



For immediate release

QUARTERLY FINANCIAL REPORT

First Quarter Ended 31 December 2024

The Directors are pleased to release the unaudited quarterly financial report for the three months ended 31 December 2024.

The contents of the financial report comprise the following attached unaudited condensed consolidated financial statements, explanatory notes and additional disclosures and these must be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2024:

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

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

By Order of the Board
Shah Alam, Selangor
3 February 2025

Schedule A : Unaudited Condensed Consolidated Income Statement

For the three months ended 31 December 2024

RM'000	1st quarter		% chg
	31/12/2024	31/12/2023	
Revenue	1,389,741	1,332,882	4.3%
Cost of sales	(935,205)	(913,129)	
Gross profit	454,536	419,753	8.3%
Other income	29,028	10,453	
Net gain on impairment of financial instruments	447	29	
Operating expenses	(241,052)	(220,918)	
Operating profit	242,959	209,317	16.1%
Finance income	6,558	5,723	
Finance costs	(9,032)	(9,459)	
Share of profit/(loss) of equity-accounted joint venture, net of tax #	5	(71)	
Profit before tax	240,490	205,510	17.0%
Tax expense (<i>Schedule G, Note 5</i>)	(70,105)	(35,334)	
Profit for the period	170,385	170,176	0.1%
Profit for the period attributable to:			
Owners of the Company	169,018	170,737	-1.0%
Non-controlling interests	1,367	(561)	
Profit for the period	170,385	170,176	0.1%
Basic earnings per ordinary share (sen) (<i>Schedule G, Note 10</i>)	46.1	46.6	
Diluted earnings per ordinary share (sen) (<i>Schedule G, Note 10</i>)	46.0	46.5	

The share of results of a joint venture for the quarter refers to Vacaron Company Sdn Bhd and is derived from its unaudited management accounts for the quarter ended 31 December 2024.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2024.

Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income
 For the three months ended 31 December 2024

RM'000	1st quarter		% chg
	31/12/2024	31/12/2023	
Profit for the period	170,385	170,176	0.1%
Other comprehensive income, net of tax:			
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations	19,631	46,468	
Total comprehensive income for the period	190,016	216,644	-12.3%
Total comprehensive income attributable to:			
Owners of the Company	188,649	217,205	-13.1%
Non-controlling interests	1,367	(561)	
	190,016	216,644	-12.3%

Schedule C : Unaudited Condensed Consolidated Statement of Financial Position

As at 31 December 2024

RM'000	31/12/2024	30/09/2024
Non-current assets		
Property, plant and equipment	1,811,805	1,727,688
Right-of-use assets	365,523	367,132
Investment properties	63,000	63,000
Properties held for development	52,965	52,965
Intangible assets	428,534	430,313
Investment in a joint venture (<i>Schedule F, Note 8</i>)	86,517	86,512
Deferred tax assets	12,184	13,871
	<u>2,820,528</u>	<u>2,741,481</u>
Current assets		
Trade and other receivables	1,034,019	852,855
Inventories	720,207	744,960
Derivative financial assets (<i>Schedule F, Note 17</i>)	14	311
Cash and cash equivalents	1,216,591	1,134,870
	<u>2,970,831</u>	<u>2,732,996</u>
Total assets	<u>5,791,359</u>	<u>5,474,477</u>
Equity		
Share capital and reserves	3,764,565	3,576,009
Non-controlling interests	12,208	10,841
Total equity	<u>3,776,773</u>	<u>3,586,850</u>
Non-current liabilities		
Loans and borrowings (<i>Schedule F, Note 17 and Schedule G, Note 7</i>)	341,000	592,000
Lease liabilities	46,701	46,977
Employee benefits	34,155	35,511
Deferred tax liabilities	108,617	103,448
	<u>530,473</u>	<u>777,936</u>
Current liabilities		
Trade and other payables	905,214	825,904
Contract liabilities	131,736	108,277
Loans and borrowings (<i>Schedule F, Note 17 and Schedule G, Note 7</i>)	364,000	114,000
Lease liabilities	6,954	7,971
Current tax liabilities	76,163	51,368
Derivative financial liabilities (<i>Schedule F, Note 17</i>)	46	2,171
	<u>1,484,113</u>	<u>1,109,691</u>
Total liabilities	<u>2,014,586</u>	<u>1,887,627</u>
Total equity and liabilities	<u>5,791,359</u>	<u>5,474,477</u>
Net assets per share (RM) attributable to owners of the Company	<u>10.26</u>	<u>9.75</u>

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2024.

Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows

For the three months ended 31 December 2024

RM'000	1st quarter	
	31/12/2024	31/12/2023
Cash flows from operating activities		
Profit before tax	240,490	205,510
Add/(less) non-cash items:		
- Depreciation of property, plant and equipment and amortisation of intangible assets	31,574	30,740
- Depreciation of right-of-use assets	4,452	4,342
- Employee share-based expense	1,634	1,569
- Finance costs	9,032	9,459
- Finance income	(6,558)	(5,723)
- Net loss/(gain) on disposal of property, plant and equipment	5	(78)
- Net reversal of impairment loss on property, plant and equipment	(207)	(211)
- Property, plant and equipment written off	78	11
- Share of (profit)/loss of equity-accounted joint venture, net of tax	(5)	71
- Others	(1,679)	161
Changes in working capital	(51,118)	(62,447)
Tax paid	(39,477)	(16,346)
Net cash from operating activities	188,221	167,058
Cash flows from investing activities		
Acquisition of intangible assets	(67)	(238)
Acquisition of property, plant and equipment	(104,832)	(30,540)
Interest received	5,405	3,558
Proceeds from disposal of property, plant and equipment	154	209
Net cash used in investing activities	(99,340)	(27,011)
Cash flows from financing activities		
Interest paid	(13,444)	(13,781)
Payment of lease liabilities	(2,904)	(3,333)
Purchase of shares by Share Grant Plan ("SGP") Trust	(1,678)	(333)
Repayment of loans and borrowings	(1,000)	(1,000)
Net cash used in financing activities	(19,026)	(18,447)
Net increase in cash and cash equivalents	69,855	121,600
Effects of exchange rate fluctuations on cash and cash equivalents	11,866	26,819
Cash and cash equivalents at 1 October 2024/2023	1,134,870	1,031,534
Cash and cash equivalents at 31 December	1,216,591	1,179,953
Cash and bank balances	604,303	467,873
Short term deposits with licensed banks with a maturity period of 3 months or less	612,288	712,080
Cash and cash equivalents at 31 December	1,216,591	1,179,953

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2024.

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

For the three months ended 31 December 2024

RM'000	----- Attributable to owners of the Company ----->								Distributable	Non-controlling interests	Total equity
	<----- Non-distributable ----->										
	Share capital	SGP Trust (Note a)	Loss on Shares purchase of SGP (Note b) held by shares for SGP (Note b)	Translatio n reserve	Share-based payment reserve	Legal reserve	Revaluation reserve	Retained earnings	Total		
At 1 October 2024	816,770	(16,666)	(7,342)	71,430	18,781	9,934	2,282	2,680,820	3,576,009	10,841	3,586,850
Total comprehensive income	-	-	-	19,631	-	-	-	169,018	188,649	1,367	190,016
Transactions with owners:											
Purchase of shares by SGP Trust	-	(1,678)	-	-	-	-	-	-	(1,678)	-	(1,678)
Employee share-based expense	-	-	-	-	1,585	-	-	-	1,585	-	1,585
Total transactions with owners	-	(1,678)	-	-	1,585	-	-	-	(93)	-	(93)
At 31 December 2024	816,770	(18,344)	(7,342)	91,061	20,366	9,934	2,282	2,849,838	3,764,565	12,208	3,776,773
At 1 October 2023	816,770	(10,890)	(7,186)	83,502	17,129	9,934	2,282	2,431,659	3,343,200	8,401	3,351,601
Total comprehensive income	-	-	-	46,468	-	-	-	170,737	217,205	(561)	216,644
Transactions with owners:											
Purchase of shares by SGP Trust	-	(333)	-	-	-	-	-	-	(333)	-	(333)
Employee share-based expense	-	-	-	-	1,559	-	-	-	1,559	-	1,559
Total transactions with owners	-	(333)	-	-	1,559	-	-	-	1,226	-	1,226
At 31 December 2023	816,770	(11,223)	(7,186)	129,970	18,688	9,934	2,282	2,602,396	3,561,631	7,840	3,569,471

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

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

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2024.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

1. Corporate information

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

The condensed consolidated interim financial statements of the Group (“interim financial statements”) as at and for the three months ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in a joint venture.

These interim financial statements were approved by the Board of Directors on 3 February 2025.

2. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 30 September 2024.

The audited consolidated financial statements of the Group for the year ended 30 September 2024 are available upon request from the Company’s registered office at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2024. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2024.

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the financial year ended 30 September 2024.

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

3. Standards issued but not yet effective

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

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

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

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

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

4. Auditors' report

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

5. Comment on seasonality or cyclical nature of operation

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

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

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

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter.

7. Significant estimates and changes in estimates

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

8. Investment in a joint venture

RM'000	<u>31/12/2024</u>	<u>30/09/2024</u>
Unquoted shares, at cost	128,320	128,320
Share of post-acquisition reserves	<u>(24,805)</u>	<u>(24,810)</u>
	103,515	103,510
Interest on shareholder's loan	<u>38,294</u>	<u>38,294</u>
	141,809	141,804
Less: Unrealised profit	<u>(55,292)</u>	<u>(55,292)</u>
	<u>86,517</u>	<u>86,512</u>

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

RM'000	<u>31/12/2024</u>	<u>30/09/2024</u>
Total assets	283,937	283,941
Total liabilities	<u>(76,925)</u>	<u>(76,940)</u>

RM'000	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
Revenue	-	-
Loss	<u>11</u>	<u>(142)</u>

9. Issuance or repayments of debt/equity securities

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

10. Dividends paid

No dividend has been paid in this quarter.

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

11. Segmental information

Segment results

For management purposes, the Group's operating businesses are organised according to products and services, namely Food and Beverages Malaysia ("F&B Malaysia"), Food and Beverages Thailand ("F&B Thailand"), Property and Others segments. 'Others' segment include subsidiaries whose principal activities are investment holding, provision of management, financial and treasury services, and dairy farm and agriculture. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements, where applicable, are determined on a commercial basis. The results by segments for the current, preceding and last year same quarter are as follows:

	Revenue				Total
	F&B Malaysia	F&B Thailand	Property	Others	
<u>1st quarter - 31/12/2024</u>					
Total revenue	769,331	624,310	647	30,339	1,424,627
Inter-segment	-	(4,755)	(462)	(29,669)	(34,886)
External	769,331	619,555	185	670	1,389,741
<u>1st quarter - 31/12/2023</u>					
Total revenue	762,641	573,998	617	19,995	1,357,251
Inter-segment	-	(4,946)	(420)	(19,003)	(24,369)
External	762,641	569,052	197	992	1,332,882
<u>4th quarter - 30/9/2024</u>					
Total revenue	670,475	589,454	672	23,941	1,284,542
Inter-segment	-	(4,558)	(490)	(23,257)	(28,305)
External	670,475	584,896	182	684	1,256,237

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

11. Segmental information (cont'd)

Segment results (cont'd)

	Operating profit/(loss)				Total
	F&B Malaysia	F&B Thailand	Property	Others	
<u>1st quarter - 31/12/2024</u>					
Operating profit/(loss)	96,928	133,315	(308)	13,024	242,959
Finance income					6,558
Finance costs					(9,032)
Share of results of a joint venture					5
Profit before tax					<u>240,490</u>
<u>1st quarter - 31/12/2023</u>					
Operating profit/(loss)	83,267	125,886	(306)	470	209,317
Finance income					5,723
Finance costs					(9,459)
Share of results of a joint venture					(71)
Profit before tax					<u>205,510</u>
<u>4th quarter - 30/9/2024</u>					
Operating profit/(loss)	55,811	101,995	(2,351)	(35,597)	119,858
Finance income					6,752
Finance costs					(8,996)
Share of results of a joint venture					(1,117)
Profit before tax					<u>116,497</u>

Segment assets

The total of segment assets is measured based on all assets excluding cash and cash equivalents.

RM'000	<u>31/12/2024</u>	<u>30/09/2024</u>
F&B Malaysia	3,344,347	2,562,105
F&B Thailand	977,272	972,713
Property	195,104	195,176
Others	58,045	609,613
	<u>4,574,768</u>	<u>4,339,607</u>

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

11. Segmental information (cont'd)

Segment liabilities

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

RM'000	<u>31/12/2024</u>	<u>30/09/2024</u>
F&B Malaysia	806,429	657,673
F&B Thailand	491,435	440,288
Property	1,093	1,259
Others	<u>10,629</u>	<u>82,407</u>
	<u>1,309,586</u>	<u>1,181,627</u>

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

12. Significant events during the quarter

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

13. Subsequent events

There were no material events subsequent to the end of the quarter that have not been reflected in the current quarter.

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

There were no changes in the composition of the Group during the quarter.

15. Contingent liabilities

There were no contingent liabilities of a material nature since the last annual reporting date.

16. Contingent assets

There were no contingent assets of a material nature since the last annual reporting date.

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

17. Fair value information

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

RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
31/12/2024				
<u>Financial asset</u>				
Derivative financial assets	14	-	14	14
<u>Financial liabilities</u>				
Derivative financial liabilities	46	-	46	46
Fixed-rate loans and borrowings	-	254,798	254,798	250,000
	46	254,798	254,844	250,046
30/09/2024				
<u>Financial asset</u>				
Derivative financial assets	311	-	311	311
<u>Financial liabilities</u>				
Derivative financial liabilities	2,171	-	2,171	2,171
Fixed-rate loans and borrowings	-	487,507	487,507	500,000
	2,171	487,507	489,678	502,171

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

The Group held investment properties amounting to RM63,000,000 (2024: RM63,000,000) carried at Level 3: significant unobservable inputs.

18. Capital commitments

The outstanding capital commitments are as follows:

RM'000	<u>31/12/2024</u>	<u>30/09/2024</u>
<u>Property, plant and equipment</u>		
Contracted but not provided for	813,754	960,237

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

19. Related party disclosures

Significant related party transactions

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

RM'000	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
<u>Fraser and Neave, Limited Group</u>		
Sales	47,516	80,142
Purchases	(61,768)	(46,170)
Royalties paid	(21,475)	(20,444)
<u>Thai Beverage Public Company Limited Group</u>		
Sales	2,788	2,317
Purchases	(1,053)	(601)
Marketing expenses	(3,548)	(2,522)
Logistic expenses	(4,299)	(2,521)
<u>Berli Jucker Public Company Limited Group</u>		
Sales	18,048	18,210
<u>Fraser Property Limited Group</u>		
Rental expenses	(1,550)	(1,608)
<u>Other related parties</u>		
Purchases	(17,132)	(11,618)
<u>Compensation</u>		
Compensation of key management personnel of the Group	(9,691)	(6,863)
Directors' fees and remuneration	(401)	(393)

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

19. Related party disclosures (cont'd)

Related party balances

The related party balances are shown below:

RM'000	<u>31/12/2024</u>	<u>30/09/2024</u>
<u>Amount due from related parties</u>		
Fraser and Neave, Limited Group	44,883	56,976
Frasers Property Limited Group	2	6
Vacaron Company Sdn Bhd	38,305	38,305
Thai Beverage Public Company Limited Group	1,089	1,302
Berli Jucker Public Company Limited Group	14,433	11,967
Other related parties	13	29
<u>Amount due to related parties</u>		
Fraser and Neave, Limited Group	(60,507)	(39,881)
Frasers Property Limited Group	(537)	(556)
Thai Beverage Public Company Limited Group	(6,821)	(15,460)
Berli Jucker Public Company Limited Group	(518)	(446)
Other related parties	(6,077)	(5,387)

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

1. Operations review

Current quarter ended 31 December 2024 vs corresponding quarter ended 31 December 2023

RM'000	1 st quarter		% chg
	31/12/2024	31/12/2023	
Revenue	1,389,741	1,332,882	4.3%
Operating profit	242,959	209,317	16.1%
Adjusted operating profit *	242,944	204,890	18.6%
Profit before tax	240,490	205,510	17.0%
Adjusted profit before tax *	240,475	201,083	19.6%
Profit after tax	170,385	170,176	0.1%
Adjusted profit after tax	170,374	166,028	2.6%
* Adjustments for one-off non-operating items:			
Flood related items:			
Interim insurance claim received in respect of plant and machinery and inventories damaged due to flood	-	(4,236)	
	-	(4,236)	
Relocation and renovation costs due to move to new manufacturing premise	-	14	
Restructuring costs	(15)	-	
Reversal of impairment loss on property, plant and equipment	-	(205)	
	<u>(15)</u>	<u>(4,427)</u>	

The Group revenue for Q1 FY2025 rose by 4.3% to RM1,389.7 million (Q1 FY2024: RM1,332.9 million), mainly driven by festive sales in Malaysia and recovery in the domestic Thai economy, supported by tourist arrivals and increased sales in the Indochina market due to the availability of fresh milk supply.

Group operating profit for Q1 FY2025 grew by 16.1% to RM243.0 million (Q1 FY2024: RM209.3 million). This growth is attributed to higher profits from F&B Malaysia and F&B Thailand, partially offset by start-up costs associated with the integrated dairy farm. Operating profits were bolstered by improved sales mix and lower input costs.

The Group profit after tax for Q1 2024 marginally improved by 0.1% to RM170.4 million (Q1 FY2024: RM170.2 million) despite higher tax expense due to the expiration of Board of Investment (BOI) incentive for F&B Thailand since Q3 FY2024 and withholding taxes on dividends repatriated from F&B Thailand.

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

1. Operations review (cont'd)

Current quarter ended 31 December 2024 vs corresponding quarter ended 31 December 2023 (cont'd)

• F&B Malaysia

RM'000	1 st quarter		% chg
	31/12/2024	31/12/2023	
Revenue	<u>769,331</u>	<u>762,641</u>	0.9%
Operating profit	96,928	83,267	16.4%
Adjustment for one-off non-operating items:			
Flood related items:			
Interim insurance claim received in respect of plant and machinery and inventories damaged due to flood	-	(4,236)	
	-	(4,236)	
Relocation and renovation costs due to move to new manufacturing premise	-	14	
Restructuring costs	(15)	-	
	<u>(15)</u>	<u>(4,222)</u>	
Adjusted operating profit	<u>96,913</u>	<u>79,045</u>	22.6%

F&B Malaysia revenue for Q1 FY2025 increased by 0.9% to RM769.3 million (Q1 FY2024: RM762.6 million), driven by strong momentum in beverages segment from earlier sell-in for the festive season compared to corresponding period last year. This increase was partly offset by lower sales for the dairy segment (due to consumer shift to mass brands).

Exports were impacted by phasing of export orders and slowdown in the HORECA channel in Greater China. This was partially cushioned by sales recovery in Africa market.

Excluding one-off non-operating items which include insurance claim in the previous year, F&B Malaysia adjusted Q1 FY2025 operating profit grew by 22.6% to RM96.9 million (Q1 FY2024: RM79.0 million). This growth was driven by better sales mix, effective management of tactical discounts, improved manufacturing overhead recovery from higher volumes, and improved margins from lower input costs (favourable sugar prices, partly offset by unfavourable palm oil prices).

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

1. Operations review (cont'd)

Current quarter ended 31 December 2024 vs corresponding quarter ended 31 December 2023 (cont'd)

• F&B Thailand

	1 st quarter		
	<u>31/12/2024</u>	<u>31/12/2023</u>	<u>% chg</u>
Revenue (RM'000)	<u>619,555</u>	<u>569,052</u>	8.9%
Operating profit (RM'000)	133,315	125,886	5.9%
Adjustment for one-off non-operating item (RM'000):			
Reversal of impairment loss on property, plant and equipment	-	(205)	
Adjusted operating profit (RM'000)	<u>133,315</u>	<u>125,681</u>	6.1%
Revenue (THB'000)	<u>4,775,963</u>	<u>4,261,031</u>	12.1%
Operating profit (THB'000)	1,027,686	942,627	9.0%
Adjustment for one-off non-operating item (THB'000):			
Reversal of impairment loss on plant and equipment	-	(1,532)	
Adjusted operating profit (THB'000)	<u>1,027,686</u>	<u>941,095</u>	9.2%

F&B Thailand revenue for Q1 FY2025 grew by 8.9% (12.1% in THB) to RM619.6 million (Q1 FY2024: RM569.1 million). The growth was primarily driven by higher sales in the domestic Thailand and Indochina markets, fuelled by promotional activities and market activations, as well as recovery in tourist arrivals. Additionally, the restoration of fresh milk supply contributed to increased sales of liquid milk. However, export sales remained subdued due to lower orders.

Excluding the reversal of impairment loss on plant and equipment in corresponding quarter last year, the adjusted operating profit for F&B Thailand in Q1 FY2025 increased by 6.1% (9.2% in THB) to RM133.3 million (Q1 FY2024: RM125.7 million) mainly due to higher volume.

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

2. Comment on material change in Group profit before tax for the quarter ended 31 December 2024 vs preceding 4th quarter ("Q4") ended 30 September 2024

RM'000	Individual quarter		% chg
	31/12/2024	30/09/2024	
Revenue	1,389,741	1,256,237	10.6%
Operating profit	242,959	119,858	102.7%
Adjusted operating profit *	242,944	124,024	95.9%
Profit before tax	240,490	116,497	106.4%
Adjusted profit before tax *	240,475	120,663	99.3%

* Adjustments for one-off non-operating items:

Flood related items:

Interim insurance claim received in respect of plant & machinery and inventories damaged and business interruption due to flood	-	(5,075)
Inventories written off	-	101
	-	(4,974)
Inventories written down due to reorganisation of Food pillar	-	2,880
Restructuring costs	(15)	6,260
	(15)	4,166

The Group recorded 10.6% higher revenue for the quarter at RM1,389.7 million compared to preceding 4th quarter (Q4 FY2024: RM1,256.2 million) mainly driven by festive sell-in in Malaysia, continuing momentum in the Thailand domestic market and recovery in Indochina market.

The Group profit before tax (excluding one-off non-operating items) increased by 99.3% to RM240.5 million (Q4 FY2024: RM120.7 million) in line with higher revenue and lower input costs.

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

3. Prospects

The Group's strong performance in the first quarter was driven by festive sales in Malaysia and a recovery in the domestic Thai economy, supported by tourist arrivals and revitalised sales in the Indochina market due to the availability of fresh milk supply. Operating profit benefited from better sales mix and lower input costs; however, the expiration of the Board of Investment (BOI) incentive for F&B Thailand has led to higher tax expenses and the incurrence of withholding taxes on dividends repatriated from Thailand.

Looking ahead, the Group recognises several risks, including geopolitical uncertainties, volatility in raw material prices, and fluctuations in foreign currency. While minimal impacts are anticipated from recent regulatory changes such as minimum wage increases, service tax on logistics, and the 40 sen increase in sugar taxes on sweetened beverages, the Group remains vigilant.

For the remainder of the financial year, the Group is committed to driving growth, enhancing route-to-market capabilities, and optimising operational efficiencies while staying agile in response to market dynamics and geopolitical developments. Progress on the integrated dairy farm project in Gemas is on track, with Phase 1 infrastructure development advancing steadily in preparation for the arrival of livestock. Additionally, the development of the dairy manufacturing plant in Cambodia is progressing well to strengthen the Group's presence in that market.

F&NHB's mid-term strategy focuses on positioning Halal Packaged Foods and Dairy as key growth pillars, along with ongoing efforts to create synergies within the Group. With these initiatives, the Group is confident in its ability to capitalise on emerging opportunities and navigate potential challenges ahead.

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

4. Profit forecast or profit guarantee

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

5. Tax expense

The details of the tax expense are as follows:

RM'000	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
Current income tax	63,201	34,031
Deferred tax – origination and reversal of temporary differences	8,818	3,182
Over provision in respect of previous years		
- Income tax	(131)	(505)
- Deferred tax	(1,783)	(1,374)
	<u>70,105</u>	<u>35,334</u>

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

RM'000	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
Profit before tax	<u>240,490</u>	<u>205,510</u>
Tax at Malaysian statutory tax rate of 24% (FY2024: 24%)	57,718	49,322
Effect of tax rates in foreign jurisdictions	(5,600)	(5,236)
Tax exempt income	(2,367)	(11,019)
Non-deductible expenses	4,392	3,990
Over provision of income and deferred tax in prior years	(1,914)	(1,879)
Foreign withholding tax	17,877	138
Others	(1)	18
Total income tax expense	<u>70,105</u>	<u>35,334</u>
Effective income tax rate	<u>29.2%</u>	<u>17.2%</u>

The effective income tax rate for Q1 FY2025 is higher at 29.2% compared to corresponding period last year mainly due to foreign withholding tax on dividends received from a Thailand subsidiary and higher income tax expenses resulting from expiration of Board of Investment Incentive (BOI) since April 2024.

6. Status of corporate proposals

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

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

7. Loans and borrowings

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

RM'000	<u>Currency</u>	<u>31/12/2024</u>	<u>30/09/2024</u>
<u>Non-current (unsecured)</u>			
Islamic Medium Term Notes	RM	250,000	500,000
Term loan	RM	<u>91,000</u>	<u>92,000</u>
		<u>341,000</u>	<u>592,000</u>
<u>Current (unsecured)</u>			
Islamic Medium Term Notes	RM	360,000	110,000
Term loan	RM	<u>4,000</u>	<u>4,000</u>
		<u>364,000</u>	<u>114,000</u>

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

A subsidiary of the Company, F&N Capital Sdn Bhd ("the Issuer"), had established an Islamic Commercial Papers ("ICP") Programme ("ICP Programme") and an Islamic Medium Term Notes ("IMTN") Programme ("IMTN Programme") both based on the Shariah principle of Murabahah (via a Tawarruq arrangement) with a combined limit of up to RM3,000,000,000 in nominal value and guaranteed by the Company. The ICP Programme has a tenure of seven years from the first issue date (30 August 2021) whilst the tenure of the IMTN Programme is perpetual.

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

On 3 August 2022, the Issuer had issued the second tranche of IMTN amounting to RM110,000,000 with a tenure of three years from the issued date and a profit rate of 4.01% per annum. The proceeds from this IMTN were used to partially finance the acquisition of the entire equity interest in Ladang Permai Damai Sdn Bhd by the Company's indirect 65%-owned subsidiary, Dagang Sejahtera Sdn Bhd ("DSSB").

On 5 October 2022, the Issuer had issued the third and fourth tranche of IMTN of RM250,000,000 each with a tenure of three and five years from the issued date and profit rates of 4.21% and 4.68% per annum, respectively. The proceeds from issuance of the IMTNs were used to partially finance the acquisition of the entire equity interest in Cocoaland Holdings Berhad not already owned by the Company and for working capital purposes.

As at 31 December 2024, the outstanding IMTN amounted to RM610,000,000 (2024: RM610,000,000).

As at 31 December 2024, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,390,000,000 (2024: RM2,390,000,000).

Term loan of RM100,000,000

On 25 July 2022, a subsidiary of the Company, DSSB was granted a term loan of RM100,000,000 with a tenure of up to seven years from the date of the first drawdown of the facility. DSSB had made full drawdown of the term loan on 22 August 2022. The proceeds from this term loan were used to partially finance the acquisition of Ladang Permai Damai Sdn Bhd. The term loan is subject to floating interest rates ranging from 5.23% to 5.27% (2024: 5.02% to 5.23%) per annum. As at 31 December 2024, the outstanding term loan amounted to RM95,000,000 (2024: RM96,000,000).

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

8. Material litigation

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

9. Proposed dividends

A final single tier dividend of 33.0 sen per share (2023: 33.0 sen per share and an additional special dividend of 17 sen per share) for financial year ended 30 September 2024 was approved by shareholders at the Annual General Meeting of the Company on 15 January 2025. This dividend amounting to approximately RM121.0 million is payable on 10 February 2025 (entitlement date for the dividend is 17 January 2025).

10. Earnings per ordinary share (EPS)

- (b) The calculation of basic earnings per ordinary share at 31 December 2024 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
Profit for the period attributed to owners of the Company (RM'000)	<u>169,018</u>	<u>170,737</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>366,315</u>	<u>366,331</u>
Basic earnings per ordinary share (sen)	<u>46.1</u>	<u>46.6</u>

- (c) The calculation of diluted earnings per ordinary share at 31 December 2024 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
Profit for the period attributed to owners of the Company (RM'000)	<u>169,018</u>	<u>170,737</u>
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,315	366,331
Adjustments pursuant to the SGP ('000)	<u>991</u>	<u>972</u>
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	<u>367,306</u>	<u>367,303</u>
Diluted earnings per ordinary share (sen)	<u>46.0</u>	<u>46.5</u>

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

11. Notes to the Condensed Consolidated Income Statement

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

RM'000	1st quarter	
	<u>31/12/2024</u>	<u>31/12/2023</u>
(a) Bad debts recovered	(6)	(66)
(b) Depreciation of property, plant and equipment and amortisation of intangible assets	31,574	30,740
(c) Depreciation of right-of-use assets	4,452	4,342
(d) Insurance claim received/receivables	-	(4,236)
(e) Inventories written off	3,603	2,516
(f) Net fair value gain on derivatives	(1,830)	(54)
(g) Net reversal of impairment loss on property, plant and equipment	(207)	(211)
(h) Net reversal of impairment loss on receivables	(447)	(29)
(i) Net inventories written down/(reversal of inventories written down)	948	(680)
(j) Net loss/(gain) on disposal/write-offs of property, plant and equipment	83	(67)
(k) Net (gain)/loss on foreign exchange	(16,954)	2,208

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

12. Outstanding derivatives

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

	31/12/2024		30/09/2024	
	Notional value	Fair value	Notional value	Fair value
	RM'000		RM'000	
Forward foreign exchange contracts (less than 1 year)				
USD ('000)	2,000	8	500	(92)
AUD ('000)	690	(41)	3,819	(389)
EUR ('000)	1,000	1	-	-
CNY ('000)		-	90,579	(1,684)
THB ('000)		-	587,088	305
		<u>(32)</u>		<u>(1,860)</u>

There is no significant change for the financial derivatives in respect of the following since the financial year ended 30 September 2024:

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

During the current period, the Group recognised a total net gain of RM1,830,000 (2024: RM54,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 31 December 2024.