purveyors of the best *teh tarik* in Malaysia, F&N gave them a makeover with eye-catching wall murals, exclusive aprons and high quality *teh tarik* glass mugs.

Liquid Milk & Juice

Sampling activations to drive trial and purchase of ready-to-drink products garnered very good response from consumers contributing to volume growth for Farmhouse and Magnolia Pasteurised Milk. Sunkist sampling program at high traffic supermarkets effectively increased sales of Sunkist's premium range by 20 per cent.

Magnolia Sterilised Milk campaigns were also activated during Thaipusam and Deepavali to heighten visibility and promote availability of products during these two high consumption festivities.

PERVASIVE AVAILABILITY

The division is now in full control of its total product portfolio's route-to-market after integrating the distribution of Nestle's brands such as Cap Junjung, Ideal and Carnation.

Continuous reviews are carried out to eliminate duplication and boost coverage, enabling more efficient reach of all trade channels and outlets nationwide. Efforts were also focused on a new nation-wide distributor management system to streamline processes and ensure timely flow of up-to-the minute information, with initial execution in the northern region.

MANUFACTURING EXCELLENCE

Dairies Malaysia now operates the most advanced technologies in canned milk production with the move of its manufacturing facility to the Selangor Halal Hub in Pulau Indah. Immediate benefits of the new plant include the introduction of a new nitrogen filling process, improved controls on viscosity of products and even better hygiene and quality processes all round.

The half-tray packaging capability available at the plant also ensures greater visibility of finished product and promotes better handling while reducing the use of packaging material. The plant utilises an automated storage and retrieval system (ASRS) that amongst other things enables better inventory control and tracking, increased workplace safety and most significantly, produce major savings in inventory storage costs by creating greater storage density.

Commissioned in November 2011, the Pulau Indah plant is accredited with ISO 9001:2008, ISO22000:2005, HACCP Codex and MS 1480 certification to validate its high standards of manufacturing and food safety.

WHAT LIES AHEAD

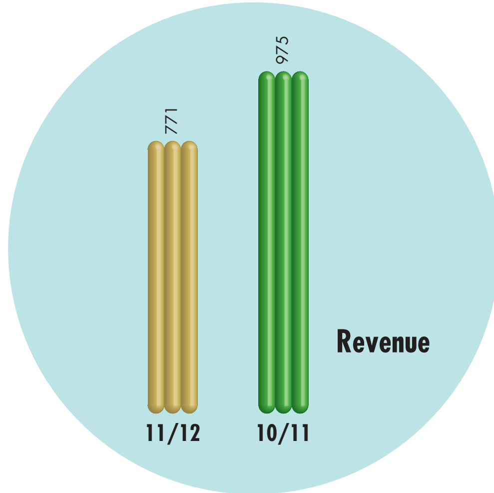
A brand new plant, additional capacity and added capabilities for new products and exports along with strategies to build brand positioning and equity will augment Dairies Malaysia's strength and competitiveness for the future.

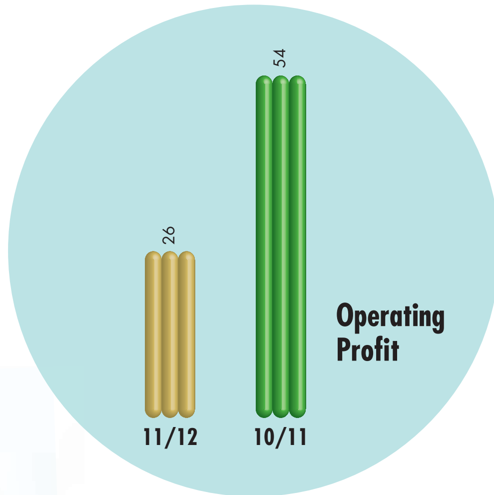
Leveraging the capacity from the Pulau Indah plant, the division will continue to expand its export footprint with inroads being made to facilitate growth in new market regions.

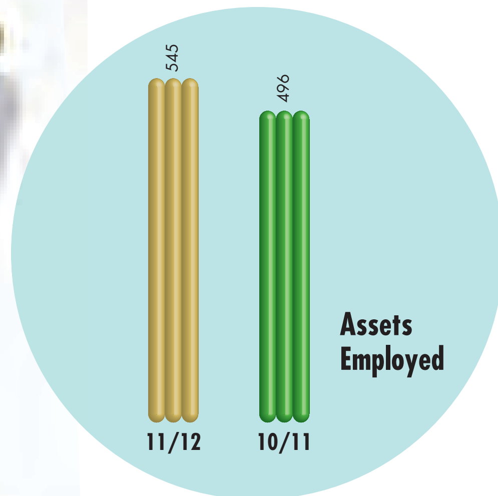
Dairies Malaysia Pulau Indah Plant - At a glance

- 'Best in class' amongst condensery operations in the world located on a 37.4 acre site within the Selangor Halal Hub in Pulau Indah
- Commercial production began end of March 2012 followed by complete operations in August 2012
- Total canned milk capacity of 1.5 million cans per day or 500 million cans annually - if the cans are stacked up end-to-end, it can circle the circumference of the earth one and a half times
- A 'hole-in-the-wall 'capability to facilitate a seamless and just-in-time supply of cans
- Augmented by a Warehouse Distribution Centre equipped with automated storage and retrieval systems (ASRS) with storage capacity equivalent to 380 loads of 40ft containers
- Incorporates heat recovery and integrated wastewater treatment process for pollution controls
- Integrated Energy Management System with computerised real time energy management
- Raw materials and packaging materials are purchased largely from Malaysian companies, supporting significant sub-industries

Dairies Thailand







Overview

Resilience and recovery best describe the year in review for Dairies Thailand.

Amidst an unprecedented backdrop of floods that submerged Rojana Industrial Park, causing a shutdown of the Rojana plant for 200 days, recovery was nothing short of remarkable.

By June 2012, the plant was once again running at 100 per cent capacity catapulting Dairies Thailand ahead in the marketplace, placing F&N in a stronger position in almost all its product categories following the calamity 'reset' of the business environment.

A concerted effort from the entire Dairies Thailand team who rallied to the call of "We Will Never Lose Heart" helped register a 13 per cent business growth in the second half of the year compared to the same period last year.

The team that "Never Lose Heart"

PRODUCT AVAILABILITY

As production ceased during the flood, Dairies Thailand's top priorities, besides restarting production, were to ensure that Thai consumers nationwide continued to have access to F&N products. Within one month after the floods hit, the division became the first to import Sweetened Beverage Creamers (SBC) into the Thai market.

Communications on the availability of Carnation Sweetened Beverage Creamer and Evaporated Milk products highlighted the message that Dairies Thailand was supportive of its consumers and together they could persevere through the crisis. This was a strong message that struck a chord with consumers; the division's efforts not only helped Carnation gain market share but also delivered on the brand promise to put its consumers first.

CONSUMER FAVOURITES

Canned Milk

Despite the losses suffered as a result of higher product costs, the commitment to maintain product availability by importing SBC products ensured that Dairies Thailand stepped ahead of the competition resulting in market share gain.

The division continued to communicate its proposition for F&N TEA POT SBC and F&N TEA POT Extra via television commercials and Point-of-Sales material. Its aggressive marketing helped these two products gain equity as the preferred choice to enhance the taste of tea and other beverages.

Excitement and anticipation filled the air again when F&N TEA POT *"Cha Chak"* Competition was held for the second year in April 2012. Eight finalists representing four regions in Thailand took part this year.

F&N TEA POT *Cha-Chak Training* program continued to garner interest amongst consumers and operators. Through this program, 500 hawkers honed essential business skills on operations, finance, pricing, size selection and merchandising.

Besides these, brand awareness activities for Carnation and F&N TEA POT included the provision of decals to an additional 10,000 hawkers including those who suffered losses from the floods. To date, there are over 42,000 Carnation and F&N TEA POT-themed hawker outlets nationwide.

Through these efforts, F&N TEA POT SBC enjoyed a significant market share gain from nine per cent before the floods to 15 per cent post-recovery, while F&N TEA POT *Extra* maintained its market share despite the lack of supply during the floods.

Capitalising on the market reset, Dairies Thailand also rolled out a *Carnation's Everywhere* campaign to reinforce Carnation's position as the leading Evaporated Milk brand in Thailand. The campaign promoted Carnation as an essential ingredient in great tasting and quality food and beverages and garnered Carnation market share from key competitors.

Liquid Milk

BEAR BRAND made a rousing come back with two of its popular products – BEAR BRAND Sterilised Milk and BEAR BRAND Gold with separate but similar campaigns hinged on the theme of *Miss U*. Quotes from consumers highlighting how the product had touched their lives were featured in the *BEAR Miss U* campaign while BEAR BRAND Gold's *Ann Miss U* campaign featured longstanding brand ambassador, Ann Thongprasom.

Complemented by impactful shelf decoration and consumer promotions, the product off-take for BEAR BRAND Gold and BEAR BRAND Sterilised Milk increased 33 per cent and 32 per cent respectively for the period of April to September 2012, compared to the same period last year.

In Indochina, a lucky draw promotion was extremely successful in helping BEAR BRAND Sterilised Milk regain its market share in Cambodia.

AVAILABILITY AND VISIBILITY WINS CONSUMERS

While the floods caused many of the division's trade initiatives to be suspended in the first half of the year, third quarter sales registered a 21 per cent growth against the same period last year while a new record of Baht 1,000 million was set in June.

Food Services shop

Driven by a singular focus to regain shelf space for all its products, Dairies Thailand increased its sales force and extended the visibility of its liveries encompassing up to 75,000 outlets in both the retail and food services shops via campaigns such as the 1,000 Displays held across the nation.

Indochina sales recovered in the second quarter thanks to the import of F&N TEA POT from Vietnam as well as the supply of UHT products. Supply of BEAR BRAND Sterilised Milk, which formed the biggest portion of the Indochina market, resumed in the third quarter following the complete recovery of the Rojana plant. In June 2012, sales to Indochina established a record of Baht 100 million.

THE ROAD AHEAD

The division will continue to strengthen its market for SBC and Evaporated Milk products and leverage the momentum from market share gains for Liquid Milk category. It also aims to grow its UHT and Sterilised Milk segment via the introduction of new variants and new packaging.

The strategy to position F&N as the food applications expert will be strengthened across multiple platforms.

In line with efforts to accelerate growth in Indochina, representative offices will be established in Myanmar, Cambodia and Laos.

AFTER THE FLOODS

Floodwaters, which inundated the Rojana Industrial Park in October 2011, where the Group's state-of-the-art dairy plant is located, finally cleared in December 2012. In just 200 days following the floods, the division was completely up and running while efforts to reclaim market share were in full swing.

The shutdown effectively meant a disruption of F&N's dairy product supply not only to the Thai market, but also to Indochina and other export markets including Philippines, Hong Kong and Singapore.

Despite the various challenges faced in rebuilding the plant including insufficient contract resources, unavailability of machinery spare parts and irregular power supply, the employees tackled this task with great enthusiasm.

By March 2012, the plant was in optimum conditions and the first batch of products had been rolled out when the Deputy Secretary-General of the Thailand Food and Drug Administration (FDA) was invited to visit.

The division was rewarded for its resilience and commitment in April 2012 when it achieved complete recovery to resume full capacity production in record time and 30 days ahead of schedule. The efforts earned the plant national commendation in July 2012 when the FDA awarded the plant a certificate of recognition for the fastest recovery and its outstanding achievement in teamwork and strength.

The big clean-up after the floods

Dairies Thailand Managing Director, Somsak Chayapong (right) briefs Deputy Secretary-General of Thailand Food and Drug Administration during his visit

The plant also secured all the necessary certifications once again such as GMP and HACCP, ISO 22000:2005 for Quality and Food safety, ISO 14001:2004 for Environmental Management System, ISO 18001:2007 for Occupational Health and Safety Management System, ISO/IEC 17025:2005 accredited laboratory from department of medical science and listing on the Supplier Ethical Data Exchange.

Following the recovery, plant efficiency was ramped up 87 per cent to cater to the huge demand. Despite sustaining maximum capacity utilisation seven days a week from March to May 2012, the plant successfully recorded zero operational breakdowns.

Ever committed to process improvement, the division continued to explore opportunities during the rebuilding process to enhance energy conservation and reduce its operations' environmental impact. Its technical competencies resulted in a significant reduction of energy loss from equipment, enhancing the heat recovery system. In total, energy consumption was reduced by 10 per cent of the start up year.

People first, always...

The Group's top most priority throughout the floods and the ensuing recovery period continued to be the division's employees and their safety.

The Group extended financial and non-financial assistance to 169 affected employees via a comprehensive aid program that included the provision of accommodation and rent costs, advance payment of salaries, provision of "Company-Aid Cash"

Receiving the Zero Accident Award 2012 from Thai Ministry of Labour

Dairies Thailand awarded with Good Factory Recovery Award by Thai Food and Drug Administration

and initiating a fund that enabled colleagues from across the F&N network in Thailand, Malaysia and Singapore to make a total contribution of Baht 3,000,000. Interest-free "Special Emergency Loans" were extended along with complimentary counsel and assistance in the preparation of personal insurance claims documentation.

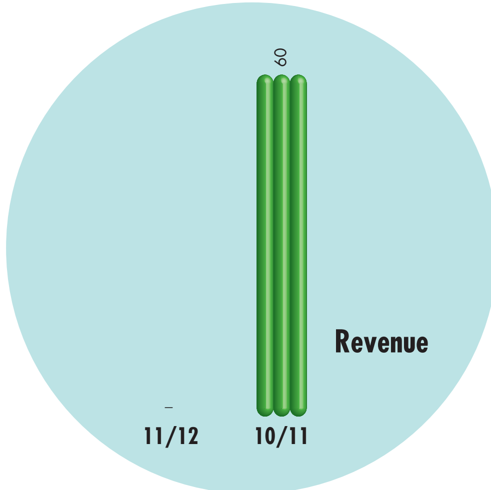
Twelve Emergency and Security Team members who were key in the recovery were recognised and were rewarded an additional Baht 10,000 each.

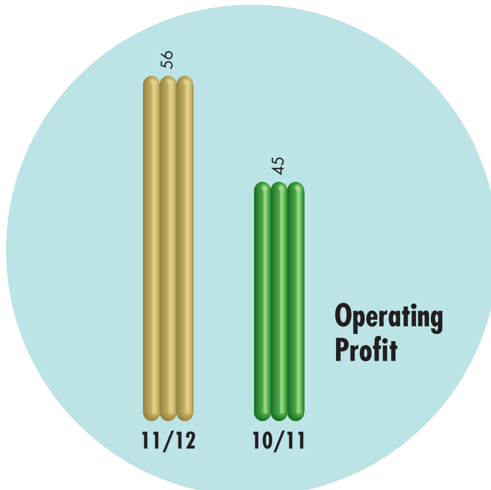
Zero Accident Award 2012 from the Thai Ministry of Labour

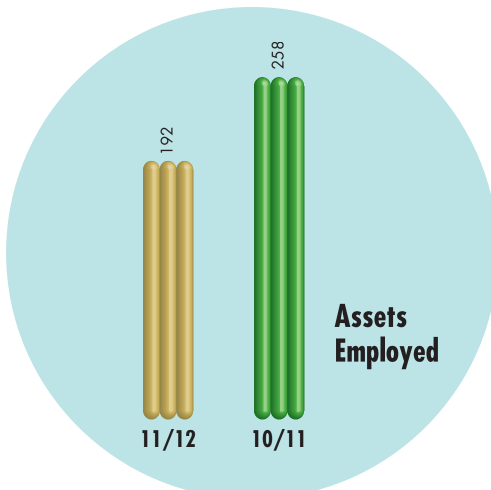
Employee motivation remained a critical component of recovery. Besides regular updates and assurances that they will ride through the crisis together, employees were also empowered and mobilised in the recovery efforts, thus ensuring emotional equity and pride in the plant's recovery.

The division's actions in championing the wellbeing of its employees earned the division two accolades – the *Provincial Best Practices Award on Labour Relations and Employee Welfare 2012* from the Department of Employee Welfare and Labour Protection, and the *Zero Accident Award 2012* (Bronze Award), awarded by the Thai Ministry of Labour for an achievement of more than 2000 accident-free days.

Property







Overview

With the phased move to F&N's new state-of-the-art dairy plant in Pulau Indah implemented throughout 2012, the property division sharpened its focus on the planning and design of the redevelopment of its former dairy production site while exploring value-enhancement initiatives for its other existing land banks that are primed for development.

SECTION 13 GETS A FACELIFT

The site of the existing dairy manufacturing facility at Section 13, Petaling Jaya located at the corner of Jalan Universiti and Jalan Kemajuan is set to be transformed into a hub of residential, retail, office and hospitality properties. A mixed development project with an estimated Gross Development Value of RM1.6 billion, this project will be completed in phases with work expected to commence in mid 2013.

Total redevelopment is envisaged between five to eight years depending on various factors including the Malaysian property market conditions and expediency of approvals from relevant government authorities.

FCL Centrepoint Pte Ltd (FCL) Ltd, a 100 per cent wholly-owned subsidiary of Fraser and Neave, Limited, will partner the Group to develop the 12.72 acre site via a Joint Venture(JV) Agreement. The JV will enable the Group to maintain its focus on its core business of F&B without diverting a large amount of its resources (monetary and non-monetary) into the redevelopment project.

Artiste impression of PJ S13 project

The FCL Group is a prominent property developer with an established international track record in Singapore, China, Australia, New Zealand, Thailand and United Kingdom. Through the JV agreement, F&N will be able to tap into the breadth and depth of FCL's expertise and experience in the property development industry while their presence should help garner stronger interest from foreign purchasers for the various property units.

THE YEAR AHEAD

In 2012, the Malaysian property market continued its growth trend albeit at a slower pace compared to 2011. While the property market was stable across all sectors, nevertheless, there were some signs of overheating in selective locations of residential and commercial segments. The housing sector continues to be the primary driver of the Malaysian property market while residential property development continued at an active pace with good sales returns amidst rising prices of those properties.

Artiste impression of PJ S13 project

For the year ahead, the property market is expected to present a more challenging landscape in view of continuous construction cost pressures and new projects coming in to the market.

Besides the redevelopment of Section 13, Petaling Jaya, the division will continue its focus on enhancing the value of the Group's land bank, such as in Kota Kinabalu and Johor Bahru to develop these sites at the opportune time to enhance shareholders' value.

Embroidery is an exemplary form of craftsmanship and a master embroidery artist can use up to 40 needlework, 1,000 different types of threads and a variety of skillful stitches to create a finished product to suit different needs and occasions. In similar fashion, we employ resources within our network and engage our customers and the community to create meaningful and enduring partnerships.

CORPORATE SUSTAINABILITY

054 Sustainability Principles & Practise

Corporate Sustainability

At Fraser & Neave Group, fulfilling Corporate Sustainability means embodying our philosophy of 'Pure Goodness, Pure Enjoyment' throughout our operations and in the manner in which we engage with all stakeholders.

In 2012, the Group embarked on a concerted exercise to develop a sustainability roadmap that will serve as a blueprint to continue the journey towards becoming a leading total beverage company in the region. Following extensive input from both external and internal stakeholders, we identified priority areas for the marketplace, environment, workplace and community, based on a materiality assessment to build the Sustainability Roadmap.

The roadmap will translate our business vision and core values into action by enhancing our social integrity, practicing environmental stewardship and generating economic value; it is enshrined in four sets of principles in which we outline the commitments to each sustainability pillar.

WORKPLACE PRINCIPLES - ENGAGE AND DEVELOP

The commitment and efforts of our employees is fundamental to growth, innovation and economic sustainability of our business. We aim to be a preferred employer, offering a challenging and exciting environment along with avenues for personal development. We also wish to lead in providin g a safe workplace which encourages a healthier and active lifestyle. To achieve this, we are committed to:

- Continuously engage employees
- Provide personal development and structured career support
- Advocate active lifestyles to nurture a healthy workforce
- Promote fair and safe work environment

Employee Engagement

In the Group's endeavour towards promoting regular employee engagement, mechanisms are in place to address the different levels of staff as well as encourage open and active collaboration.

A group-wide Employee Dialogue Session saw the CEO and divisional leaders share the company's strategic directions and provide them the opportunity to interact directly with the leadership team in an open forum. Over the course of flood recovery, Dairies Thailand's management also held regular meetings to update on the flood recovery situation to keep morale and spirits up and also provide aid to affected employees.

To encourage cross border interaction, F&N launched an enterprise social network that provides employees with the ability to communicate across the Group via a social platform, collaborate and exchange information in a speedy manner as well as promote ideation within the F&N community.

Engagement with employees is also extended to their children in the annual F&N Chairman's Award for Educational Excellence. The Chairman's Award offers financial incentives to children of the Group's employees for exceptional performance in public examinations or for securing entry to institutions of higher learning. Last year marked the tenth year of the awards where the Group disbursed RM236,400 to 183 deserving students for outstanding academic performance.

Personal Development and Talent Management

Cultivating leadership mindsets is a crucial element of talent development in F&N and the Group's training and development initiatives include five new elements under the F&N Leadership program. To promote diversity in the talent pool, the Group implemented inter-division cross fertilisation and placement of senior managers.

To position the Group as an employer of choice and promote succession planning, seven young graduates who were selected this year for the Management Associate program, underwent comprehensive on-the-job training and mentoring led by senior managers.

Nurturing a Healthy Workforce

A healthy workforce also means a more productive one. Annual medical assessments for employees and health screening by National Kidney Foundation were held across the organization.

The soft drinks division initiated the 'Lose-a-Tonne' Wellness Program which encouraged proper BMI (body mass index) attainment for its employees. Sports tournaments, including futsal, bowling and badminton were held between and within the divisions to promote an active lifestyle and encourage healthy competition. The introduction of the 'Original Bootcamp', a series of 10 weekly outdoor workout sessions led by professional fitness trainers, also proved popular with employees.

Fair and Safe Work Environment

The Group maintained zero LTA (lost time accident) in all its manufacturing plants this year. This was aptly reflected by Dairies Thailand's actions in continuing to place the safety and wellbeing of its employees ahead of the business during flood-recovery, which earned the division two accolades namely the Provincial Best Practices Award on Labour Relations and Employee Welfare 2012 from the Department of Employee Welfare and Labour Protection, and the Zero Accident Award 2012 (Bronze Award) by the Thai Ministry of Labour. Talks and demonstrations on fire safety awareness, dengue prevention, emergency first aids and CPR (cardiopulmonary resuscitation) was also held to equip employees to handle emergencies.

The Group undertook a benchmaking exercise to compare salary and benefits structure against the FMCG industry to ensure internal and external equity and maintain competitiveness as 'employer of choice'.

COMMUNITY PRINCIPLES - DELIVERING IN HARMONY

Our contribution to the community is relevant to our business, and we leverage and extend our strengths and existing capabilities to the communities around us, in order to make our investments in this area meaningful. We are a major economic contributor in the markets we operate in, and we want to extend our commitment to these markets by improving the livelihood of the communities within it. We will endeavour in this area to:

- Support community development by leveraging our skills and capacity
- Develop community engagement projects that are in line with our sustainability objectives
- Encourage employee volunteerism

Clockwise from top left:
Students of SK Taman Bukit Subang at the 3rd F&N Sensory Integration Room; All smiles after an exhausting Sudut Iqra' teambuilding program; Grooming leaders through the F&N Leadership program; Inculcating the habit of recycling via the Schools Recycling campaign; Employee Health checks; The F&N Chairman's Award continues to encourage academic excellence

Clockwise from top left:
The recipients of the 6th F&N Outdo Yourself Award; Participants in the 1st F&B Food Safety & Quality Workshop; Students proudly display their haul of recyclables collected; F&N S.O.S. divers planting the first batch of reefs rehabilitation frames; F&N E.L.I.T.E. kids...the children at Pangsapuri Enggang; F&N schools recycling program is extended to Penang

We do this by investing in community engagement projects that are in line with our business, which enable positive long-term impact. Our efforts to date cover three main areas.

Education and Nation Building

The second F&N IT Corner was opened at Montfort Youth Centre in Melaka encompassing the provision of computers for the student's use and financial contribution to enrol the students in the International Computer Driving License (ICDL) accreditation program which provides training and assessment of computers skills.

Fifty special needs students from SK Taman Bukit Subang and SK U3 will benefit from the third F&N Sensory Integration Room which provides teachers the right tools to assist them in gaining better social, motor and basic learning skills. Earlier in the year, the F&N Sensory Integration Room Facilitator's Manual was launched to complement the set-up of the Sensory Integration Rooms.

The *Sudut Iqra* F&N program was expanded to cover Pertubuhan Kebajikan Anak-anak Yatim Islam Muar and five schools in Kuching, Sarawak. To date, over RM460,000 has been invested in this initiative inclusive of follow–up programs designed to foster reading, creative thinking and leadership abilities.

Dairies Malaysia established the F&N E.L.I.T.E. (Empowering Lives Through Education) initiative, which aims to give underprivileged children a chance at a better life through education support programs. The first beneficiaries were children from the Pangsapuri Enggang community in Puchong.

Dairies Thailand extended their flood recovery initiatives to the community around its plant site in Rojana. Targeting the schools in the community, the division carried out awareness programs on foot and mouth disease, improved the quality of drinking water and donated a roof and safety handrail made from recycled material.

Four Malaysians were recognised for their extraordinary deeds involving civic consciousness and compassion in the 6th F&N Out-Do Yourself Award (OYA). A paraplegic who helps other spinal cord injury victims, a couple who have dedicated their lives to helping the underprivileged and refugee children break the cycle of poverty and a visually handicapped teacher who motivates his blind students to excel in studies and sports were the recipients of RM5,000 each. The recipients were selected by a panel of senior editors headed by former Chief Justice Tun Mohamed Dzaiddin Hj Abdullah. To date, a total of 23 individual and group awards have been presented.

Promoting an Active Lifestyle

100PLUS continued to champion various sporting and sports-related activities within the community to promote a healthy and active lifestyle. Efforts include sponsorship in collaboration with the Ministry of Education for 100PLUS Super Cup U17 and U14 Football League. The brand is also the official isotonic sports drink recommended by National Sports Council (NSC) for *Sukan Malaysia* program.

Meanwhile, 100PLUS extended its reach by becoming the official isotonic drink for all events organised by the Badminton Association of Malaysia including the Malaysian Open Super Series event, National Junior Circuit and Inter-state Junior Championship; the National Track Cycling Team under the Malaysian National Cycling Federation and the Football Association of Malaysia (FAM) while recognising the contribution of national footballers through the 100PLUS FAM Astro Football Award.

Environmental Awareness

As one of the largest food and beverages manufacturers and packaging materials user, the Group aims to minimise the environmental footprint of its products. F&N S.O.S or 'Save Our Seas' is a distress signal to take notice and act upon reef rehabilitation and marine life conservation, creating awareness about the importance of marine conservation and responsible behaviours on the beach and towards our sea creatures while encouraging proper waste disposal and recycling among communities and tourists. The Group's preliminary effort involved a collaboration with Reef Check Malaysia and Marine Park Terengganu to plant 40 reef rehabilitation frames around Redang island off Terengganu. F&N also held a one-day program with a local primary school to educate students on marine conservation and proper waste disposal.

The Soft Drinks Division heralded its sixth year of collaboration with the Shah Alam City Council in the F&N Schools Recycling campaign while extending it for the first time to schools on the island of Penang, under the Municipal Council of Penang Island. Dairies Thailand also carried out waste collection and recycling activities by donating used paper to visually handicapped children to assist in the teaching of Braille cell at Foundation for the Blind in Thailand while brick paper from its production was donated for recycling to the Princess–Pa foundation.

ENVIRONMENTAL PRINCIPLES - GETTING MORE OUT OF LESS

As a major player in the food and beverage sector, our activities have an impact on the environment throughout the life cycle of our operations. From the time ingredients and materials are sourced, to the production and manufacturing of the base product, the bottling/canning, packaging, distribution and logistics to the final saleable item as well as all processes dealing with the end of product life, we have some control on how we impact the environment. Our business relies on the long-term availability of basic raw materials. By reducing our resource use and producing more for less, we can combine sustainability of supply with cost savings and at the same time protect the environment.

As a responsible producer and manufacturer, we aim within business constraints to minimise our environmental footprints through continuous improvement in the following areas:

- Reducing waste and raw material use
- Conserving water
- Minimising energy consumption and carbon emissions

In the year under review, the soft drinks division underwent numerous changes notably the commencement of Tetrapak production at its Shah Alam plant and the absence of Coca-Cola production. Moving forward, the division is reevaluating its conservation targets to better reflect the current production volumes.

Meanwhile, due to flood recovery and restart of operations at Dairies Thailand, overall ratios showed an increase although still at lower levels compared to the year Rojana plant commenced operations in 2009. Process improvements were a major commitment during the rebuilding process with the division assessing opportunities for energy conservation improvements. Sustainability considerations such as Zero Waste, Zero Energy Loss, Less for More and CO2 emission reduction resulted in a significant reduction of energy loss from equipment and an enhanced heat recovery system.

Waste Management

While the Group has taken steps to reduce, reuse and recycle over the years, waste management continues to be one of the most critical areas within our sustainability roadmap.

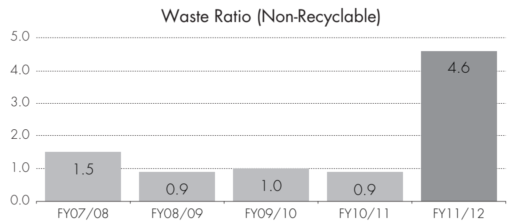
The surge in the waste ratio of the soft drinks division's manufacturing activities is largely due to the categorisation of sludge from wastewater treatment plant as non-recyclable waste this year because its third party composting contractor had ceased operations.

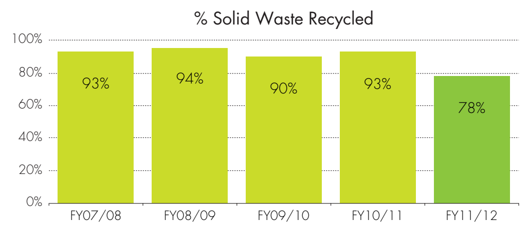
Overall, the division's waste management efforts are better reflected by the percentage of solid waste recycled. The re-categorisation of sludge as non-recycled waste is reflected in the decrease compared to previous years.

Dairies Thailand leverages on multiple complementary recycling and reduction options in order to minimise waste. This is partly achieved through comprehensive recycling initiatives.

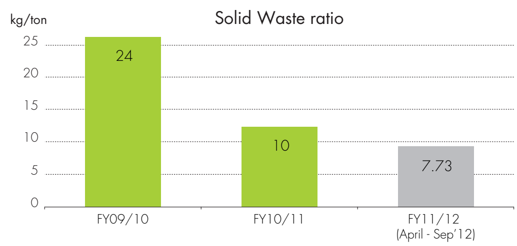
Despite significant production growth, the ratio of solid waste generated from Dairies Thailand Rojana factory operations has reduced significantly by 67.8 per cent in FY11/12 compared to its start-up year of FY09/10.

Soft Drinks Manufacturing Waste Ratio
(Non-Recyclable Waste per m3 of beverage produced)





Dairies Thailand solid waste ratio
(Non-Recyclable Waste per ton produced)

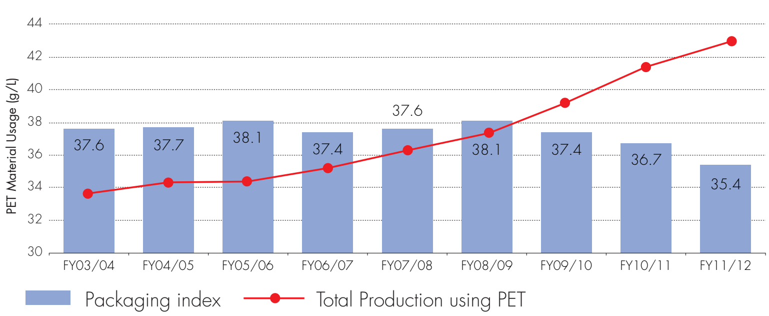


Sustainable Packaging

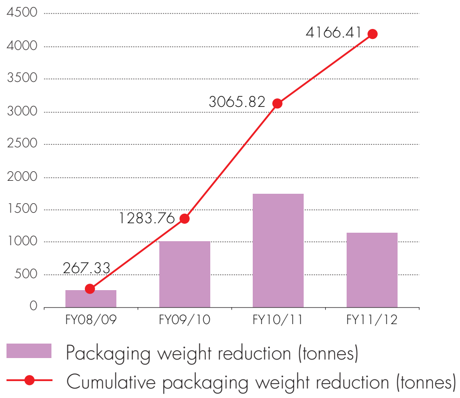
The Group is vested in seeking packaging solutions that not only contribute to an improved environment, but also enhances the integrity of its products.

On-going initiatives in optimizing packaging materials through innovation and technical feasibility have significantly reduced the packaging index of PET beverages since FY08/09 while production volume continue to grow. Over the last two years, the soft drinks division has reduced the packaging weight of aluminium cans by more than 5 per cent and PET (polyethylene terephthalate) products by more than 4 per cent.

Packaging index for total PET beverages



Dairies Thailand total packaging weight reduction



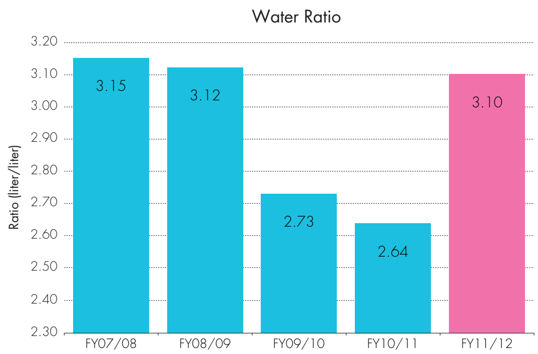
Dairies Thailand's continuous efforts to examine its packaging options by pursuing innovative packaging and recycled materials resulted in significant reduction in the use of packaging materials including tin plate, paperboard and shrink film by more than 4,166 tons from when it began the assessment process in FY08/09.

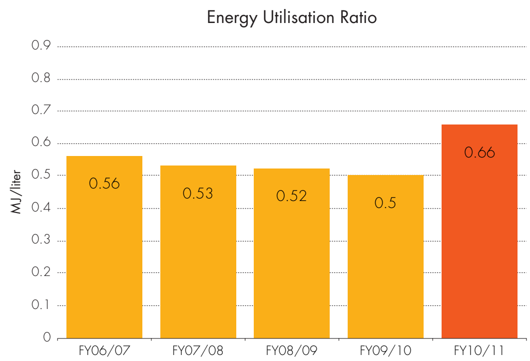
To further solidify its efforts, the division and its packaging material suppliers underwent an audit of all its material sources to identify opportunities to further reduce its impact on the environment.

Optimizing Water Usage and Minimising Energy Consumption

The Group is amongst the largest corporate consumers of water in Malaysia today. Sustaining its business growth is contingent upon the availability of clean and sustainable water sources.

Soft Drinks Manufacturing Water and Energy Utilisation Ratio

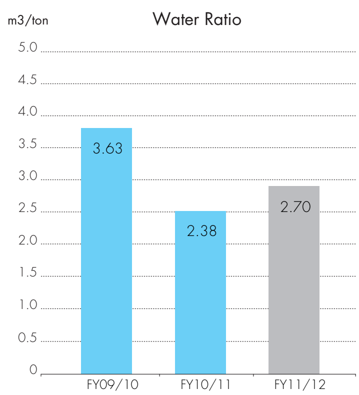


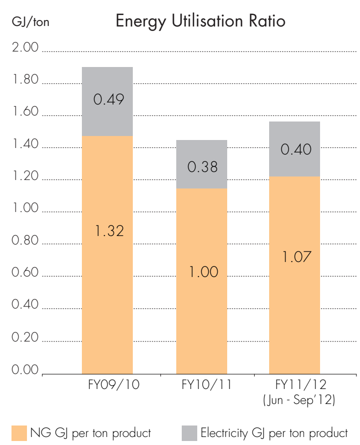


Note : 2011/12 data includes in-house Tetrapak production.

Dairies Thailand Water Ratio and Energy Utilisation Ratio

The soft drinks division's increase in its water ratio and energy utilisation is attributed to the in-house production of Tetrapak products, and the absence of Coca-Cola production, which affected some economies-of-scale in manufacturing efficiency.





As such, FY11/12 presented a new set of parameters that forms the baseline to access itself going forward; the division will continue to monitor consumption and set new reduction targets accordingly.

Even with increased water usage due to flood recovery activities, Dairies Thailand achieved a water ratio that was 25.6 per cent lower than when the Rojana factory commenced operations. Dairies Thailand is confident that in FY12/13, water consumption ratio will return to FY10/11 level or lower.

Overall energy consumption in FY11/12 increased marginally but still at 19.3 per cent lower than FY09/10 when its Rojana plant commenced operations. Energy utilization ratio is expected to improve further in FY12/13.

MARKETPLACE PRINCIPLES - RESPONSIVE AND TRANSPARENT

We are cognizant of our responsibility to the millions of our consumers, to ensure that they obtain a product that is totally safe to consume while promoting responsible consumption and delivering on our brand promise.

We wish to be a responsive and transparent partner to our commercial stakeholders. Amidst the constant shifts in the market, our success relies on the ability to comprehend our consumers evolving preferences, lifestyles and concerns. We are therefore committed to:

- Providing delicious and enjoyable products compatible with a healthier lifestyle
- Listening and responding to the needs and preferences of our consumers
- Actively self-regulate and promote responsible practices throughout our supply chain
- Responsible communication to all of our stakeholders

Healthier and Delicious Products

In line with the Group's 'Pure Goodness, Pure Enjoyment' promise, the Nutrition Charter outlines the principles and commitment to health and nutrition encompassing new product development guidelines, the pledge to provide clear and accurate nutritional information to consumers, and the advocacy of a healthy lifestyle amongst consumers and employees.

The Group has, over the years, introduced healthier options for consumers including product variants with reduced sugar, no sugar added or low fat. Product innovation and refinement include the introduction of product recipes that incorporate functional ingredients such as proteins, antioxidants, calcium and other vitamins and minerals.

The nutritional values and information of F&N products are conscientiously reviewed and approved by an internal cross-functional team comprising Research & Development, Scientific and Regulatory Affairs and a Dietician.

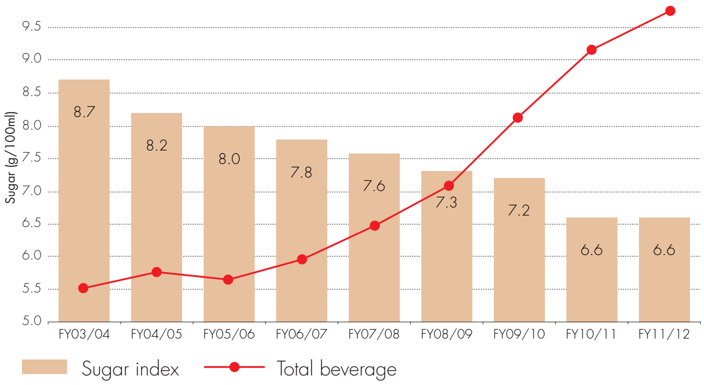
The Group will continue to promote, support and participate in community health and nutrition activities, through partnerships with health and regulatory authorities.

Reducing Our Sugar Footprint

The Group has consciously and conscientiously reduced the sugar levels in all beverages since FY03/04 without compromising on the taste and consumer acceptance.

The Sugar Index tracks the reduction of sugar and guides the product development team towards a more balanced product portfolio. Our sugar level proportional to total beverage volume ratio has been reduced by 24 per cent since FY03/04.

Sugar Index for Total Beverage



Supplier Partnerships

The Group continues to work closely with suppliers along the supply chain to ensure standards and practices for food safety and the environment are maintained throughout the value chain.

Aside from periodic supplier audits, Dairies Thailand conducted a series of audits for key suppliers that included environment, ethics, health and safety, labor standards, and related management systems to ensure alignment with the Group's sustainability objectives.

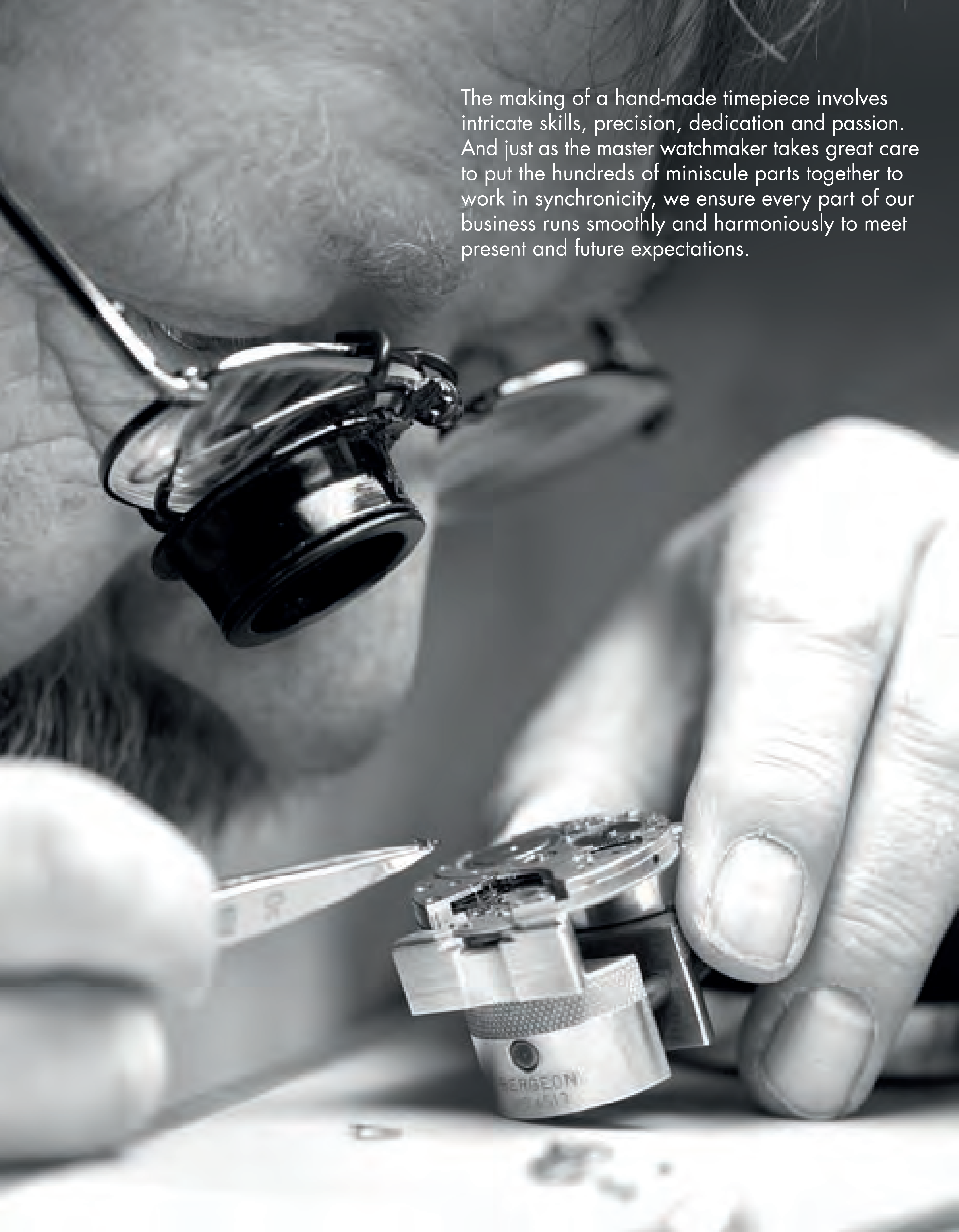
Dairies Thailand also actively participates in supplier development programs, providing technical training and education to farm-based communities to improve their livelihoods through a sustainable agriculture and education system.

The Group echoes its commitment to ethical standards within the supply chain by joining SEDEX, the Supplier Ethical Data Exchange for businesses committed to continuous improvement and ethical business practices in their supply chains.

Responsible Communication

The Group has taken every step to ensure all brand communication, advertisements and product packaging design accurately communicates the product's health and nutritional attributes. Nutritional information on product labels such as Recommended Daily Allowances (RDA), energy per serving size and nutrition tips are also included to help consumers make informed dietary choices and educate on healthy eating.

All products undergo a stringent review by an internal cross-functional team followed by verification and endorsement by relevant authorities before being launched into the market. The Group collaborates with research institutions to study the product efficacy and ensure that health or functional claims are backed by scientific research.



The making of a hand-made timepiece involves intricate skills, precision, dedication and passion. And just as the master watchmaker takes great care to put the hundreds of miniscule parts together to work in synchronicity, we ensure every part of our business runs smoothly and harmoniously to meet present and future expectations.

CORPORATE GOVERNANCE

Statement On Corporate Governance

INTRODUCTION

The Company is fully committed to good corporate governance practices and fair dealings in all its activities. It subscribes fully to the principles and best practices promoted by the Malaysian Code on Corporate Governance ("the Code").

This statement describes the practices that the Company had taken with respect to each of the key principles and the extent of its compliance with the Code during the financial year.

THE BOARD

The Board of Directors is elected by the shareholders and holds the ultimate decision making authority, except for matters reserved by law or by its articles of association to its shareholders. Formal processes and structures are in place to assist the Board in carrying out its responsibilities and its decisions are normally taken as a whole.

The Board oversees the business affairs of the Group. It approves strategic plans, key business initiatives as well as major investment and funding decisions. It also reviews financial performance, determines compensation and succession plans for senior management and ensures adequate internal controls. These actions are carried out directly by the Board and through Board Committees.

Assisting the Board are five board committees: the Group Executive, Audit, Nominating, Remuneration and Share Buy Back Committees (details of which are provided below.) On a day-to-day basis, the Board delegates the conduct of operating matters to its Chief Executive Officer ("CEO").

1) Composition and Board Balance

The Company's Articles of Association currently provides for a board composed of a maximum of eleven directors. The present Board comprises eleven directors whose varied skills and vast experience are relevant to the Group's business operations.

The mix of directors on the Board is broadly balanced to reflect the interests of major shareholders, management and minority shareholders. Of the eleven directors, six are nominees of the two largest shareholders and four are independent and they are all non-executive directors. The remaining member is a non-independent executive director who holds the CEO position.

An independent non-executive Chairman heads the Board. Mr. Leslie Oswin Struys is the senior independent director who has been appointed to act as an additional channel of communication for corporate governance matters within the Company.

2) Board Processes and Committee Activities

During the financial year, the Board held eight meetings, while the relevant Committees had fifteen meetings. Record of directors' attendances (taking into account the date of their respective appointments) is contained in the table below. Five board meetings were held at the registered office of the Company while the other three meetings were held off-site in Kuala Lumpur.

Pages 10 to 15 of this Annual Report contain a profile of each member of the Board.

Director	Board	Group Exco Committee	Audit Committee	Nominating Committee	Remuneration Committee	Share Buy Back Committee
Y.A.M. Tengku Syed Badarudin Jamalullail	‡ • (8/8)	• (4/4)	• (5/5)	• (2/2)	• (4/4)	• Nil
Tan Sri Dato' Dr Lin See Yan	‡ • (8/8)	• (3/4)	• (5/5)	• (2/2)		
Pascal De Petrini *(Appointed on 10 Oct 2011)*	• (8/8)	• (4/4)		• (2/2)	• (4/4)	• Nil
Anthony Cheong Fook Seng	• (8/8)	• (4/4)	• (5/5)			
Tong Sing Eng *(Appointed on 7 May 2012)*	• (4/4)	*• (N/A)				
Lee Kong Yip	• (8/8)	• (4/4)			• (4/4)	• Nil
Dato' Dr Mohd Shahar bin Sidek	• (8/8)					
Dato' Dr Nik Norzrul Thani bin Nik Hassan Thani	• (5/8)					
Dato' Anwarrudin bin Ahamad Osman	‡ • (7/8)	• (4/4)	• (4/5)			
Leslie Oswin Struys	‡ • (7/8)		• (5/5)	• (2/2)	• (4/4)	• Nil
Dato' Ng Jui Sia	• (8/8)					
Huang Hong Peng (*Resigned on 7 May 2012)*	• (2/4)	• (2/4)				

Note:

- *denotes membership.*

( ) *indicates meetings attended out of the total scheduled meetings held since the beginning of the financial year or appointment date.*

‡ *denotes an independent member of the Board.*

* *There was no Group Exco Meeting subsequent to her appointment as a Group Exco member.*

The ***Group Executive Committee ("Group Exco")*** formed in August 2010, is tasked with formulating strategic direction and initiatives to deliver long term shareholder value creation, oversee management performance and providing direction and guidance to management. To achieve its objectives, the Committee, among others, reviews the long term objectives of the Company and the Group in addition to reviewing and recommending annual budgets and long term business plans for adoption by the board.

The Committee comprises seven non-executive board members. There were four scheduled meetings held during the year (the table on page 69 shows the attendance of the Group Exco meetings).

The ***Nominating Committee*** formed in May 2001 is tasked with reviewing recommendations for Board appointments and Board Committees. The Nominating Committee comprises four non-executive directors, three of whom are independent.

Two scheduled meetings were held during the year for the Nominating Committee (the above table on page 69 shows the attendance of the Nominating Committee meetings). Proposed changes in the composition of the main Board, committees and subsidiary boards were reviewed at one of the meetings prior to the submission of recommendations to the Board. The directors also reviewed and kept abreast of developments in the area of board performance assessment. A formal evaluation process has been put in place to assess the effectiveness of the Board as a whole. In this regard, the performance evaluation of the Board, Committees and individual director (self and peer) were conducted during the year together with an external consultant. The Committee was satisfied that the overall rating of the Board was high, in particular, in the areas of Board Composition, Information Management and Board Role and Functioning which were well balanced and appropriate. As for Corporate Social Responsibility, the rating was slightly lower than the previous year due to higher expectations from the Board.

The ***Remuneration Committee,*** formed in May 2001, comprises four non-executive board members. Responsible for reviewing succession planning as well as remuneration policies and practices of the Group, this Committee also supervises the allocation of share options and award of shares to employees under the Group's ESOS scheme and Share Grant Plan. Four Remuneration Committee meetings were held during the year and were attended by all the members.

The ***Share Buy Back Committee,*** formed in May 2007, comprises four non-executive board members. The Committee is entrusted with recommending to, and implementing the decision of, the Board on share buy back within certain perimeters. No meeting was held during the year.

A separate report on the activities of the ***Audit Committee*** is contained on pages 74 to 76 of this Annual Report.

3) Access to information

A formal agenda issued by the Company Secretary in consultation with the Chairman and the CEO precedes all scheduled meetings during the year. The agenda for each meeting is also accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on group financial performance, presentations by subsidiaries on their performance, industry trends, business plans including major capital expenditure and proposals, quarterly result announcements and other relevant information.

Additionally, directors are encouraged to approach management to seek clarification or obtain further information through the CEO in furtherance of their duties, including appropriate external professional consultation. All directors have direct access to the advice and services of the Company Secretaries in discharging their duties.

4) Appointments and Re-elections

Procedures relating to the appointment and re-election of directors are contained in the Company's Articles of Association. New directors are subject to 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 each AGM of the Company.

REMUNERATION

The Remuneration Committee is entrusted with the role of determining and recommending suitable policies in respect of salary packages for executive directors and the Group's 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 year.

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, and where applicable, the boards of subsidiaries that are not wholly owned.

Fees payable to the Company's directors are subject to yearly approval by shareholders at the Company's AGM. The aggregate directors' remuneration paid or payable to the directors of the Company and its subsidiaries for the financial year ended 30 September 2012 are as disclosed in the financial statements.

DIRECTORS' TRAINING

In compliance with the Main Market Listing Requirements, all members of the Board have attended the required training programs prescribed by Bursa Malaysia Securities Berhad.

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 programs for the directors.

During the financial year ended 30 September 2012, the directors of the Company attended various training programs and seminars which cover the following topics:

Type of Training	Attendees	Date
• Directors' Continuing Education Programme (CEP) held in Melaka	Y.A.M. Tengku Syed Badarudin Jamalullail Tan Sri Dato' Dr Lin See Yan Dato' Dr Mohd Shahar bin Sidek Dato' Anwarrudin bin Ahamad Osman Dato' Dr Nik Norzrul Thani bin Nik Hassan Thani Mr Anthony Cheong Fook Seng Mr Pascal De Petrini Mr Lee Kong Yip Mr Leslie Oswin Struys Dato' Ng Jui Sia Ms Tong Sing Eng Mr Hui Choon Kit	21 - 22 June 2012
• Investor Relations & Financial Communications by Bursatra Sdn Bhd	Y.A.M. Tengku Syed Badarudin Jamalullail	29 March 2012
• Listed Company Director Programme - Module 4 on Nominating Committee Essentials organised by Singapore Institute of Directors (SID), Singapore • Listed Company Director Programme - Module 5 on Remuneration Committee Essentials organised by Singapore Institute of Directors (SID), Singapore • SID Directors Conference on Corporate Governance in the New Normal, Singapore	Tan Sri Dato' Dr Lin See Yan	15 August 2012 23 August 2012 12 September 2012
• Mandatory Accreditation Programme by Bursatra Sdn Bhd • SID Directors Conference on Corporate Governance in the New Normal, Singapore	Mr Pascal De Petrini	30 - 31 January 2012 12 September 2012
• Mandatory Accreditation Programme by Bursatra Sdn Bhd	Ms Tong Sing Eng	13 - 14 June 2012

SHAREHOLDER AND INVESTOR RELATIONS

The Board recognises the need for and the importance of effective communication with shareholders and the investment community. The Annual General Meeting ("AGM") is especially important for individual shareholders as it provides the main forum for direct dialogue with the Board. The 50th AGM of the Company was held on 13 January 2012 at Sime Darby Convention Centre. The Notice of Meeting attached to the Annual Report was distributed to the shareholders. The AGM in 2012 was attended by shareholders comprising registered individuals, proxies and corporate representatives, whose total shareholders represented 86.89% of the issued share capital. There was a forum for the shareholders to raise questions or issues at the AGM regarding the Group's performance in FY 2010 / 2011, which the directors appropriately addressed.

During the year, results briefings were conducted for investment analysts and the media. Two such briefings were held during the year. Apart from publishing the results in the print media, Bursa Malaysia Securities Berhad also provides for the Company to electronically publish all its announcements, including the full version of its quarterly results and Annual Reports. These can be accessed online through Bursa Malaysia's internet web-site at [http://announcements.bursamalaysia.com.my]

ACCOUNTABILITY AND AUDIT

1) Financial Reports

In reviewing all the published annual and quarterly financial statements during the year, the directors took due care and reasonable steps to ensure that the requirements of accounting standards and relevant regulations were fully met. Their presentation reflects a balanced assessment of the Group's performance and prospects.

2) Internal Controls and Risk Management

The directors acknowledge their responsibility for the Group's system of internal controls, which is designed to protect shareholders' investments and the assets entrusted under its custody.

The system was intended to provide reasonable (but not absolute) assurance against material financial mis-statement or loss. It includes formal policies and operating procedures in relation to the safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with applicable legislation, regulation and best practice. It also includes the identification and containment of business risks.

The Group has well-established internal audit and compliance functions. Formal procedures were in place for both internal and external auditors to report independently on their findings and make the appropriate recommendations to the Management and the Audit Committee.

3) Relationship with External Auditors

The external auditors attended all the scheduled meetings of the Audit Committee during the year. These quarterly meetings enabled the exchange of views on issues requiring attention. The role of the auditors and their participation during the year are stated in the report of the Audit Committee on pages 74 to 76 of this Annual Report.

The Group paid Ernst & Young approximately RM702,000 for professional services rendered in connection with audits and related services for the financial year ended 30 September 2012

4) Compliance with the Code

The Company has complied with the Malaysian Code on Corporate Governance and observed its best practices throughout the year.

This statement was made in accordance with a resolution of the Board dated 8 November 2012.

Report On Audit Committee

The Board is pleased to present the following report on the Audit Committee and its activities during the financial year ended 30 September 2012.

The Audit Committee was established by a Board resolution in 1994.

MEMBERS AND MEETINGS

For the year under review, the Committee's chairman was Tan Sri Dato' Dr Lin See Yan. He was supported by a majority of independent Board members. Mr Anthony Cheong Fook Seng is a member with an accounting qualification.

A total of five meetings were held during the financial year. The names of the members of the Audit Committee and the record of their attendance during the year (or since the date of their appointment) are as follows:-

Name	Attendance
Independent	
Tan Sri Dato' Dr Lin See Yan (Chairman)	5 of 5 meetings
Y.A.M. Tengku Syed Badarudin Jamalullail	5 of 5 meetings
Leslie Oswin Struys	5 of 5 meetings
Dato' Anwarrudin Bin Ahamad Osman	4 of 5 meetings
Non-Independent	
Anthony Cheong Fook Seng	5 of 5 meetings

TERMS OF REFERENCE

The following terms of reference for the Committee was approved by the Board in 2001. It was updated and approved by the Board on 5 August 2011.

Membership

The Audit Committee shall comprise at least three non-executive directors (but not their alternate), the majority of whom are independent, including the Chairman. All members of the Audit Committee shall be financially literate and at least one member shall be a professional or qualified accountant. Any vacancy resulting in there being no majority of independent directors shall be filled within three months.

The membership and performance shall be reviewed at least once every three years.

Authority

1. The Committee shall have the authority to investigate any matters within its terms of reference or as otherwise directed by the Board, to determine the resources required and to have full access to any information including to employees and external and internal auditors.

2. The Committee is authorised to seek independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Terms of Reference

1. The Audit Committee is a committee of the Board and the Board shall determine its membership. The members of the Audit Committee shall elect a Chairman who shall be an independent director. The Company Secretary shall be the Secretary to the Committee.

2. The Committee shall meet at least four times a year or as frequently as required including when requested by the external auditor. Its quorum shall be three members constituting a majority of independent directors. The proceedings of the Audit Committee shall be recorded and the minutes of meetings tabled at Board meetings.

3. The Chief Financial Officer, head of the internal audit function and the external auditors (or their representatives) shall be expected to attend all meetings of the Committee. The CEO and other officers of the Company shall attend by invitation. At least twice a year, the Committee shall meet with the external auditors without the executive board members present.

4. The duties of the Committee shall be as follows:

   a) To consider and recommend the appointment or re-appointment of the external auditors, their remuneration and any issues regarding their performance, questions of resignation or dismissal of the internal or external auditors.

   b) To assist the Board in the review of the adequacy and effectiveness of the internal control system with the external auditor.

   c) To review the risk management policies and practices of the Group to ensure their effectiveness.

   d) To discuss with the external auditors, their audit plan and scope of their audit and assistance to be given by employees.

   e) To review the quarterly, half-yearly and year-end consolidated financial statements and announcements of the Company, before submission to the Board, focusing particularly on:-
      - Compliance with applicable accounting standards
      - Changes in major accounting policies and practices
      - Compliance with Bursa Malaysia Securities Berhad's and other statutory requirements
      - Significant adjustments arising from the audit
      - Going concern issues of any entity within the Group
      - Significant and unusual events

   f) To review the external auditor's management reports and responses by Management, and to discuss any issues of concern arising from the audit (in the absence of Management where necessary).

   g) To support and provide directions to the Group's internal audit function to ensure its effectiveness in carrying out its duties.

   h) To consider the findings arising from internal audit reports or other internal investigations and responses by Management and to determine appropriate corrective action required of Management and where necessary, ensure its implementation.

   i) To consider any related party transactions and conflict of interests situation that may arise within the Company and its subsidiaries.

   j) To assist the Board in the preparation of the Audit Committee Report for inclusion in the Annual Report of the Company.

   k) To report to Bursa Malaysia Securities Berhad any matter resulting in a breach of the Listing Requirements which has not been satisfactorily resolved after it has been reported to the Board of Directors.

l) To verify the allocation of share options/award of shares under the Group's Executives' Share Option Scheme ("ESOS") / Share Grant Plan.

m) To carry out such other responsibilities, functions or assignments as may be agreed to by the Audit Committee and the Board.

Activities of the Committee

During the financial year, the Committee met over various scheduled meetings to discuss and consider each of the draft quarterly result announcements before recommending the reports to the Board. Similarly, the statutory accounts for the previous year were also reviewed. As part of the process, the provisions and any impairment thereof against the various categories of asset were reviewed to ensure their compliance with Group policies and appropriate accounting standards. Issues that arose from the review were discussed in the presence of the external auditors. The Committee also provided an oversight role to ensure that Management maintains formal and effective risk management and documentation procedures. During the year, the Committee received and reviewed quarterly updates on the risks management processes.

The external audit plans for the financial year were presented to the Committee prior to its implementation. The external auditors were present in all the Committee meetings held during the financial year. The Committee also met twice with the external auditors without the presence of the Management for the financial year ended 30 September 2012.

The internal audit reports and their findings were also discussed at Committee meetings. To ensure its independence within management, the Committee, through its Chairman, supervised the internal audit function, including evaluation of its performance. The role and scope of the internal audit department was also clarified with a documented internal audit charter. The department was headed by the Head, Group Internal Audit and supported by qualified staff.

The review and verification of allocation of share options/award of shares under the Group's ESOS Scheme /Share Grant Plan for the financial year ended 30 September 2012 has been delegated to the Remuneration Committee by the Board.

Internal Audit Function

The principal responsibility of the internal audit department is to conduct periodic audits on internal control matters to ensure their compliance with systems and standard operating procedures within each of the Group's operations. The main objective of these audits is to provide reasonable assurance that these operations operated satisfactorily and effectively.

Investigations were also made at the request of the Committee and senior management on specific areas of concern to follow-up on in relation to high-risk areas identified in the regular reports. These investigations provided additional assurance and comfort on the integrity and robustness of the internal control systems.

The Internal Audit function is performed in-house and the costs incurred for the Internal Audit function in respect of the financial year was about RM957,882. At the end of the financial year, the department had five employees. Twenty-two audit reports were issued and presented to the Audit Committee with the recommended corrective actions acted upon.

This report was made in accordance with a resolution of the Board on 8 November 2012.

RESPONSIBILITY

The Board acknowledges that it has a responsibility to maintain a sound internal control system that ensures adequacy and integrity through a process of review, monitoring and assurance. The CEO and Management play an integral role in assisting the design and implementation of the Board's policies on risk and control.

This statement describes the processes that form the internal control framework throughout the Group's business operations, which are regularly reviewed by the Board. The internal control system was designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives. In pursuing these objectives, internal control can provide only reasonable and not absolute assurances against material misstatements or losses.

For the purposes of this statement, associated companies have been excluded as part of the Group.

RISK MANAGEMENT

Risk management and internal controls are regarded as an integral part of the overall management processes.

The Audit Committee has approved a formal group risk management policy that has been adopted by all its subsidiaries. It sets out the requirements for consistent reporting when identifying risk and management actions.

MANAGEMENT PROCESSES AND CONTROL FRAMEWORK

The Group has set in place well-established standard operating procedures covering all critical and significant facets of the Group's business processes. Procedures are primarily geared towards the prevention of asset loss and also cover other major functional aspects of the Group's business operations. These functions include cost control, asset security and occupational safety procedures, human capital management, productivity benchmarks, product quality assurance, compliance with regulatory standards and disciplines, among other matters. The procedures are also subject to review as processes change or when new business requirements need to be met. Compliance with these procedures is an essential element of the internal control framework.

Well-defined management structures and disciplines further reinforce the internal control framework to ensure its continued relevance and effectiveness. Among the management disciplines is a pre-defined chart of responsibility and accountability that provides a clear definition of delegated authority to the various management levels along functional lines.

The Group also operated a comprehensive information system which enables transactions to be captured, compiled and reported in a timely and accurate manner. The information system is highly automated and provides management with dependable data, analysis, variations, exceptions and other inputs relevant to the Group's performance. In each of the Group's business operations, weekly meetings are held to ensure that progress, exceptions and variations are fully discussed and acted upon to meet business objectives.

For continued effectiveness of the internal control framework, the Group maintains a well-resourced human capital function to oversee its operations. This ensures that the people driving key operations are sufficiently skilled and exert the required qualities of professionalism and integrity in their conduct. Continuous education and training programs are also provided to enhance employees' skills and to reinforce such qualities.

Additionally, the Group maintains an elaborate annual business planning and review process to make certain that the interests of all its stakeholders are well balanced.

MONITORING AND REVIEW

As mentioned in the Statement on Corporate Governance, the Board delegates the day-to-day functions to the CEO, who is aided by a team of corporate officers. Part of the CEO's role is to drive each of the business operations in a manner that maintains the integrity of the internal control framework and which ensures the implementation of effective risk management practices throughout the year.

From a process viewpoint, the CEO presides over all regular management meetings in each of the business operations. These meetings are a platform for reviewing financial performance, as well as business issues including internal control matters and risk management.

The Group has an adequately resourced internal audit function whose primary responsibility is to assure the Board, via the Audit Committee, that the stringent internal control systems are fully implemented. In providing this assurance, the internal audit function undertakes compliance testing and reports on exceptions under assessment.

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the annual report for the year ended 30 September 2012 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

SUMMARY

Based on the internal controls and risk management framework established and maintained by the Company, work performed by both internal and external auditors and reviews performed by Management, the Audit Committee and the Board are of the opinion that there are adequate internal controls addressing financial, operational and compliance risks to meet the needs of the Group in its current business environment.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it works towards achieving its business objectives.

However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

In the year under review, it has not resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

This statement was made in accordance with a resolution of the Board of Directors dated 8 November 2012.

Statement On Directors' Responsibility

As required under the Companies Act 1965 ("Act"), the Directors on page 88 of this annual report have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company and the Group for the financial year ended 30 September 2012.

In the process of preparing these financial statements, and other than as disclosed in the notes to the financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgment and estimates were made, they were based on reasonableness and prudence.

Additionally, the directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 8 November 2012.

The transformation of rough diamonds into polished diamonds involves planning, skills, girdling, polishing and the right tools. As with the master diamond-cutter, we transform our foresight and experience, careful analyses and prudent planning, network and resources into sustainable and continuous growth.

FINANCIAL STATEMENTS

Directors' Report

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are primarily engaged in the manufacture and sale of soft drinks, dairy products, property development activities and the provision of management services.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	273,990	276,628
Profit attributable to:		
Equity holders of the Company	274,030	276,628
Non-controlling interests	(40)	-
	273,990	276,628

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the following:

(i) cessation of Coca-Cola business with effect from 1 October 2011;
(ii) recognition of flood related damages and the associated insurance claims in relation to the Group's dairies product manufacturing facilities in Rojana, Thailand (as disclosed in Note 36 to the financial statements);
(iii) gain arising from the loss of control over a former subsidiary (as disclosed in Note 12(a) to the financial statements); and
(iv) recognition of deferred tax asset which is in relation to the halal hub tax incentive granted to the Pulau Indah dairies plant (as disclosed in Note 7(b) to the financial statements).

SHARE OPTION AND SHARE GRANT PLAN

(a) Executives' Share Option Scheme ("ESOS")

The ESOS which is governed by its by-laws was approved by the shareholders at the Extraordinary General Meeting held on 5 April 2007. The ESOS is effective 1 October 2007.

SHARE OPTION AND SHARE GRANT PLAN (CONT'D.)

(a) Executives' Share Option Scheme ("ESOS") (cont'd.)

Details of all the options to subscribe for ordinary shares of RM1.00 each in the capital of the Company granted to executives pursuant to the ESOS are as follows:

Offer date	Balance as at 1.10.2011	Options exercised/ lapsed	Balance as at 30.9.2012	Exercise price/ adjusted exercise price w.e.f. 13.12.2010 RM	Exercise period
	←	No. of options	→		
Options 2008					
20.11.2007	29,700	(29,700)	-	7.77/7.17	20.8.2010 - 19.10.2012
Options 2009					
19.11.2008	970,000	(909,600)	60,400	8.46/7.81	19.8.2011 - 18.10.2013
Options 2010					
20.11.2009	2,941,500	(1,822,500)	1,119,000	11.34/10.47	20.8.2012 - 19.10.2014
Options 2011					
22.11.2010	2,958,700	(206,300)	2,752,400	14.52	22.8.2013 - 21.10.2015

The main features of the Company's ESOS are disclosed in Note 23(c) to the financial statements. There were no ESOS granted during the year.

(b) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") ("The Share Grant Plan")

The Company had undertaken a review of the ESOS and introduced an additional long term incentive plan, i.e. the Share Grant Plan. The plan which is governed by its by-laws, was approved by Bursa Malaysia Securities Berhad on 20 December 2011 and subsequently approved by shareholders at the Extraordinary General Meeting held on 13 January 2012.

The first grant of RSP was made in March 2012. There were no grant made under the PSP. The details of the shares awarded under the RSP are as follows:

	Shares grant date	Balance as at grant date	Shares Lapsed	Balance as at 30.9.2012
		←	No. of shares	→
Year 1	15.3.2012	427,700	(25,400)	402,300

The main features of the Company's RSP and PSP are disclosed in Note 23 (d) to the financial statements.

The Directors do not participate in both the ESOS and Share Grant Plan.

ISSUE OF SHARES

During the financial year, the Company has issued 2,617,600 new ordinary shares of RM1 each pursuant to exercise of Executives' Share Option Scheme ("ESOS") at the following issue price for cash:

(i) 926,600 ordinary shares were issued at an issue price of RM7.81 per share,
(ii) 29,700 ordinary shares were issued at an issue price of RM7.17 per share, and
(iii) 1,661,300 ordinary shares were issued at an issue price of RM10.47 per share.

The share premium of approximately RM22.2 million arising from the exercise of ESOS has been included in the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were shares issued pursuant to the exercise of ESOS subsequent to the end of the financial year and to the date of this report are disclosed in Note 21 to the financial statements.

TREASURY SHARES

There were no repurchase of treasury shares during the financial year.

DIVIDENDS

The amounts of dividends paid by the Company since 30 September 2011 were as follows:

(i) A final single tier dividend of 47 sen per share amounting to RM169.6 million and a special single tier dividend of 15 sen per share amounting to RM54.2 million in respect of the previous financial year were paid on 17 February 2012; and

(ii) An interim single tier dividend of 20 sen per share amounting to RM72.2 million in respect of the current financial year was paid on 1 August 2012.

At the forthcoming Annual General Meeting, the Directors are recommending for shareholders' approval, a final single tier dividend of 23 sen per share together with a special single tier dividend of 15 sen per share amounting to approximately RM137.8 million in respect of the current financial year on 362,759,801 ordinary shares as at 30 September 2012 (excluding treasury shares). 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 2013.

DIRECTORS

The Directors of the Company in office since the date of the last report and at the date of this report are:

Y.A.M. Tengku Syed Badarudin Jamalullail
Tan Sri Dato' Dr. Lin See Yan
Dato' Anwarrudin bin Ahamad Osman
Dato' Dr. Mohd Shahar bin Sidek
Dato' Dr. Nik Norzrul Thani bin Nik Hassan Thani
Dato' Ng Jui Sia
Leslie Oswin Struys
Lee Kong Yip
Cheong Fook Seng, Anthony
Pascal De Petrini
Hui Choon Kit (Alternate Director to Pascal De Petrini)
Tong Sing Eng (appointed on 7 May 2012)
Huang Hong Peng (resigned on 7 May 2012)

DIRECTORS (CONT'D.)

At the forthcoming Annual General Meeting, the following Directors retire and, being eligible, offer themselves for re-election:

(i) Dato' Dr. Mohd Shahar bin Sidek, Dato' Anwarrudin bin Ahamad Osman and Dato' Dr. Nik Norzrul Thani bin Nik Hassan Thani pursuant to Article 97 of the Company's Articles of Association;

(ii) Tong Sing Eng pursuant to Article 103 of the Company's Articles of Association; and

(iii) Tan Sri Dato' Dr. Lin See Yan and Leslie Oswin Struys pursuant to Section 129 of the Companies Act, 1965.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the holding company's ESOS and Share Grant Plan.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 6(c) to the financial statements) by reason of a contract made by the Company or a related corporation with any 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.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares, options over shares and Share Grant Plan in the Company and its related corporations during the financial year were as follows:

	Number of shares/share options/units			
Companies in which Directors held interest	**As at 1.10.2011**	**Bought/ Allocated**	**Sold/ Lapsed/ Exercised**	**As at 30.9.2012**
Y.A.M. Tengku Syed Badarudin Jamalullail				
Fraser & Neave Holdings Bhd				
- Ordinary shares (direct)	2,062,000	-	-	**2,062,000**
Dato' Ng Jui Sia				
Fraser & Neave, Limited				
- Ordinary shares (direct)	104,000	267,000	(285,040)	**85,960**
- Share options	1,062,580	-	(267,000)	**795,580**
- RSP	118,011	60,211	(35,200)	**143,022**
- PSP	35,343	15,087	-	**50,430**
Frasers Centrepoint Trust Units (direct)	10,000	-	-	**10,000**
Frasers Commercial Trust Units (indirect)	10,000	-	-	**10,000**
Fung Choi Media Group Ltd				
- Ordinary shares (direct)	90,000	-	(10,000)	**80,000**
- Ordinary shares (indirect)	-	10,000	-	**10,000**

DIRECTORS' INTERESTS (CONT'D)

Companies in which Directors held interest (cont'd)	As at 1.10.2011	Bought/ Allocated	Sold/ Lapsed/ Exercised	As at 30.9.2012
	Number of shares/share options/units			
Cheong Fook Seng, Anthony				
Fraser & Neave, Limited				
- Ordinary shares (direct)	320,550	665,600	(310,000)	**676,150**
- Ordinary shares (indirect)	40,250	20,000	-	**60,250**
- Share options	3,204,400	-	(632,000)	**2,572,400**
- RSP	97,000	46,200	(33,600)	**109,600**
- PSP	26,000	10,000	-	**36,000**
Frasers Centrepoint Trust Units (direct)	50,000	-	-	**50,000**
Frasers Commercial Trust Units (indirect)	24,000	-	-	**24,000**
Hui Choon Kit				
Fraser & Neave, Limited				
- Ordinary shares (direct)	24,230	145,010	(24,000)	**145,240**
- Share options	948,150	-	(108,360)	**839,790**
- RSP	105,782	46,850	(36,650)	**115,982**
- PSP	19,847	10,000	-	**29,847**
Frasers Centrepoint Trust Units	140,000	-	-	**140,000**
Frasers Commercial Trust Units	80,000	51,000	-	**131,000**

None of the other Directors in office at the end of the financial year had an interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made for receivables; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D.)

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Significant events are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 November 2012.

Tengku Syed Badarudin Jamalullail

Dato' Ng Jui Sia

Statement By Directors

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tengku Syed Badarudin Jamalullail and Dato' Ng Jui Sia, being two of the Directors of Fraser & Neave Holdings Bhd, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 91 to 172 are drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2012 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 40 to the financial statements on page 173 have been prepared, in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 November 2012.

Tengku Syed Badarudin Jamalullail

Dato' Ng Jui Sia

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Soon Wing Chong, being the officer primarily responsible for the financial management of Fraser & Neave Holdings Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 91 to 173 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovementioned Soon Wing Chong
at Kuala Lumpur in the Federal Territory
on 8 November 2012.

Soon Wing Chong

Before me,

Commissioner for Oaths
Wern Li Morsingh (W 605)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Fraser & Neave Holdings Bhd, which comprise the statements of financial position as at 30 September 2012 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 91 to 172.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2012 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia ("the Act"), we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 40 on page 173 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Low Khung Leong
No. 2697/01/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
8 November 2012

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	3	**3,238,786**	3,915,431	**272,589**	255,858
Cost of sales		**(2,351,975)**	(2,713,376)	**-**	-
Gross profit		**886,811**	1,202,055	**272,589**	255,858
Other income	4(a)	**176,629**	70,207	**4,788**	63,753
Operating expenses					
Distribution expenses		**(324,500)**	(331,067)	**-**	-
Marketing expenses		**(255,894)**	(340,861)	**-**	-
Administrative expenses		**(142,248)**	(127,954)	**(3,192)**	(2,411)
Other expenses	4(b)	**(109,417)**	(14,195)	**(4,764)**	-
		(832,059)	(814,077)	**(7,956)**	(2,411)
Operating profit		**231,381**	458,185	**269,421**	317,200
Interest expense	5	**(11,558)**	(11,427)	**-**	-
Interest income	5	**4,266**	15,053	**7,573**	15,518
		224,089	461,811	**276,994**	332,718
Share of results of an associate		**6,119**	1,845	**-**	-
Profit before tax	6	**230,208**	463,656	**276,994**	332,718
Income tax credit/(expense)	7	**43,782**	(80,526)	**(366)**	(3,613)
Profit for the year		**273,990**	383,130	**276,628**	329,105
Profit attributable to:					
Equity holders of the Company		**274,030**	383,130	**276,628**	329,105
Non-controlling interests		**(40)**	-	**-**	-
		273,990	383,130	**276,628**	329,105
Basic earnings per share attributable to equity holders of the Company (sen)	8(a)	**75.9**	106.9		
Diluted earnings per share attributable to equity holders of the Company (sen)	8(b)	**75.4**	106.0		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement Of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the year	**273,990**	383,130	**276,628**	329,105
Other comprehensive income				
Foreign currency translation	**(13,138)**	6,907	**-**	-
Total comprehensive income for the year	**260,852**	390,037	**276,628**	329,105
Attributable to:				
Equity holders of the Company	**260,892**	390,037	**276,628**	329,105
Non-controlling interests	**(40)**	-	**-**	-
	260,852	390,037	**276,628**	329,105

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

AS AT 30 SEPTEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Assets					
Non-current assets					
Property, plant and equipment	10	**1,074,386**	1,008,840	**-**	-
Properties held for development	11	**62,276**	5,504	**-**	-
Investment in subsidiaries	12	**-**	-	**962,180**	978,298
Investment in an associate	13	**73,737**	55,929	**68,727**	54,648
Investment in a joint venture	14	**-**	-	**500**	-
Intangible assets	15	**134,970**	127,262	**-**	-
Receivables	18(b)	**-**	-	**148,243**	148,649
Deferred tax assets	26	**79,050**	4,705	**-**	-
		1,424,419	1,202,240	**1,179,650**	1,181,595
Current assets					
Property development costs	16	**9,047**	74,569	**-**	-
Inventories	17	**370,775**	314,668	**-**	-
Receivables	18(a)	**518,315**	538,175	**131,555**	134,589
Cash and cash equivalents	19	**227,873**	290,290	**17,960**	18,247
		1,126,010	1,217,702	**149,515**	152,836
Non-current assets held for sale	20	**55,897**	55,897	**-**	-
		1,181,907	1,273,599	**149,515**	152,836
Total assets		**2,606,326**	2,475,839	**1,329,165**	1,334,431

AS AT 30 SEPTEMBER 2012 (CONT'D.)

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	21	**362,997**	360,379	**362,997**	360,379
Treasury shares	22	**(1,716)**	(1,716)	**(1,716)**	(1,716)
Reserves	23	**1,193,002**	1,200,155	**959,814**	951,231
		1,554,283	1,558,818	**1,321,095**	1,309,894
Non-controlling interests		**254**	294	**-**	-
Total equity		**1,554,537**	1,559,112	**1,321,095**	1,309,894
Non-current liabilities					
Borrowings	24	**-**	150,000	**-**	-
Provision for retirement benefits	25	**35,227**	35,822	**-**	-
Deferred tax liabilities	26	**15,047**	13,604	**-**	-
		50,274	199,426	**-**	-
Current liabilities					
Payables	27(a)	**569,454**	685,237	**2,010**	2,069
Provisions	27(b)	**6,000**	22,468	**6,000**	22,468
Borrowings	24	**423,711**	-	**-**	-
Provision for taxation		**2,350**	9,596	**60**	-
		1,001,515	717,301	**8,070**	24,537
Total liabilities		**1,051,789**	916,727	**8,070**	24,537
Total equity and liabilities		**2,606,326**	2,475,839	**1,329,165**	1,334,431

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	Share capital (Note 21) RM'000	Share premium (Note 23) RM'000	Treasury shares (Note 22) RM'000	Foreign exchange reserve (Note 23) RM'000	Share based payment reserve (Note 23) RM'000	Legal reserve (Note 23) RM'000	Capital reserve (Note 23) RM'000	Retained earnings (Note 23) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to equity holders of the Company →										
		← Non-distributable →						← Distributable →				
Group												
At 1 October 2010		357,286	345,990	(1,716)	(3,037)	5,263	-	15,897	1,076,833	1,796,516	294	1,796,810
Total comprehensive income		-	-	-	6,907	-	-	-	383,130	390,037	-	390,037
Transactions with owners												
Share options granted under ESOS		-	-	-	-	4,199	-	-	-	4,199	-	4,199
Shares exercised under ESOS		3,093	23,792	-	-	(2,836)	-	-	-	24,049	-	24,049
Dividends	9	-	-	-	-	-	-	-	(655,983)	(655,983)	-	(655,983)
Total transactions with owners		3,093	23,792	-	-	1,363	-	-	(655,983)	(627,735)	-	(627,735)
At 30 September 2011		360,379	369,782	(1,716)	3,870	6,626	-	15,897	803,980	1,558,818	294	1,559,112
Total comprehensive income		-	-	-	(13,138)	-	-	-	274,030	260,892	(40)	260,852
Transactions with owners												
Share options granted under ESOS		-	-	-	-	3,646	-	-	-	3,646	-	3,646
Shares awarded under Share Grant Plan		-	-	-	-	2,082	-	-	-	2,082	-	2,082
Shares exercised under ESOS		2,618	26,028	-	-	(3,802)	-	-	-	24,844	-	24,844
Dividends	9	-	-	-	-	-	-	-	(295,999)	(295,999)	-	(295,999)
Transfer to retained earnings	23(a)	-	-	-	-	-	-	(15,897)	15,897	-	-	-
Transfer to legal reserve	23(b)	-	-	-	-	-	9,934	-	(9,934)	-	-	-
Total transactions with owners		2,618	26,028	-	-	1,926	9,934	(15,897)	(290,036)	(265,427)	-	(265,427)
At 30 September 2012		**362,997**	**395,810**	**(1,716)**	**(9,268)**	**8,552**	**9,934**	**-**	**787,974**	**1,554,283**	**254**	**1,554,537**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 (CONT'D.)

	Note	Non-distributable Share capital (Note 21) RM'000	Share premium (Note 23) RM'000	Treasury shares (Note 22) RM'000	Share based payment reserve (Note 23) RM'000	Distributable Capital reserve (Note 23) RM'000	Retained earnings (Note 23) RM'000	Total equity RM'000
Company								
At 1 October 2010		357,286	345,990	(1,716)	5,263	15,897	885,804	1,608,524
Total comprehensive income		-	-	-	-	-	329,105	329,105
Transactions with owners								
Share options granted under ESOS		-	-	-	4,199	-	-	4,199
Shares exercised under ESOS		3,093	23,792	-	(2,836)	-	-	24,049
Dividends	9	-	-	-	-	-	(655,983)	(655,983)
Total transactions with owners		3,093	23,792	-	1,363	-	(655,983)	(627,735)
At 30 September 2011		360,379	369,782	(1,716)	6,626	15,897	558,926	1,309,894
Total comprehensive income		-	-	-	-	-	276,628	276,628
Transactions with owners								
Share options granted under ESOS		-	-	-	3,646	-	-	3,646
Shares awarded under Share Grant Plan		-	-	-	2,082	-	-	2,082
Shares exercised under ESOS		2,618	26,028	-	(3,802)	-	-	24,844
Transfer to retained earnings	23(a)	-	-	-	-	(15,897)	15,897	-
Dividends	9	-	-	-	-	-	(295,999)	(295,999)
Total transactions with owners		2,618	26,028	-	1,926	(15,897)	(280,102)	(265,427)
At 30 September 2012		**362,997**	**395,810**	**(1,716)**	**8,552**	**-**	**555,452**	**1,321,095**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from operating activities					
Profit before tax		**230,208**	463,656	**276,994**	332,718
Adjustments for:					
Depreciation of property, plant and equipment	10	**90,472**	78,954	**-**	-
Impairment loss on property, plant and equipment	10	**678**	150	**-**	-
Property, plant and equipment written-off	10	**34,788**	3,943	**-**	-
Loss on disposal of property, plant and equipment		**993**	2,058	**-**	-
Amortisation of intangible assets	15	**3,981**	1,974	**-**	-
Intangible assets written-off	15	**56**	1	**-**	-
Inventories written-down		**3,184**	2,134	**-**	-
Inventories written-off		**50,457**	21,204	**-**	-
Bad debts written-off		**-**	957	**-**	-
Interim insurance claim	4(a)	**(80,699)**	-	**-**	-
Business interruption insurance claim	4(a)	**(29,892)**	-	**-**	-
Fair value loss on derivatives		**274**	84	**-**	304
Gain arising from the loss of control over a former subsidiary	12(a)	**(55,301)**	-	**-**	-
Gain on disposal of investment in a subsidiary	12(e)	**-**	(35,824)	**-**	(42,000)
Share of result of an associate		**(6,119)**	(1,845)	**-**	-
Dividend income	3	**-**	-	**(272,589)**	(255,858)
Gain on disposal of ice cream business of a subsidiary	4(a)	**-**	(3,421)	**-**	-
Gain on disposal of a land in a subsidiary	4(a)	**-**	(9,816)	**-**	-
Interest income	5	**(4,266)**	(15,053)	**(7,573)**	(15,518)
Interest expense	5	**11,558**	11,427	**-**	-
Retirement benefits expense	25	**3,481**	1,486	**-**	-
Allowance for impairment on trade receivables	18	**2,149**	2,275	**-**	-
Share-based payment transactions expense		**5,728**	4,199	**-**	-
Write-back of impairment loss on property, plant and equipment	10	**(529)**	(4,498)	**-**	-
Balance brought forward		**261,201**	524,045	**(3,168)**	19,646

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 (CONT'D.)

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from operating activities (cont'd.)					
Balance carried forward		**261,201**	524,045	**(3,168)**	19,646
Reversal of allowance for impairment on trade receivables	18	**(1,930)**	(976)	**-**	-
Reversal of inventories written-down		**(2,262)**	(1,536)	**-**	-
Unrealised foreign exchange loss		**1,664**	-	**4,764**	-
Unrealised foreign exchange gain		**-**	(1,388)	**-**	(2,492)
Provision for litigation claim	4(b)	**-**	5,915	**-**	-
Write-back of provision relating to glass container business	27(b)	**(4,788)**	(20,299)	**(4,788)**	(20,299)
Operating profit/(loss) before changes in working capital		**253,885**	505,761	**(3,192)**	(3,145)
Changes in working capital:					
Inventories		**(107,486)**	6,447	**-**	-
Receivables		**47,931**	(67,832)	**10,200**	159,153
Payables		**(119,774)**	59,810	**(59)**	(9,484)
Property development costs		**(5,437)**	15,844	**-**	-
Cash generated from operations		**69,119**	520,030	**6,949**	146,524
Income tax paid		**(39,408)**	(89,534)	**(620)**	(2,461)
Income tax refunded		**841**	-	**337**	1,801
Insurance claims received		**84,155**	-	**-**	-
Payment of indemnity cost relating to glass container business	27(b)	**(11,680)**	(5,915)	**(11,680)**	-
Benefits paid for retirement benefits	25	**(3,952)**	(3,331)	**-**	-
Net cash generated from/(used in) operating activities		**99,075**	421,250	**(5,014)**	145,864
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**1,222**	2,517	**-**	-
Net cash inflow from disposal of investment in a subsidiary	12(e)	**-**	36,290	**-**	42,100
Net cash inflow from the lost of control over a former subsidiary	12(a)	**69,602**	-	**-**	-
Investment in an associate	13	**(14,079)**	(54,648)	**(14,079)**	(54,648)
Investment in a joint venture		**-**	-	**(500)**	-
Subscription of RNCCPS in subsidiaries	12(c)	**-**	-	**(147,700)**	(381,000)
Purchase of property, plant and equipment	10	**(201,626)**	(306,824)	**-**	-
Purchase of computer software	15	**(11,745)**	(4,062)	**-**	-
Balance brought forward		**(156,626)**	(326,727)	**(162,279)**	(393,548)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 (CONT'D.)

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from investing activities (cont'd.)					
Balance carried forward		**(156,626)**	(326,727)	**(162,279)**	(393,548)
Dividends received		**2,390**	564	**266,589**	127,358
Proceeds from capital repayment scheme in a subsidiary	12(b)	**-**	-	**24,999**	7,394
Proceeds from redemption of RNCCPS in a subsidiary	12(d)	**-**	-	**139,000**	-
Proceeds from disposal of land		**-**	20,000	**-**	-
Proceeds from disposal of business in a subsidiary		**-**	11,500	**-**	-
Interest received		**4,266**	15,053	**7,573**	15,518
Net cash (used in)/generated from investing activities		**(149,970)**	(279,610)	**275,882**	(243,278)
Cash flows from financing activities					
Interest paid		**(11,558)**	(11,427)	**-**	-
Proceeds from exercise of ESOS		**24,844**	24,049	**24,844**	24,049
Drawdown/(repayment) of borrowings		**273,711**	(150,000)	**-**	-
Payment of dividends	9	**(295,999)**	(655,983)	**(295,999)**	(655,983)
Net cash used in financing activities		**(9,002)**	(793,361)	**(271,155)**	(631,934)
Net decrease in cash and cash equivalents		**(59,897)**	(651,721)	**(287)**	(729,348)
Effects of foreign exchange rate changes		**(2,520)**	2,676	**-**	-
Cash and cash equivalents at beginning of financial year		**290,290**	939,335	**18,247**	747,595
Cash and cash equivalents at end of financial year	19	**227,873**	290,290	**17,960**	18,247

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding and its subsidiaries are primarily engaged in the manufacture and sale of soft drinks, dairy products and property development activities and provision of management services. There have been no significant changes in the nature of the principal activities during the financial year.

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 registered office of the Company is located at Level 8, F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur.

The holding company of the Company is Fraser and Neave, Limited, which is incorporated in Singapore.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 8 November 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

At the beginning of the current financial year, the Group and the Company had adopted the new and revised FRS and IC Interpretations which are mandatory for the financial periods beginning on or after 1 October 2011 as described fully in Note 2.3.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Unrealised losses may indicate an impairment that requires recognition in the consolidated financial statements.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the income statement.

The Group elects for each individual business combination, whether non-controlling interests in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.2(f)(i). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in the income statement on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A list of the Company's subsidiaries is shown in Note 38.

Business combinations prior to 1 October 2010

Business combinations were accounted for using the purchase method. Any costs directly attributable to the business combination formed part of the cost of a business combination.

Business combinations achieved in stages were accounted for separately for each transaction, using the cost of the transaction and fair value information at the date of each transaction, to determine the amount of any goodwill associated with that transaction. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity. Any additional acquired interest did not affect previously recognised goodwill.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements of the contingent consideration affected goodwill.

(b) Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(c) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(d) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in an associate are accounted for using the equity method. Under the equity method, the investment in an associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in an associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The Group's share of the operating results of an associate is shown separately in the income statement. The Group's share of other comprehensive income of the associate is recognised in other comprehensive income. The financial statements of the associate are prepared as of the same reporting date as the Company except where their financial periods do not end on 30 September, then management accounts to 30 September are used. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investment in an associate are stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in the income statement.

The details of the Company's investment in an associate are shown in Note 13.

(e) Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, its investment in joint venture is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in the income statement.

The details of the Company's investment in a joint venture are shown in Note 14.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(f) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Brand

Brand is stated at cost less any impairment loss. The useful life of the brand are estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group.

Brands are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such brands are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of a brand are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the brand is derecognised.

(iii) Computer software

Acquired computer software licences are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their expected useful lives at rates between 12.5 to 33.3%.

(g) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(g) Property, plant and equipment and depreciation (cont'd.)

The cost of property, plant and equipment comprises its purchase price and any directly attributable costs in bringing the property, plant and equipment to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital-work-in progress included in plant and equipment are not depreciated as these assets are not yet available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	Lease term (ranging from 18 to 91 years)
Buildings	2% to 10%
Plant and machinery	8.30% to 50%
Motor vehicles	10% to 20%
Postmix, coolers and vending machines	10% to 14.30%
Furniture, fittings and computer equipment	10% to 50%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospecively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the year the asset is derecognised.

(h) Properties held for development and property development costs

(i) Properties held for development

Properties held for development consists 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 is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Properties held for development is 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(h) Properties held for development and property development costs (cont'd.)

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Cost of raw materials and packaging materials comprises cost of purchase and is stated on a first-in, first-out basis, weighted average cost or standard cost basis (which approximates average actual cost).

- Cost of finished goods includes raw materials, labour and an appropriate proportion of production overheads.

- Engineering inventories comprise cost of purchase and is stated on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(j) Provisions (cont'd.)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

A lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

(l) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in the income statement except to the extent that the tax relates to items recognised outside income statement, either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(l) Income taxes (cont'd.)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(m) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(m) Employee benefits (cont'd.)

(iii) Defined benefit plan

Certain subsidiaries of the Group operates unfunded defined benefit retirement benefit plan for its employees. The plan pays a lump sum amount (instead of a pension) at retirement.

The costs of providing benefits under defined benefit plans are determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised, reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

(iv) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

(v) Share-based compensation plans

Certain executive employees of the Group receive remuneration in the form of share options and share awards as consideration for services rendered.

(i) <u>Equity-settled transactions</u>

The fair value of the employee services received in exchange for the grant of the options or awards is recognised as an expense in the income statement with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options or awards on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of original estimates, if any in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

When the options are exercised and new ordinary shares issued, the proceeds received (net of any directly attributable transaction costs) and the corresponding share-based payment reserve is credited to share capital. The proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to the 'treasury share' account when treasury shares purchased are re-issued to the employees.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(m) Employee benefits (cont'd.)

(v) Share-based compensation plans (cont'd.)

(ii) Cash-settled transactions

The cost of cash-settled share-based payment transactions is measured initially at fair value at the grant date taking into account the terms and conditions upon which the options were granted. Until the liability is settled, it is remeasured at each reporting date and the fair value is expensed over the period till vesting with recognition of a corresponding liability.

(n) Revenue and income recognition

Revenue and income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue and income is recognised:

(i) Sale of goods

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

Revenue from sale of goods represents the invoiced value of net sales (including excise duties and net of trade discounts).

(ii) Sales of properties

Revenue from sale of properties is accounted for by the stage of completion method.

Revenue from sale of completed properties is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in the properties, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(o) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statement of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(o) Foreign currencies (cont'd.)

(iii) Foreign operations (cont'd.)

The exchange rates used at the reporting date are as follows:

	2012 RM	2011 RM
United States Dollar	3.06	3.19
Renminbi	0.49	0.50
100 Vietnam Dong	0.01	0.02
Singapore Dollar	2.50	2.46
New Zealand Dollar	2.56	2.34
Thailand Baht	0.10	0.10
Australia Dollar	3.21	3.11
Sterling Pound	4.98	4.97
Euro	3.96	4.32
Brunei Dollar	2.50	2.45

(p) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ('CGU')).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(q) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition and, where allowed and appropriate, re-evaluate this designation at each financial year end.

The Group's financial assets include cash and short term deposits, receivables and derivative financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in the income statement. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in the income statement as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(q) Financial assets (cont'd.)

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company did not have any held-to maturity investments during the years ended 30 September 2012 and 30 September 2011.

(iv) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in the income statement. Dividends on an available-for-sale equity instrument are recognised in the income statement when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

The Group and the Company have not designated any financial assets as available-for-sale financial assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(r) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables. If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in the income statement.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement.

Impairment losses on available-for-sale equity investments are not reversed in the income statement in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in the income statement if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in the income statement.

(s) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(s) Financial liabilities (cont'd.)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the income statement. Net gains or losses on derivatives include exchange differences.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables, loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(t) 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.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in the income statement over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(u) Interest-bearing borrowings

Interest-bearing bank loans, Medium Term Notes ("MTN") and Commercial Papers ("CP") are recorded at the amount of proceeds received.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (cont'd.)

(u) Interest-bearing borrowings (cont'd.)

The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining another qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised in the income statement in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(v) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash on hand, balances and deposits with banks and short term highly liquid investments which have an insignificant risk of changes in value.

(w) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(x) Non-current assets held for sale

A non-current asset is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Upon classification as held for sale, non-current assets are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the income statement.

2.3 Changes in accounting policies

On 1 October 2011, the Group and the Company adopted the following applicable new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- IC Interpretation 4 Determining Whether an Arrangement contains a Lease
- IC Interpretation 18 Transfers of Assets from Customers
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- Amendments to IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Improvements to FRSs issued in 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in accounting policies (cont'd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company except for those discussed below:

Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transaction and amounts used for liquidity management. The fair value measurement disclosures are presented in Note 33. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 32.

2.4 Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective for annual periods beginning on or after 1 January 2012
- FRS 124 *Related Party Disclosures*
- Amendments to FRS 1: *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7: *Transfers of Financial Assets*
- Amendments to FRS 112: *Deferred Tax: Recovery of Underlying Assets*

Effective for annual periods beginning on or after 1 July 2012
- Amendments to FRS 101: *Presentation of Items of Other Comprehensive Income*

Effective for annual periods beginning on or after 1 January 2013
- FRS 10 *Consolidated Financial Statements*
- FRS 11 *Joint Arrangements*
- FRS 12 *Disclosure of Interests in Other Entities*
- FRS 13 *Fair Value Measurement*
- FRS 119 *Employee Benefit*
- FRS 127 *Separate Financial Statements*
- FRS 128 *Investment in Associate and Joint Ventures*
- Amendments to FRS 1: *Government loans*
- Amendments to FRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities*
- IC Interpretations 20 *Stripping Costs in the Production Phase of a Surface Mine*

Effective for annual periods beginning on or after 1 January 2014
- Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*

Effective for annual periods beginning on or after 1 January 2015
- FRS 9 *Financial Instruments*

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

FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 *Jointly-controlled Entities - Non-monetary Contributions by Venturers*. FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group. This is due to the cessation of proportionate consolidation of Vacaron Company Sdn Bhd as disclosed in Note 14. This investment will be equity accounted for.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Standards and interpretations issued but not yet effective (cont'd.)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 September 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 September 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 September 2015.

2.5 Significant accounting estimates and judgements

Estimate and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill and brand

The Group determines whether goodwill and brand are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and brand are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of the goodwill and brand at financial reporting date are disclosed in Note 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting estimates and judgements (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(ii) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile. As the Group assesses the probability for a litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iii) Impairment of property, plant and equipment

During the current financial year, the Group has recognised impairment losses in respect of a subsidiary's property, plant and equipment. The Group carried out the impairment test based on a variety of estimation including the value-in-use of the CGU to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Note 10.

(iv) Depreciation of plant and machinery

Plant and machinery are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and machinery to be within 7 to 13 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(v) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 23(c) and Note 23(d).

(b) Critical judgements made in applying accounting policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3. REVENUE

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Sale of goods [i]	**3,238,300**	3,853,589	**-**	-
Sale of properties [ii]	**-**	60,158	**-**	-
Dividend income				
- from subsidiaries	**-**	-	**270,199**	255,106
- from associate	**-**	-	**2,390**	752
Others	**486**	1,684	**-**	-
	3,238,786	3,915,431	**272,589**	255,858

(i) Sale of goods represents invoiced value of goods delivered, net of discounts and returns.

(ii) Revenue on properties developed for sale is accounted for by the stage of completion method as described in Note 2.2(n)(ii).

4. OTHER INCOME AND OTHER EXPENSES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
(a) Other income				
Interim insurance claim	**80,699**	-	**-**	-
Business interruption insurance claim	**29,892**	-	**-**	-
Gain arising from loss of control over former subsidiary (Note 12(a))	**55,301**	-	**-**	-
Gain on disposal of investment in a subsidiary (Note 12(e))	**-**	35,824	**-**	42,000
Gain on disposal of ice cream business of a subsidiary	**-**	3,421	**-**	-
Gain on disposal of a land in a subsidiary	**-**	9,816	**-**	-
Write-back of provision relating to glass container business	**4,788**	20,299	**4,788**	20,299
Others	**5,949**	847	**-**	1,454
	176,629	70,207	**4,788**	63,753

4. OTHER INCOME AND OTHER EXPENSES (CONT'D.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
(b) Other expenses				
Property, plant and equipment written-off [ii]	**34,788**	3,943	**-**	-
Inventories written-off [ii]	**36,571**	-	**-**	-
Accelerated depreciation for buildings [i]	**16,954**	1,884	**-**	-
Other flood related expenses [ii]	**15,997**	-	**-**	-
Provision for litigation claim	**-**	5,915	**-**	-
Loss on disposal of fixed assets	**993**	2,058	**-**	-
Others	**4,114**	395	**4,764**	-
	109,417	14,195	**4,764**	-

(i) In the previous financial year, the Group had disposed of a land to Vacaron Company Sdn Bhd, then a subsidiary of the Company. Consequently, the related building located on the land have to be vacant by 31 December 2012 pursuant to the terms of the sales and purchase agreement. The Group had accelerated the depreciation charge on the building in relation to the disposal.

(ii) Included in the expenses above are mainly flood related expenses as further disclosed in Note 36.

5. INTEREST EXPENSE AND INTEREST INCOME

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest expense:				
Bank borrowings and CP/MTN	**(11,230)**	(11,133)	**-**	-
Security deposits by customers	**(328)**	(294)	**-**	-
	(11,558)	(11,427)	**-**	-
Interest income:				
Bank deposits	**4,248**	15,045	**323**	10,906
Subsidiaries	**-**	-	**7,250**	4,612
Others	**18**	8	**-**	-
	4,266	15,053	**7,573**	15,518

6. PROFIT BEFORE TAX

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
(a) This is arrived at after charging:				
Auditors' remuneration				
- Statutory audits	**593**	519	**35**	33
- Other services	**109**	121	**-**	-
Depreciation of property, plant and equipment	**90,472**	78,954	**-**	-
Impairment loss on property, plant and equipment	**678**	150	**-**	-
Property, plant and equipment written-off *	**34,788**	3,943	**-**	-
Loss on disposal of property, plant and equipment	**993**	2,058	**-**	-
Amortisation of intangible assets	**3,981**	1,974	**-**	-
Intangible assets written-off	**56**	1	**-**	-
Inventories written-down	**3,184**	2,134	**-**	-
Inventories written-off *	**50,457**	21,204	**-**	-
Bad debts written-off	-	957	**-**	-
Retirement benefits expense	**3,481**	1,486	**-**	-
Allowance for impairment on trade receivables	**2,149**	2,275	**-**	-
Provision for litigation claim	**-**	5,915	**-**	-
Rental expense:				
- Premises	**16,522**	13,628	**-**	-
- Equipment	**6,121**	6,645	**-**	-
Royalties:				
- Holding company	**1,364**	1,800	**-**	-
- Related companies	**47,960**	43,681	**-**	-
- Third parties	**45,010**	72,468	**-**	-
Staff costs (excluding key management personnel)				
- Salary, allowances and bonus	**228,435**	225,658	**-**	-
- Contributions to defined contribution plan	**19,352**	19,850	**-**	-
- Share-based payment transaction expense	**5,198**	3,884	**-**	-
Fair value loss on derivatives	**274**	84	**-**	304
Foreign exchange loss				
- Unrealised	**1,664**	-	**4,764**	-
- Realised	**3,311**	954	**87**	234

* Included above are flood related expenses which are further disclosed in Note 36.

6. PROFIT BEFORE TAX (CONT'D.)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
(b) This is arrived at after crediting:				
Interim insurance claim	**80,699**	-	**-**	-
Business interruption insurance claim	**29,892**	-	**-**	-
Gain arising from the loss of control over a former subsidiary (Note 12(a))	**55,301**	-	**-**	-
Gain on disposal of investment in a subsidiary (Note 12(e))	**-**	35,824	**-**	42,000
Gain on disposal of ice cream business of a subsidiary	**-**	3,421	**-**	-
Gain on disposal of a land in a subsidiary	**-**	9,816	**-**	-
Write-back of impairment loss on property, plant and equipment	**529**	4,498	**-**	-
Reversal of allowance for impairment on trade receivables	**1,930**	976	**-**	-
Reversal of inventories written-down	**2,262**	1,536	**-**	-
Write-back of provision relating to glass container business	**4,788**	20,299	**4,788**	20,299
Rental income:				
- Premises	**620**	545	**-**	-
Foreign exchange gain				
- Unrealised	**-**	1,388	**-**	2,492
- Realised	**2,036**	971	**-**	-

(c) Directors remuneration

The details of remuneration receivable by Directors of the Company during the year are as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Executive Director				
- Salary and bonus	**2,223**	1,497	**-**	-
- Contributions to defined contribution plan	**16**	16	**-**	-
- Benefits-in-kind	**220**	197	**-**	-
Non-Executive Directors				
- Fees	**827**	799	**821**	799
- Benefits-in-kind	**35**	35	**-**	-

6. PROFIT BEFORE TAX (CONT'D.)

(c) Directors remuneration (cont'd.)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

Remuneration (RM)	2012 Executive Director	2012 Non-Executive Director	2011 Executive Director	2011 Non-Executive Director
1,500 - 50,000	**-**	**3**	-	-
50,001 - 100,000	**-**	**8**	-	9
100,001 - 150,000	**-**	**1**	-	1
1,700,000 - 1,750,000	**-**	**-**	1	-
2,450,000 - 2,500,000	**1**	**-**	-	-

7. INCOME TAX (CREDIT)/EXPENSE

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current income tax:				
- Malaysian income tax	**28,356**	88,448	**379**	3,613
- Foreign tax	**930**	829	**-**	-
Overprovision in prior years				
- Malaysian income tax	**(40)**	(120)	**(13)**	-
	29,246	89,157	**366**	3,613
Deferred tax (Note 26):				
Relating to reversal and origination of temporary differences	**(73,142)**	(6,426)	**-**	-
Under/(over)provision in prior years	**114**	(2,205)	**-**	-
	(73,028)	(8,631)	**-**	-
Total income tax (credit)/expense	**(43,782)**	80,526	**366**	3,613

7. INCOME TAX (CREDIT)/EXPENSE (CONT'D.)

Reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Profit before tax	**230,208**	463,656	**276,994**	332,718
Tax at Malaysian statutory tax rate of 25% (2011: 25%)	**57,552**	115,914	**69,249**	83,179
Different tax rates in other countries	**(104)**	1,423	**-**	-
Effect of changes in foreign income tax rate on deferred tax	**1,527**	-	**-**	-
Income not subject to tax (tax incentives/exemption)	**(29,836)**	(28,277)	**(70,389)**	(80,959)
Expenses not deductible for tax purposes	**7,422**	1,712	**1,519**	307
Utilisation of previously unrecognised tax losses	**(97)**	(783)	**-**	-
Deferred tax assets recognised	**(80,155)**	(10,334)	**-**	-
(Over)/underprovision in prior years				
- Income tax	**(40)**	(120)	**(13)**	-
- Deferred tax	**114**	(2,205)	**-**	-
Others	**(165)**	3,196	**-**	1,086
Total income tax (credit)/expense	**(43,782)**	80,526	**366**	3,613

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year. Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Corporate tax rate applicable to the Thailand subsidiary of the Group was reduced from 30% to 23% in 2012 (subsidiary's fiscal year 2012/2013) and then to 20% from 2013 onwards (subsidiary's fiscal year 2013/2014). The computation of deferred tax as at 30 September 2012 has reflected these changes.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Group received approvals for the following tax incentives:

(a) A subsidiary of the Company, F&N Dairies (Thailand) Limited ("FNDT"), received approval for the Investment Promotion Incentive from the Board of Investment, Thailand in the form of tax exemption for the new dairies factory in Rojana, Thailand in relation to qualifying expenditure for approved products covering sterilised milk, evaporated milk and sweetened condensed beverage creamer. The amount of tax waived under the incentive scheme is approximately RM117.8 million depending on the amount of qualifying capital expenditure. The waiver can be utilised for set off against tax payable on the profits from the approved products categories for a period of 7 years from the date the promoted operations commenced generating revenues (1 October 2009); and

7. INCOME TAX (CREDIT)/EXPENSE (CONT'D.)

(b) A subsidiary of the Company, PML Dairies Sdn Bhd ("PMLD"), received approval for the Halal Industry Development Corporation Incentive from the Ministry of Finance in the form similar to Investment Tax Allowance for the new dairies factory in Selangor Halal Hub, Pulau Indah, Port Klang in respect of qualifying expenditure incurred for a period of 5 years for approved products covering sweetened condensed milk, evaporated milk, sterilised milk, pasteurised milk and pasteurised juice. The allowance can be used for set off against 100% statutory income and the amount can be carried forward until it is fully utilised. As at 30 September 2012, the amount of qualifying expenditure incurred is approximately RM320 million and the tax savings amount to approximately RM80 million. PMLD has started to enjoy the benefit on the completion of the plant in current financial year.

These incentives are expected to lower the Group's future effective tax rate.

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2012 RM'000	**2011 RM'000**
Profit net of tax, attributable to equity holders of the Company	**274,030**	383,130
	No of shares	
	2012 '000	**2011 '000**
Weighted average number of ordinary shares net of treasury shares	**361,039**	358,394
Earnings per share (sen)	**75.9**	106.9

8. EARNINGS PER SHARE (CONT'D.)

(b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the dilutive effects of potential ordinary shares, i.e. share options granted pursuant to the ESOS and RSP pursuant to the Share Grant Plan.

	Group	
	2012	**2011**
	RM'000	**RM'000**
Profit net of tax, attributable to equity holders of the Company	**274,030**	383,130

There were no changes to the Group's profit, net of tax, arising from the dilutive effect of the share options granted pursuant to the ESOS and RSP pursuant to the Share Grant Plan.

	No of shares	
	2012	**2011**
	'000	**'000**
Weighted average number of ordinary shares net of treasury shares	**361,039**	358,394
Adjustment for share options granted pursuant to the ESOS and RSP pursuant to the Share Grant Plan	**2,335**	2,923
Adjusted weighted average number of ordinary shares net of treasury shares	**363,374**	361,317
Diluted earnings per share (sen)	**75.4**	106.0

9. DIVIDENDS

	Group/Company	
	2012	**2011**
	Amount	**Amount**
	RM'000	**RM'000**
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final single tier dividend for 2011: 47 sen (2010: 38 sen) per share	**169,649**	136,220
- Special interim single tier dividend for 2011: 15 sen (2010: RM1.10) per share	**54,143**	394,282
- Interim single tier dividend for 2012: 20 sen (2011: 20 sen) per share	**72,207**	71,703
- Special interim single tier dividend for 2011: 15 sen	**-**	53,778
	295,999	655,983

9. DIVIDENDS (CONT'D.)

	Group/Company 2012 Amount RM'000	2011 Amount RM'000
Proposed but not recognised as a liability as at 30 September:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final single tier dividend for 2012: 23 sen (2011: 47 sen) per share	**83,435**	169,649
- Special single tier dividend for 2012:15 sen (2011: 15 sen) per share	**54,414**	54,143
	137,849	223,792

At the forthcoming Annual General Meeting, the Directors are recommending for shareholders' approval, a final single tier dividend of 23 sen per share together with a special single tier dividend of 15 sen per share amounting to approximately RM137.8 million in respect of the current financial year on 362,759,801 ordinary shares will be proposed for shareholders' approval. 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 2013.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Work-in-progress RM'000	Others RM'000	Total RM'000
At 30 September 2012							
Cost	92,894	53,471	461,051	758,573	3,973	340,878	1,710,840
Accumulated depreciation	-	(6,898)	(54,133)	(358,249)	-	(203,753)	(623,033)
Accumulated impairment loss	(2,216)	(2,220)	(1,154)	(5,908)	-	(1,923)	(13,421)
Net carrying amount	90,678	44,353	405,764	394,416	3,973	135,202	1,074,386
Net carrying amount:							
At 1 October 2011	91,212	45,009	264,677	250,942	235,003	121,997	1,008,840
Additions	-	158	1,020	12,731	107,969	79,748	201,626
Transfers	-	-	3,037	-	(3,037)	-	-
Disposals	-	-	-	-	-	(2,215)	(2,215)
Write-off	-	-	-	(30,263)	-	(4,525)	(34,788)
Reclassification	-	-	165,956	199,073	(335,652)	(29,377)	-
Depreciation	-	(814)	(25,196)	(34,504)	-	(29,958)	(90,472)
Impairment loss	-	-	-	(408)	-	(270)	(678)
Write-back of impairment loss	-	-	-	419	-	110	529
Exchange differences	(534)	-	(3,730)	(3,574)	(310)	(308)	(8,456)
At 30 September 2012	90,678	44,353	405,764	394,416	3,973	135,202	1,074,386

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Work-in-progress RM'000	Others RM'000	Total RM'000
At 30 September 2011							
Cost	93,427	53,313	316,245	600,459	235,783	329,419	1,628,646
Accumulated depreciation	-	(6,084)	(50,483)	(343,597)	(680)	(205,647)	(606,491)
Accumulated impairment loss	(2,215)	(2,220)	(1,085)	(5,920)	(100)	(1,775)	(13,315)
Net carrying amount	91,212	45,009	264,677	250,942	235,003	121,997	1,008,840
Net carrying amount:							
At 1 October 2010	90,933	74,366	260,495	208,989	51,219	130,152	816,154
Additions	-	-	2,141	6,425	268,983	29,275	306,824
Transfers to property development costs (Note 16)	-	(27,982)	-	(1,218)	-	1,218	(27,982)
Disposals	-	-	(1,882)	(2,281)	-	(7,691)	(11,854)
Write-off	-	-	-	-	(709)	(3,234)	(3,943)
Reclassification	-	-	9,737	66,299	(84,421)	8,385	-
Depreciation	-	(1,375)	(8,695)	(32,645)	(69)	(36,170)	(78,954)
Impairment loss	-	-	-	-	-	(150)	(150)
Write-back of impairment loss	-	-	927	3,512	-	59	4,498
Exchange differences	279	-	1,954	1,861	-	153	4,247
At 30 September 2011	91,212	45,009	264,677	250,942	235,003	121,997	1,008,840

Write-off of plant and equipment
Flood related damages to plant and equipment amounted to RM32.8 million (2011: RM nil) has been recognised in the consolidated income statement.

11. PROPERTIES HELD FOR DEVELOPMENT

	Group 2012 RM'000	2011 RM'000
At 1 October 2011/2010	**5,504**	5,470
Cost incurred during the year	**-**	34
Transfer from property development costs (Note 16)	**56,772**	-
At 30 September	**62,276**	5,504

11. PROPERTIES HELD FOR DEVELOPMENT (CONT'D.)

	Group 2012 RM'000	2011 RM'000
Properties held for development comprise:		
Freehold land	**49,689**	5,504
Leasehold land	**7,350**	-
Development costs	**5,237**	-
	62,276	5,504

The transfer of approximately RM56.8 million from property development costs relates to development activities which are not expected to be completed within the next operating cycle.

12. INVESTMENT IN SUBSIDIARIES

	Note	Company 2012 RM'000	2011 RM'000
Unquoted shares at cost:			
- Ordinary shares	(a), (b), (e)	**396,776**	428,988
Less: Pre-acquisition dividend received		**-**	(7,394)
		396,776	421,594
- Redeemable non-cumulative convertible preference shares ("RNCCPS")	(c), (d)	**565,404**	556,704
		962,180	978,298

The details of the subsidiaries are set out in Note 38.

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

During the year, the following events took place:

(a) On 11 November 2011, the Company had entered into a conditional subscription cum shareholders' agreement ("SSA") with FCL Centrepoint Pte. Ltd. ("FCLC") to form a joint venture, via its wholly owned subsidiary, Vacaron Company Sdn. Bhd. ("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").

On 18 January 2012, the Joint Venture has been completed with the issuance of new 499,998 and 500,000 VCSB shares to the Company and FCLC respectively. Consequent thereupon, the Company and FCLC each holds 50% equity interest in VCSB. With the announcement of the completion of the transaction, the Company has effectively divested 50% of its interest in the development land in PJ Section 13 and recognised a gain of approximately RM55 million. Pursuant to the SSA, the Company and FCLC have both granted a shareholders' loan of RM69.5 million each to VCSB.

The disposal of 50% equity interest in VCSB had the following effects on the financial position of the Group as at 30 September 2012:

	RM'000
Group	
Assets	
Property development costs	**14,307**
Cash and cash equivalents	**398**
Borrowings	**(69,506)**
Carrying value of net liabilities disposed	**(54,801)**
Proceeds from disposal of 50% equity investment in VCSB	**(500)**
Gain arising from the loss of control over a former subsidiary [(i)]	**(55,301)**
Cash inflow arising from loss of control over former subsidiary:	
Proceeds from disposal of 50% equity investment in VCSB	**500**
Less: Cash and cash equivalents of subsidiary disposed	**(398)**
Shareholders' loan granted to VCSB	**69,500**
Net cash inflow from the loss of control over a former subsidiary	**69,602**

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(i) With the announcement of the completion of the transactions on 18 January 2012, the Group has effectively divested 50% of its interest in the development land in PJ Section 13. The gain arising from the loss of control over a former subsidiary includes the realisation of asset valuation reserve of approximately RM55 million, shown below:

	RM'000
Land at market value	**138,566**
Land cost, net carrying amount	**(27,982)**
Unrealised asset revaluation reserve	**110,584**
Joint venture portion	**50%**
Realisation of asset valuation reserve upon loss of control over former subsidiary, VCSB	**55,292**

(b) During the financial year, a wholly owned subsidiary of the Company, F&N Foods Sdn Bhd has reduced the issued and paid up capital of RM25,000,000 comprising 25,000,000 ordinary shares of RM1 each to RM2 comprising 2 ordinary shares of RM1 each by cancelling 24,999,998 ordinary shares of RM1 each, and that the credit of RM24,999,998 arising therefrom was distributed to the Company as capital repayment.

(c) During the financial year, the Company subscribed for the entire RNCCPS in the following subsidiaries:

(i) 9,700 RNCCPS in Nuvak Company Sdn Bhd at an issue price of RM1,000 per RNCCPS totalling to RM9,700,000.

(ii) 138,000 RNCCPS in PML Dairies Sdn Bhd at an issue price of RM1,000 per RNCCPS totalling to RM138,000,000.

(d) During the financial year, Vacaron Company Sdn Bhd redeemed its entire 139,000 RNCCPS at its previous issue price of RM1,000 per RNCCPS totalling to RM139,000,000.

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(e) On 10 March 2011, the Company completed the disposal of the entire shareholdings of Brampton Holdings Sdn Bhd ("Brampton"), a wholly owned subsidiary, which carried out the development of Fraser Business Park Phase II project.

The disposal of Brampton had the following effects on the financial position of the Group and of the Company as at 30 September 2011:

	RM'000
Group	
Assets	
Deferred tax assets	2,005
Property development cost	78,224
Receivables	54,034
Cash and cash equivalents	5,810
Total assets	140,073
Less: Liabilities	
Payables	(85,303)
Provision for taxation	(3,494)
Borrowings	(45,000)
Carrying value of net assets	6,276
Proceeds from disposal of Brampton	(42,100)
Gain on disposal of investment in a subsidiary	(35,824)
Company	
Cost of investment	100
Proceeds from disposal of Brampton	(42,100)
Gain on disposal of investment in a subsidiary	(42,000)

Cash inflow arising on the disposal of Brampton:

Proceeds from disposal of Brampton	42,100
Less: Cash and cash equivalents of Brampton	(5,810)
Net cash inflow from disposal of investment in a subsidiary	36,290

13. INVESTMENT IN AN ASSOCIATE

On 26 November 2010, the Company completed the subscriptions of 39,600,000 ordinary shares of RM0.50 each in Cocoaland Holdings Berhad ("CHB") for a total cash subscription of RM54,648,000 or RM1.38 per subscription share representing 23.08% of the equity interest of CHB. The subscription shares were listed in the Main Market of Bursa Securities on 29 November 2010. CHB is an associate of F&N as the Group has a representative on the Board of Directors of CHB.

In December 2011, the Company acquired additional 7,058,600 shares representing 4.11% of the equity interest in CHB for a total cash consideration of RM14,078,565 or average price of RM1.99 per share.

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Unquoted shares at cost	**68,727**	54,648	**68,727**	54,648
Share of post-acquisition reserves	**7,964**	1,845	**-**	-
Dividend received	**(2,954)**	(564)	**-**	-
	73,737	55,929	**68,727**	54,648
Fair value of investment in an associate for which there is published price quotation	**119,446**	77,220	**119,446**	77,220

The associate is incorporated in Malaysia and the details are as follows:

Name of associate	Principal activities	Proportion of ownership interest 2012 %	Proportion of ownership interest 2011 %
Cocoaland Holdings Berhad (Financial year end: 31 December)	Investment holding company, manufacturing, trading, marketing of processed and preserved foods and fruits of all kinds.	**27.19**	23.08

13. INVESTMENT IN AN ASSOCIATE (CONT'D.)

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group 2012 RM'000	Group 2011 RM'000
Assets and liabilities:		
Current assets	**126,482**	118,041
Non-current assets	**104,458**	89,464
Current liabilities	**(33,508)**	(26,068)
Non-current liabilities	**(1,642)**	(77)
Total assets and liabilities	**195,790**	181,360
Income and expenses:		
Revenue	**202,067**	82,672
Profit for the year	**23,871**	7,590

14. INVESTMENT IN A JOINT VENTURE

	Company 2012 RM'000	Company 2011 RM'000
At cost:		
Investment in a joint venture	**500**	-

With the completion of the joint venture arrangement with FCL Centrepoint Pte Ltd as disclosed in Note 31, the Company has effectively divested 50% of interest in Vacaron Company Sdn Bhd, previously a wholly owned subsidiary as further disclosed in Note 12(a) and Note 38.

The joint venture is incorporated in Malaysia and the details are as follows:

Name of joint venture	Principal activities	Proportion of ownership interest 2012 %
Vacaron Company Sdn Bhd	Property development	**50**

14. INVESTMENT IN A JOINT VENTURE (CONT'D.)

The aggregate amounts of each of the current assets, non-current assets, current liabilities, income and expenses related to the Group's interests in the jointly-controlled entity are as follows:

	Group 2012 RM'000
Assets and liabilities:	
Current assets	**190**
Non-current assets	**72,041**
Current liabilities	**(71,988)**
Total assets and liabilities	**243**
Income and expenses:	
Income	**2**
Expenses	**(250)**

15. INTANGIBLE ASSETS

	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
Group				
Cost:				
At 1 October 2010	45,929	75,370	10,952	132,251
Additions	-	-	4,062	4,062
Written off	-	-	(5)	(5)
At 30 September 2011	45,929	75,370	15,009	136,308
Additions	-	-	11,745	11,745
Written-off	-	-	(495)	(495)
At 30 September 2012	**45,929**	**75,370**	**26,259**	**147,558**

15. INTANGIBLE ASSETS (CONT'D.)

	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
Accumulated amortisation:				
At 1 October 2010	-	-	7,076	7,076
Amortisation for the year	-	-	1,974	1,974
Written-off	-	-	(4)	(4)
At 30 September 2011	-	-	9,046	9,046
Amortisation for the year	-	-	3,981	3,981
Written-off	-	-	(439)	(439)
At 30 September 2012	**-**	**-**	**12,588**	**12,588**
Net carrying amount:				
At 30 September 2012	**45,929**	**75,370**	**13,671**	**134,970**
At 30 September 2011	45,929	75,370	5,963	127,262

(a) Allocation of goodwill, brand and computer software

Goodwill, brand and computer software have been allocated to the Group's cash generating units identified according to country of operation and business segment as follows:

	Goodwill RM'000	Brand RM'000	Computer software RM'000	Total RM'000
At 30 September 2012				
Dairy products	**6,391**	**75,370**	**1,146**	**82,907**
Soft drinks	**39,538**	**-**	**3,190**	**42,728**
Property/Others	**-**	**-**	**9,335**	**9,335**
	45,929	**75,370**	**13,671**	**134,970**
At 30 September 2011				
Dairy products	6,391	75,370	336	82,097
Soft drinks	39,538	-	3,460	42,998
Property/Others	-	-	2,167	2,167
	45,929	75,370	5,963	127,262

15. INTANGIBLE ASSETS (CONT'D.)

(b) Key assumptions used in value in use calculations

(i) Goodwill

No impairment loss is required for the goodwill assessed as their recoverable values are in excess of their carrying values.

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 cash generating units.

The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the cash generating units.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit. The value in use calculations apply a discounted cash flow model using cash flow projections based on financial budgets approved by management covering 5 year period. Cash flows beyond these periods are extrapolated using the estimated growth rate stated in the table below.

Significant assumptions

	Growth rate	Pre-tax discount rate
At 30 September 2012/2011		
Dairy products	3%	8.1%
Soft drinks	5%	8.1%

(ii) Brand

The recoverable amount of brand have been determined based on value in use. No impairment loss is required for the brand as its recoverable value is in excess of its carrying value.

Value in use is determined by discounting the future cash flows generated from the continuing use of the brand and is based on the following key assumptions:

- Cash flows are projected based on actual operating results and the five year business plan;

- The discount rates applied to the cash flow projections are derived from the weighted average cost of capital of the Group plus a reasonable risk premium; and

- The size of operation will not lower than the current results.

15. INTANGIBLE ASSETS (CONT'D.)

(b) Key assumptions used in value in use calculations (cont'd.)

(ii) Brand (cont'd.)

Significant assumptions:

	Terminal growth rate	Pre-tax discount rate
At 30 September 2012	1.5%	8.1%
At 30 September 2011	1.5%	8.1%

The key assumptions represent management's assessment of future trends in sweetened condensed milk industry and are 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 cash generating units, 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 ascertainable.

16. PROPERTY DEVELOPMENT COSTS

	Group			
	Freehold land RM'000	Leasehold land RM'000	Development cost RM'000	Total RM'000
2012				
Cumulative property development costs:				
At 1 October 2011	**41,271**	**27,982**	**5,316**	**74,569**
Costs incurred during the year	**2,914**	**3**	**2,640**	**5,557**
Transfer to properties held for development (Note 11)	**(44,185)**	**(7,350)**	**(5,237)**	**(56,772)**
Disposal of a subsidiary	**-**	**(13,991)**	**(316)**	**(14,307)**
At 30 September 2012	**-**	**6,644**	**2,403**	**9,047**
Cumulative costs recognised in income statement:				
At 1 October 2011/30 September 2012	-	-	-	-
Property development costs at 30 September 2012	**-**	**6,644**	**2,403**	**9,047**

16. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	Group Freehold land RM'000	Leasehold land RM'000	Development cost RM'000	Total RM'000
2011				
Cumulative property development costs:				
At 1 October 2010	77,503	-	239,148	316,651
Costs incurred during the year	-	-	3,836	3,836
Transfer from property, plant and equipment	-	27,982	-	27,982
Disposal of a subsidiary	(36,232)	-	(237,668)	(273,900)
At 30 September 2011	41,271	27,982	5,316	74,569
Cumulative costs recognised in income statement:				
At 1 October 2010	(14,200)	-	(105,865)	(120,065)
Recognised during the year	(8,727)	-	(66,884)	(75,611)
Disposal of a subsidiary	22,927	-	172,749	195,676
At 30 September 2011	-	-	-	-
Property development costs at 30 September 2011	41,271	27,982	5,316	74,569

Interest capitalised during the year amounted to RM2.2 million (2011: RM2.8 million).

17. INVENTORIES

	Group 2012 RM'000	Group 2011 RM'000
At cost:		
Manufactured inventories	**166,003**	119,603
Raw materials	**139,449**	144,046
Packaging materials	**52,359**	34,804
Engineering and other inventories	**12,798**	11,653
	370,609	310,106
At net realisable value:		
Raw materials	**-**	1
Engineering and other inventories	**166**	4,561
	166	4,562
Total inventories	**370,775**	314,668

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM2,119 million (2011: RM2,473 million). The reversal of write-down of inventories was made during the year when the related inventories were sold above their carrying amounts (Note 6).

18. RECEIVABLES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
(a) Short term				
Trade receivables	**400,124**	468,886	**-**	-
Allowance for impairment	**(2,186)**	(3,425)	**-**	-
	397,938	465,461	**-**	-
Other receivables				
- Prepayments	**1,699**	1,867	**-**	-
- Deposits	**12,820**	12,294	**-**	-
- Tax recoverable	**9,269**	4,788	**-**	23
- Insurance claim receivable (Note 36)	**26,436**	-	**-**	-
- Others	**31,364**	32,912	**25**	21
	81,588	51,861	**25**	44

18. RECEIVABLES (CONT'D.)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
(a) Short term (cont'd.)				
Amount due from related parties:				
Subsidiaries	**-**	-	**59,763**	134,515
Related companies	**38,416**	20,665	**30**	30
Associates	**123**	188	**-**	-
Joint venture	**250**	-	**71,737**	-
	38,789	20,853	**131,530**	134,545
	518,315	538,175	**131,555**	134,589
(b) Long term				
Amount due from a subsidiary:				
Principal	**-**	-	**145,096**	145,096
Accreted interest	**-**	-	**3,147**	3,553
As at 30 September	**-**	-	**148,243**	148,649
Total receivables	**518,315**	538,175	**279,798**	283,238
The currency profile is as follows:				
- Ringgit Malaysia	**332,772**	406,721	**131,159**	133,941
- US Dollar	**33,420**	25,548	**-**	-
- Singapore Dollar	**5,993**	5,210	**-**	-
- Thai Baht	**144,348**	100,569	**148,639**	149,297
- Others	**1,782**	127	**-**	-
	518,315	538,175	**279,798**	283,238

Included in other receivables in the previous financial year was derivative asset amounting to RM220,000.

The short term amounts due from subsidiaries are unsecured, receivable on demand and interest free. The long term amount due from a subsidiary is on a zero coupon bond arrangement. The tenure of the bond is 7 years commencing 1 October 2009 and is repayable by way of a bullet repayment at the end of the tenure of the bond. The redemption value is RM170.7 million (Thai Baht 1,671.6 million) and the effective interest rate of the bond is 2.88% (2011: 2.88%).

The amounts due from related companies are trade in nature, non-interest bearing and receivable on demand.

18. RECEIVABLES (CONT'D.)

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables except for the debts due from related companies. The Group's normal trade credit terms for trade receivables are 30 to 90 days (2011: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2012	**2011**
	RM'000	**RM'000**
Neither past due nor impaired	**329,056**	389,165
Ageing of trade receivables that are past due but not impaired:		
1 to 30 days	**52,573**	65,765
31 to 60 days	**7,681**	3,535
61 to 90 days	**2,006**	1,390
91 to 120 days	**2,112**	4
More than 120 days	**4,510**	5,602
	68,882	76,296
Impaired	**2,186**	3,425
	400,124	468,886

Receivables that are neither past due nor impaired
Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired
The Group has trade receivables amounting to RM68.9 million (2011: RM76.3 million) that are past due at the reporting date but not impaired. Certain receivables that are past due but not impaired are secured by bank guarantees and properties. The management is confident that these receivables are recoverable as these accounts are still active.

18. RECEIVABLES (CONT'D.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance accounts:

	Group 2012 RM'000	Group 2011 RM'000
At 1 October 2011/2010	**3,425**	3,072
Charge for the year	**2,149**	2,275
Written off	**(1,435)**	(957)
Reversal of impairment loss	**(1,930)**	(976)
Exchange differences	**(23)**	11
At 30 September	**2,186**	3,425

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

19. CASH AND CASH EQUIVALENTS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Short term deposits with local licensed banks	**41,487**	70,400	**17,100**	16,300
Cash and bank balances	**186,386**	219,890	**860**	1,947
	227,873	290,290	**17,960**	18,247

The currency profile is as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
- Ringgit Malaysia	**141,520**	183,253	**17,960**	18,247
- US Dollar	**57,066**	3,343	**-**	-
- Singapore Dollar	**3,766**	3,814	**-**	-
- Thai Baht	**23,054**	99,880	**-**	-
- Others	**2,467**	-	**-**	-
	227,873	290,290	**17,960**	18,247

19. CASH AND CASH EQUIVALENTS (CONT'D.)

The weighted average effective interest rates and the average maturities of deposits as at 30 September 2012 were as follows:

	Weighted average		Average maturities	
	2012	2011	2012	2011
	%	%	Days	Days
Group				
Local licensed banks	**2.7**	2.9	**13**	23
Company				
Local licensed banks	**2.8**	2.8	**15**	23

20. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2012	2011
	RM'000	RM'000
At carrying value:		
Building	**55,897**	55,897

The non-current assets held for sale relate to the car park and Techno Centre retained by the Group upon disposal of Brampton Holdings Sdn Bhd.

The Group is still actively looking for a buyer to offer a suitable price for the non-current assets held for sale. During the year, management has taken immediate action to make the sale more probable.

21. SHARE CAPITAL

	Group and Company			
	2012		2011	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Ordinary shares of RM1 each	**500,000**	**500,000**	500,000	500,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 October 2011/2010	**360,379**	**360,379**	357,286	357,286
Shares exercised under ESOS	**2,618**	**2,618**	3,093	3,093
At 30 September	**362,997**	**362,997**	360,379	360,379

21. SHARE CAPITAL (CONT'D.)

As at 30 September 2012, the issued and paid up capital comprises 362,996,901 (2011: 360,379,301) ordinary shares of RM1.00 each, of which 237,100 (2011: 237,100) ordinary shares are held as treasury shares.

During the financial year, the Company has issued 2,617,600 new ordinary shares of RM1 each pursuant to exercise of Executives' Share Option Scheme ("ESOS") at the following issue price for cash:

(i) 926,600 ordinary shares were issued at an issue price of RM7.81 per share,
(ii) 29,700 ordinary shares were issued at an issue price of RM7.17 per share, and
(iii) 1,661,300 ordinary shares were issued at an issue price of RM10.47 per share.

The share premium of approximately RM22.2 million arising from the exercise of ESOS has been included in the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

Subsequent to the end of the financial year and up to the date of this report, 350,400 ESOS were exercised which resulted in 350,400 ordinary shares of RM1.00 each being allotted and issued and thereafter listed on the Main Market of Bursa Securities. Consequently, the issued and paid-up share capital of the Company increased by RM350,400 to RM363,347,301 comprising 363,347,301 ordinary shares of RM1.00 each. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The above shares were issued at an issue price of RM10.47 per share and the share premium of approximately RM3.3 million has been included in the share premium account.

22. TREASURY SHARES

The shareholders of the Company granted authority to the Directors at the Extraordinary General Meeting held on 5 April 2007 to repurchase the Company's shares from the open market. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. There were no shares repurchased during the financial year and in the previous financial year.

	Group and Company			
	2012		2011	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At 1 October 2011/2010 30 September	**237**	**1,716**	237	1,716

23. RESERVES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Non-distributable:				
Share premium	**395,810**	369,782	**395,810**	369,782
Legal reserve (Note b)	**9,934**	-	**-**	-
Foreign exchange reserve	**(9,268)**	3,870	**-**	-
Share-based payment reserve (Note c and d)	**8,552**	6,626	**8,552**	6,626
	405,028	380,278	**404,362**	376,408
Distributable:				
Capital reserve (Note a)	**-**	15,897	**-**	15,897
Retained earnings (Note e)	**787,974**	803,980	**555,452**	558,926
	787,974	819,877	**555,452**	574,823
Total reserves	**1,193,002**	1,200,155	**959,814**	951,231

(a) This amount represents the proceeds from the issue of New Warrants 2001 by the Company to warrant holders upon replacement of Warrants 2001 with New Warrants 2001. During the financial year, this amount was transferred to the retained earnings.

(b) Non-distributable legal reserve amounting to RM9.9 million relates to one of the subsidiaries in Thailand. Under the Section 116 of Public Companies Act B.E. 2535, 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.

(c) Details of the options granted to executives pursuant to the Executive' share option scheme ("ESOS") are as follows:

The main features of the Company's ESOS are outlined below:

- The maximum number of new ordinary shares of RM1.00 each in the Company which may be issued upon the exercise of the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time throughout the duration of the ESOS.

- Eligible full-time executives of the Group and Executive Directors of the Company with at least one year service shall be eligible to participate in the ESOS.

23. RESERVES (CONT'D.)

(c) Details of the options granted to executives pursuant to the Executive' share option scheme ("ESOS") are as follows (cont'd.):

- The allotment to an Eligible Executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the Company during the tenure of the ESOS, subject to the limits below:

    (i) not more than 50% of the new shares of the Company available under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group; and

    (ii) not more than 10% of the new shares of the Company available under the ESOS shall be allocated to any individual Eligible Executive who, either singly or collectively through persons connected to that Eligible Executive, holds 20% or more of the issued and paid-up share capital of the Company.

The option price shall be the five days weighted average market price of the Company's shares as quoted on Bursa Securities immediately preceding the date of the offer, or the par value of the shares of the Company, whichever is the higher.

The ESOS shall be in force for a period of 10 years from the effective date for the implementation of the ESOS.

In respect of the ESOS By-Law 13.1(c), the special interim single tier dividend of RM1.10 per share which represent the entire gain from the divestment of the glass container business, amount to a capital distribution and require adjustments to be made to the option price of ESOS. Accordingly, the ESOS option prices were adjusted effective 13 December 2010.

The fair value of share options granted as at the date of grant, is determined using the Binomial valuation model, taking into account the terms and conditions upon which the options were granted. The input to the model used are as follows:

	2011	**2010**	**2009**	**2008**
Dividend yield (%)	3.76	3.89	4.12	4.40
Expected volatility (%)	22.70	21.80	17.15	14.33
Risk-free interest rate (%)	3.53	3.61	3.66	3.80
Expected life of option (years)	4.90	4.50	4.50	4.90
Share price at date of grant (RM)	14.62	11.20	8.50	7.80
Exercise share price (RM)	14.52	11.34	8.46	7.77

The expected life of the option is based on historical date and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome.

(d) Share grants under Restricted Share Plan ("RSP) and Performance Share Plan ("PSP")

Under the RSP and PSP, the Company grants shares to eligible participants annually, referred to herein as "RSP Shares" and "PSP Shares", respectively. The grant ("Base Award") represents the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee that administers this scheme has absolute discretion in the granting of shares under the RSP and PSP. The RSP Base Award is conditional on the achievement of pre-determined targets set for a two-year performance period and the PSP Base Award is conditional on the achievement of pre-determined targets set for a three-year performance period. The final number of RSP Shares and PSP Shares to be awarded will be determined at the end of the relevant performance period ("Final Award").

23. RESERVES (CONT'D.)

(d) Share grants under Restricted Share Plan ("RSP) and Performance Share Plan ("PSP") (cont'd.)

The Final Award varies depending on the level of achievement of the pre-determined targets. An achievement factor will be applied to the relevant Base Award to determine the final number of RSP Shares and PSP Shares (as the case may be) to be awarded. The achievement factor ranges from 0% to 150% for RSP and from 0% to 200% for PSP.

At the end of the performance period, 50% of the RSP Shares will be released upon vesting and the balance will be released equally over the subsequent two years with fulfilment of service requirements.

All PSP Shares will be released to the participants at the end of the three-year performance period upon vesting.

Pre-determined targets are set by the Remuneration and Staff Establishment Committee at their absolute discretion for the performance conditions to be met over the performance period. For the RSP, the targets set are the achievement of Attributable Profit Before Exceptional items (APBE) and Return On Capital Employed (ROCE). For the PSP, the pre-set targets are based on Return on Invested Capital (ROIC), Total Shareholders' Return Relative to Straits Times Index and Absolute Shareholders' Return as a multiple of Cost of Equity.

Senior management participants are required to hold a minimum number of the shares released to them under the RSP and PSP to maintain a beneficial ownership stake in the Company for the duration of their employment or tenure with the Company.

No awards have been granted to controlling shareholders or their associates under the RSP and PSP.

No awards have been granted to Directors of the Company.

No employee has received 5% or more of the total number of shares available/delivered pursuant to grants under RSP. There were no shares granted under PSP during the year.

The estimated fair value of shares granted during the year ranges from RM15.36 to RM16.67. The fair value of equity-settled contingent award of shares are determined using 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:

	2012
Dividend yield (%)	**4.02**
Expected volatility (%)	**19.23**
Risk-free interest rate (%)	**2.94 - 3.26**
Expected life of option (years)	**1.8 - 3.8**
Share price at date of grant (RM)	**18.06**
Exercise share price (RM)	

23. RESERVES (CONT'D.)

(e) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

As at 30 September 2012, the Section 108 tax credit has been fully utilised (2011:RM nil) and the Company pays dividend under the single tier system.

24. BORROWINGS

	Group	
	2012 RM'000	**2011 RM'000**
Current		
Secured:		
Commercial Papers ("CP") (Note a)	**130,000**	-
Medium Term Notes ("MTN") (Note a)	**250,000**	-
Short terms borrowings (Note b)	**43,711**	-
	423,711	-
Non-current		
Medium Term Notes ("MTN") (Note a)	**-**	150,000
Total borrowings	**423,711**	150,000
Within one year	**423,711**	-
1 to 2 years	**-**	150,000
	423,711	150,000

Borrowings of the Group comprise CP/MTN Programme issued and short term loans taken by one of the subsidiary.

24. BORROWINGS (CONT'D.)

(a) CP and MTN Programme

MTN and CP of up to RM1,000 million was issued in 2008 by a wholly owned subsidiary of the Company, F&N Capital Sdn Bhd ("FNC") to fund capital expenditure and refinance the existing bank borrowings of the Group.

The MTN facility is available for 7 years from the date of the first issuance and shall be issued with maturities of more than 1 year and up to 7 years, provided the final maturity of the MTN does not extend beyond the expiry date of the facility.

The CP facility is available for 7 years from the date of the first issuance and shall be issued for maturities ranging from 1, 3, 6, 9 or 12 months.

On 13 August 2008, the subsidiary has issued a MTN of RM150 million with the tenure of 5 years from the issued date. The maturity date of the MTN is 13 August 2013 and the interest rate is 5.4% per annum.

On 13 February 2012, the subsidiary has further drawn down RM100 million of the MTN which repayable within a year. The interest rate is 3.63% per annum.

On 27 July 2012 and 10 August 2012, the subsidiary has drawn down RM130 million of the CP in 2 tranches of RM75 million and RM55 million each with the tenure of 6 months. The interest rate are 3.43% per annum.

The CP/MTN is secured by an unconditional and irrevocable corporate guarantee from the Company.

(b) Short term borrowings

F&N Dairies (Thailand) Limited, a wholly owned subsidiary of the Company, has obtained an unsecured loan of RM43.7 million for working capital purpose. The loan is repayable within a year and an average of 3.4% per annum of interest is imposed.

25. PROVISION FOR RETIREMENT BENEFITS

Certain companies within the Group provide retirement benefits in accordance with agreements for their eligible employees. The provisions are assessed in accordance with the advice of independent qualified actuaries using the Projected Unit Credit Method. The schemes do not hold any physical assets but instead the Group makes provision to cover the estimated retirement benefits liabilities.

	Group	
	2012 RM'000	**2011 RM'000**
Present value of unfunded defined benefit obligations	**36,441**	35,553
Unrecognised actuarial (gains)/losses	**(1,214)**	269
Net benefit liability	**35,227**	35,822

25. PROVISION FOR RETIREMENT BENEFITS (CONT'D.)

The amounts recognised in the income statement are as follows:

	Group	
	2012 RM'000	**2011 RM'000**
Current service cost	**2,402**	2,428
Interest cost	**1,943**	1,911
Curtailment loss	**140**	-
Amortisation of unrecognised actuarial gains	**(305)**	(269)
Write-back of provision	**(847)**	(2,336)
Transition obligation recognised	**148**	(248)
Total	**3,481**	1,486

Movements in the net benefit liability in the current year were as follows:

At 1 October 2011/2010	**35,822**	37,620
Recognised in income statement (Note 6(a))	**3,481**	1,486
Benefits paid	**(3,952)**	(3,331)
Exchange differences	**(124)**	47
At 30 September	**35,227**	35,822

	2012	**2011**
Principal actuarial assumptions used:	**%**	**%**
Discount rate	**4.60 - 6.50**	4.60 - 6.50
Rate of increase in salaries	**5.00 - 6.00**	5.00 - 6.00
Mortality rate	**0.00 - 0.41**	0.00 - 0.41
Disability rate	**0.00 - 0.04**	0.00 - 0.04
Retirement at age of 55	**1.00**	1.00

Based on the latest available actuarial valuation carried out in 2012, the provision for retirement and service benefits is considered sufficient to meet the actuarially determined value of vested benefits.

26. DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	2012	**2011**
	RM'000	**RM'000**
At 1 October 2011/2010	**8,899**	15,211
Recognised in income statement:		
- property, plant and equipment	**19,391**	4,369
- tax losses and unabsorbed capital allowances	**(16,092)**	(8,005)
- tax incentive	**(80,155)**	-
- provisions and others	**3,954**	(2,676)
	(72,902)	(6,312)
At 30 September	**(64,003)**	8,899

Deferred tax is provided on temporary differences between the tax bases and carrying amounts of assets and liabilities at the reporting date. The movements of deferred tax assets and liabilities during the financial year are as follows:

	Group	
	2012	**2011**
	RM'000	**RM'000**
Deferred tax assets		
At 1 October 2011/2010	**(4,705)**	(4,264)
Currency realignment	**126**	(66)
Recognised in income statement	**(74,471)**	(2,760)
Disposal of subsidiaries	**-**	2,005
Others	**-**	380
At 30 September	**(79,050)**	(4,705)
Deferred tax liabilities		
At 1 October 2011/2010	**13,604**	19,475
Recognised in income statement	**1,443**	(5,871)
At 30 September	**15,047**	13,604

26. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D.)

	Group 2012 RM'000	Group 2011 RM'000
The components of deferred tax assets and liabilities prior to offsetting are as follows:		
Deferred tax assets		
- Provisions and others	**(8,598)**	(12,552)
- Tax incentives	**(80,155)**	-
- Tax losses and unabsorbed capital allowances	**(24,158)**	(8,066)
	(112,911)	(20,618)
Deferred tax liabilities		
Subject to income tax:		
- Property, plant and equipment	**48,908**	29,517
	(64,003)	8,899

Deferred tax assets have not been recognised in respect of reinvestment allowances of a subsidiary of approximately RM16,362,000 (2011: RM15,186,000) due to uncertainty of its recoverability.

27. PAYABLES AND PROVISIONS

(a) Payables

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current				
Trade payables	**195,299**	243,490	**-**	-
Other payables				
- Accrued expenses	**227,753**	253,087	**1,935**	1,315
- Deposits	**6,225**	6,112	**-**	-
- Sales tax	**9,165**	10,176	**-**	-
- Staff costs	**31,879**	46,145	**-**	-
- Others	**78,089**	83,900	**-**	-
	353,111	399,420	**1,935**	1,315
Subsidiaries	**-**	-	**75**	754
Related companies	**20,692**	40,125	**-**	-
Associates	**352**	2,202	**-**	-
Total trade and other payables	**569,454**	685,237	**2,010**	2,069

27. PAYABLES AND PROVISIONS (CONT'D.)

(a) Payables (cont'd.)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current (cont'd.)				
The currency profile is as follows:				
- Ringgit Malaysia	**406,534**	506,173	**2,010**	2,069
- US Dollar	**9,985**	12,483	**-**	-
- Thai Baht	**147,726**	159,626	**-**	-
- Singapore Dollar	**4,759**	4,332	**-**	-
- Others	**450**	2,623	**-**	-
	569,454	685,237	**2,010**	2,069

(i) The amounts due to related companies and an associate are trade in nature, repayable on demand and non-interest bearing. The normal trade credit terms granted to the Group for trade payables are 30 to 90 days (2011: 30 to 90 days).

(ii) Included in other payables as at 30 September 2011 is a derivative liability amounting to RM53,921 (2011: derivative asset of RM220,000 included in receivables, Note 18).

(b) Provisions

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
At 1 October 2011/2010	**22,468**	42,767	**22,468**	42,767
Provision	**-**	5,915	**-**	-
Write-back of provision	**(4,788)**	(20,299)	**(4,788)**	(20,299)
Payment	**(11,680)**	(5,915)	**(11,680)**	-
At 30 September	**6,000**	22,468	**6,000**	22,468

The provision is in respect of the estimated indemnity costs arising from the divestment of glass business in financial year ended 30 September 2010 under the conditional share sale agreement with Berli Jucker and ACI International.

28. CAPITAL COMMITMENTS

	Group 2012 RM'000	Group 2011 RM'000
Property, plant and equipment:		
Amounts approved and contracted for	**12,183**	86,658
Amounts approved but not contracted for	**32,789**	42,293
	44,972	128,951

29. LEASE COMMITMENTS

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

Non-cancellable operating lease commitments - Group as lessee

	Group 2012 RM'000	Group 2011 RM'000
Future minimum rentals payable:		
Not later than 1 year	**23,129**	23,813
Later than 1 year and not later than 5 years	**27,665**	48,990
Later than 5 years	**1,114**	1,229
	51,908	74,032

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the significant related party transactions of the Group other than key management personnel compensation are as follows:

	Group 2012 RM'000	Group 2011 RM'000
Holding company:		
Royalties paid	**1,364**	1,800

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

	Group 2012 RM'000	Group 2011 RM'000
Related parties:		
Royalties paid	**47,960**	43,681
Purchase of finished goods	**345**	11,218
Purchase of raw materials	**3,392**	11,226
Purchase of concentrates	**166,033**	158,931
Payment of corporate services	**2,690**	3,082
Sales of finished goods	**134,322**	70,176
Receipt of rental	**301**	300

	Company 2012 RM'000	Company 2011 RM'000
Subsidiaries:		
Dividend income received	**270,199**	255,106
Interest income received	**5,015**	4,612
Management fees paid	**300**	300
Associate:		
Dividend income received	**2,390**	752
Joint venture:		
Shareholder's loan granted to joint venture	**69,500**	-
Interest income received	**2,235**	-

The sales to and purchases from related parties are made at normal market price. Outstanding balances at the financial year-end are interest-free and settlement occurs in cash.

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Compensation of key management personnel of the Group

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly including any Directors.

The following table summarises remuneration paid to key management personnel:

	Group	
	2012 RM'000	**2011 RM'000**
Key executives officers		
- Salaries and allowances	**4,763**	4,557
- Contributions to defined contribution plan	**502**	482
- Bonus	**2,835**	4,427
- Benefits-in-kind	**464**	476
- Share-based payment transactions	**530**	315
	9,094	10,257

The compensation of key management personnel of the Group also includes remuneration paid and payable to Executive Director as disclosed in Note 6(c).

31. SIGNIFICANT EVENTS

(a) On 11 October 2011, the Group announced that its dairies product manufacturing facilities in Rojana Industrial Park, Ayutthaya, Thailand under F&N Dairies (Thailand) Limited., a wholly owned subsidiary, was inundated by massive floods and have ceased production. Subsequently, the Group had submitted insurance claims in relation to property damage and business interruption amounting to RM134.4 million (THB1.35 billion). The manufacturing plant has resumed its operation on 1 May 2012.

The effect of the incident on Group's profit is disclosed in Note 36.

(b) At the EGM held on 13 January 2012, the non-interested shareholders approved the proposed joint venture with FCL Centrepoint Pte Ltd ("FCLC"), a subsidiary of Fraser Centrepoint Limited, to develop the 13-acre ex-dairy factory premises along Section 13, Petaling Jaya ("PJ"). With the announcement of the completion of the transactions on 18 January 2012, the Group has effectively divested 50% of its interest in the development land in PJ Section 13 and recognised approximately a gain of approximately RM55 million.

The effect on the Group's profit is disclosed in Note 12(a).

Other events are disclosed elsewhere in the financial statements.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Information about the extent and nature of the financial instruments, including significant terms and conditions and their exposure to foreign currency, credit, liquidity and interest rate risks are presented in their respective notes.

The Group and the Company are exposed to market risk, including primarily changes in currency exchange rates and other instruments in connection with its risk management activities. The Group does not hold nor issue derivative financial instruments for trading purposes. The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

The Group's Finance Risk Management Framework and Guidelines set the foundation for the establishment of effective risk management practices across the Group.

The Board of Directors reviews and agrees policies for managing each of these risks as summarised below. It is and has been throughout the year under review, the Group's policy that no speculative trading in derivative financial instruments shall be undertaken.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks as they arise. For those exposures less certain in the timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposure for a maximum period of 12 months forward. At 30 September 2012 and 2011, the outstanding foreign currency forward contracts of the Group are as follows:

Currency	Notional value RM'000	Fair value RM'000
2012		
USD (less than 2 months)	**7,688**	**(54)**
2011		
USD (less than 2 months)	14,137	174
EUR (less than 1 month)	1,921	46
	16,058	220

The above instruments are executed with credit worthy financial institutions in Malaysia and as such credit and counterparties risks are minimal. There is no cash requirement for these contracts. Policies to mitigate or control the risk associated with foreign exchange forward contracts are consistent with those of last financial year.

The difference between the notional value and fair value of the foreign currency forward contracts amounting to approximately RM274,000 (2011: RM84,000) was recognised in the income statement as disclosed in Note 6.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(i) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in the US Dollar ("USD"), Thai Baht and Singapore Dollar ("SGD") exchange rates against the functional currency of the Company, with all other variables held constant.

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
USD/RM				
- strengthened 10%	**6,038**	1,231	**-**	-
- weakened 10%	**(6,038)**	(1,231)	**-**	-
THAI BAHT/RM				
- strengthened 10%	**1,476**	3,062	**11,148**	11,197
- weakened 10%	**(1,476)**	(3,062)	**(11,148)**	(11,197)
SGD/RM				
- strengthened 10%	**375**	-	**-**	-
- weakened 10%	**(375)**	-	**-**	-

(ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables. The receivables are monitored on an ongoing basis through the Group's management reporting procedures.

Exposure to credit risk
The Group's and the Company's exposure to credit risk arises in the event that the counterparties fail to perform their obligations. The maximum exposure to credit risk is represented by the carrying amount of each class of recognised financial assets, other than derivatives, as indicated in the statement of financial position.

It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses on its financial assets or other financial instruments.

The Company is also exposed to credit risk in respect of its financial guarantees provided to credit facilities granted to a subsidiary. The maximum credit risk exposure of these financial guarantees is RM1,000 million (2011: RM1,000 million) of which RM380 million (2011: RM150 million) was utilised in respect of the issuance of the CP/MTN of its subsidiary (Note 24).

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk. As at the reporting date, there was no indication that any subsidiary would default on repayment.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(ii) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired
Information regarding trade and other receivables that are neither past due nor impaired are disclosed in Note 18. Deposit with banks and other financial institutions that are neither past due nor impaired, as disclosed in Note 19, are placed with reputable financial institutions or companies with high credit rating and no history of default.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company have no exposure to significant interest rate risk as the fixed rate debts were entered into by the Group and the Company in order to minimise fluctuations in interest rates.

(iv) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company's business activities. It includes the risk of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group maintain sufficient cash and deposits, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year RM'000	2-3 years RM'000	3-4 years RM'000	Total RM'000
Carrying amount:				
Group				
2012				
Interest-bearing borrowings	**423,711**	**-**	**-**	**423,711**
Payables	**569,454**	**-**	**-**	**569,454**
	993,165	**-**	**-**	**993,165**
2011				
Interest-bearing borrowings	-	150,000	-	150,000
Payables	685,237	-	-	685,237
	685,237	150,000	-	835,237

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iv) Liquidity risk (cont'd.)

	Within 1 year RM'000	2-3 years RM'000	3-4 years RM'000	Total RM'000
Company				
2012				
Payables	**2,010**	**-**	**-**	**2,010**
2011				
Trade and other payables	2,069	-	-	2,069

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	18(a)
Trade and other payables (current)	27(a)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments, for which it is practicable to estimate that value:

Foreign currency forward contracts
The fair value of a foreign currency forward contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the reporting date applied to a contract of similar quantum and maturity profile. The fair values of foreign currency forward contracts are disclosed in Note 32, foreign currency risk.

(b) Fair value hierarchy

As at 30 September 2012, the Group held the foreign currency forward contracts carried at fair value of approximately RM54,000 (2011: RM220,000) based on Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

34. CAPITAL MANAGEMENT

The primary objective of the Group when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share. No changes were made in the objective, policies or processes during the financial years ended 30 September 2012 and 2011.

The Group and the Company monitor and maintain a prudent level of total debt to total asset ratio to optimise shareholders value and to ensure compliance with covenants under debt agreements.

The debt to equity ratio of the Group and of the Company are as follows:

		Group		Company	
	Note	**2012 RM'000**	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Short term borrowings	24	**423,711**	-	**-**	-
Long term borrowings	24	**-**	150,000	**-**	-
Total debts		**423,711**	150,000	**-**	-
Total equity (exclude non-controlling interests)		**1,554,283**	1,558,818	**1,321,095**	1,309,894
Debt equity ratio		**0.27**	0.10	**-**	-

35. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

(i) Fair value through profit or loss ("FVTPL");
(ii) Loans and receivables ("L&R");
(iii) Other financial liabilities ("OFL")

	Note	Carrying amounts RM'000	FVTPL RM'000	L&R RM'000	OFL RM'000
Group					
Financial assets:					
2012					
Receivables (excluding prepayments)	**18**	**516,616**	**-**	**516,616**	**-**
Cash and cash equivalents	**19**	**227,873**	**-**	**227,873**	**-**
		744,489	**-**	**744,489**	**-**
2011					
Receivables (excluding prepayments)	18	536,308	220	536,088	-
Cash and cash equivalents	19	290,290	-	290,290	-
		826,598	220	826,378	-
Financial liabilities:					
2012					
Payables	**27**	**569,454**	**54**	**-**	**569,400**
Borrowings	**24**	**423,711**	**-**	**-**	**423,711**
		993,165	**54**	**-**	**993,111**
2011					
Payables	27	685,237	-	-	685,237
Borrowings	24	150,000	-	-	150,000
		835,237	-	-	835,237

35. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D.)

	Note	Carrying amounts RM'000	FVTPL RM'000	L&R RM'000	OFL RM'000
Company					
Financial assets:					
2012					
Receivables (excluding prepayments)	**18**	**279,798**	**-**	**279,798**	**-**
Cash and cash equivalents	**19**	**17,960**	**-**	**17,960**	**-**
		297,758	**-**	**297,758**	**-**
2011					
Receivables (excluding prepayments)	18	283,238	-	283,238	-
Cash and cash equivalents	19	18,247	-	18,247	-
		301,485	-	301,485	-
Financial liabilities:					
2012					
Payables	**27**	**2,010**	**-**	**-**	**2,010**
		2,010	**-**	**-**	**2,010**
2011					
Payables	27	2,069	-	-	2,069
		2,069	-	-	2,069

36. INSURANCE CLAIM FROM FLOOD DISASTER

On 11 October 2011, the Group announced that its dairies product manufacturing facilities in Rojana Industrial Park, Ayutthaya, Thailand under F&N Dairies (Thailand) Limited., a wholly owned subsidiary, was inundated by massive floods and have ceased production.

As at 30 September 2012, the Group had submitted insurance claims in relation to property damage and business interruption amounting to approximately RM134.4 million (THB1.35 billion). As of the same date, the insurers had agreed to make an interim payment amounting to RM110.6 million (THB1.1 billion) and RM84.2 million was received to-date.

The agreed payment has been recognised as interim insurance claims receivable in other income. The net effect on Group's profit for the financial year is shown below:

	2012 RM'000
Interim insurance claim	**80,699**
Business interruption insurance claim	**29,892**
Less: Damaged plant and equipment written-off	**(32,774)**
Damaged inventories written-off	**(36,571)**
Other flood related expenses	**(15,997)**
Net effect on Group's profit for the financial year	**25,249**

37. SEGMENTAL INFORMATION

For management purposes, the Group's operating businesses are organised according to products and services, namely soft drinks, dairy products, and property/others.

Segment performance is evaluated based on operating profit. The Group operates in three geographical areas namely, Malaysia, Thailand and Singapore. Geographical segment revenue is based on geographical location of the business segment customers. Geographical segment assets are based on geographical location of the Group's assets. Inter-segment sales where applicable are based on terms determined on a commercial basis.

Operating segments

The following table provides an analysis at the Group's revenue, results, assets, liabilities and other information by operating segments:

Financial year ended 30 September 2012	Soft drinks RM'000	Dairies Malaysia RM'000	Dairies Thailand RM'000	Property/ Others RM'000	Total RM'000
Revenue					
Total revenue	**2,185,517**	**1,792,659**	**778,925**	**64,696**	**4,821,797**
Inter-segment	**(757,596)**	**(752,927)**	**(8,278)**	**(64,210)**	**(1,583,011)**
External	**1,427,921**	**1,039,732**	**770,647**	**486**	**3,238,786**

37. SEGMENTAL INFORMATION (CONT'D.)

Operating segments (cont'd.)

Financial year ended 30 September 2012	Soft drinks RM'000	Dairies Malaysia RM'000	Dairies Thailand RM'000	Property/ Others RM'000	Total RM'000
Results					
Operating profit	**112,513**	**33,198**	**26,002**	**59,668**	**231,381**
Share of results of an associate					**6,119**
Interest expense (Note a)					**(11,558)**
Interest income (Note a)					**4,266**
Income tax credit (Note a)					**43,782**
Net profit for the year					**273,990**
Other information					
Segment assets	**721,136**	**706,530**	**545,396**	**252,604**	**2,225,666**
Investment in an associate				**73,737**	**73,737**
Unallocated assets					**79,050**
Cash and bank balances (Note a)					**227,873**
Total assets					**2,606,326**
Segment liabilities	**259,725**	**163,625**	**158,968**	**28,363**	**610,681**
Unallocated liabilities					**15,047**
Provision for taxation (Note a)					**2,350**
Bank borrowings (Note a)					**423,711**
Total liabilities					**1,051,789**
Capital expenditure	**42,264**	**97,242**	**65,620**	**8,245**	**213,371**
Depreciation and amortisation of intangible assets	**42,972**	**28,487**	**16,509**	**6,485**	**94,453**
Property, plant and equipment written-off	**1,863**	**150**	**32,774**	**1**	**34,788**
Allowance for impairment on trade receivables	**316**	**1,833**	**-**	**-**	**2,149**
Inventories written-down	**369**	**1,657**	**1,158**	**-**	**3,184**
Inventories written-off	**3,982**	**9,904**	**36,571**	**-**	**50,457**

37. SEGMENTAL INFORMATION (CONT'D.)

Operating segments (cont'd.)

Financial year ended 30 September 2011	Soft drinks RM'000	Dairies Malaysia RM'000	Dairies Thailand RM'000	Property/ Others RM'000	Total RM'000
Revenue					
Total revenue	2,816,495	1,636,820	1,006,746	132,141	5,592,202
Inter-segment	(973,530)	(601,245)	(31,697)	(70,299)	(1,676,771)
External	1,842,965	1,035,575	975,049	61,842	3,915,431
Results					
Operating profit	273,638	53,233	54,031	77,283	458,185
Share of results of an associate					1,845
Interest expense (Note a)					(11,427)
Interest income (Note a)					15,053
Income tax expense (Note a)					(80,526)
Net profit for the year					383,130
Other information					
Segment assets	799,161	515,304	495,791	314,659	2,124,915
Investment in an associate				55,929	55,929
Unallocated assets					4,705
Cash and bank balances (Note a)					290,290
Total assets					2,475,839
Segment liabilities	400,668	124,310	172,529	46,020	743,527
Unallocated liabilities					13,604
Provision for taxation (Note a)					9,596
Bank borrowings (Note a)					150,000
Total liabilities					916,727
Capital expenditure	105,602	195,246	1,977	3,999	306,824
Depreciation and amortisation of intangible assets	37,683	18,141	19,610	5,494	80,928
Property, plant and equipment written-off	3,926	17	-	-	3,943
Allowance for impairment on trade receivables	1,353	922	-	-	2,275
Inventories written-down	1,204	797	133		2,134
Inventories written-off	6,176	14,390	638	-	21,204

Note a:
Group financing (including finance costs), cash and bank balances and provision for taxation are managed on a group basis and are not allocated to operating segments.

37. SEGMENTAL INFORMATION (CONT'D.)

Geographical segments

The following table presents the financial information by geographical segments:

	Revenue		Non-current assets	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	**2,284,706**	2,850,554	**917,817**	794,165
Vietnam	**6,085**	6,476	**-**	-
China	**21,832**	28,118	**-**	-
Singapore	**134,893**	67,195	**-**	-
Thailand	**671,838**	803,323	**278,444**	272,071
Others	**119,432**	159,765	**75,371**	75,370
	3,238,786	3,915,431	**1,271,632**	1,141,606

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2012 RM'000	2011 RM'000
Property, plant and equipment	**1,074,386**	1,008,840
Properties held for development	**62,276**	5,504
Intangible assets	**134,970**	127,262
	1,271,632	1,141,606

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 2012 and 2011.

38. SUBSIDIARIES AND ACTIVITIES

Name of company	Place of incorporation	Principal activities	Proportion of ownership interest (%) 2012	2011
Subsidiaries of Fraser & Neave Holdings Bhd				
Kuala Lumpur Glass Manufacturers Company Sdn Bhd (i)	Malaysia	Inactive	100	100
Fraser & Neave (Malaysia) Sdn Bhd (i)	Malaysia	Management services and property investment holdings	100	100
Four Eights Sdn Bhd (i)	Malaysia	Inactive	100	100
F&N Beverages Manufacturing Sdn Bhd (i)	Malaysia	Manufacture of soft drinks	100	100
F&N Beverages Marketing Sdn Bhd (i)	Malaysia	Distribution of soft drinks	100	100
F&N Dairies (Malaysia) Sdn Bhd (i)	Malaysia	Distribution of dairy products	100	100
Premier Milk (Malaya) Sdn Bhd (i)	Malaysia	Manufacture of dairy products *	100	100
F&N Foods Sdn Bhd (i)	Malaysia	Dormant	100	100
F&N Dairies (Thailand) Limited (ii)	Thailand	Manufacture and distribution of dairy products	100	100
Arolys Singapore Pte Limited (ii)	Singapore	Distribution of dairy products	100	100
Lion Share Management Limited (i)	British Virgin Island	Brand owner	100	100
PML Dairies Sdn Bhd (i)	Malaysia	Manufacture and distribution of dairy products	100	100
Wimanis Sdn Bhd (i)	Malaysia	Property development activities	100	100

* The entity became dormant at the end of the financial year.

38. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

Name of company	Place of incorporation	Principal activities	Proportion of ownership interest (%) 2012	2011
Subsidiaries of Fraser & Neave Holdings Bhd (cont'd.)				
Elsinburg Holdings Sdn Bhd (i)	Malaysia	Property development activities	100	100
Vacaron Company Sdn Bhd (i)	Malaysia	Property development activities	**	100
Nuvak Company Sdn Bhd (i)	Malaysia	Inactive	100	100
Greenclipper Corporation Sdn Bhd (i)	Malaysia	Inactive	100	100
Utas Mutiara Sdn Bhd (i)	Malaysia	Property investment holding	100	100
Lettricia Corporation Sdn Bhd (i)	Malaysia	Property development activities	70	70
F&N Properties Sdn Bhd (i)	Malaysia	Provision of property management services	100	100
Tropical League Sdn Bhd (i)	Malaysia	Inactive	100	100
F&N Capital Sdn Bhd (i)	Malaysia	Provision of financial and treasury services	100	100
Subsidiary of F&N Beverages Manufacturing Sdn Bhd				
Borneo Springs Sdn Bhd (i)	Malaysia	Manufacture and sale of mineral water, carbonated drinks and bottles	100	100
Subsidiary of F&N Beverages Marketing Sdn Bhd				
F&N Beverages (Thailand) Limited (ii)	Thailand	Inactive	100	100

(i) Audited by Ernst & Young, Malaysia
(ii) Audited by member firms of Ernst & Young Global in the respective countries

** Vacaron Company Sdn Bhd became a joint venture company during the financial year, as disclosed in Note 12(a) and Note 14.

39. COMPARATIVES

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Group			
Administrative expenses	129,838	(1,884)	127,954
Other income	14,084	56,123	70,207
Other expenses	(6,396)	(7,799)	(14,195)
Gain on disposal of investment in subsidiary	35,824	(35,824)	-
Profit for the year from discontinued operations, net of tax	14,384	(14,384)	-
Company			
Other income	21,753	42,000	63,753
Gain on disposal of investment in subsidiary	42,000	(42,000)	-

The reclassifications are made to conform with current year's presentation.

40. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 30 September 2012 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Total retained earnings of the Group and its subsidiaries				
- Realised	**704,864**	854,665	**561,258**	560,452
- Unrealised	**58,474**	(10,868)	**(5,806)**	(1,526)
	763,338	843,797	**555,452**	558,926
Total share of retained earnings from an associate - realised	**5,010**	1,281	**-**	-
Consolidation adjustments	**19,626**	(41,098)	**-**	-
Retained earnings (Note 23)	**787,974**	803,980	**555,452**	558,926

Crystal carving by hand is a highly skilled and intensive process. The engraving technique is one of the most difficult forms of engraving to master. As a result, hand carved crystal glasses are highly valued pieces of art and are often passed down from generation to generation. One must observe the complex designs to appreciate the beauty and value of these masterpieces.

OTHER INFORMATION

List Of Properties

Location	Land area (sq. ft.)	Description/ Existing use of building	Approximate age of building (Tenure)	Land RM'000	Net book value as at 30/9/12 Buildings RM'000	Last Revalued Date
JOHOR						
Malay Grant 598, Jalan Tampoi, Johor Bahru	59,895	Detached house/ Warehouse	45 years (Freehold)	1,050	3,380	February 1990
701, Jalan Tampoi, Johor Bahru	241,022	Industrial/ Factory premise	45 years (Freehold)	7,662	166	February 1990
PERAK						
217 Jalan Lahat, Ipoh	287,738	Industrial/ Factory premise	43 years (Freehold)	2,815	3,675	October 1995
79 & 81 Jalan Tun Perak, Ipoh	51,828	Industrial/ Factory premise	106 years (Freehold/ Leasehold expiring 2013 & 2066)	370	23	October 1995
PULAU PINANG						
3724 (Lot 834 and 842) Sungei Nyior, Butterworth, Pulau Pinang	130,324	Industrial/ Factory premise	58 years (Freehold)	2,600	1,848	October 1995
3725 & 3726 (Lot 833) Butterworth, Pulau Pinang	97,387	Detached house/ Office premise	57 years (Freehold)	2,120	185	October 1995
KELANTAN						
Pengkalan Chepa Industrial Estate, Kota Bahru	203,861	Industrial/ Factory premise	32 years (Leasehold expiring 2043)	543	473	October 1995
PAHANG						
Mar Lodge, Cameron Highland	90,931	Holiday Bungalow	45 years (Leasehold expiring 2037)	612	176	October 1995
Lot 7399, Jln Mempaga, Mukim Sabai, Karak	216,986	Industrial/ Factory premise	5 years (Freehold)	3,699	7,330	2007
KUALA LUMPUR						
No.3, Jalan Metro Pudu, Fraser Business Park	7,208	Office Premise	5 years (Freehold)	-	14,859	2007
MELAKA						
10 Jalan Bukit Gedong, Melaka	104,000	Industrial/ Factory premise	87 years (Freehold/ Leasehold expiring 2023)	785	519	October 1995

Location	Land area (sq. ft.)	Description/ Existing use of building	Approximate age of building (Tenure)	Land RM'000	Net book value as at 30/9/12 Buildings RM'000	Last Revalued Date
SELANGOR						
Lot 3-1 Lion Industrial Park, Shah Alam	1,373,447	Industrial/Factory premise and office	15 years (Freehold)	36,899	76,007	October 1995
Lot 3-2 Lion Industrial Park, Shah Alam	558,875	Industrial/Vacant	- (Freehold)	11,679	-	October 1995
16 Jalan Bersatu 13/4, Petaling Jaya	171,797	Industrial/ Factory premise	51 years (Leasehold expiring 2069)	-	2	October 1995
Lot No 56, Section 4, Phase 2B, Mukim Klang	1,629,042	Industrial/ Factory premise	4 years (Leasehold expiring 2097)	28,333	165,039	2008
SARAWAK						
Lot 924 Block 4 Matang Land District	118,776	Industrial/ Factory premise	6 years (Freehold)	4,379	2,734	2006
Lot 1581 Block 4 Matang Land District	261,338	Commercial	6 years (Leasehold expiring 2038)	4,333	3,114	2006
3.5 Miles Penrissen Road, Kuching	194,539	Industrial/ Factory premise	46 years (Leasehold expiring 2038)	1,490	6,210	October 1995
Lot 1557 Block 218 KNLD Kuching	124,797	Industrial premise	6 years (Leasehold expiring 2038)	6,423	4,713	2006
Lot 142 Block 63 Kuching	47,413	Shop office	6 years (Leasehold expiring 2784)	225	174	2006
Sublot 3, Lot 2370 Jalan Tatau Bintulu Bintulu	5,272	Industrial/ Factory premise	5 years (Freehold)	-	12	
SABAH						
5.5 Miles Tuaran Road, Kota Kinabalu	142,140	Vacant Land	2 years (Leasehold expiring 2062)	1,195	-	October 1995
5.5 Miles Tuaran Road, Kota Kinabalu	142,578	Industrial/ Factory premise	41 years (Leasehold expiring 2062)	977	-	October 1995

Location	Land area (sq. ft.)	Description/ Existing use of building	Approximate age of building (Tenure)	Land RM'000	Net book value as at 30/9/12 Buildings RM'000	Last Revalued Date
THAILAND						
90 Moo 8 Mitapap Road, Phayayen District, Amphur Pakchong, Nakonratchasima Province 30320	125,857	Industrial/ Factory premise	5 years (Freehold)	-	3,255	2007
668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	990,280	Industrial/ Factory premise	3 years (Freehold)	16,842	111,870	
Classified as Group Property Held for Development (Note 11)						
KUALA LUMPUR						
Fraser Business Park, Jalan Yew, Kuala Lumpur	40,777	No plan yet	Freehold	5,504	-	October 1995
SELANGOR						
70, Jalan University, Petaling Jaya	382,467	For mixed development	(Leasehold expiring 2069)	7,350	-	October 1995
Lot 609, Geran 24235, Mukim Hulu Semenyih, District of Hulu Langat	2,640,251	For the development of residential property	Freehold	24,586	-	2006
JOHOR						
Lot 15350,Lot 15351& Lot PTB 20048, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau,Mukim Bandar, District of Johor Bharu	132,052	For the development of commercial property	Freehold	19,599	-	2005
Classified as Group Property Development Cost (Note 16)						
SELANGOR						
70, Jalan University, Petaling Jaya	382,467	For mixed development	(Leasehold expiring 2069)	1,799	-	October 1995
16, Jalan Bersatu 13/4, Petaling Jaya	171,797	For mixed development	(Leasehold expiring 2069)	4,845	-	October 1995

Shareholdings as at 30 November 2012

Authorised share capital - RM500,000,000
Fully paid and issued shares - RM363,478,101(inclusive of 237,100 treasury shares)
Class of shares - Ordinary shares of RM1.00 each with equal voting rights
Voting rights - One vote for each ordinary shares held in the event of a poll

Analysis of shareholdings

Size of holdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
1 - 99	340	6.72	4,664	0.00
100 - 1000	2,252	44.53	1,537,836	0.42
1,001-10,000	1,983	39.21	7,579,270	2.09
10,001-100,000	411	8.13	12,026,185	3.31
100,001 to less than 5% of issued shares	68	1.35	59,647,406	16.42
5% and above of issued shares	3	0.06	282,445,640	77.76
	5,057	100.00	363,241,001	100.00

Directors' shareholdings

No.	Name of director	Direct holdings No.	Direct holdings %	Indirect holdings No.	Indirect holdings %
1	Y.A.M. Tengku Syed Badarudin Jamalullail	2,062,000	0.56	-	-

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

No.	Name of shareholders	Direct holdings No.	Direct holdings %	Indirect holdings No.	Indirect holdings %
1	Fraser and Neave, Limited	203,470,910	56.01	-	-
2	Thai Beverage Public Company Limited	-	-	203,470,910	56.01[a]
3	Khun Chareon Sirivadhanabhakdi			203,470,910	56.01[b]
4	Khunying Wanna Sirivadhanabhakdi	-	-	203,470,910	56.01[b]
5	AmanahRaya Trustees Bhd for Skim Amanah Saham Bumiputera	53,259,900	14.66	-	-
6	Employees Provident Fund Board	28,607,830	7.87	-	-
		285,338,640	78.54		

Notes

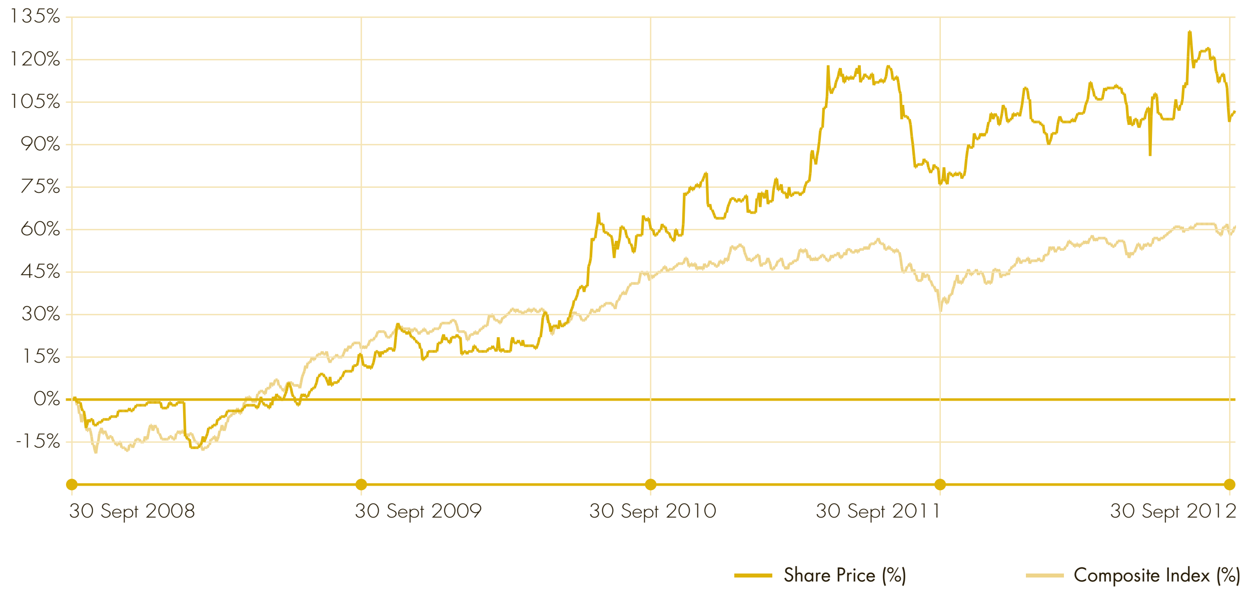
(a) *Deemed interested in the Company by virtue of its deemed interest in Fraser and Neave, Limited through its wholly-owned subsidirary, namely International Beverage Holdings Limited, pursuant to Section 6A of the Companies Act, 1965.*

(b) *Deemed interested in the Company by virtue of their deemed interests in Fraser and Neave, Limited through their private companies, namely, MM Group Limited, Shiny Treasure Holdings Limited, Risen Mark Enterprise Ltd., Maxtop Management Corp., Golden Capital (Singapore) Limited and Siriwana Company Limited which collectively have 65.89% indirect interest in Thai Beverage Public Company Limited, a major shareholder of Fraser and Neave, Limited, and TCC Assets Limited's direct interest of 4.75% in Fraser and Neave, Limited pursuant to Section 6A of the Companies Act, 1965.*

Thirty Largest Shareholders (As Shown In The Record of Depositors)

No.	Name of shareholders	Shares held	%
1	Fraser And Neave, Limited	203,470,910	56.02
2	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	53,259,900	14.66
3	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	25,714,830	7.08
4	Permodalan Nasional Berhad	10,000,000	2.75
5	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,770,000	2.69
6	Amanahraya Trustees Berhad As 1Malaysia	6,326,000	1.74
7	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Lux For Aberdeen Global	5,884,100	1.62
8	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad icapital.biz Berhad	2,114,000	0.58
9	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Syed Badarudin Jamalullail Bin Syed Putra Jamalullail (01-00737-000)	1,744,000	0.48
10	Employees Provident Fund Board	1,500,000	0.41
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	1,393,000	0.38
12	Amanahraya Trustees Berhad Amanah Saham Malaysia	1,343,900	0.37
13	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	1,312,800	0.36
14	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund AM4N For Aberdeen Institutional Commingled Funds LLC	1,201,800	0.33
15	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London	1,166,900	0.32
16	CIMSEC Nominees (Asing) Sdn Bhd Bank of Singapore Limited For Kontinental International Limited	980,400	0.27
17	Amanahraya Trustees Berhad PB Growth Fund	926,900	0.26
18	Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	767,800	0.21
19	Cartaban Nominees (Asing) Sdn Bhd RBC Investor Services Bank For Global Emerging Markets Smallcap (Danske Invest)	688,600	0.19
20	Key Development Sdn.berhad	600,000	0.17
21	Amanahraya Trustees Berhad Public Index Fund	560,100	0.15
22	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	559,500	0.15
23	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Guernsey)	513,700	0.14
24	HSBC Nominees (Asing) Sdn Bhd Exempt An For BNP Paribas Securities Services (Singapore - SGD)	502,700	0.14
25	Soong Bee Yoke	502,000	0.14
26	Chinchoo Investment Sdn.Berhad	500,000	0.14
27	Gan Teng Siew Realty Sdn.Berhad	500,000	0.14
28	HSBC Nominees (Asing) Sdn Bhd Exempt An For Danske Bank A/S (Client Holdings)	500,000	0.14
29	Valuecap Sdn Bhd	454,600	0.12
30	Lee Chin Hong	438,000	0.12
		335,196,440	**92.27**

F&N SHARE PRICE AND BURSA MALAYSIA'S COMPOSITE INDEX



F&N SHARE PRICE AND VOLUME TRADED

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of Fraser & Neave Holdings Bhd will be held at Banyan, Casuarina & Dillenia, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 23 January 2013 at 2.30 pm for the following purposes:

AGENDA

Routine Business

1.	To receive the Audited Financial Statements for the year ended 30 September 2012 and the Reports of the Directors and Auditors thereon.	(Please refer to Explanatory Note A)
2.	To approve the payment of a final single tier dividend of 23 sen per share and a special single tier dividend of 15 sen per share for the year ended 30 September 2012.	(Resolution 1)
3.	(i) To re-elect the following directors:	
	Under Article 97 of the Articles of Association	
	a) Dato' Anwarrudin Bin Ahamad Osman	(Resolution 2a)
	b) Dato' Dr Mohd Shahar Bin Sidek	(Resolution 2b)
	c) Dato' Dr Nik Norzrul Thani Bin Nik Hassan Thani	(Resolution 2c)
	Under Article 103 of the Articles of Association	
	d) Ms. Tong Sing Eng	(Resolution 2d)
	(ii) Election of Directors:	
	e) Dato' Johan Tazrin Ngo	(Resolution 2e)
	f) Mr Chin Kwai Yoong	(Resolution 2f)
4.	To approve Directors' fees of RM860,000 for the year ending 30 September 2013 payable monthly in arrears after each month of completed service of the Directors during the financial year. (2012: RM860,000)	(Resolution 3)
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the year ending 30 September 2013 and to authorise the Directors to fix their remuneration.	(Resolution 4)

Special Business

6.	To authorise Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Fraser & Neave Holdings Bhd Executives' Share Option Scheme as approved at the Extraordinary General Meeting of the Company on 5 April 2007.	(Resolution 5)

7. Proposed renewal of the authority for the purchase of its own shares by the Company (Resolution 6)

"**THAT** subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements ("MMLR") 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 of RM1.00 each ("F&N Shares") in the Company's issued and paid-up ordinary share capital from time to time through Bursa Malaysia Securities Berhad ("Bursa Securities"), subject further to the following:

(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 and paid-up share capital of the Company at any point in time ("Proposed Share Buy-Back");

(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 and/or share premium account at the time of purchase of the Proposed Share Buy-Back;

(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 ("AGM") of the Company, following the passing of this resolution or the expiration of the period within which the next AGM 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

(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 cancelling 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;

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 of 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 Memorandum and Articles of Association of the Company, the MMLR and all other relevant governmental and/or regulatory authorities."

Special Business (cont'd)

8. Proposed renewal of the existing shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature (Resolution 7)

   "**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 Section 2.4, Part B of the Circular dated 28 December 2012 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:

   (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

   (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

   (iii) revoked or varied by the Company in a general meeting,

   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."

9. Proposed amendments to the Articles of Association of the Company (Special Resolution)

   "**THAT** the proposed amendments to the Articles of Association of the Company as set out in the Appendix II of the Circular dated 28 December 2012 be and are hereby approved and adopted with or without modifications **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."

10. To transact any other business which may properly be brought forward.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the forthcoming Annual General Meeting, the proposed payment of a final single tier dividend of 23 sen per share and a special single tier dividend of 15 sen per share for the year ended 30 September 2012 will be paid to shareholders on 27 February 2013. The entitlement date for the proposed dividends shall be on 31 January 2013.

A depositor shall qualify for the entitlement to the dividend only in respect of:

a) Shares transferred to the depositor's securities account before 4.00 pm on 31 January 2013 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

SOON WING CHONG
Company Secretary
Kuala Lumpur, Malaysia

28 December 2012

Notes :

1) A member entitled to attend and vote at the above meeting may appoint a proxy or proxies (but not more than two) to attend and vote on his behalf and such proxy or proxies need not be a member or members of the Company.

2) Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.

3) In the case of a corporation, this form of proxy must be executed under seal or under the hand of its attorney duly authorised.

4) The instrument appointing a proxy or proxies must be deposited with the Company Secretary at the registered office of the Company at Level 8, F&N Point, No. 3 Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur not less than 48 hours before the meeting.

EXPLANATORY NOTES:

(A) This agenda item is intended for discussion only as under Section 169(1) of the Companies Act, 1965, the Audited Financial Statements do not require formal approval of shareholders. As such, this agenda item will not be put forward for voting.

(B) FOR SPECIAL BUSINESS

(i) *Proposed Renewal of the Authority to Allot and Issue Shares Pursuant to the Fraser & Neave Holdings Bhd. Executives' Share Option Scheme*

The proposed ordinary resolution 5 aims to seek a renewal of the general mandate which, if passed, will give the Directors of our Company from the date of this Annual General Meeting, authority to allot and issue ordinary shares pursuant to the exercise of options granted under the Fraser & Neave Holdings Bhd Executives' Share Option Scheme which was passed on 5 April 2007.

(ii) *Proposed Renewal of the Authority for the Purchase of its Own Shares*

The proposed ordinary resolution 6, if passed, will provide our Company authority to buy back our shares and will allow our Company a further option to utilise our financial resources more efficiently. Additionally, it is intended to stabilise the supply and demand as well as the price of our Company's shares.

(iii) *Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate*

The proposed ordinary resolution 7, if passed, will enable our Company and/or its subsidiaries ('F&N Group') to enter into Recurrent Transactions with the Mandated 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, without having to announce and/or convene separate general meetings to seek shareholders' approval if the recurrent transactions' percentage ratios are equal to or exceed one (1) percent as prescribed in Chapter 10 of the MMLR.

(iv) *Proposed Amendments to Articles of Association of the Company*

The proposed special resolution, if passed, will enable the Company's Articles of Association to be consistent with certain amendments that were recently made to the MMLR.

(C) Tan Sri Dato' Dr Lin See Yan and Mr Leslie Oswin Struys who retire pursuant to Section 129 of the Companies Act, 1965, will not be seeking re-appointment at the 51st Annual General Meeting and therefore shall retire at the conclusion of the said Annual General Meeting.

Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this 51st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 14 January 2013. Only a depositor whose name appears on the Record of Depositors as at 14 January 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Statement Accompanying the Notice of the 51st Annual General Meeting of Fraser & Neave Holdings Bhd.

Pursuant to paragraph 8.27 (2) and format as set out in Appendix 8A of the Main Market Listing Requirements.

1) Pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Dr Lin See Yan and Mr Leslie Oswin Struys are retiring as directors at the 51st AGM.

2) The individuals who are standing for election are:
   (i) Dato' Johan Tazrin Ngo
   (ii) Mr Chin Kwai Yoong

3) Details of Dato' Johan Tazrin Ngo and Mr Chin Kwai Yoong are as follows:

   i) Dato' Johan Tazrin Ngo
   Malaysian, Age 40
   Independent and non-executive director

   Dato' Johan has a Bachelor of Arts (Honours) in Business Economics from Reading University, UK. He is also an Associate Member of the Society of Investment Professionals ("ASIP"), UK(CFA Institute) and European Association of Financial Analysts ("EFFAS").

   Currently, Dato' Johan is the Managing Director and the Chief Investment Officer of Amara Investment Management Sdn Bhd ("AMARA"), a fund management company incorporated in Malaysia and licensed by the Securities Commission. Dato' Johan established the company in 1997 as a joint venture between K&N Kenanga Berhad and Rothschild Asset Management Intl B.V before taking the company private in 2007 in a management buy-out exercise. Prior to this, he was a Portfolio Manager with Coutts & Co. (London) Ltd managing Asian Equities and Japan. Dato' Johan has 19 years investment management experience overseeing Asian equities & fixed income.

   Dato' Johan 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.

Statement Accompanying the Notice of the 51st Annual General Meeting of Fraser & Neave Holdings Bhd. (cont'd.)

ii) Mr Chin Kwai Yoong
Malaysian, Age 64
Independent and non-executive director

Mr Chin Kwai Yoong is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Mr Chin started his career with Price Waterhouse (currently known as Price Waterhouse Coopers) as an Audit Senior in 1974 and was promoted to Audit Manager in 1978. He was an Audit Partner in the firm from 1982 until his retirement in 2003. During his tenure as Partner, he was the Executive Director in charge of the Consumer and Industrial Products and Services Group and was the Director-in-charge of the Audit and Business Advisory Services and Management Consulting Services division. He has extensive experience in the audits of major companies in banking, oil and gas, automobile, heavy equipment, manufacturing, construction and property development industries. He was also involved in the corporate advisory services covering investigations, mergers and acquisitions and share valuations.

Mr Chin was appointed as a Director of Bank Negara Malaysia with effect from 1 March 2010 and has been a Director of Genting Berhad since August 2007. He sits on the Board of Astro Malaysia Holdings Berhad and has been a Director of Astro All Asia Networks plc since March 2006. He also sits on the Board of Deleum Berhad.

Mr Chin 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.

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Fraser and Neave, Limited owns the **100PLUS, F&N Fun Flavours, Seasons, Fruit Tree, Farmhouse, Magnolia, Gold Coin** and **F&N** brands

Sunkist Growers Inc owns the **Sunkist** brand

Lion Share Management Limited owns the **TEA POT** brand

Societe des Produits Nestle S.A., owns **Milkmaid, Cap Junjung, Carnation, Ideal, Bear Brand** and **MILO** brands

T.C. Pharmaceutical Industries Co. Ltd, Thailand owns the **Red Bull** brand

FRASER & NEAVE HOLDINGS.BHD

PROXY FORM

CDS account no.

Fraser & Neave Holdings Bhd
Company No: 004205-V, Incorporated in Malaysia

I/We ....
(FULL NAME IN BLOCK LETTERS AND IC NO.)

(or attorney of ....)
(FULL NAME IN BLOCK LETTERS AND IC NO.)

of ....
(FULL ADDRESS)

a member of FRASER & NEAVE HOLDINGS BHD, hereby appoint ....

....
(FULL NAME IN BLOCK LETTERS AND IC NO.)

of ....
(FULL ADDRESS)

or failing him/her the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us and my/our behalf at the 51st Annual General Meeting of the Company to be held on Wednesday, 23 January 2013 at 2.30 pm at the Banyan, Casuarina & Dillenia, Sime Darby Convention Centre, No. 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur and at every adjournment thereof.

Please indicate with an "X" how you wish your votes to be cast.

No.	Resolutions: Routine Business	For	Against
1.	To approve the payment of a final single tier dividend of 23 sen per share and a special single tier dividend of 15 sen per share for the year ended 30 September 2012.		
2.	(i) To re-elect the following Directors: Under Article 97 of the Articles of Association a) Dato' Anwarrudin Bin Ahamad Osman b) Dato' Dr Mohd Shahar Bin Sidek c) Dato' Dr Nik Norzrul Thani Bin Nik Hassan Thani Under Article 103 of the Articles of Association d) Ms Tong Sing Eng (ii) Election of Directors: e) Dato' Johan Tazrin Ngo f) Mr Chin Kwai Yoong		
3.	To approve Directors' fees of RM860,000 for the year ending 30 September 2013 payable monthly in arrears after each month of completed service of the Directors during the financial year. (2012: RM860,000).		
4.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the year ending 30 September 2013 and to authorise the Directors to fix their remuneration.		
	Special Business		
5.	To authorise Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Fraser & Neave Holdings Bhd. Executives' Share Option Scheme as approved at the Extraordinary General Meeting of the Company on 5 April 2007.		
6.	To renew the authority for the purchase of its own shares by the Company.		
7.	To renew the existing shareholders' mandate and proposed new shareholders' mandate for recurrent related parties transactions of a revenue or trading nature.		
8.	To approve the proposed amendments to the Articles of Association of the Company.		

As Witness my/our hand this .... day of .... 2013.

No. of ordinary shares held

....
Signature of member

Contact no: ....

Notes:

1. A member entitled to attend and vote at the above meeting may appoint a proxy or proxies (but not more than two) to attend and vote on his behalf and such proxy or proxies need not be a member or members of the Company.
2. Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.
3. In the case of a corporation, this form of proxy must be executed under seal or under the hand of its attorney duly authorised.
4. This instrument appointing a proxy or proxies must be deposited with the Company Secretary at the registered office of the Company at Level 8, F&N Point, No. 3 Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur not less than 48 hours before the meeting.

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STAMP

The Company Secretary

FRASER & NEAVE HOLDINGS BHD.
Level 8, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park
Off Jalan Yew
55100 Kuala Lumpur

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