



FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2018 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 2018.

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

	30/9/2018 \$'000	30/9/2017 \$'000 (Restated)*	Change %
Revenue	1,926,537	1,897,959	1.5
Cost of sales	(1,254,191)	(1,236,660)	1.4
Gross profit	672,346	661,299	1.7
Other income (net)	5,264	1,614	NM
Operating expenses			
- Distribution	(181,212)	(174,595)	3.8
- Marketing	(250,894)	(271,996)	(7.8)
- Administration	(126,165)	(129,363)	(2.5)
	(558,271)	(575,954)	(3.1)
Trading profit	119,339	86,959	37.2
Share of joint venture companies' loss	(3,568)	(668)	NM
Share of associated companies' profit	97,697	50,297	94.2
Gross income from investments	-	33,394	NM
Profit before interest and taxation ("PBIT")	213,468	169,982	25.6
Finance income	14,628	10,671	37.1
Finance cost	(30,491)	(16,187)	88.4
Net finance cost	(15,863)	(5,516)	187.6
Profit before fair value adjustment, taxation and exceptional items	197,605	164,466	20.1
Fair value adjustment of investment properties	301	(1,724)	NM
Profit before taxation and exceptional items	197,906	162,742	21.6
Exceptional items	719	1,177,566	(99.9)
Profit before taxation	198,625	1,340,308	(85.2)
Taxation	(19,568)	(14,707)	33.1
Profit after taxation	179,057	1,325,601	(86.5)
Attributable profit to:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items	121,713	96,282	26.4
- Fair value adjustment of investment properties	301	(1,728)	NM
- Exceptional items	155	1,184,887	(100.0)
	122,169	1,279,441	(90.5)
Non-controlling interests	56,888	46,160	23.2
	179,057	1,325,601	(86.5)

NM – Not meaningful

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

1(a)(iii) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	30/9/2018 \$'000	30/9/2017 \$'000 (Restated)*
Profit after taxation	179,057	1,325,601
Other comprehensive income:		
<u>Items that are or may be reclassified subsequently to profit statement</u>		
Share of other comprehensive income of associated companies	2,688	(2,365)
Realisation of reserves on dilution of interest in an associated company	-	6,795
Realisation of fair value gains on change of interest in available-for-sale financial assets	-	(1,200,750)
Net fair value changes on available-for-sale financial assets	(27,221)	24,424
Currency translation difference	(21,142)	(74,346)
	(45,675)	(1,246,242)
<u>Items that will not be reclassified to profit statement</u>		
Remeasurement of defined benefit obligations	284	1,283
Revaluation of fixed assets	256	-
	540	1,283
Other comprehensive income for the year, net of taxation	(45,135)	(1,244,959)
Total comprehensive income for the year	133,922	80,642
Total comprehensive income attributable to:		
Shareholders of the Company	68,412	37,351
Non-controlling interests	65,510	43,291
	133,922	80,642

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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 30/9/2018 \$'000	As at 30/9/2017 \$'000 (Restated)*	As at 30/9/2018 \$'000	As at 30/9/2017 \$'000
SHARE CAPITAL AND RESERVES				
Share capital	851,941	849,301	851,941	849,301
Treasury shares	(267)	(267)	(267)	(267)
Reserves	1,969,542	1,965,965	860,910	864,916
	2,821,216	2,814,999	1,712,584	1,713,950
NON-CONTROLLING INTERESTS				
	348,604	317,108	-	-
	3,169,820	3,132,107	1,712,584	1,713,950
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	561,459	505,643	269	332
Investment properties	41,672	40,581	-	-
Properties held for development	18,529	18,025	-	-
Subsidiary companies	-	-	2,087,620	1,915,824
Joint venture companies	48,257	46,669	-	-
Associated companies	2,560,292	2,377,062	-	-
Intangible assets	104,430	93,574	147	167
Brands	27,704	27,115	212	212
Other investments	13,879	30,131	222,485	222,705
Other receivables	1,298	1,350	-	-
Deferred tax assets	6,609	9,677	-	-
Bank fixed deposits	-	2,927	-	-
	3,384,129	3,152,754	2,310,733	2,139,240
CURRENT ASSETS				
Inventories	242,512	247,085	-	-
Trade receivables	272,192	279,654	-	-
Other receivables	50,310	59,165	358	675
Related parties	9,607	7,054	9	1
Subsidiary companies	-	-	22,486	518,309
Joint venture companies	1,863	571	-	-
Associated companies	12	1	-	-
Bank fixed deposits	214,830	291,028	92,263	8,684
Cash and bank balances	315,295	843,953	108,704	287,584
	1,106,621	1,728,511	223,820	815,253
Assets held for sale	-	9,887	-	-
	1,106,621	1,738,398	223,820	815,253
Deduct: CURRENT LIABILITIES				
Trade payables	160,961	155,029	-	-
Other payables	197,422	202,234	7,996	7,993
Related parties	9,121	13,689	1,265	1,265
Subsidiary companies	-	-	9,137	328,014
Joint venture companies	-	11	-	-
Associated companies	1,253	1,583	-	-
Borrowings	374,131	785,591	180,000	360,000
Provision for taxation	32,959	32,990	3,931	3,148
	775,847	1,191,127	202,329	700,420
Liabilities held for sale	-	2,371	-	-
	775,847	1,193,498	202,329	700,420
NET CURRENT ASSETS	330,774	544,900	21,491	114,833
Deduct: NON-CURRENT LIABILITIES				
Other payables	12,575	13,169	-	-
Subsidiary companies	-	-	619,640	540,123
Borrowings	497,288	517,498	-	-
Provision for employee benefits	18,256	17,807	-	-
Deferred tax liabilities	16,964	17,073	-	-
	545,083	565,547	619,640	540,123
	3,169,820	3,132,107	1,712,584	1,713,950

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

- 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 30/9/2018 \$'000	As at 30/9/2017 \$'000
Secured :	-	6
Unsecured :	374,131	785,585
	<hr/>	<hr/>
	374,131	785,591
	<hr/>	<hr/>

Amount repayable after one year

	As at 30/9/2018 \$'000	As at 30/9/2017 \$'000
Unsecured :	497,288	517,498
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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.

	30/9/2018 \$'000	30/9/2017 \$'000 (Restated)*
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation and exceptional items	197,906	162,742
Adjustments for:		
Depreciation of fixed assets	45,918	44,567
(Reversal of impairment)/Impairment of fixed assets and intangible assets (net)	(686)	202
Fixed assets and intangible assets written off	1,000	589
Provision for employee benefits	1,652	329
Write back of provision for employee benefits	-	(462)
Gain on disposal of fixed assets	(3,271)	(70)
Amortisation of brands and intangible assets	12,090	12,865
Interest income	(14,628)	(10,671)
Interest expenses	30,491	16,187
Share of joint venture companies' loss	3,568	668
Share of associated companies' profit	(97,697)	(50,297)
Investment income	-	(33,394)
Employee share-based expense	4,431	5,154
Fair value adjustment of financial instruments	173	454
Fair value adjustment of investment properties	(301)	1,724
(Gain)/Loss on disposal of financial instruments	(804)	672
Operating cash before working capital changes	179,842	151,259
Change in inventories	8,254	275
Change in receivables	8,773	(7,493)
Change in related parties' and joint venture and associated companies' balances	(6,904)	(2,698)
Change in payables	(6,551)	(50,592)
Development expenditure on properties held for development	-	(235)
Currency realignment	5,568	129
Cash generated from operations	188,982	90,645
Interest income received	12,737	8,886
Interest expenses paid	(30,265)	(13,656)
Income taxes paid	(11,289)	(12,945)
Payment of employee benefits	(1,216)	(1,380)
Net cash from operating activities	158,949	71,550
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Dividends from associated companies	87,146	34,633
Investment income	-	33,394
Proceeds from sale of fixed assets	4,871	1,061
Payment of deferred consideration for prior years' acquisition of subsidiary companies	-	(6,071)
Net cash inflow on acquisition of subsidiary companies and business assets	687	-
Investment in an associated company	(213,182)	(51,252)
Purchase of other investment	(10,969)	(964,901)
Purchase of fixed assets	(93,187)	(64,733)
Payment for intangible assets	(13,369)	(10,506)
Loan to a joint venture company	-	(643)
Deposits pledged in relation to acquisition of subsidiary companies	-	3,832
Deposits made in relation to acquisition of subsidiary companies completed after the financial year	-	(8,000)
Net cash used in investing activities	(238,003)	(1,033,186)

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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

	30/9/2018 \$'000	30/9/2017 \$'000 (Restated)*
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of)/Proceeds from term loans and bank borrowings	(434,858)	1,169,532
Acquisition of non-controlling interests in subsidiary companies	-	(7,539)
Purchase of shares by a subsidiary company	(938)	(2,897)
Capital contribution by/(repayment to) non-controlling interests	102	(70)
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(31,000)	(30,615)
- by the Company to shareholders	(65,165)	(65,112)
Net cash (used in)/from financing activities	(531,859)	1,063,299
Net (decrease)/increase in cash and cash equivalents	(610,913)	101,663
Cash and cash equivalents at beginning of year	1,134,383	1,037,871
Effects of exchange rate changes on cash and cash equivalents	3,696	(5,151)
Cash and cash equivalents at end of year	527,166	1,134,383
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits	530,125	1,137,908
Bank overdrafts	-	(598)
	530,125	1,137,310
Less: Deposits pledged in relation to acquisition of subsidiary companies	(2,959)	(2,927)
Cash and cash equivalents at end of year	527,166	1,134,383
Analysis of acquisition of subsidiary companies and business assets		
Net assets acquired:		
Intangible assets	6,801	-
Other non-current assets	892	-
Current assets	7,290	-
Current liabilities	(8,788)	-
Cash and cash equivalents	1,585	-
	7,780	-
Goodwill/Provisional goodwill on acquisition	1,118	-
Consideration paid	8,898	-
Less: Deposit paid in last financial year	(8,000)	-
Cash and cash equivalents of subsidiary companies and business assets acquired	(1,585)	-
Net cash inflow on acquisition of subsidiary companies and business assets	(687)	-

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

- 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
Group

	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 September 2018											
Balance at 1 October 2017, restated*	849,301	(267)	19,416	2,101,244	(208,671)	1,264	9,304	43,408	2,814,999	317,108	3,132,107
<u>Comprehensive income</u>											
Share of other comprehensive income of associated companies	-	-	-	2,378	204	84	22	-	2,688	-	2,688
Revaluation of fixed assets	-	-	256	-	-	-	-	-	256	-	256
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(27,221)	-	-	(27,221)	-	(27,221)
Remeasurement of defined benefit obligations	-	-	-	232	-	-	-	-	232	52	284
Currency translation difference	-	-	-	-	(29,712)	-	-	-	(29,712)	8,570	(21,142)
Other comprehensive income for the year	-	-	256	2,610	(29,508)	(27,137)	22	-	(53,757)	8,622	(45,135)
Profit for the year	-	-	-	122,169	-	-	-	-	122,169	56,888	179,057
Total comprehensive income for the year	-	-	256	124,779	(29,508)	(27,137)	22	-	68,412	65,510	133,922
<u>Contributions by and distributions to owners</u>											
Employee share-based expense	-	-	-	-	-	-	3,491	-	3,491	940	4,431
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(521)	-	-	-	-	(521)	(417)	(938)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(729)	1,996	-	-	(1,267)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	102	102
Dividends:											
Dividends paid	-	-	-	(21,757)	-	-	-	(43,408)	(65,165)	(31,000)	(96,165)
Dividends proposed	-	-	-	(43,444)	-	-	-	43,444	-	-	-
Total contributions by and distributions to owners	2,640	-	(729)	(63,726)	-	-	(416)	36	(62,195)	(30,375)	(92,570)
<u>Changes in ownership interest</u>											
Change of interests in a subsidiary company	-	-	-	-	-	-	-	-	-	(3,639)	(3,639)
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	(3,639)	(3,639)
Total transactions with owners in their capacity as owners	2,640	-	(729)	(63,726)	-	-	(416)	36	(62,195)	(34,014)	(96,209)
Balance at 30 September 2018	851,941	(267)	18,943	2,162,297	(238,179)	(25,873)	8,910	43,444	2,821,216	348,604	3,169,820

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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
Year ended 30 September 2017 (Restated)*												
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
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	(2,542)	199	-	-	(22)	-	(2,365)	-	(2,365)
Realisation of reserves on dilution of interest in an associated company	-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Realisation of fair value gains on change of interest in available-for-sale financial asset	-	-	-	-	-	(1,200,750)	-	-	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	24,424	-	-	-	24,424	-	24,424
Remeasurement of defined benefit obligations	-	-	-	1,198	-	-	-	-	-	1,198	85	1,283
Currency translation difference	-	-	-	-	(71,392)	-	-	-	-	(71,392)	(2,954)	(74,346)
Other comprehensive income for the year	-	-	-	355	(66,325)	(1,176,326)	425	(219)	-	(1,242,090)	(2,869)	(1,244,959)
Profit for the year	-	-	-	1,279,441	-	-	-	-	-	1,279,441	46,160	1,325,601
Total comprehensive income for the year	-	-	-	1,279,796	(66,325)	(1,176,326)	425	(219)	-	37,351	43,291	80,642
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	3,836	-	3,836	1,318	5,154
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(1,608)	-	-	-	-	-	(1,608)	(1,289)	(2,897)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(231)	1,604	-	-	-	(1,373)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
Dividends:												
Dividends paid	-	-	-	(21,739)	-	-	-	-	(43,373)	(65,112)	(30,615)	(95,727)
Dividends proposed	-	-	-	(43,408)	-	-	-	-	43,408	-	-	-
Total contributions by and distributions to owners	-	2,388	670	(65,151)	-	-	-	(826)	35	(62,884)	(30,656)	(93,540)
Changes in ownership interests												
Change of interests in subsidiary companies	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total changes in ownership interests	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total transactions with owners in their capacity as owners	-	2,388	670	(67,703)	-	-	-	(826)	35	(65,436)	(35,643)	(101,079)
Balance at 30 September 2017	849,301	(267)	19,416	2,101,244	(208,671)	1,264	-	9,304	43,408	2,814,999	317,108	3,132,107

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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 Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 September 2018								
Balance at 1 October 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	(11,189)	-	-	(11,189)
Other comprehensive income for the year	-	-	-	-	(11,189)	-	-	(11,189)
Profit for the year	-	-	-	72,669	-	-	-	72,669
Total comprehensive income for the year	-	-	-	72,669	(11,189)	-	-	61,480
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	2,319	-	2,319
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	(2,640)	-	-
Dividends:								
Dividends paid	-	-	-	(21,757)	-	-	(43,408)	(65,165)
Dividends proposed	-	-	-	(43,444)	-	-	43,444	-
Total transactions with owners in their capacity as owners	2,640	-	-	(65,201)	-	(321)	36	(62,846)
Balance at 30 September 2018	851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584
Year ended 30 September 2017								
Balance at 1 October 2016	849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	8,799	-	-	8,799
Other comprehensive income for the year	-	-	-	-	8,799	-	-	8,799
Profit for the year	-	-	-	45,414	-	-	-	45,414
Total comprehensive income for the year	-	-	-	45,414	8,799	-	-	54,213
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	2,191	-	2,191
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	(3,289)	-	-
Dividends:								
Dividends paid	-	-	-	(21,739)	-	-	(43,373)	(65,112)
Dividends proposed	-	-	-	(43,408)	-	-	43,408	-
Total transactions with owners in their capacity as owners	-	2,388	901	(65,147)	-	(1,098)	35	(62,921)
Balance at 30 September 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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>4th Quarter to 30/9/2018</u>	<u>3rd Quarter to 30/6/2018</u>
Issued and fully paid ordinary shares:		
As at beginning and end of period	<u>1,448,252,279</u>	<u>1,448,252,279</u>
	<u>As at 30/9/2018</u>	<u>As at 30/9/2017</u>
The number of shares awarded conditionally under Share Plans as at the end of the year	<u>2,971,850</u>	<u>3,142,401</u>
The number of issued shares excluding treasury shares at the end of the year	<u>1,448,121,153</u>	<u>1,446,946,628</u>

The Company held 131,126 treasury shares as at 30 September 2018 (30 September 2017: 131,126). The treasury shares held represents 0.01% (30 September 2017: 0.01%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 30 September 2018 and 30 September 2017.

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 1,448,121,153 as at 30 September 2018 and 1,446,946,628 as at 30 September 2017.

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.

There were no sales, transfers, cancellation and/or use of treasury shares by the Company during the three months ended 30 September 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any subsidiary holdings as at 30 September 2018 and 30 September 2017.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 30 September 2018.

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 2017.

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 amendments to FRS which became effective from this financial year.

Amendments to FRS 7	Disclosure Initiative
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Improvements to FRSs (December 2016):	
Amendments to FRS 112	Disclosures of Interests in Other Entities

The adoption of the above amendments to 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	
	30/9/2018	30/9/2017 (Restated)*
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before fair value adjustment and exceptional items	8.4	6.7
- after fair value adjustment and exceptional items	8.4	88.4
(b) On a fully diluted basis (cents)		
- before fair value adjustment and exceptional items	8.4	6.6
- after fair value adjustment and exceptional items	8.4	88.2
	\$'000	\$'000
Attributable profit	122,169	1,279,441
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(231)	(207)
Adjusted attributable profit	121,938	1,279,234

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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.**

	<u>Group</u>		<u>Company</u>	
	<u>As at 30/9/2018</u>	<u>As at 30/9/2017</u>	<u>As at 30/9/2018</u>	<u>As at 30/9/2017</u>
Net asset value per ordinary share based on issued share capital	\$1.95	\$1.95	\$1.18	\$1.18

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 – Financial Year Ended 30 September 2018

Revenue increased 1.5% to \$1,926.5 million while PBIT of \$213.5 million and attributable profit before exceptional items of \$121.7 million were 25.6% and 26.4% respectively higher as compared to last year.

Beverages

Overall Beverages revenue of \$488.5 million was 2.2% lower as compared to last year. Sales in Singapore decreased as a result of weak consumer sentiments and the impact of the Singapore government's campaigns against diabetes. The decrease was partly offset by increased sales from Malaysia due to favourable translation effect.

PBIT improved from a loss of \$3.9 million last year to a loss of \$0.2 million for the current year. While Soft Drinks Malaysia's PBIT improved on the back of lower overheads, operational cost savings and favourable sugar cost, timing of advertising spend and cost control initiatives by Soft Drinks Singapore and New Markets also contributed to the improvements in PBIT.

Dairies

Dairies revenue at \$1,156.5 million increased 4.6% compared to last year. Dairies Malaysia growth was driven by increased export sales and favourable currency movements, while Dairies Thailand growth in revenue was fuelled by its successful innovation of new products and packaging formats, supported by effective branding and trade campaigns. Dairies Singapore revenue grew on the back of key brands and increased export sales to Indonesia.

Dairies PBIT increased 13.3% to \$231.0 million mainly due to the increase in profit contribution from Vinamilk as equity accounting commenced from April 2017. Dairies Singapore profit contribution increased on the back of timing of advertising spend, cost control initiatives and improved performance by key brands in the export markets. Dairies Thailand's profit contribution also increased mainly as a result of higher revenue, favourable input costs and improved cost management. The increase was partly offset by decreased contribution from Dairies Malaysia as a result of higher dairy-based input costs and higher spend on brand building and trade promotions.

Printing and Publishing

Printing and Publishing revenue of \$281.1 million for the year decreased 4.1% as compared to last year. The decline was due to cessation of non-performing business in Australia and the cessation of the airport press and books concession. During the year, the acquisition of Penguin Random House distribution rights in Singapore and Malaysia have contributed their maiden revenue which mitigated the moderate decline in revenue from Publishing and Printing.

Printing and Publishing reduced its losses substantially by 72.8% to \$1.2 million for the year despite lower revenue. Previous years' restructuring efforts have yielded positive results due to a lower cost structure, profit contribution from higher margin products and the absence of losses from non-performing business. If not for our share of losses from the joint venture print plant in Shanxi, Printing and Publishing would have achieved a breakeven PBIT.

Tax

The Group effective tax rate ("ETR") of 9.9% (2017: 1.1%) is mainly due to the share of the after-tax profits of an overseas associate and the tax exempt profits of an overseas subsidiary. Ignoring the tax effect of the non-taxable exceptional fair value gain last year, the higher ETR in the current year is attributed to an increase in the taxable profits of subsidiaries operating in a high tax country.

Group Balance Sheet as at 30 September 2018

The increase in Reserves was mainly due to profits of \$122.2 million retained for the period offset by dividends paid, fair value loss on the investment in PMP Limited and negative currency translation arising from depreciation of the Vietnamese Dong against the Singapore Dollar on the Group's interest in Vinamilk.

Non-current assets increased by \$231.4 million or 7.3% from \$3,152.8 million to \$3,384.1 million as at 30 September 2018 mainly due to the acquisition of additional shares in Vinamilk, purchase of fixed assets, investment in Tsit Wing International Holdings Limited and deferred development costs incurred for the publishing business. This was partly offset by the fair value loss on the investment in PMP Limited.

Current assets decreased by \$631.8 million or 36.3% from \$1,738.4 million to \$1,106.6 million as at 30 September 2018 mainly due to cash and bank deposits utilised for the acquisition of additional shares in Vinamilk and the repayment of short term loans.

Total liabilities decreased by \$438.1 million or 24.9% from \$1,759.0 million to \$1,320.9 million as at 30 September 2018 mainly due to the decrease in borrowings due to repayment of short term loans previously taken up for the purchase of shares in Vinamilk.

Group Cash Flow Statement – Financial Year Ended 30 September 2018

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

Net cash inflow from operating activities of \$158.9 million was higher than \$71.6 million last year mainly due to improvements in working capital management partly offset by higher interest expenses paid.

Net cash outflow from investing activities of \$238.0 million was lower than \$1,033.2 million last year mainly due to a decrease in acquisition of shares in Vinamilk as compared to last year offset by higher dividend income received from Vinamilk and increase in fixed assets purchased.

Net cash outflow from financing activities was \$531.9 million as compared to a net cash inflow of \$1,063.3 million last year. Last year's cash inflow was mainly due to borrowings drawn down for the acquisition of shares in Vinamilk while the current year's cash outflow was mainly a result of the partial repayment of these borrowings.

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.

Consumer sentiments in the Food & Beverage segment is expected to be affected by the economic climate and changes in government policies in the coming year. In Malaysia, we will assess and closely monitor the impact of the imposition of excise duty at 40 sen per litre on ready-to-drink beverages that contain sugar exceeding 5 grams per 100 millilitres starting 1 April 2019 as announced during the recent tabling of the Malaysian Budget 2019. The Group will also continue to be vigilant of volatile price movement of key packaging and raw material prices. At the same time, we will continue to invest in new markets and develop new product offerings and innovations while striving to maximise the benefits of capex projects and harmonised distribution network. The Group will also continue to pursue new investment opportunities to further grow its beverages and dairies businesses. The expiry of tax incentive on the profits of an overseas subsidiary will lead to an increase in tax payable.

While Publishing will continue to work collaboratively with strategic partners to invest in its digital business and overseas markets by leveraging on its strength in the education content segment, the Group will continue to ensure that the cost structure remains sustainable, while at the same time explore opportunities to enter into new business segments.

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

(a) Whether a final ordinary dividend has been recommended: Yes

(b) (i) Amount per share : 3.0 cents

(ii) Previous corresponding period : 3.0 cents

(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 propose, subject to shareholders' approval at the Annual General Meeting to be held on 29 January 2019, a final dividend of 3.0 cents (last year: 3.0 cents) per share, to be paid on 20 February 2019. Taken with the interim dividend of 1.5 cents per share already paid, this will give a total distribution for the year of 4.5 cents per share (last year: 4.5 cents).

(e) The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) 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 p.m. on 7 February 2019 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 8-11 February 2019 for the preparation of dividend warrants.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. 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 financial year ended 30 September 2018.

<u>Name of interested person</u>	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
TCC Group of Companies ¹	15,398

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

16. A breakdown of sales and profit after taxation (before deduction of non-controlling interests) for the continuing operations are as follows:-

	Group		Change %
	30/9/2018 \$'000	30/9/2017 \$'000 (Restated)*	
(a) Sales reported for first half year	960,152	946,313	1.5%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	70,510	63,903	10.3%
(c) Sales reported for second half year	966,385	951,646	1.5%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	108,547	1,261,698	(91.4%)

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	30/9/2018 \$'000	30/9/2017 \$'000
Ordinary	65,201	65,147

18. SUBSEQUENT EVENT

On 22 October 2018, the Company announced that its wholly-owned subsidiary F&N Investments Pte Ltd ("F&NI") had subscribed for an additional 1,050,000 new shares of US\$1 each in Emerald Brewery Myanmar Limited ("EBML") for a total cash subscription amount of US\$1,050,000 (the "Additional F&NI Investment"). In addition, Sun Ace Company Corporation Limited ("Sun Ace"), a company incorporated in the Republic of the Union of Myanmar, had also subscribed for 300,000 new shares of US\$1 each in EBML for a total subscription amount of US\$300,000 (the "Sun Ace Investment"). Than Lwin Aye Yar Industrial Production & Construction Co., Ltd had not subscribed for any additional shares in EBML and therefore continues to hold 76,500 shares in EBML.

Following the Additional F&NI Investment and the Sun Ace Investment, F&NI holds 1,123,500 shares in EBML, representing approximately 74.9% of the issued share capital of EBML.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX Listing Manual"), the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the director, chief executive officer or substantial shareholder of the Company.

20. 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.

BY ORDER OF THE BOARD
Hui Choon Kit
Company Secretary

9 November 2018