



# FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)  
(Incorporated in the Republic of Singapore)

## RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2017 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2017.

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### 1(a)(i) GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2017 \$'000	2nd Quarter to 31/3/2016 \$'000	Change %	6 Months to 31/3/2017 \$'000	6 Months to 31/3/2016 \$'000	Change %
Revenue	451,282	479,029	(5.8)	946,313	972,866	(2.7)
Cost of sales	(289,284)	(300,768)	(3.8)	(602,009)	(618,349)	(2.6)
Gross profit	161,998	178,261	(9.1)	344,304	354,517	(2.9)
Other (expenses)/income (net)	(1,068)	(1,125)	(5.1)	6,128	8,072	(24.1)
Operating expenses						
- Distribution	(43,618)	(43,462)	0.4	(91,121)	(83,831)	8.7
- Marketing	(65,003)	(71,187)	(8.7)	(130,065)	(133,984)	(2.9)
- Administration	(31,469)	(34,784)	(9.5)	(62,302)	(64,457)	(3.3)
	(140,090)	(149,433)	(6.3)	(283,488)	(282,272)	0.4
Trading profit	20,840	27,703	(24.8)	66,944	80,317	(16.7)
Share of joint venture company's loss	(62)	(97)	(36.1)	(82)	(154)	(46.8)
Share of associated companies' profits	1,466	797	83.9	1,777	1,858	(4.4)
Gross income from investments	-	-	-	-	128	NM
<b>Profit before interest and taxation ("PBIT")</b>	<b>22,244</b>	<b>28,403</b>	<b>(21.7)</b>	<b>68,639</b>	<b>82,149</b>	<b>(16.4)</b>
Finance income	1,360	3,852	(64.7)	4,141	7,479	(44.6)
Finance cost	(2,565)	(1,309)	96.0	(3,868)	(2,374)	62.9
Net finance (cost)/income	(1,205)	2,543	NM	273	5,105	(94.7)
<b>Profit before taxation and exceptional items</b>	<b>21,039</b>	<b>30,946</b>	<b>(32.0)</b>	<b>68,912</b>	<b>87,254</b>	<b>(21.0)</b>
Exceptional items	4,808	399	NM	3,334	743	NM
<b>Profit before taxation</b>	<b>25,847</b>	<b>31,345</b>	<b>(17.5)</b>	<b>72,246</b>	<b>87,997</b>	<b>(17.9)</b>
Taxation	(2,419)	(5,380)	(55.0)	(8,343)	(14,267)	(41.5)
<b>Profit after taxation</b>	<b>23,428</b>	<b>25,965</b>	<b>(9.8)</b>	<b>63,903</b>	<b>73,730</b>	<b>(13.3)</b>
Attributable profit to:						
Shareholders of the Company	3,817	11,617	(67.1)	26,268	37,150	(29.3)
Exceptional items	4,668	396	NM	4,292	559	NM
	8,485	12,013	(29.4)	30,560	37,709	(19.0)
Non-controlling interests	14,943	13,952	7.1	33,343	36,021	(7.4)
	23,428	25,965	(9.8)	63,903	73,730	(13.3)

NM – Not meaningful

**1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT**

	<b>Group</b>					
	2nd Quarter to 31/3/2017 \$'000	2nd Quarter to 31/3/2016 \$'000	Change %	6 Months to 31/3/2017 \$'000	6 Months to 31/3/2016 \$'000	Change %
<b>Operating expenses</b>						
Included in operating expenses are:						
Depreciation & amortisation	(12,934)	(14,203)	(8.9)	(29,310)	(31,148)	(5.9)
Allowance for bad and doubtful debts	(151)	(144)	4.9	(112)	(27)	NM
Allowance for inventory obsolescence	(894)	(1,903)	(53.0)	(3,027)	(2,599)	16.5
Employee share-based expenses	(1,229)	(1,629)	(24.6)	(2,193)	(3,121)	(29.7)
<b>Other (expenses)/income (net)</b>						
Gain/(Loss) on disposal of fixed assets	103	(187)	NM	48	(163)	NM
Foreign exchange (loss)/gain	(4,394)	(4,116)	6.8	14	1,134	(98.8)
<b>Taxation</b>						
(Under)/Over provision of prior year taxation	(76)	1,224	NM	1,897	1,177	61.2
<b>Exceptional items</b>						
Effect of change of interest in an associated company	4,671	396	NM	4,671	396	NM
Reversal of provision for litigation claims	-	-	NM	1,844	-	NM
Reversal/(Provision) for restructuring and re-organisation cost of operations	242	-	NM	(3,076)	-	NM
Loss on liquidation of subsidiary and joint venture companies (net)	(105)	(2)	NM	(105)	(2)	NM
Insurance claim relating to flood	-	5	NM	-	319	NM
Gain on redemption of other investment	-	-	NM	-	30	NM
	<u>4,808</u>	<u>399</u>		<u>3,334</u>	<u>743</u>	
<b>PBIT as a percentage of revenue</b>	<u>4.9%</u>	<u>5.9%</u>		<u>7.3%</u>	<u>8.4%</u>	

NM - Not meaningful

**1(a)(iii) ADDITIONAL INFORMATION**
Group Revenue and Profit Analysis

	2nd Quarter to 31/3/2017 \$'000	2nd Quarter to 31/3/2016 \$'000	6 Months to 31/3/2017 \$'000	6 Months to 31/3/2016 \$'000
<b>Revenue</b>				
<b>By Business Activity</b>				
Beverages	113,603	144,632	252,645	276,766
Dairies	271,550	265,137	550,117	542,414
Printing & publishing	66,038	69,153	143,369	153,464
Others	91	107	182	222
	<u>451,282</u>	<u>479,029</u>	<u>946,313</u>	<u>972,866</u>
<b>By Territory</b>				
Singapore	112,090	109,704	232,356	227,306
Malaysia	169,264	216,908	375,936	428,459
Thailand	146,154	132,465	293,016	275,563
Others	23,774	19,952	45,005	41,538
	<u>451,282</u>	<u>479,029</u>	<u>946,313</u>	<u>972,866</u>
<b>PBIT</b>				
<b>By Business Activity</b>				
Beverages	(5,163)	9,121	3,549	19,973
Dairies	39,815	28,099	79,251	65,562
Printing & publishing	(5,635)	(6,473)	(7,900)	(3,925)
Others	(6,773)	(2,344)	(6,261)	539
	<u>22,244</u>	<u>28,403</u>	<u>68,639</u>	<u>82,149</u>
<b>By Territory</b>				
Singapore	(12,094)	(4,412)	(10,667)	(5,739)
Malaysia	13,806	22,676	35,002	56,588
Thailand	21,953	14,005	47,295	35,511
Others	(1,421)	(3,866)	(2,991)	(4,211)
	<u>22,244</u>	<u>28,403</u>	<u>68,639</u>	<u>82,149</u>
<b>Attributable profit</b>				
<b>By Business Activity</b>				
Beverages	(4,265)	2,858	(2,080)	5,699
Dairies	21,037	13,969	41,147	32,749
Printing & publishing	(5,113)	(5,469)	(6,728)	(3,573)
Others	(7,842)	259	(6,071)	2,275
	<u>3,817</u>	<u>11,617</u>	<u>26,268</u>	<u>37,150</u>
Exceptional items	4,668	396	4,292	559
	<u>8,485</u>	<u>12,013</u>	<u>30,560</u>	<u>37,709</u>

**1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME**

	Group			
	2nd Quarter to 31/3/2017 \$'000	2nd Quarter to 31/3/2016 \$'000	6 Months to 31/3/2017 \$'000	6 Months to 31/3/2016 \$'000
<b>Profit after taxation</b>	23,428	25,965	63,903	73,730
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit statement</u>				
Share of other comprehensive income of associated companies	4	(584)	137	(908)
Realisation of reserves on dilution of interest in an associated company	6,795	-	6,795	-
Realisation of reserve on liquidation of a subsidiary company	-	625	-	625
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	(152)
Realisation of reserve on settlement of a net investment	-	(510)	-	(11,419)
Net fair value changes on available-for-sale financial assets	210,120	9,598	22,915	236,744
Currency translation differences	(13,239)	19,310	(16,304)	27,413
	203,680	28,439	13,543	252,303
<b>Total comprehensive income for the period</b>	<b>227,108</b>	<b>54,404</b>	<b>77,446</b>	<b>326,033</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	216,491	31,035	51,794	282,444
Non-controlling interests	10,617	23,369	25,652	43,589
	<b>227,108</b>	<b>54,404</b>	<b>77,446</b>	<b>326,033</b>

**1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

**BALANCE SHEET**

	Group		Company	
	As at 31/3/2017 \$'000	As at 30/9/2016 \$'000	As at 31/3/2017 \$'000	As at 30/9/2016 \$'000
<b>SHARE CAPITAL AND RESERVES</b>				
Share capital	849,301	849,301	849,301	849,301
Treasury shares	(267)	(2,655)	(267)	(2,655)
Reserves	2,001,552	1,996,438	862,924	876,012
	2,850,586	2,843,084	1,711,958	1,722,658
<b>NON-CONTROLLING INTERESTS</b>	314,369	309,460	-	-
	3,164,955	3,152,544	1,711,958	1,722,658
Represented by:				
<b>NON-CURRENT ASSETS</b>				
Fixed assets	490,184	490,886	364	393
Investment properties	42,402	42,863	-	-
Properties held for development	17,613	18,232	-	-
Subsidiary companies	-	-	1,769,289	1,123,027
Joint venture company	45,485	46,011	-	-
Associated companies	25,040	43,003	-	18,100
Intangible assets	95,113	96,764	177	187
Brands	26,701	27,892	212	212
Other investments	2,362,681	1,363,389	218,703	185,240
Other receivables	1,381	1,131	-	-
Deferred tax assets	11,173	13,267	-	-
Bank fixed deposits	2,900	2,900	-	-
	3,120,673	2,146,338	1,988,745	1,327,159
<b>CURRENT ASSETS</b>				
Inventories	254,799	247,332	-	-
Trade receivables	266,040	267,178	-	-
Other receivables	53,145	53,894	238	1,074
Related parties	8,816	4,565	21	6
Subsidiary companies	-	-	2,858	13,905
Joint venture companies	308	558	-	-
Associated companies	10	3	-	-
Bank fixed deposits	116,717	563,282	4,785	231,018
Cash and bank balances	550,582	479,347	51,835	270,726
	1,250,417	1,616,159	59,737	516,729
Assets held for sale	10,143	10,375	-	-
	1,260,560	1,626,534	59,737	516,729
<b>Deduct: CURRENT LIABILITIES</b>				
Trade payables	172,188	180,548	-	-
Other payables	185,279	210,973	7,525	7,423
Related parties	13,435	12,650	10	21
Subsidiary companies	-	-	3,139	6,470
Associated companies	1,546	1,565	-	-
Borrowings	491,875	12,223	240,000	-
Provision for taxation	31,589	30,851	3,272	3,972
	895,912	448,810	253,946	17,886
Liabilities held for sale	2,396	2,339	-	-
	898,308	451,149	253,946	17,886
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	362,252	1,175,385	(194,209)	498,843
<b>Deduct: NON-CURRENT LIABILITIES</b>				
Other payables	2,900	2,900	-	-
Related parties	1,265	1,265	1,265	1,265
Subsidiary companies	-	-	81,123	101,894
Borrowings	275,081	124,825	-	-
Provision for employee benefits	20,099	20,671	-	-
Deferred tax liabilities	18,625	19,518	190	185
	317,970	169,179	82,578	103,344
	3,164,955	3,152,544	1,711,958	1,722,658

- 1(b)(ii) **Aggregate amount of Group's borrowings and debt securities.**  
 The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year:

**Amount repayable in one year or less, or on demand**

	As at 31/3/2017 \$'000	As at 30/9/2016 \$'000
Secured :	197	910
Unsecured :	491,678	11,313
	491,875	12,223
	491,875	12,223

**Amount repayable after one year**

	As at 31/3/2017 \$'000	As at 30/9/2016 \$'000
Secured :	48	891
Unsecured :	275,033	123,934
	275,081	124,825
	275,081	124,825

**Details of any collateral**

Secured borrowings are generally bank overdrafts and bank loans secured on the land and buildings, plant and machinery of the borrowing companies, pledge of shares held in a subsidiary and/or a first fixed and floating charge over the assets, and assignment of all rights, benefits and title in contracts of the respective borrowing companies.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	2nd Quarter to 31/3/2017 \$'000	2nd Quarter to 31/3/2016 \$'000	6 Months to 31/3/2017 \$'000	6 Months to 31/3/2016 \$'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before taxation and exceptional items	21,039	30,946	68,912	87,254
Adjustments for:				
Depreciation of fixed assets	10,861	11,508	22,207	23,012
Impairment reversal of fixed assets and intangible assets (net)	(391)	(256)	(659)	(225)
Fixed assets written off	140	148	197	201
Provision for employee benefits	406	380	817	752
(Gain)/Loss on disposal of fixed assets (net)	(103)	187	(48)	163
Amortisation of brands and intangible assets	2,073	2,695	7,103	8,136
Interest income	(1,360)	(3,852)	(4,141)	(7,479)
Interest expenses	2,565	1,309	3,868	2,374
Share of joint venture company's loss	62	97	82	154
Share of associated companies' profits	(1,466)	(797)	(1,777)	(1,858)
Investment income	-	-	-	(128)
Employee share-based expense	1,229	1,629	2,193	3,121
Fair value adjustment of financial instruments	630	1,267	395	239
Loss on disposal of financial instruments	150	444	611	2,569
Operating cash before working capital changes	35,835	45,705	99,760	118,285
Change in inventories	(28,022)	(20,990)	(7,467)	(15,766)
Change in receivables	47,034	7,793	4,313	(16,677)
Change in related parties, joint venture and associated companies' balances	(2,685)	(10,804)	(4,122)	(7,260)
Change in payables	4,093	(4,243)	(31,823)	(29,617)
Development expenditure on properties held for development	(155)	-	(155)	(7)
Currency realignment	(2,385)	3,628	(975)	(5,948)
Cash generated from operations	53,715	21,089	59,531	43,010
Interest income received	1,243	4,124	4,605	7,050
Interest expenses paid	(2,298)	(1,027)	(3,815)	(2,174)
Income taxes paid	(6,232)	(6,866)	(8,501)	(9,959)
Payment of employee benefits	(796)	(765)	(888)	(832)
<b>Net cash from operating activities</b>	<b>45,632</b>	<b>16,555</b>	<b>50,932</b>	<b>37,095</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Dividends from associated companies	-	-	-	4,762
Investment income	-	-	-	128
Proceeds from sale of fixed assets	337	164	448	276
Proceeds from redemption of other investments	-	-	-	6,069
Purchase of fixed assets	(13,892)	(9,802)	(29,642)	(26,607)
Purchase of other investments	(229,744)	-	(946,556)	-
Payment for intangible assets	(2,592)	(2,546)	(5,786)	(5,304)
Loan to a joint venture company	-	-	(631)	-
<b>Net cash used in investing activities</b>	<b>(245,891)</b>	<b>(12,184)</b>	<b>(982,167)</b>	<b>(20,676)</b>

**1(c) GROUP CASH FLOW STATEMENT (cont'd)**

	2nd Quarter to 31/3/2017 \$'000	2nd Quarter to 31/3/2016 \$'000	6 Months to 31/3/2017 \$'000	6 Months to 31/3/2016 \$'000
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Proceeds/(Repayment of) from term loans and bank borrowings	584,219	(1,370)	635,718	37,196
Acquisition of non-controlling interests in subsidiary companies	-	-	(7,539)	-
Purchase of shares by subsidiary company	(54)	(652)	(54)	(861)
Capital repayment to non-controlling interests	(70)	-	(70)	-
Proceeds from issue of shares by subsidiary companies to non-controlling interests	-	29	-	659
Payment of dividends:				
- by subsidiary companies to non-controlling interests	(16,157)	(19,952)	(16,157)	(19,952)
- by the Company to shareholders	(43,408)	(43,373)	(43,408)	(43,373)
<b>Net cash used in/(from) financing activities</b>	<b>524,530</b>	<b>(65,318)</b>	<b>568,490</b>	<b>(26,331)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>324,271</b>	<b>(60,947)</b>	<b>(362,745)</b>	<b>(9,912)</b>
Cash and cash equivalents at beginning of period	347,079	1,015,526	1,037,871	961,036
Effects of exchange rate changes on cash and cash equivalents	(4,763)	5,772	(8,539)	9,227
<b>Cash and cash equivalents at end of period</b>	<b>666,587</b>	<b>960,351</b>	<b>666,587</b>	<b>960,351</b>
<b>Cash and cash equivalents at end of period comprise:</b>				
Cash and bank deposits	670,199	965,099	670,199	965,099
Bank overdrafts	(712)	(610)	(712)	(610)
	669,487	964,489	669,487	964,489
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(2,900)	(4,138)	(2,900)	(4,138)
<b>Cash and cash equivalents at end of period</b>	<b>666,587</b>	<b>960,351</b>	<b>666,587</b>	<b>960,351</b>



- 1(d)(i) A statement (for the issuer and Group) showing either**
- (i) all changes in equity or**
  - (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

## STATEMENT OF CHANGES IN EQUITY

	<b>Group</b>											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2nd Quarter ended</b> <b>31 March 2017</b>												
Balance at 1 January 2017	849,301	(267)	19,647	909,098	(141,913)	990,385	(425)	7,820	43,408	2,677,054	319,253	2,996,307
<b>Comprehensive income</b>												
Share of comprehensive income of associated companies	-	-	-	-	4	-	-	-	-	4	-	4
Realisation of reserves on dilution of interest in an associated company	-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	210,120	-	-	-	210,120	-	210,120
Currency translation difference	-	-	-	-	(8,913)	-	-	-	-	(8,913)	(4,326)	(13,239)
Other comprehensive income for the period	-	-	-	1,699	(4,041)	210,120	425	(197)	-	208,006	(4,326)	203,680
Profit for the period	-	-	-	8,485	-	-	-	-	-	8,485	14,943	23,428
<b>Total comprehensive income for the period</b>	-	-	-	10,184	(4,041)	210,120	425	(197)	-	216,491	10,617	227,108
<b>Contribution by and distributions to owners</b>												
Employee share-based expense	-	-	-	-	-	-	-	938	-	938	291	1,229
Purchase of shares by a subsidiary company	-	-	-	(30)	-	-	-	-	-	(30)	(24)	(54)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(227)	1,574	-	-	-	(1,347)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
<b>Dividends</b>												
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,157)	(16,157)
Final dividend for the previous year, paid	-	-	-	-	-	-	-	-	(43,408)	(43,408)	-	(43,408)
Interim dividend for the year, proposed	-	-	-	(21,704)	-	-	-	-	21,704	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	(227)	(20,160)	-	-	-	(409)	(21,704)	(42,500)	(15,960)	(58,460)
<b>Changes in ownership interests</b>												
Change of interests in subsidiary companies	-	-	-	(459)	-	-	-	-	-	(459)	459	-
<b>Total changes in ownership interests</b>	-	-	-	(459)	-	-	-	-	-	(459)	459	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	(227)	(20,619)	-	-	-	(409)	(21,704)	(42,959)	(15,501)	(58,460)
<b>Balance at 31 March 2017</b>	849,301	(267)	19,420	898,663	(145,954)	1,200,505	-	7,214	21,704	2,850,586	314,369	3,164,955

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**
**Group**

	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2nd Quarter ended</b> <b>31 March 2016</b>												
Balance at 1 January 2016	849,301	(2,655)	9,565	875,532	(142,121)	880,435	(273)	8,132	43,373	2,521,289	308,332	2,829,621
<b>Comprehensive income</b>												
Share of other comprehensive income of associated companies	-	-	-	(853)	282	-	(122)	109	-	(584)	-	(584)
Realisation of reserve on liquidation of subsidiary company	-	-	-	-	625	-	-	-	-	625	-	625
Realisation of reserve on settlement of a net investment	-	-	-	-	(283)	-	-	-	-	(283)	(227)	(510)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	9,598	-	-	-	9,598	-	9,598
Currency translation difference	-	-	-	-	9,666	-	-	-	-	9,666	9,644	19,310
Other comprehensive income for the period	-	-	-	(853)	10,290	9,598	(122)	109	-	19,022	9,417	28,439
Profit for the period	-	-	-	12,013	-	-	-	-	-	12,013	13,952	25,965
<b>Total comprehensive income for the period</b>	-	-	-	11,160	10,290	9,598	(122)	109	-	31,035	23,369	54,404
<b>Contribution by and distributions to owners</b>												
Employee share-based expense	-	-	-	-	-	-	-	1,145	-	1,145	434	1,579
Purchase of shares by a subsidiary company	-	-	-	(362)	-	-	-	-	-	(362)	(290)	(652)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(116)	1,483	-	-	-	(1,367)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	29	29
<b>Dividends</b>												
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(19,952)	(19,952)
Final dividend for the previous year, paid	-	-	-	-	-	-	-	-	(43,373)	(43,373)	-	(43,373)
Interim dividend for the year, proposed	-	-	-	(21,687)	-	-	-	-	21,687	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	(116)	(20,566)	-	-	-	(222)	(21,686)	(42,590)	(19,779)	(62,369)
<b>Changes in ownership interests</b>												
Change of interests in a subsidiary company	-	-	-	(310)	-	-	-	-	-	(310)	310	-
<b>Total changes in ownership interests</b>	-	-	-	(310)	-	-	-	-	-	(310)	310	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	(116)	(20,876)	-	-	-	(222)	(21,686)	(42,900)	(19,469)	(62,369)
<b>Balance at 31 March 2016</b>	849,301	(2,655)	9,449	865,816	(131,831)	890,033	(395)	8,019	21,687	2,509,424	312,232	2,821,656

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2nd Quarter ended 31 March 2017</b>								
Balance at 1 January 2017	849,301	(267)	(1,099)	754,387	62,107	2,904	43,408	1,710,741
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial asset	-	-	-	-	17,515	-	-	17,515
Other comprehensive income for the period	-	-	-	-	17,515	-	-	17,515
Profit for the period	-	-	-	26,536	-	-	-	26,536
<b>Total comprehensive income for the period</b>	-	-	-	26,536	17,515	-	-	44,051
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	574	-	574
<b>Dividends</b>								
Final dividend for the previous year, paid	-	-	-	-	-	-	(43,408)	(43,408)
Interim dividend for the year, proposed	-	-	-	(21,704)	-	-	21,704	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	(21,704)	-	574	(21,704)	(42,834)
<b>Balance at 31 March 2017</b>	849,301	(267)	(1,099)	759,219	79,622	3,478	21,704	1,711,958
<b>2nd Quarter ended 31 March 2016</b>								
Balance at 1 January 2016	849,301	(2,655)	(2,000)	735,401	34,644	3,777	43,373	1,661,841
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial asset	-	-	-	-	1,304	-	-	1,304
Other comprehensive income for the period	-	-	-	-	1,304	-	-	1,304
Profit for the period	-	-	-	22,860	-	-	-	22,860
<b>Total comprehensive income for the period</b>	-	-	-	22,860	1,304	-	-	24,164
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	603	-	603
<b>Dividends</b>								
Final dividend for the previous year, paid	-	-	-	-	-	-	(43,373)	(43,373)
Interim dividend for the year, proposed	-	-	-	(21,687)	-	-	21,687	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	(21,687)	-	603	(21,686)	(42,770)
<b>Balance at 31 March 2016</b>	849,301	(2,655)	(2,000)	736,574	35,948	4,380	21,687	1,643,235

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Group</b>											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6 Months ended</b>												
<b>31 March 2017</b>												
Balance at 1 October 2016	849,301	(2,655)	18,746	889,151	(142,346)	1,177,590	(425)	10,349	43,373	2,843,084	309,460	3,152,544
<b>Comprehensive income</b>												
Share of other comprehensive income of associated companies	-	-	-	-	137	-	-	-	-	137	-	137
Realisation of reserves on dilution of interest in an associated company	-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	22,915	-	-	-	22,915	-	22,915
Currency translation difference	-	-	-	-	(8,613)	-	-	-	-	(8,613)	(7,691)	(16,304)
Other comprehensive income for the period	-	-	-	1,699	(3,608)	22,915	425	(197)	-	21,234	(7,691)	13,543
Profit for the period	-	-	-	30,560	-	-	-	-	-	30,560	33,343	63,903
<b>Total comprehensive income for the period</b>	-	-	-	32,259	(3,608)	22,915	425	(197)	-	51,794	25,652	77,446
<b>Contribution by and distributions to owners</b>												
Employee share-based expense	-	-	-	-	-	-	-	1,698	-	1,698	495	2,193
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(30)	-	-	-	-	-	(30)	(24)	(54)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(227)	1,574	-	-	-	(1,347)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
<b>Dividends</b>												
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,157)	(16,157)
Additional dividends due to vesting of shares awarded	-	-	-	(35)	-	-	-	-	35	-	-	-
Final dividends for the previous year, paid	-	-	-	-	-	-	-	-	(43,408)	(43,408)	-	(43,408)
Interim dividends for the year, proposed	-	-	-	(21,704)	-	-	-	-	21,704	-	-	-
<b>Total contributions by and distributions to owners</b>	-	2,388	674	(20,195)	-	-	-	(2,938)	(21,669)	(41,740)	(15,756)	(57,496)
<b>Changes in ownership interests</b>												
Change of interests in subsidiary companies	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
<b>Total changes in ownership interests</b>	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
<b>Total transactions with owners in their capacity as owners</b>	-	2,388	674	(22,747)	-	-	-	(2,938)	(21,669)	(44,292)	(20,743)	(65,035)
<b>Balance at 31 March 2017</b>	849,301	(267)	19,420	898,663	(145,954)	1,200,505	-	7,214	21,704	2,850,586	314,369	3,164,955

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**
**Group**

	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6 Months ended</b> <b>31 March 2016</b>												
Balance at 1 October 2015	849,301	(5,759)	8,751	849,404	(141,090)	653,441	(273)	10,947	43,327	2,268,049	288,028	2,556,077
<b>Comprehensive income</b>												
Share of other comprehensive income of associated companies	-	-	-	(935)	208	-	(122)	(59)	-	(908)	-	(908)
Realisation of reserve on liquidation of subsidiary company	-	-	-	-	625	-	-	-	-	625	-	625
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	-	(152)	-	-	-	(152)	-	(152)
Realisation of reserve on settlement of a net investment	-	-	-	-	(6,341)	-	-	-	-	(6,341)	(5,078)	(11,419)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	236,744	-	-	-	236,744	-	236,744
Currency translation difference	-	-	-	-	14,767	-	-	-	-	14,767	12,646	27,413
Other comprehensive income for the period	-	-	-	(935)	9,259	236,592	(122)	(59)	-	244,735	7,568	252,303
Profit for the period	-	-	-	37,709	-	-	-	-	-	37,709	36,021	73,730
<b>Total comprehensive income for the period</b>	-	-	-	36,774	9,259	236,592	(122)	(59)	-	282,444	43,589	326,033
<b>Contributions by and distributions to owners</b>												
Employee share-based expense	-	-	-	-	-	-	-	2,416	-	2,416	657	3,073
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	-	-	(3,918)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(478)	-	-	-	-	-	(478)	(383)	(861)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(116)	1,483	-	-	-	(1,367)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	659	659
<b>Dividends:</b>												
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(19,952)	(19,952)
Additional dividends due to vesting of shares awarded	-	-	-	(46)	-	-	-	-	46	-	-	-
Final dividend for the previous year, paid	-	-	-	-	-	-	-	-	(43,373)	(43,373)	-	(43,373)
Interim dividend for the year, proposed	-	-	-	(21,687)	-	-	-	-	21,687	-	-	-
<b>Total contributions by and distributions to owners</b>	-	3,104	698	(20,728)	-	-	-	(2,869)	(21,640)	(41,435)	(19,019)	(60,454)
<b>Changes in ownership interests</b>												
Change of interests in a subsidiary company	-	-	-	366	-	-	-	-	-	366	(366)	-
<b>Total changes in ownership interests</b>	-	-	-	366	-	-	-	-	-	366	(366)	-
<b>Total transactions with owners in their capacity as owners</b>	-	3,104	698	(20,362)	-	-	-	(2,869)	(21,640)	(41,069)	(19,385)	(60,454)
Balance at 31 March 2016	849,301	(2,655)	9,449	865,816	(131,831)	890,033	(395)	8,019	21,687	2,509,424	312,232	2,821,656

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Company</b>							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6 Months ended 31 March 2017</b>								
Balance at 1 October 2016	849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
<b>Comprehensive income</b>								
Net fair value changes on available-for-sale financial asset	-	-	-	-	4,608	-	-	4,608
Other comprehensive income for the period	-	-	-	-	4,608	-	-	4,608
Profit for the period	-	-	-	27,020	-	-	-	27,020
<b>Total comprehensive income for the period</b>	-	-	-	27,020	4,608	-	-	31,628
<b>Contributions by and distributions to owners</b>								
Employee share-based expense	-	-	-	-	-	1,080	-	1,080
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	(3,289)	-	-
<b>Dividends</b>								
Additional dividends due to vesting of shares awarded	-	-	-	(35)	-	-	35	-
Final dividend for the previous year, paid	-	-	-	-	-	-	(43,408)	(43,408)
Interim dividend for the year, proposed	-	-	-	(21,704)	-	-	21,704	-
<b>Total transactions with owners in their capacity as owners</b>	-	2,388	901	(21,739)	-	(2,209)	(21,669)	(42,328)
<b>Balance at 31 March 2017</b>	849,301	(267)	(1,099)	759,219	79,622	3,478	21,704	1,711,958
<b>6 Months ended 31 March 2016</b>								
Balance at 1 October 2015	849,301	(5,759)	(2,814)	735,604	3,936	6,703	43,327	1,630,298
<b>Comprehensive income</b>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	32,164	-	-	32,164
Realisation of fair value gains on disposal of available-for-sale financial assets	-	-	-	-	(152)	-	-	(152)
Other comprehensive income for the period	-	-	-	-	32,012	-	-	32,012
Profit for the period	-	-	-	22,703	-	-	-	22,703
<b>Total comprehensive income for the period</b>	-	-	-	22,703	32,012	-	-	54,715
<b>Contributions by and distributions to owners</b>								
Employee share-based expense	-	-	-	-	-	1,595	-	1,595
Treasury share reissued pursuant to share plans	-	3,104	814	-	-	(3,918)	-	-
<b>Dividends</b>								
Additional dividends due to vesting of share awarded	-	-	-	(46)	-	-	46	-
Final dividend for the previous year, paid	-	-	-	-	-	-	(43,373)	(43,373)
Interim dividend for the year, proposed	-	-	-	(21,687)	-	-	21,687	-
<b>Total transactions with owners in their capacity as owners</b>	-	3,104	814	(21,733)	-	(2,323)	(21,640)	(41,778)
<b>Balance at 31 March 2016</b>	849,301	(2,655)	(2,000)	736,574	35,948	4,380	21,687	1,643,235

**1(d)(ii) SHARE CAPITAL**

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	<u>Number of Shares</u>	
	<u>2nd Quarter to 31/3/2017</u>	<u>1st Quarter to 31/12/2016</u>
Issued and fully paid ordinary shares:		
As at beginning and end of period	<u>1,447,077,754</u>	<u>1,447,077,754</u>
	<u>As at 31/3/2017</u>	<u>As at 31/3/2016</u>
The number of shares awarded conditionally under Share Plans at the end of the period	<u>3,192,151</u>	<u>3,369,855</u>
The number of issued shares excluding treasury shares at the end of the period	<u>1,446,946,628</u>	<u>1,445,773,703</u>

The Company held 131,126 treasury shares as at 31 March 2017 (31 March 2016: 1,304,051).

**1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total number of issued shares excluding treasury shares is 1,446,946,628 as at 31 March 2017 and 1,445,773,703 as at 30 September 2016.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	<u>Number of shares</u>
	<u>2nd Quarter to 31/3/2017</u>
As at beginning and end of period	<u>131,126</u>

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2016.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

As disclosed in paragraph 4, the Group and Company have adopted the following new and amendments to FRS which became effective from this financial year.

FRS 114	Regulatory Deferral Accounts
Amendments to FRS 27	Equity Method in Separate Financial Statements
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 1	Disclosure Initiative
Improvements to FRSs 2014:	
Amendments to FRS 105	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 107	Financial Instruments: Disclosures
Amendments to FRS 19	Employee Benefits
Amendments to FRS 34	Interim Financial Reporting

The adoption of the above standards had no material effect on the financial performance or position of the Group and the Company.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) based on the weighted average number of ordinary shares on issue and  
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2nd Quarter to 31/3/2017	2nd Quarter to 31/3/2016	6 Months to 31/3/2017	6 Months to 31/3/2016
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	0.3	0.8	1.8	2.6
- after exceptional items	0.6	0.8	2.1	2.6
(b) On a fully diluted basis (cents)				
- before exceptional items	0.3	0.8	1.8	2.6
- after exceptional items	0.6	0.8	2.1	2.6
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Attributable profit	8,485	12,013	30,560	37,709
Change in attributable profit due to potential dilutive shares under share plans of a subsidiary company	(75)	(72)	(165)	(186)
Adjusted attributable profit	8,410	11,941	30,395	37,523



**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	Group		Company	
	As at 31/3/2017	As at 30/9/2016	As at 31/3/2017	As at 30/9/2016
Net asset value per ordinary share based on issued share capital	\$1.97	\$1.97	\$1.18	\$1.19

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and  
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

**REVIEW OF PERFORMANCE**

The principal activities of the Group are:

- (i) production and sale of beverages and dairy products; and  
 (ii) printing and publishing.

These activities are carried out through the Company's subsidiary, joint venture and associated companies to which the Company provides management and administrative services.

**Profit Statement – 2nd Quarter**

Group revenue of \$451.3 million and PBIT (profit before interest and taxation) of \$22.2 million for the quarter ended 31 March 2017 decreased 5.8% and 21.7% respectively compared to the corresponding period last year. Attributable profit before exceptional items for the quarter ended 31 March 2017 was recorded at \$3.8 million. The lower APBE was impacted by losses incurred for Beverages due to higher raw material cost and higher finance cost incurred as a result of borrowings used to finance acquisition of shares in Vinamilk. Vinamilk will only contribute to earnings in the second half of our financial year.

**Beverages**

Overall Beverages revenue was 21.5% lower as compared to last year. This was mainly due to lower sales in Singapore and weak consumer sentiments in Malaysia. Revenue was slightly boosted by contribution from vending business acquired in July 2016, commencement of distribution of third party brands and aggressive distribution expansion in Myanmar. The beer business contributed positively to revenue as a result of increased volumes and higher price.

Beverages incurred losses before interest and taxation of \$5.2 million for the quarter. Soft Drinks Malaysia and Singapore PBIT decreased as a result of lower volumes, higher raw material prices and impacted by weaker MYR. Higher marketing spend on promotional activities in Thailand and ongoing brand investments in new markets also affected PBIT contribution.

## **Dairies**

Dairies revenue at \$271.6 million was 2.4% higher than the corresponding period last year. Revenue in Dairies Singapore increased due to higher domestic sales for chilled products and yoghurt lines. Sales of Teapot in the Myanmar market started to gain traction and contributed to the increase in revenue. Dairies Thailand experienced an increase in revenue mainly due to strong demand for its core brands, *Teapot* and *Carnation* and favourable exchange rate while Dairies Malaysia revenue decreased 11.9% on the back of weak domestic consumer sentiments coupled with intense pricing pressure from competitors.

Dairies PBIT increased 41.7% to \$39.8 million mainly due to favourable milk-based commodity cost.

## **Printing and Publishing**

Printing and Publishing recorded a decline in revenue of 4.5% from last year to \$66.0 million this year. While Book and Magazine Distribution experienced lower retail orders and higher market returns post-Christmas, Publishing Group recorded an increase in revenue from timing of textbook sales to the USA and growth in textbook package sales in Hong Kong.

Despite the decline in revenue, Printing and Publishing incurred losses before interest and taxation of \$5.6 million, a 12.9% improvement from a prior year loss of \$6.5 million mainly as a result of improved efficiencies and strict cost control.

## **Tax**

The Group effective tax rate ("ETR") of 9.4% (2016:17.2%) is due to the tax exempt profits and the recognition of deferred tax benefits on previously unrecognised losses by an overseas subsidiary and the non-taxable exceptional gain. With a marked decrease in non-deductibles, this has resulted in a lower ETR than that for the same period last year.

## **Balance Sheet as at 31 March 2017**

### **The Group**

The increase in Reserves was mainly due to profits of \$30.6 million retained for the period and fair value gain on the investment in Vinamilk in Vietnam offset by payment of last year's final dividend.

Non-current assets increased by \$974.3 million or 45.4% from \$2,146.3 million to \$3,120.7 million as at 31 March 2017 mainly due to the acquisition of shares in Vinamilk and net fair value gain on the investment in Vinamilk. The shareholding in Vinamilk as at 31 March 2017 was 18.31%.

Current assets decreased by \$366.0 million or 22.5% from \$1,626.5 million to \$1,260.6 million as at 31 March 2017 attributed mainly to:

- (i) a decrease in cash and bank deposits due to acquisition of shares in Vinamilk; and partly offset by
- (ii) an increase in inventories due to higher level of raw materials held to support increased dairy sales and inventory build-up for Hari Raya Puasa.

Liabilities increased by \$596.0 million or 96.1% from \$620.3 million to \$1,216.3 million as at 31 March 2017 mainly due to:

- (i) an increase in borrowings taken up for the acquisition of shares in Vinamilk; and partly offset by
- (ii) a decrease in other payables of \$25.7 million mainly due to lower accruals made for marketing spend and subsequent payments made for accruals outstanding as at 30 September 2016.

### **Group Cash Flow Statement for Quarter Ended 31 March 2017**

The cash inflows and outflows are detailed in the Group Cash Flow Statement.

Net cash inflow from operating activities of \$45.6 million is higher than the \$16.6 million last year mainly due to improvement in cash utilised for working capital.

Net cash outflow from investing activities of \$245.9 million was higher than the \$12.2 million last year mainly due to the acquisition of an additional 7.4% stake in Vinamilk and acquisition of fixed assets.

Net cash inflow from financing activities of \$524.5 million was higher than the cash outflow of \$65.3 million last year due to increased borrowings taken up for the acquisition of shares in Vinamilk.

### **Group Profit Statement – 6 Months-to-Date**

Group revenue decreased 2.7% to \$946.3 million while PBIT decreased 16.4% to \$68.6 million as compared to the corresponding period last year. The decrease in revenue was mainly due to slower consumer spending in the Beverages and Dairies businesses and challenges faced by the Printing and Publishing business.

PBIT decrease was largely due to weak consumer sentiments and higher raw material prices and partly offset by favourable milk-based commodity cost.

Group attributable profit before exceptional items and basic earnings per share before exceptional items were 29.3% and 30.8% lower at \$26.3 million and 1.8 cents respectively.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects consumer demand in the Food & Beverage segment to remain subdued and also expects continuing downward pricing pressure in its core markets in Singapore, Malaysia and Thailand. While high commodity prices are also expected to exert upward costing pressure, management is constantly reviewing and managing cost. The Group remains committed to further its investment in new markets while seeking new opportunities in the Food segment.

The operating environment for the Printing and Publishing segment is likely to remain challenging in the near term and further right sizing of the business is planned. Publishing will continue to invest in its digital business and strengthen its overseas markets by leveraging on its strength in the education content segment. Print business will continue to align its print capacity to match market demand. Retail operations will focus on ongoing re-branding efforts to transform our retail outlets to a family oriented, children focused lifestyle book retailer.

At the annual general meeting of Vinamilk on 15 April 2017, its shareholders approved the appointment of Mr Michael Chye, a representative of Fraser and Neave, Limited (“F&NL”), to the board of directors of Vinamilk. This increases F&NL’s representation on the Vinamilk Board to two directors. In accordance with Singapore Financial Reporting Standards 28, Investments in Associates and Joint Ventures, F&NL is now deemed to have significant influence through its representation on the board of directors of Vinamilk and will henceforth account for its investment in Vinamilk as an “Investment in Associated Company” in its financial statements.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim ordinary dividend has been declared:** Yes

**(b) (i)** Amount per share : 1.5 cents, tax-exempt (one-tier)

**(ii)** Previous corresponding period : 1.5 cents, tax-exempt (one-tier)

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax-exempt (one-tier).

**(d) The date the dividend is payable.**

The Directors have declared an interim dividend of 1.5 cents, tax-exempt (one-tier), to be paid on 9 June 2017 (last year: 1.5 cents, tax-exempt (one-tier)).

**(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 pm on 26 May 2017 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 29 May 2017 and 30 May 2017 for the preparation of dividend warrants.

**12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Particulars of interested person transactions ("IPTs") for the period 1 January 2017 to 31 March 2017.

<u>Name of interested person</u>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000</b>
TCC Group of Companies <sup>1</sup>	2,795

<sup>1</sup> This refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

**13. Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

14. **CONFIRMATION BY THE BOARD OF DIRECTORS**  
**Pursuant to Rule 705(5) of the SGX Listing Manual**

We, Siripen Sitasuwan and Sithichai Chaikriangkrai, being two Directors of Fraser and Neave, Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results to be false or misleading in any material respect.

On behalf of the Board

Siripen Sitasuwan  
Director

Sithichai Chaikriangkrai  
Director

BY ORDER OF THE BOARD  
Anthony Cheong Fook Seng  
Company Secretary

8 May 2017