Annual Report 2014

BRINGING PEOPLE *closer*

FRASER AND NEAVE, LIMITED

contents

BRINGING PEOPLE *closer*

The F&N Group's success over the last 131 years is built on our guiding principle of delivering great experiences to our customers. Whether it is refreshing or nourishing consumers with their favourite F&N beverage or dairy product, or facilitating the sharing of knowledge through our publications, we at F&N are passionate about bringing people *closer*.

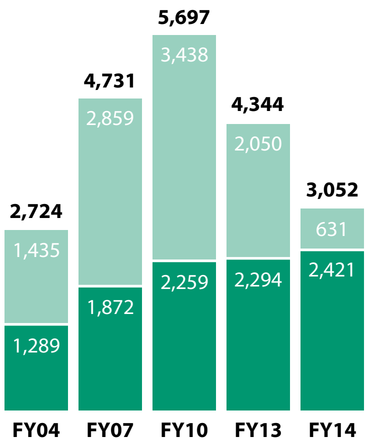
In this part of the world, families and friends revel in festivities and celebrate achievements with an F&N drink in hand; *F&N* Sparkling Drinks help spread festive cheer, *100PLUS* is the enabler for consumers who lead active and healthy lifestyles, and *F&N NUTRISOY* and *F&N MAGNOLIA* have nourished generations with its nutritious goodness.

Generations of young inquisitive minds have been inspired by our published materials. Our Publishing & Printing division aims to enrich lives through knowledge sharing and making it accessible and widely available through our retail and distribution network.

Great experiences are made more meaningful and memorable when shared. Thus, at F&N, we have become, and continue to strive to be a part of our consumers' daily lives. Not only do we bring people together, we bring them *closer*.

performance at a GLANCE

Revenue ($m)

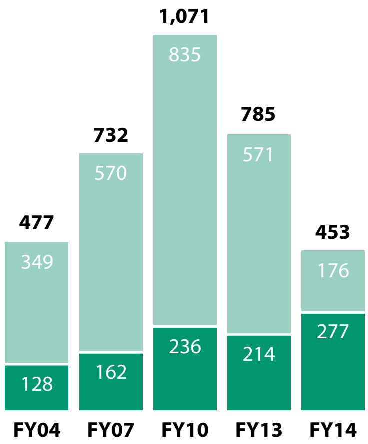


$3,052m
FY2014 Revenue

88%[3]
Increase from FY2004's $1,289m

7%[3]
10-year CAGR

Profit Before Interest & Taxation[4] ($m)

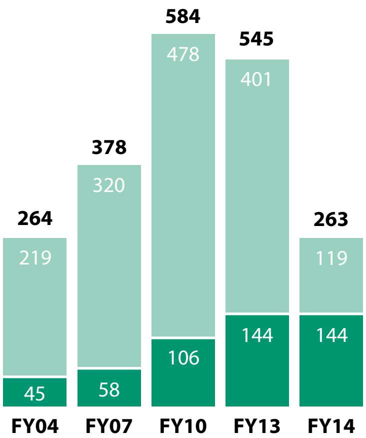


$453m
FY2014 Profit Before Interest & Taxation

117%[3]
Increase from FY2004's $128m

8%[3]
10-year CAGR

Attributable Profit[4] ($m)

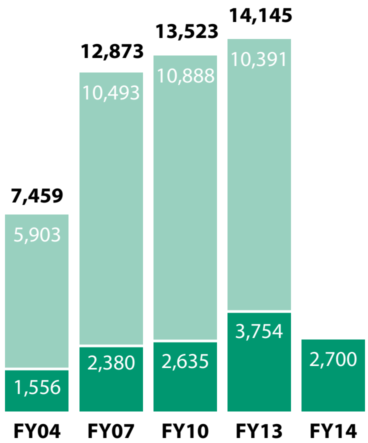


$263m
FY2014 Attributable Profit

216%[3]
Increase from FY2004's $45m

12%[3]
10-year CAGR

Total Assets ($m)

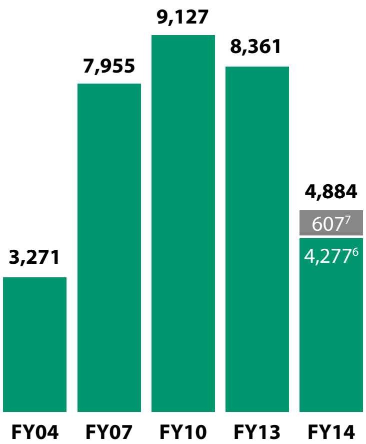


$2,700m
FY2014 Total Assets

74%[3]
Increase from FY2004's $1,556m

6%[3]
10-year CAGR

Market Capitalisation[5] ($m)

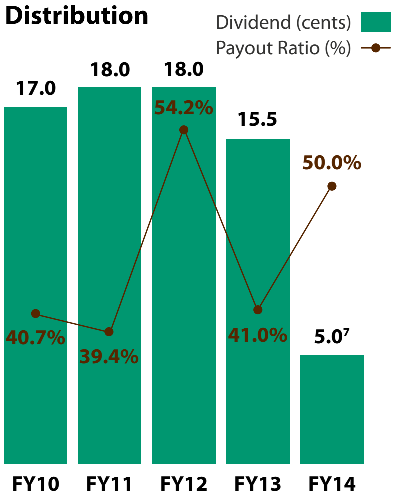


$4,277m[6,7]
FY2014 Market Capitalisation

31%[8]
Increase from FY2004's $3,271m

3%[3]
10-year CAGR

Distribution



5.0¢

- Comprising a proposed final dividend of 3.0 cents and interim dividend of 2.0 cents paid earlier
- Dividend payout remains in line with Group's dividend policy
- Reflects Group's earnings following the demerger of its property arm and capital distribution of $0.42 per share

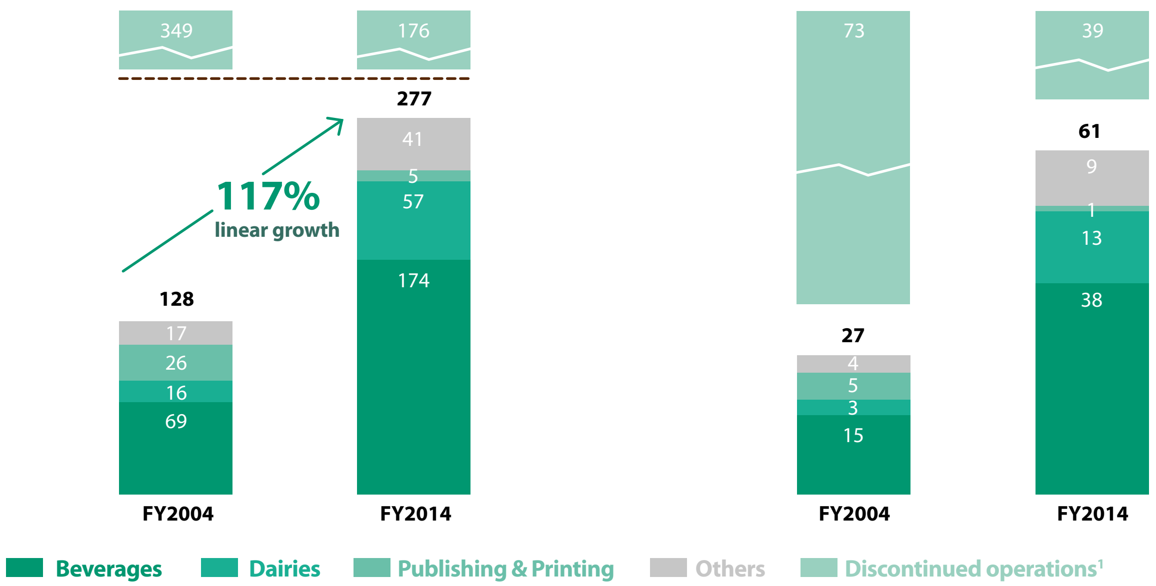
Discontinued operations (APB/APIPL and FCL)   Capital distribution of $607m to shareholders

Notes:

1 FY04, FY07 and FY10: As previously reported; FY13: Restated for amendments to FRS19
2 Results of Asia Pacific Breweries Limited /Asia Pacific Investment Pte Ltd ("APB/APIPL") and Frasers Centrepoint Limited ("FCL") for FY04 – FY12 have been reclassified as discontinued operations. FCL FY13 - FY14 results were presented separately as discontinued operations in the Group Financial Statements on pages 91-184
3 Excludes discontinued operations of APB/APIPL and FCL
4 Before fair value adjustment and exceptional items
5 Based on issued shares at close of business on the first trading day after preliminary announcement of results
6 In January 2014, the Group completed the relisting of its property arm, FCL by undertaking an *in-specie* distribution of all FCL shares to F&N shareholders. F&N shareholders received, without cash outlay, two FCL shares for each F&N share owned. Shares of FCL were listed by way of introduction on the Main Board of the SGX on 9 January 2014
7 In April 2014, the Group paid out $607m (or $0.42 per share) to shareholders in a capital reduction exercise
8 Excludes the $607m distribution

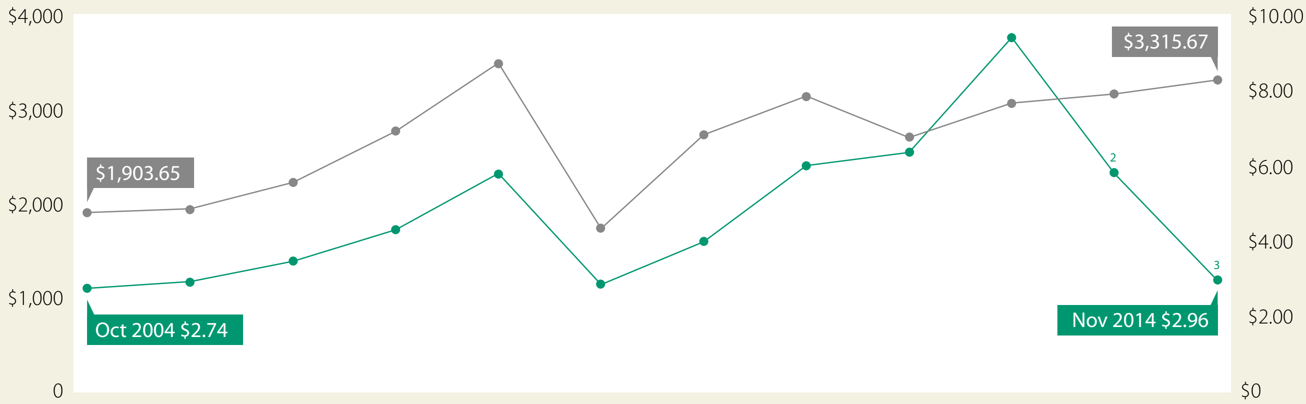
Profit Before Interest and Taxation By Business Segment ($m)

Share of Profit Before Interest and Taxation (%)

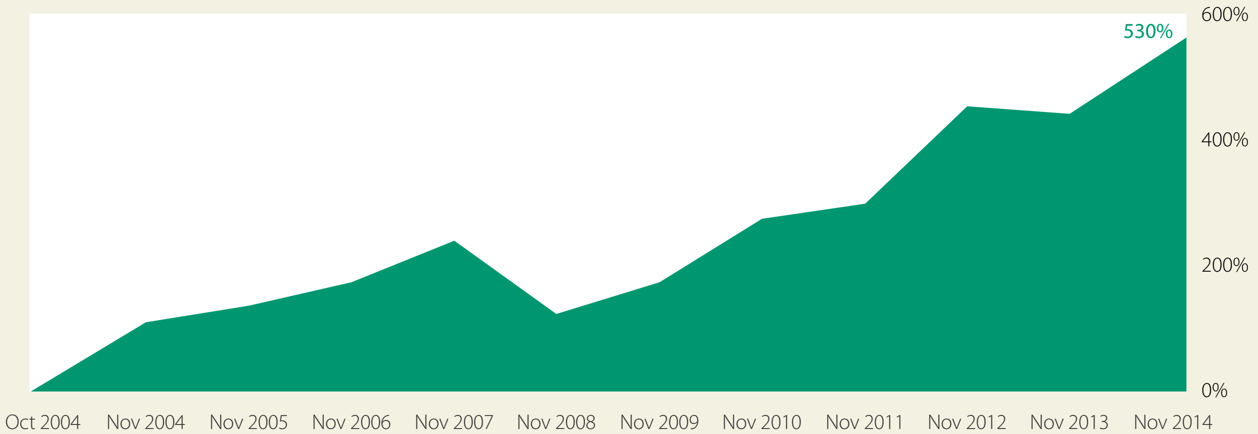


Share Price ($)

LHS: Straits Times Index
RHS: Fraser and Neave, Limited



Cumulative Total Shareholder Return (Oct 2004 - Nov 2014): 530%

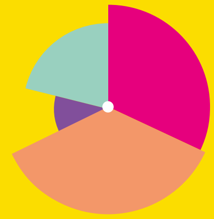


Notes:

1 Discontinued operations refer to the Group's share of APB/APIPL and FCL results
2 In FY2013, the Group distributed $4.7b ($3.28 per share) to shareholders in a capital reduction exercise
3 In FY2014, the Group completed the demerger of its property-related business, through a distribution *in-specie* of two FCL shares for each F&N share, at no cost to shareholders. In addition, the Group also distributed $607m ($0.42 per share) to shareholders in a capital reduction exercise

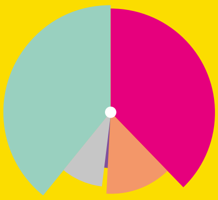
global PRESENCE

By Business Segment



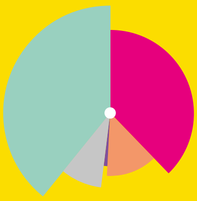
Revenue (%)
- 32
- 36
- 11
- 0
- 21

$3,052m



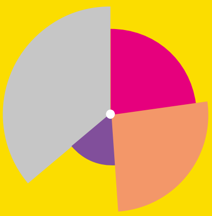
Profit Before Interest and Taxation (%)
- 38
- 13
- 1
- 9
- 39

$453m



Attributable Profit Before Fair Value Adjustment and Exceptional Items (%)
- 28
- 10
- 3
- 14
- 45

$263m



Total Assets (%)
- 23
- 26
- 15
- 36

$2,700m

- Beverages
- Dairies
- Publishing & Printing
- Others
- Discontinued operations

Beverages
Soft Drinks
Indonesia
Malaysia
Myanmar
Singapore

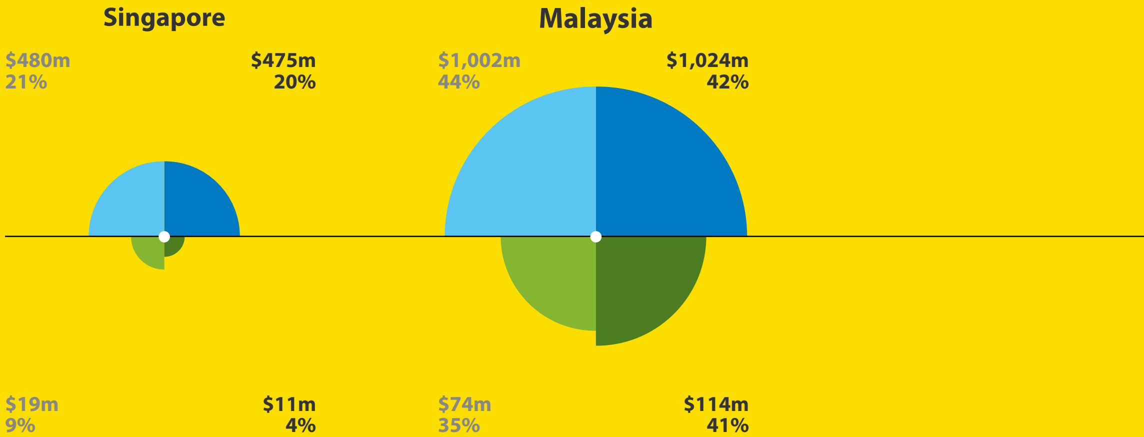
Beer
Myanmar[1]

Dairies
Malaysia
Singapore
Thailand
Vietnam[2]

Publishing & Printing
Australia
Chile
China
Hong Kong
India
Malaysia
Singapore
Thailand
United States of America
United Kingdom

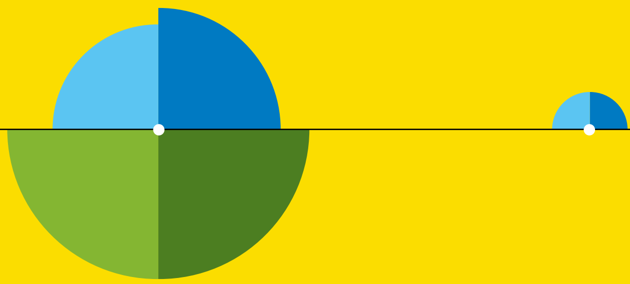
Notes:
1 The arbitral tribunal has ruled that MEHL is entitled to acquire the company's 55% stake in Myanmar Brewery Limited ("MBL"), at a fair value to be determined by a valuer jointly appointed by both parties
2 11.04% stake in Vinamilk

Revenue and Profit Before Interest and Taxation by Geographical Segment



Notes:
1 Other ASEAN: Myanmar, Thailand, Vietnam and Indonesia
2 Outside ASEAN: China, Taiwan, India, Australia, Europe and USA

A LEADING PRESENCE IN SOUTHEAST ASIA



corporate PROFILE

FRASER AND NEAVE, LIMITED

Established in 1883, Fraser and Neave, Limited ("F&N") is a leading Southeast Asia Consumer Group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries.

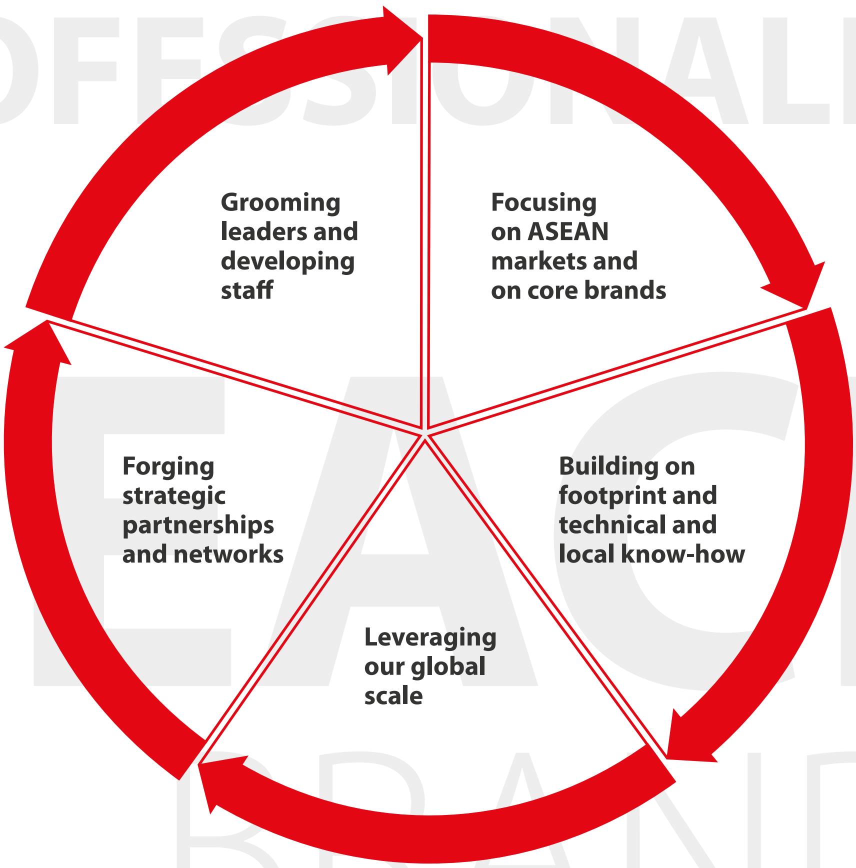
Leveraging its strengths in marketing and distribution; research and development; brands and financial management; as well as years of acquisition experience, F&N provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore stock exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 12 countries spanning Asia Pacific, Europe and the USA, and employs over 8,500 people worldwide.

For more information on F&N, please visit www.fraserandneave.com.

Our Vision

To be a stable and sustainable leader in Southeast Asia



group financial PERFORMANCE

5-YEAR STATISTICS

Note	Year ended 30 September	FY2010	FY2011	FY2012	FY2013	FY2014
1, 2	**Profit Statement ($ million)**					
	Revenue	5,697	6,355	5,543	4,344	**3,052**
	Profit before taxation					
	- before interest	1,071	1,177	952	785	**453**
	- before impairment, fair value adjustment & exceptional items	1,009	1,123	868	763	**452**
	- after exceptional items	1,172	1,438	1,239	907	**353**
	Attributable profit					
3	- before fair value adjustment & exceptional items	584	643	472	545	**263**
	- after exceptional items	728	898	838	5,430	**147**
1	**Balance Sheet ($ million)**					
4	Net asset value	6,143	6,843	7,603	8,505	**1,605**
	Total assets employed	13,523	13,924	14,651	14,145	**2,700**
	Long-term borrowings	2,666	3,216	2,972	2,583	**119**
	Market Capitalisation ($ million)					
	at close of business on the first trading day after preliminary announcement of results	9,127	8,745	13,355	8,361[7]	**4,277**[8,9]
1, 2	**Financial Ratio (%)**					
	Return on average shareholders' equity					
	- profit before impairment, fair value adjustment & exceptional items	17.2	17.3	12.0	9.5	**8.9**
3	- attributable profit before fair value adjustment & exceptional items	10.0	9.9	6.5	6.8	**5.2**
5	Gearing ratio					
	- without minority interest	46.8	34.5	29.7	17.6	**(13.6)**
	- with minority interest	41.4	30.8	27.3	16.9	**(10.9)**
1, 2	**Per Share**					
	Profit before impairment, fair value adjustment, taxation and exceptional items (cents)	72.2	79.8	61.1	52.9	**31.3**
	Attributable profit (cents) (basic)					
	- before fair value adjustment and exceptional items	41.8	45.7	33.2	37.8	**18.2**
	- after exceptional items	52.1	63.8	59.0	376.8	**10.2**
4	Net asset value ($)	4.38	4.85	5.32	5.90	**1.11**
	Dividend					
	- net (cents)	17.0	18.0	18.0	15.5	**5.0**
6	- cover (times)	2.5	2.5	1.8	2.4	**3.6**
	Share Prices ($)					
	at close of business on the first trading day after preliminary announcement of results	6.51	6.20	9.35	5.80[7]	**2.96**[8,9]

Notes:

1 FY2010 - FY2012: As previously reported; FY2013: Restated for amendments to FRS19

2 Results of Asia Pacific Breweries Limited /Asia Pacific Investment Pte Ltd ("APB/APIPL") and Frasers Centrepoint Limited ("FCL") for FY2010 – FY2012 have been reclassified as discontinued operations. FCL FY2013 – FY2014 results were presented separately as discontinued operations in the Group Financial Statements on pages 91-184

3 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items

4 Net asset value: Share capital and reserves

5 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity

6 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share

7 In July 2013, the Group paid out $4.7b (or $3.28 per share) to shareholders in a capital reduction exercise

8 In January 2014, the Group completed the relisting of its property arm, FCL by undertaking an *in-specie* distribution of FCL shares to F&N shareholders. F&N shareholders received, without cash outlay, two FCL shares for each F&N share owned. Shares of FCL were listed by way of introduction on the Main Board of the SGX on 9 January 2014

9 In April 2014, the Group paid out $607m (or $0.42 per share) to shareholders in a capital reduction exercise

message from the CHAIRMAN

Charoen Sirivadhanabhakdi
Chairman

> Vision 2020, a six-year strategic roadmap, was conceived to achieve our goal.

Overview

We have made good progress in executing our plan to move away from the conglomerate business model in the year. I am happy to report that after unanimous shareholder approval in November 2013, the demerger of the Company's property-related business was completed on 9 January 2014. This was effected through a distribution *in-specie* of two Frasers Centrepoint Limited ("FCL") shares for each F&N share, at no cost to shareholders ("FCL Distribution"). FCL was successfully listed on the Singapore Stock Exchange on 9 January 2014. Our strategic actions have not only unlocked significant value for shareholders, but also put us in a position to create two great companies, each with leadership positions and resources to realise their full potential.

Vision 2020

Following the demerger, F&N returned to its roots as a company with businesses mainly in the food and beverage ("F&B") sector. Together with our strategic partner Thai Beverage Public Company Limited (together, ThaiBev F&N Group), we undertook a strategic review with the goal of bringing about transformational change. Our aim is to increase the size and scale of the ThaiBev F&N Group by leveraging each other's strengths. Vision 2020, a six-year strategic roadmap, was conceived to achieve our goal.

Vision 2020 entails aligning the businesses of ThaiBev F&N Group along a common path to strengthen our leading position in Southeast Asia. We seek to be a company providing customers with better products, creating greater value and delivering sustainable returns to shareholders, at the same time providing enlarged opportunities for our employees. This is to be achieved by driving greater growth, diversity, and professionalism, as well as developing core brands and markets.

Strategic Developments

Our collaboration with the ThaiBev Group, in many aspects, is a natural extension for us. We are able to leverage each other's distribution network, market expertise and reduce cost through economies of scale, for example, in joint procurement. In Thailand, we are in the advanced phase of capitalising on the strong distribution network of the ThaiBev Group which has over 400,000 points of sale, the largest in Thailand, to launch products like *100PLUS*, *F&N SEASONS* and *F&N NUTRISOY*.

In 2013, Fraser & Neave Holdings Bhd ("F&NHB") began distributing *Oishi*, Thailand's leading green tea brand, in Malaysia. I am pleased to share that the Group will also be launching this product in Singapore in 2015. This collaboration will enable the Group to deepen and widen its presence in the fast-growing RTD tea segment with an established brand.

In keeping with the Group's "Pure Enjoyment. Pure Goodness" consumer promise and addressing growing awareness of healthy lifestyle, we have continued our efforts to reduce the sugar content in our sugar sweetened beverages without compromising taste or acceptance of consumers. F&N has also over the years accelerated our innovation, introduced and promoted healthier choice options for consumers, including product variants with added nutrients, and/or reduced or no-sugar added, and are also lower in fat.

Capital Management

During the financial year, with shareholders' approval given at an extraordinary general meeting on 28 February 2014, the Company also carried out a capital reduction to achieve a more efficient capital structure. This involved the return of capital amounting to 42 cents for every F&N share held and the reduction of the issued capital of the Company by $607 million. This is the second such capital reduction in two years. The previous exercise in 2013 involved the return of $4.7 billion.

Both capital reductions and cash distributions did not result in cancellation of shares or changes to the number of shares held by the shareholders. I would like to thank shareholders for your continued support of our capital management programmes.

message from the CHAIRMAN

The FCL Distribution and capital reduction exercises were part of our continuous efforts to enhance shareholder value.

The FCL Distribution and capital reduction exercises were part of our continuous efforts to enhance shareholder value. A shareholder who bought 1,000 F&N shares on 1 October 2013 would have enjoyed a total shareholders' return of about 27% on his investment as at 30 September 2014. This takes into account dividend receipts of 18.8 cents (including FCL's interim dividends), cash distribution of 42 cents per share, and market value of $3,400 and $3,100 in respect of 2,000 shares in FCL and 1,000 shares in F&N as at 30 September 2014. In comparison, the Straits Times Index one-year return was about 7%. Taken to 14 November 2014 (after the announcement of the year-end results), total shareholders' return was about 23%.

Financial Review

In FY2014, Group revenue rose by 6% to $2,421 million. Revenue growth was buoyed by Beverages (comprises Beer and Soft Drinks) and Dairies which registered gains of 9% and 6% respectively.

At the operating level, Group Profit before interest and taxation ("PBIT"), before fair value adjustment and exceptional items was 29% higher at $277 million. The improvement was driven mainly by favourable product mix, lower input cost and efficiencies in Beverages and Dairies Malaysia. The Group continued to retain leading positions in major ready-to-drink segments in Singapore and Malaysia during the year under review. Included in the Group PBIT was a one-off non-recurring item of $21 million valuation gain on investment interest retained in a joint venture company.

During the year, our Publishing & Printing ("P&P") business maintained focus on its long-term strategic plans despite challenging operating conditions. Excluding the share of associates' results, P&P has made headway towards recovery.

Group Attributable Profit before fair value adjustment and exceptional items and basic earnings per share on continuing operations were $144 million and 10 cents respectively, on par with last year (re-stated).

Following the FCL Distribution, the cash distribution of $607 million and the interim dividend payment of 2.0 cents per share, net asset value per share as at 30 September 2014 was $1.11. We ended FY2014 with a net cash position of $219 million.

The FY2014 performance of our F&B and P&P businesses are presented in the CEO Business Review section of this Annual Report.

Subsequent Event

As you know, the Company's shares in Myanmar Brewery Limited ("MBL") have been the subject of a dispute between us and our joint venture partner, Myanma Economic Holdings Limited ("MEHL"). By a ruling issued on 31 October 2014, the arbitral tribunal did not accept that US$246 million was the fair value of the Company's shares, and ordered that MEHL is entitled to purchase the Company's shares in MBL at fair value to be determined by a fresh valuation. At this stage, it is not clear when the valuation will be completed. The Company continues to study ways to maintain our presence in the Myanmar market, which still has growth potential and remains of keen interest to the Group.

Dividends

For FY2014, the Board is pleased to propose a final dividend of 3.0 cents per share. Including the interim cash dividend of 2.0 cents per share paid on 12 June 2014, the total dividend for the year will be 5.0 cents per share. This represents a distribution of 50% of the Group Attributable Profit before fair value adjustment and exceptional items for FY2014, which is in line with our dividend policy. The proposed final dividend is subject to shareholders' approval at the Annual General Meeting to be held on 30 January 2015. If approved, the payout will be made on 16 February 2015.

Outlook

Prices of key F&B raw materials are expected to be lower but remain volatile, balancing upward labour cost pressures. Consumer sentiment in our markets is expected to be affected by the economic climate and government policies. Despite the challenges, there are opportunities available for us to tap into existing and new markets throughout ASEAN.

We are optimistic that the strength of our businesses, our people, our diverse portfolio of leading brands and strong balance sheet will enable us to seize growth opportunities when available.

Acknowledgements

As previously announced, on 8 January 2014, in conjunction with the listing of FCL, Mr Charles Mak, Mr Chan Heng Wing, Mr Philip Eng, Mr Weerawong Chittmittrapap and Mr Panote Sirivadhanabhakdi stepped down from the board to serve on the board of FCL. On behalf of the Board, I would like to record our deepest gratitude for their dedicated service to the F&N Group.

At the same time, I am delighted and privileged to have Tengku Syed Badarudin Jamalullail, Chairman of F&NHB and Mr Timothy Chia, who was previously on the Board, serving us. They both bring with them years of extensive experience, strong business acumen and knowledge which are invaluable to our Group.

I would like to express appreciation to the directors of F&NHB for their able stewardship of this important subsidiary which has delivered consistent growth over many years.

I would also like to thank our customers, suppliers and business associates for their confidence in the Company. With your support, we shall continue with our sustainable growth strategy to create long-term value for our shareholders.

Finally, I would like to commend my management and staff for their commitment, dedication and efforts in contributing towards another year of progress for the Group.

Charoen Sirivadhanabhakdi
Chairman

board of DIRECTORS

Mr Charoen Sirivadhanabhakdi, 70

Role : Chairman : Non-Executive and Non-Independent Director	
Date of first appointment as a director	: 28 Feb 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 07 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctor of Philosophy in Business Administration, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Management, Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctoral Degree in International Business Administration, University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Sciences and Food Technology, Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in Hospitality and Tourism, Christian University of Thailand, Thailand

Present Directorships (as at 30 Sep 2014)
Listed companies
- Berli Jucker Public Company Limited (Chairman)
- Frasers Centrepoint Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman)

Others
- Beer Thai (1991) Public Company Limited (Chairman)
- Red Bull Distillery Group of Companies (Chairman)
- Southeast Group Co., Ltd. (Chairman)
- TCC Holding Co., Ltd. (Chairman)
- TCC Land Co., Ltd. (Chairman)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
Nil

Others
Nil

Khunying Wanna Sirivadhanabhakdi, 71

Role : Vice-Chairman : Non-Executive and Non-Independent Director	
Date of first appointment as a director	: 28 Feb 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 07 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Honorary Doctoral Degree in Bio-Technology, Ramkhamhaeng University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Business Administration, Chiang Mai University, Thailand
- Honorary Doctor of Philosophy in Social Sciences, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration and Information Technology, Rajamangala University of Technology Tawan-ok, Thailand

Present Directorships (as at 30 Sep 2014)
Listed companies
- Berli Jucker Public Company Limited (Vice Chairman)
- Frasers Centrepoint Limited (Vice Chairman)
- Thai Beverage Public Company Limited (Vice Chairman)

Others
- Beer Thip Brewery (1991) Co., Ltd. (Chairman)
- Sangsom Group of Companies (Chairman)
- TCC Capital Land Limited (Vice Chairman)
- TCC Holding Co., Ltd. (Vice Chairman of Executive Board)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
Nil

Others
Nil

Tengku Syed Badarudin Jamalullail, 69

Role : Non-Executive and Independent Director

Date of first appointment as a director	: 08 Jan 2014
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 08 months

Board committee(s) served on:
- Nominating Committee (Chairman)

Academic & Professional Qualification(s):
- Master of Arts in Law & History, University of Cambridge, UK

Present Directorships (as at 30 Sep 2014)

Listed companies
- Fraser & Neave Holdings Bhd (Chairman)
- Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad)

Others
- Vacaron Company Sdn Bhd
- Berkat Restu Sdn Bhd
- Besar Holdings Sdn Bhd
- Mega SPJ Sdn Bhd

Major Appointments (other than Directorships)

Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)

Nil

Others
- Hwang Investment Management Berhad
- HwangDBS Commercial Bank Plc
- HwangDBS Investment Bank Berhad
- Asian Islamic Investment Management Sdn Bhd

board of DIRECTORS

Mr Timothy Chia Chee Ming, 64

Role : Non-Executive and Independent Director

Date of first appointment as a director	: 08 Jan 2014
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 08 months

Board committee(s) served on:
- Audit Committee
- Remuneration Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Science cum laude, majoring in Management from Fairleigh Dickinson University, USA

Present Directorships (as at 30 Sep 2014)

Listed companies
- Banyan Tree Holdings Limited

Others
- Gracefield Holdings Limited (Chairman)
- Guan-Leng Holdings Pte Ltd
- Hup Soon Global Corporation Limited (Chairman)
- Parkesville Pte Ltd
- Singapore Power Limited
- United Motor Works (Mauritius) Ltd
- United Motor Works (Siam) Public Co Ltd (Chairman)

Major Appointments (other than Directorships)
- Coutts & Co Ltd (Chairman – Asia)
- EQT Funds Management Ltd (Senior Advisor)
- JM Financial Singapore Pte Ltd (Senior Advisor)
- Singapore Management University (Member, Board of Trustees)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
- Fraser and Neave, Limited *
- InnoTek Limited**
- Singapore Post Limited

Others
- PowerGas Limited
- SP PowerAssets Limited
- SP PowerGrid Limited
- SPI (Australia) Assets Pty Ltd
- UBS AG
- United Motor Works (1927) Pte Ltd

* Held office from 26 Jan 2006 to 26 Feb 2013. Current directorship commenced on 08 Jan 2014

** Held office from 26 Feb 2014 to 10 Mar 2014

Mr Koh Poh Tiong, 67

Role : Non-Executive and Non-Independent Director
: Adviser to the Board

Date of first appointment as a director	: 03 Apr 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 05 months

Board committee(s) served on:
- Board Executive Committee (Chairman)
- Food & Beverage Committee (Chairman)
- Risk Management Committee

Academic & Professional Qualification(s):
- Bachelor of Science, University of Singapore, Singapore

Present Directorships (as at 30 Sep 2014)

Listed companies
- Ezra Holdings Limited (Chairman and Senior Advisor)
- Petra Foods Limited
- Raffles Medical Group Ltd.
- SATS Ltd.
- United Engineers Ltd.

Others
- National Kidney Foundation (Chairman)
- Singapore Kindness Movement (Chairman)
- The Great Eastern Life Assurance Company Limited
- Times Publishing Limited (Chairman)

Major Appointments (other than Directorships)
- Member, Evaluation Panel, Casino Regulatory Authority on Integrated Resorts' Tourism Performance, Ministry of Trade and Industry

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)

Nil

Others
- PSA Corporation Ltd.
- PSA International Pte. Ltd.

Mrs Siripen Sitasuwan, 66

Role : Non-Executive and Independent Director

Date of first appointment as a director	: 31 May 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 04 months

Board committee(s) served on:
- Audit Committee (Chairman)
- Nominating Committee
- Remuneration Committee

Academic & Professional Qualification(s):
- Master of Business Administration, Wichita State University, Kansas, USA
- Bachelor of Arts (Commerce), Chulalongkorn University, Thailand

Present Directorships (as at 30 Sep 2014)

Listed companies
- Thanachart Capital Public Company Limited
- Sermsuk Public Company Limited

Others
- Solaris Asset Management Co., Ltd.
- Thai Solar Energy Co., Ltd.

Major Appointments (other than Directorships)

Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)

Listed companies
- Frasers Centrepoint Limited*

Others

Nil

* Held office from 07 Jan 2014 to 10 Mar 2014

board of DIRECTORS

Mr Chotiphat Bijananda, 51

Role : Non-Executive and Non-Independent Director

Date of first appointment as a director	: 19 Feb 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 07 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Master of Business Administration, Finance, University of Missouri, USA
- Bachelor of Laws, Thammasat University, Thailand

Present Directorships (as at 30 Sep 2014)
Listed companies
- Sermsuk Public Company Limited
- Golden Land Property Development Public Company Limited
- Frasers Centrepoint Limited

Others
- Australand Holdings Limited
- Australand Property Limited
- Australand Investments Limited
- Southeast Group Co., Ltd. (President)
- Southeast Insurance Public Co., Ltd. (Chairman of Executive Board)
- Southeast Life Insurance Public Co., Ltd. (Chairman of Executive Board)
- Southeast Capital Co., Ltd. (Chairman of Executive Board)
- TCC Assets Limited
- TCC Technology Co., Ltd.

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
Nil

Others
Nil

Mr Thapana Sirivadhanabhakdi, 39

Role : Non-Executive and Non-Independent Director

Date of first appointment as a director	: 19 Feb 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 07 months

Board committee(s) served on:
- Board Executive Committee (Vice Chairman)
- Food & Beverage Committee
- Nominating Committee
- Remuneration Committee
- Risk Management Committee (Chairman)

Academic & Professional Qualification(s):
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University, Thailand
- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

Present Directorships (as at 30 Sep 2014)
Listed companies
- Thai Beverage Public Company Limited
- Berli Jucker Public Company Limited
- Oishi Group Public Company Limited (Executive Chairman)
- Siam Food Products Public Company Limited (Vice Chairman)
- Sermsuk Public Company Limited (Vice Chairman)
- Univentures Public Company Limited
- Golden Land Property Development Public Company Limited

Others
- InterBev Investment Limited
- International Beverage Holdings Limited (President)
- Certain Subsidiaries of Thai Beverage Public Company Limited
- Certain Subsidiaries of Oishi Group Public Company Limited
- Certain Subsidiaries of Sermsuk Public Company Limited
- Southeast Group of Companies (Vice Chairman)

Major Appointments (other than Directorships)
- Thai Beverage Public Company Limited (President and Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
Nil

Others
Nil

Mr Sithichai Chaikriangkrai, 60

Role : Non-Executive and Non-Independent Director

Date of first appointment as a director	: 22 Feb 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 07 months

Board committee(s) served on:
- Audit Committee
- Board Executive Committee
- Food & Beverage Committee
- Risk Management Committee

Academic & Professional Qualification(s):
- Bachelor of Accountancy (First Class Honors), Thammasat University, Thailand
- Diploma in Computer Management, Chulalongkorn University, Thailand
- Certificate of the Mini MBA Leadership Management, Kasetsart University, Thailand

Present Directorships (as at 30 Sep 2014)
Listed companies
- Thai Beverage Public Company Limited
- Berli Jucker Public Company Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited
- Siam Food Products Public Company Limited
- Sermsuk Public Company Limited
- Univentures Public Company Limited
- Frasers Centrepoint Limited

Others
- InterBev Investment Limited
- International Beverage Holdings Limited
- Certain Subsidiaries of Thai Beverage Public Company Limited
- Certain Subsidiaries of Berli Jucker Public Company Limited
- Certain Subsidiaries of Oishi Group Public Company Limited
- Certain Subsidiaries of Siam Food Products Public Company Limited
- Certain Subsidiaries of Sermsuk Public Company Limited

Major Appointments (other than Directorships)
- Thai Beverage Public Company Limited (Chief Financial Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
Nil

Others
Nil

Mr Prapakon Thongtheppairot, 43

Role : Non-Executive and Non-Independent Director
: Alternate Director to Mr Sithichai Chaikriangkrai

Date of first appointment as a director	: 21 Mar 2013
Date of last re-election as a director	: 27 Jan 2014
Length of service as a director (as at 30 Sep 2014)	: 1 year 06 months

Board committee(s) served on:
- Board Executive Committee
- Food & Beverage Committee
- Risk Management Committee

Academic & Professional Qualification(s):
- Master of Science in Finance, Georgia State University, USA
- Master of Business Administration, Mercer University, USA
- Bachelor of Business Administration, Assumption University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors, Singapore

Present Directorships (as at 30 Sep 2014)
Listed companies
Nil
Others
- Beer Chang International Limited
- Dhospaak Co., Ltd.
- InterBev Investment Limited
- International Beverage Holdings Limited
- P.M.T. Mansion Co., Ltd.
- Thai Drinks Co., Ltd.
- Modern Trade Management Co., Ltd.

Major Appointments (other than Directorships)
- Thai Beverage Public Company Limited (Senior Vice President - Beer Business Group)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2011 to 30 Sep 2014)
Nil

Others
Held various senior executive positions in the TCC Group, namely Senior Executive Vice President for Land Development and Investment Management in TCC Land Group, Senior Executive Vice President for Corporate Services in Plantheon Group and TCC Land Group and Senior Executive Vice President for Finance in TCC Land Group

corporate INFORMATION

Board of Directors
Mr Charoen Sirivadhanabhakdi (Chairman)
Khunying Wanna Sirivadhanabhakdi (Vice Chairman)
Tengku Syed Badarudin Jamalullail
Mr Timothy Chia Chee Ming
Mr Koh Poh Tiong
Mrs Siripen Sitasuwan
Mr Chotiphat Bijananda
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot
(Alternate Director to Mr Sithichai Chaikriangkrai)

Board Executive Committee
Mr Koh Poh Tiong (Chairman)
Mr Thapana Sirivadhanabhakdi (Vice Chairman)
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot

Food & Beverage Committee
Mr Koh Poh Tiong (Chairman)
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot

Risk Management Committee
Mr Thapana Sirivadhanabhakdi (Chairman)
Mr Koh Poh Tiong
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot

Audit Committee
Mrs Siripen Sitasuwan (Chairman)
Mr Timothy Chia Chee Ming
Mr Sithichai Chaikriangkrai

Nominating Committee
Tengku Syed Badarudin Jamalullail (Chairman)
Mrs Siripen Sitasuwan
Mr Thapana Sirivadhanabhakdi

Remuneration Committee
Mr Timothy Chia Chee Ming (Chairman)
Mrs Siripen Sitasuwan
Mr Thapana Sirivadhanabhakdi

Group Management
Mr Anthony Cheong Fook Seng
Group Company Secretary

Mr Huang Hong Peng
Chief Executive Officer, Beer

Mr Hui Choon Kit
Chief Financial Officer

Dato' Ng Jui Sia
Chief Executive Officer, Non-Alcoholic Beverages

Mr Siew Peng Yim
Chief Executive Officer, Times Publishing Group

Registered Office
438 Alexandra Road
#20-00 Alexandra Point
Singapore 119958
Tel: (65) 6318 9393
Fax: (65) 6271 0811

Share Registrar and Transfer Office
Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 3405

Auditor
Ernst & Young LLP
Partner-in-charge: Mr Christopher Wong
(with effect from financial year 2014)

Principal Bankers
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The HongKong and Shanghai Banking Corporation

corporate STRUCTURE

01

Food & Beverage

Fraser & Neave Holdings Bhd
- o 23 Subsidiary companies
- o 1 Associated company
  Cocoaland Holdings Berhad
- o 1 Joint venture company
  Vacaron Company Sdn Bhd

Other Listed & Unlisted Companies
- o 13 Subsidiary companies
  Asia Dairies (S) Pte Ltd
  F&NBev Manufacturing Pte. Ltd.
  F&N Dairy Investments Pte Ltd
  F&N Foods Pte Ltd
  F&N Interflavine Pte Ltd
  F&N Services (F&B) (M) Sdn Bhd
  F&N United Ltd
  Magnolia – PDL Dairies (1993) Sdn Bhd
  Myanmar Brewery Limited[1]
  Tiger Taverns Sdn Bhd
  PT F&N Indonesia
  F&N Creameries Group
  • 4 Subsidiary companies
  Yoke Food Industries Group
  • 2 Subsidiary companies

02

Publishing & Printing

Times Publishing Group
- o 37 Subsidiary companies
- o 1 Joint venture company
- o 4 Associated companies
  Listed Companies
  Fung Choi Media Group Limited
  PMP Limited

03

Others

Other Unlisted Companies
- o 6 Subsidiary companies
  F&N Investments Pte Ltd
  F&N Services (L) Bhd
  F&N Treasury Pte Ltd
  Fraser & Neave (Singapore) Pte. Limited
  Fraser & Neave Investments (HK) Ltd
  International Theme Parks (Singapore) Pte Ltd

Note:
1 On 31 October 2014, the Company announced that it had received the decision on its arbitration with Myanma Economic Holdings Limited ("MEHL"). The arbitral tribunal has ruled that MEHL's valuation of US$246 million does not represent a fair value of the Company's 55 per cent stake in MBL, and that the sale should take place at a price to be determined by an independent valuer to be appointed by both parties, failing which by a valuer named by the arbitral tribunal.

CEO business review • FOOD & BEVERAGE

1 **HUANG HONG PENG**
Chief Executive Officer, Beer

2 **NG JUI SIA**
Chief Executive Officer, Non-Alcoholic Beverages

Business Overview

This year, Food & Beverage ("F&B") division continued to scale new heights. Earnings jumped double-digit, by 27% to $230m, on the back of a 7% topline improvement.

This stellar set of results marks our fifth consecutive year of record revenue and profit, attributed to strong sales momentum and high volume growth across both our Beverages (comprising Soft Drinks and Beer) and Dairies businesses, despite higher input costs, stiff competition and adverse foreign currency effect.

This year, Beverages profit before interest and taxation ("PBIT") grew 42% to $174m due to higher sales of beer and soft drinks, as well as favourable sales and channel mix. In particular, Beer achieved record volume growth of 34% and maintained its leading position in Myanmar. In addition to recording higher volumes brought about by effective marketing execution and improved route-to-market efficiency, Soft Drinks earnings were further boosted by favourable sales mix, improved production yields and a return to profitability in Singapore which has benefitted from operational efficiency.

Faced with higher commodity costs and weaker foreign currency, Dairies businesses in Singapore, Malaysia and Thailand turned in mixed performances. Following a year of driving topline growth and margin expansion by focusing on route-to-market excellence, this year, Dairies Malaysia saw strong volume growth of 7%. In addition to favourable sales mix, efficiency gains from the Pulau Indah plant, as well as the non-recurrence of one-off costs recorded in FY2013, Dairies Malaysia PBIT surged 25%, with margin improvement from 6.1% to 7.3%. Dairies Thailand, despite seeing volume and revenue surge 18% and 12%, respectively, profits were adversely impacted by mounting input costs and pricing control by the Thai government. In Dairies Singapore, earnings were adversely affected by mainly a one-off adjustment.

> "This stellar set of results marks our fifth consecutive year of record revenue and profit, attributed to a strong sales momentum and high volume growth.

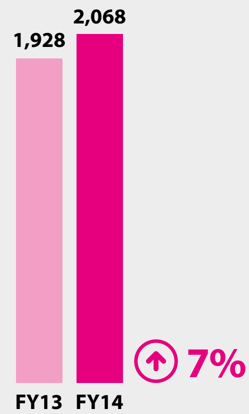
In all, Dairies earnings fell 5% despite registering a 6% topline growth.

Setting our sights on growing the F&B businesses, the Group set up a branch office in Yangon, Myanmar to support our growing non-alcoholic beverages business, and increased our stake in Vietnam Dairy Products Joint Stock Company from 9.54% to 11.04%, through the purchase of an additional 15 million shares of its issued share capital at $109 million.

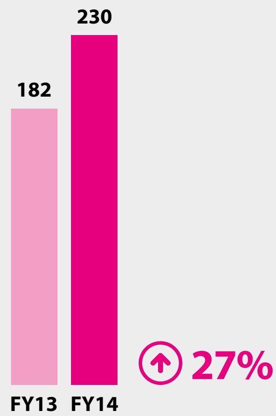
	Singapore	Malaysia	Other ASEAN
Revenue	$265m	$979m	$824m
Profit Before Interest & Taxation	$7m	$91m	$132m

In addition, we acquired a 70% stake in Yoke Food Industries Sdn Bhd ("YFI") for $22 million. YFI is a Malaysia-based company that manufactures, markets and distributes canned beverages in Malaysia, as well as exports to Singapore, Indonesia and Indochina, under brands such as *Day Day*, *SoSoy* and *Juice Secret*. Besides securing YFI's production capacity in the fast-growing non-carbonated beverages segment, teaming up with YFI offers an increased opportunity for the distribution and marketing of our brands in Southeast Asia going forward. Together with YFI, the Group stands to benefit from greater scale and from the broader portfolio of brands, which will strengthen F&N's position as a leading consumer group in Southeast Asia.

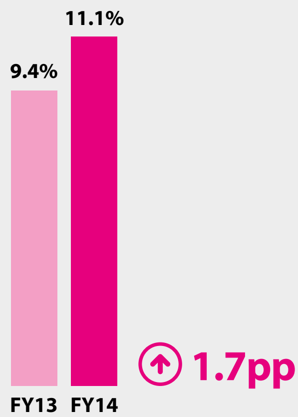
Revenue ($m)



Profit Before Interest & Taxation ($m)



Profit Before Interest & Taxation Margin (%)



CEO business review • FOOD & BEVERAGE

TO BE A STABLE AND

Vision 2020

Vision 2020 sets the Group's sights on increasing its size and scale by leveraging the strengths of Thai Beverage Plc Limited ("ThaiBev") and F&N. To achieve the objective of becoming a stable and sustainable player in the ASEAN countries, a 6-year roadmap was developed.

In the 6-year roadmap, F&N shall play an integral role in converting the ThaiBev F&N Group's ambition into reality. The roadmap centres on the Group building a solid platform for overseas expansion, focusing on Southeast Asia ("SEA"), via a two-pronged approach:

- **Strengthening market positions in Singapore, Malaysia and Thailand:** Leveraging both F&N and ThaiBev's portfolio of brands, as well as distribution and bottling systems, one of the largest and most extensive in SEA.
- **Overseas expansion:** Using its operations in Singapore, Malaysia and Thailand as the platform, F&N intends to replicate its successful business models in other ASEAN countries, in particular Vietnam, Myanmar and Indonesia in the next three years. The Group aims to establish itself as a top 3 food & beverage player in key markets outside of Singapore, Malaysia and Thailand.

Today, the F&N brand portfolio covers a wide spectrum of beverage categories: milk (*F&N MAGNOLIA*, *F&N DAISY* and *FARMHOUSE*), soya (*F&N NUTRISOY*), juices (*F&N FRUIT TREE FRESH*), canned milk (*F&N*, *F&N TEA POT*, *GOLD COIN* and *BLUE COW*), yoghurt and cereal bars (*aLIVE*), ice cream (*F&N MAGNOLIA*, *KING'S* and *F&N MEADOW GOLD*), bottled water (*F&N ICE MOUNTAIN*), sparkling drinks (*F&N*), isotonic (*100PLUS*), cordials (*F&N*), tea (*F&N SEASONS*) and Asian drinks (*F&N SEASONS* and *F&N NUTRITEA*). Many brands have category leadership and have existed for several decades. In addition to its portfolio of strong brands, F&N is also a distributor of successful third party brands such as Carnation.

A brand like *F&N*, which has a heritage of over a century, has tremendous brand recognition among consumers in SEA. The Group's flagship brand, *100PLUS*, sold in many parts of SEA, is the most loved soft drinks brand in Malaysia and Singapore (isotonic). For more than 75 years, *F&N MAGNOLIA* has been a trusted choice by consumers, nurturing generations with its delicious, smooth and creamy taste. Offering more than the traditional milk, *F&N NUTRISOY* (Singapore's Number 1 Fresh Soya Milk) offers all the goodness of soya with even more benefits.

Towards 2020, to further lift brand and category performance, F&N is preparing to leverage and optimise the "health and wellness" credentials of its portfolio, positioning the company to exploit growth opportunities and innovation to meet changing consumer behaviour. Focusing our resources on winning in priority categories, segments, brands and channels, *100PLUS* and *F&N NUTRISOY* have been identified as the core brands for Vision 2020, complemented by the remaining brands.

Through innovation and renovation, constant support and investment in our core brands, we will continue to maintain as well as grow our market shares. By moving brands into adjacent categories, the core brands themselves can be invigorated, as can be seen by the successful example of *100PLUS*, moving from its established isotonic category in Malaysia into the carbonated soft drinks market. Nurturing our secondary brands is also valuable in growing market share and managing a strategic portfolio of brands.

SUSTAINABLE LEADER IN SOUTHEAST ASIA

ThaiBev F&N Vision 2020 goals outline what ThaiBev and F&N need to accomplish, together with our stakeholders, to accelerate the achievements and convert our ambition into reality.

Growth
To be the largest and most profitable beverage company in Southeast Asia, differentiated through innovation by developing beverages that meet consumers' evolving needs and preferences.

Diversity
To diversify revenue and earnings through geographic expansion and product diversification, focusing on Soft Drinks, Dairies and Beer.

- Existing Markets: Thailand, Singapore and Malaysia
- New markets: Vietnam, Myanmar, Indonesia and Philippines

Reach
To strengthen and build our route-to-market in priority markets, and to be the most trusted and preferred beverage partner.

Brands
To be amongst the top 3 players in our markets. The ThaiBev F&N Group's core brands for the non-alcoholic beverages are:

- *100PLUS*
- *F&N NUTRISOY*
- *EST*
- *Oishi*

Professionalism
To be the employer of choice.

CEO business review • FOOD & BEVERAGE

> Soft Drinks continued to leverage its strong brand equity and extensive distribution network to solidify its leadership position in the ready-to-drink ("RTD") segment in Malaysia, as well as regain and expand its business in Singapore and other parts of Southeast Asia.

Soft Drinks

Soft Drinks continued to leverage its strong brand equity and extensive distribution network to solidify its leadership position in the ready-to-drink ("RTD") segment in Malaysia, as well as regain and expand its business in Singapore and other parts of Southeast Asia.

Soft Drinks PBIT surged 31% on improved margins of 2.3pp, due to favourable sales mix, improved production yields and a return to profitability in Singapore which has benefitted from operational efficiencies.

Soft Drinks Malaysia reinforced brand visibility amongst consumers through innovative marketing campaigns, working actively to strengthen its market leadership position. In FY2014, volume and sales (in local currency) each increased 4%, driven by higher sales and volume growth of *100PLUS*, *F&N NUTRISOY*, *F&N SEASONS Nutriwell*, *F&N ICE MOUNTAIN* and *F&N* Sparkling Drinks. Despite intense competition, weaker consumer sentiment due to the withdrawal of government subsidies and a weaker Ringgit, Soft Drinks Malaysia PBIT rose 23%, supported by favourable sales and channel mix, and higher efficiency in its production and supply chain management. In constant currency, Soft Drinks Malaysia PBIT grew 26%.

In Singapore, the focus remained on widening and deepening distribution of the Group's soft drinks products. Coupled with well-executed brand building initiatives, Soft Drinks Singapore sales continued to improve, especially for its key brands *100PLUS* and *F&N ICE MOUNTAIN*. Improved sales and lower cost-of-sales returned Soft Drinks Singapore to profit, after an operating loss in the previous year caused by start-up logistic costs.

Since its official launch in Myanmar in December 2012, *100PLUS* has been one of the fastest growing soft drinks brands in the country. To support the expansion of the Group's Soft Drinks business in Myanmar, a branch office was established.

Total Volume
↑ 2%

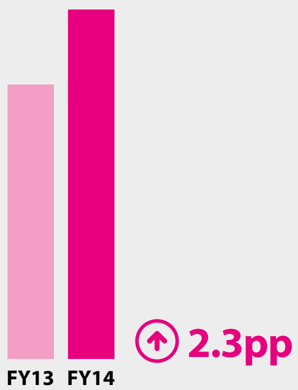
Total Revenue
↑ 2%

Total Profit Before Interest & Taxation
↑ 31%

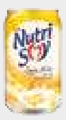
	Singapore	Malaysia
Volume	+0%	+4%
Revenue	+5%	+1% (+4%[1])
Profit Before Interest & Taxation	n.m.[2]	+23% (+26%[1])

1 In constant currency
2 From operating loss to profit

Profit Before Interest & Taxation Margin (%)



Market Positions of Core Brands

	Singapore	Malaysia
 ***100PLUS***	#1	#1
 ***F&N NUTRISOY***	#1	#1
 ***F&N SEASONS***	#3	#1

100PLUS IN MYANMAR!

F&N commenced operations of its newly-established branch office in Yangon, Myanmar in March 2014. The Yangon branch office will conduct market research, coordinate marketing and sales efforts, and provide support to business units and local distributors. The extension of *100PLUS* to Myanmar allows the Group to seize opportunities in this fast-growing RTD market.

100PLUS has been enjoying strong growth momentum since it was officially introduced in December 2012, quickly establishing itself as one of the fastest growing soft drinks brands in Myanmar. This growth stemmed from aggressive on-ground activations and strategic sports sponsorships.

100PLUS gained traction in Myanmar when it secured the Official Hydration Partner title for the 27th SEA Games held in Nay Pyi Taw. As the Official Hydration Partner, *100PLUS* was able to raise its profile as the hydration beverage of choice through its "Go For Gold" campaign. On top of employing mass media channels such as television commercials and print and billboard advertisements to introduce and garner support for the Myanmar athletes, *100PLUS* also used social media and conducted consumer road shows and product sampling.

It rallied support for the local athletes by featuring their profiles and hand delivering messages written by the public to them. Through this sponsorship, *100PLUS* gained significant brand exposure and has become one of Myanmar's favourite isotonic drinks.

Riding on the heightened interest in sports brought about by the 27th SEA Games, the popularity of *100PLUS* was further augmented by the staging of the 1st Active & Healthy Lifestyle Expo in March 2014. The Expo, an event endorsed by Myanmar's Ministry of Health and Ministry of Sports, educated consumers on the need to lead active and healthy lifestyles, and showcased *100PLUS* as the perfect companion for such lifestyles. During the same period, *100PLUS* introduced the 1.5L PET take home packs to consumers.

The performance of *100PLUS* has been very encouraging thus far. Going forward, the Group will increase the brand visibility of *100PLUS* through the support of major sporting events including The Music Run, Myanmar Open, Yoma Yangon International Marathon and Myanmar National League. Leveraging its existing platform, the Group expects to introduce more brands from the F&N portfolio in the new year.

1 1st Active & Healthy Lifestyle Expo in Myanmar
2 Locals refreshing themselves with *100PLUS*
3 27th SEA Games advertisement
4 *100PLUS* "Go for Gold" advertisement
5 MFF *100PLUS* U15 Super Cup
6 *100PLUS* Bagan Myanmar Invitational Open 2014
7 *100PLUS* packaging for cans

CEO business review • FOOD & BEVERAGE

F&N's flagship brand, *100PLUS*, continued its reign as Singapore and Malaysia's Number 1 isotonic drink, as well as Malaysia's best-selling beverage in the RTD category.

100PLUS

F&N's flagship brand, *100PLUS*, continued its reign as Singapore and Malaysia's Number 1 isotonic drink, as well as Malaysia's best-selling beverage in the RTD category. While isotonic drink consumption per capita in Malaysia and Singapore showed robust growth, recording double-digit growth in the last decade, the per capita consumption of isotonic drinks in the other SEA countries remains low, and is a small contributor to the RTD market. A combination of high growth and ready consumer acceptance of new brands offering nutritional benefits has and will produce market opportunities, particularly for a functional beverage like *100PLUS*. Eyeing strong expansion beyond our core markets of Singapore, Malaysia and Thailand, the Group is well-placed to tap the growing opportunities, using the learnings of our successes in Singapore and Malaysia, to put *100PLUS* into every corner of our secondary markets.

In Malaysia, *100PLUS'* coveted title as the most popular beverage was reaffirmed when it attained the Gold Award in the Non-Alcoholic Beverage category at the Putra Brand Awards 2014 for the 2nd consecutive year. It was also voted 2nd by consumers as one of the nation's Top Ten Brands, ahead of all other beverage brands.

As the first isotonic drink launched in Malaysia some 30 years ago, to remain relevant with today's consumers, *100PLUS* continued to reinvent itself through innovation and renovation. This year, *100PLUS* unveiled an updated packaging, starting with Malaysia. The new packaging was also supported by an extensive marketing "Win The Day" campaign. Targeted at not only the athletes, the campaign aimed at reaching out to consumers outside the sports areas, reinforcing its brand promise of helping consumers to outdo themselves, overcome challenges and realise everyday achievements.

In addition to "Win The Day" campaign, the Group also rolled out other advertising and promotional efforts to push *100PLUS* as the preferred beverage for active lifestyles. One of such efforts was the deployment of *100PLUS* Heat Buster Truck ("*100PLUS* Truck"). Advocating the importance of staying hydrated amidst the heat and haze conditions, the Group refreshed Malaysians

1 *100PLUS* Heat Buster Truck
2 *100PLUS* Stay Active Chamber
3 *100PLUS* "Win The Day" campaign

by bringing the *100PLUS* Truck to several cities. The *100PLUS* Truck was an immersive experience where consumers were treated to interactive elements on top of enjoying *100PLUS* in a specially created chilled environment.

Riding the wave of World Cup fever, *100PLUS* launched the nationwide "Game On" campaign with a limited edition packaging and executed several above-the-line marketing and on-ground activations to engage consumers.

CEO business review • FOOD & BEVERAGE

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It has been an exciting year for *100PLUS* as it solidified its leadership position in the isotonic category and continued to grow its market share despite intensified competition.

100PLUS' continual involvement in national sporting events underscores its commitment to promoting active and healthy lifestyles. It has been the Official Isotonic Drink of the Badminton Association of Malaysia ("BAM") for more than 10 years, supporting the National Circuit Championships and all tournaments and events hosted by BAM. In the same vein, it has also supported the Football Association of Malaysia as the Official Drink Sponsor for close to 10 years.

In Singapore, it has been an exciting year for *100PLUS* as it solidified its leadership position in the isotonic category and continued to grow its market share despite intensified competition.

Besides Malaysia and Myanmar, *100PLUS* is also a key pillar of Singapore's sports fraternity, supporting over 40 sporting events, including the Standard Chartered Marathon Singapore, OCBC Cycle Singapore, The Color Run and the

1

Skechers Electric Run. In addition, *100PLUS* also sealed its commitment as an enabler for Singaporeans to lead more active and healthy lifestyles by sponsoring the Singapore Sports Hub. It secured the naming rights to the *100PLUS* Promenade, Singapore's largest fully-sheltered free-to-use civic space that doubles up as a running and cycling track. It is also the official isotonic drink of the Singapore Sports Hub's Experience Sports and Community programme, aimed at promoting community participation in sporting activities to people of all ages and sporting abilities.

In conjunction with the opening of the Singapore Sports Hub, the nation's latest sports, entertainment and lifestyle venue, *100PLUS* launched the "Let's Move" campaign, encouraging all to start a new fitness regime to outdo themselves.

A firm believer in nurturing our athletes and encouraging them to excel in their sport, *100PLUS* featured some of Singapore's key athletes in its "Go For Gold" campaign. This campaign garnered the attention and support of the public for the athletes which culminated in a Team Singapore send-off ceremony to the SEA Games in Myanmar, of which the brand is the Official Hydration Partner.

100PLUS also presented The Straits Times Star of the Month Award and The Straits Times Athlete of the Year Award for the 6th consecutive year. This year's Athlete of the Year Award winner, Safuwan Baharudin, is a local soccer hero and a skilled defender in the Singapore Lion's XII team. Also, the partnership with the Singapore Table Tennis Association, started in 2010, has been extended till 2016.

1 The Color Run
2 Skechers Electric Run
3 27th SEA Games campaign
4 *100PLUS* "Let's Move" campaign
5 The Straits Times Athlete of the Year Award

CEO business review • FOOD & BEVERAGE

1

The Group continues to see significant opportunity to grow the soya business in the region.

F&N NUTRISOY

As part of the Vision 2020 roadmap, the Group has identified *F&N NUTRISOY* as one of the core brands to take the Group forward. Riding the health and wellness trend, the Group has been focused on driving the growth of the soya category across different channels and packaging, as well as product innovation, reinforcing its leadership positions in Malaysia and Singapore.

The Group continues to see significant opportunity to grow the soya business in the region: the current low per-cap consumption, huge non-RTD soya conversion opportunity, brand and segmentation opportunities, innovation and applications opportunities, the potential of soya to extend across need-states and occasions, and for those seeking a non-dairy alternative. F&N has, in our favour, to build a strong soya position. Our product technology, formulation, innovation capability and the *F&N NUTRISOY* brand place us in the best position to grow and gain leadership position in this segment.

In Malaysia, *F&N NUTRISOY*, previously known as *F&N SEASONS* Soya Bean, the leading soya milk brand, recorded positive volume growth for the year. Its "Breakfast Love" campaign which promoted drinking *F&N NUTRISOY* as a breakfast beverage, aimed to increase the consumption of soya category as a whole by influencing the consumption behaviour of consumers who traditionally drank soya milk as an occasional leisure beverage.

F&N NUTRISOY also launched its first ever fortified soya milk: *F&N NUTRISOY* with Calcium, an enhanced formulation with nine times more calcium than normal soya milk, and enriched with vitamin D to aid the absorption of calcium, thus boosting bone health. Sales of this new variant has been very encouraging.

F&N SEASONS NutriSoy was awarded Product of the Year (Soy Drinks category) in Malaysia for product innovation of its range which included Rose, Less Sweet and Regular.

In Singapore and Malaysia, *F&N NUTRISOY* was launched in two versions: 250ml Tetra Pack and 300ml can. Using only specially selected non-genetically modified whole soya beans, with no colourings or preservatives added, this ever-popular soya milk can now be enjoyed in both pasteurised and UHT versions.

1 *F&N NUTRISOY* "Breakfast Love" Campaign

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F&N is steadfastly focused on building a strong business that develops great tasting, healthy, quality products.

F&N SEASONS

F&N is steadfastly focused on building a strong business that develops great tasting, healthy, quality products. This year, the Group further enhanced its consumer offering by introducing a new green tea flavoured non-carbonated drink, *F&N SEASONS* Ice Passionfruit Green Tea. It supported the launch by using an interactive experience to complement its social media campaign, departing from the traditional approach of tri-media advertising of television, radio and print. The *F&N SEASONS* Chill Booth, a custom-built vending machine that employed facial recognition technology to deliver a fun and interactive experience to the consumer, was used to drive sampling. During the launch period, *F&N SEASONS* Ice Passionfruit Green Tea recorded 18% incremental sales to the *F&N SEASONS* range.

This digitally-driven consumer engagement concept, which encourages all to smile and take time to relax, has garnered more than 70,000 smiles island-wide and reached more than 1.2 million people on social media to date. Its novelty also won *F&N SEASONS* two Gold Awards at the recent Marketing Events Awards 2014: Best Use of Technology and Best Digital Integration (Consumer).

In Malaysia, following the launch of Thailand's Number 1 green tea brand, *Oishi,* in the previous year, a new packaging was unveiled in September 2014. Leveraging *Oishi*'s green tea heritage, a fully integrated 360-degree campaign was rolled out. In stores, a specially created Japanese home environment, Japanese drums and brand ambassadors dressed in Japanese traditional costumes were used to immerse consumers in the Japanese culture as they participated in a Japanese tea ceremony. The Group has plans to begin the distribution of *Oishi* in Singapore in 2015.

1 *F&N SEASONS* Ice Passionfruit Green Tea
2 *Oishi* Green Tea

F&N Sparkling Drinks

As *F&N* Sparkling Drinks is synonymous with all things festive. This Chinese New Year, F&N Sparkling Drinks was the official soft drink of the local blockbuster movie, The Lion Men. For Hari Raya Puasa, the limited edition *F&N* Pink Grapefruit, first of its kind in Singapore, was formulated specially for our Muslim consumer, another testament to the Group's drive for innovation. Sales of *F&N* Pink Grapefruit was very well-received and boosted *F&N* Sparkling Drinks' market share.

In support of youth culture, *F&N* Sparkling Drinks presented the Singapore Dance Delight for the 5th consecutive year. The winning teams from the regional Dance Delight competitions joined Singapore's finalists at Singapore Dance Delight Vol. 5 to vie for the coveted spot to represent ASEAN at Japan Dance Delight, an annual dance competition held since 1994. *F&N* Sparkling Drinks is proud to inject vibrancy into the local dance scene and support our young dancers on an international platform.

In Malaysia, *F&N* Sparkling Drinks maintained its brand visibility by executing effective campaigns such as "More Fun Together", designed to spread cheer by bringing people together to engage in activities and thus sharing fun and happy moments. A limited edition *F&N* Passionfruit 1.5L was introduced to Malaysians during the Hari Raya period. Due to its exotic and refreshing flavour, *F&N* Passionfruit was very well-received by consumers, selling 45,000 cartons nationwide during this period and gaining 1% market share in the carbonated soft drinks segment.

1 Singapore Dance Delight Vol. 5

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Total Volume

34%

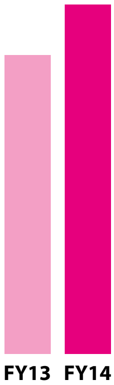
Total Revenue

28%

Total Profit Before Interest & Taxation

51%

Profit Before Interest & Taxation Margin (%)



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Market Position of Core Brand

Myanmar

MYANMAR BEER

#1

This year, it maintained its market leadership position with its flagship brand, *MYANMAR BEER*, and retained its top spot as the best-selling beer in the country.

BEER

The Group's brewery, Myanmar Brewery Limited ("MBL") delivered sterling results for the year. Revenue grew 28% on the back of a 34% jump in volume. Earnings, although adversely affected by a weaker Kyat, grew 51%. In constant currency, full-year earnings rose 61%.

In the face of intensifying competition from new entrants with the economic liberalisation of Myanmar, MBL continued to grow from strength to strength. This year, it maintained its market leadership position with its flagship brand, *MYANMAR BEER*, and retained its top spot as the best-selling beer in the country.

MBL's positive results were achieved through its continual efforts in extending brand visibility and deepening brand affinity with consumers. The effective execution of marketing initiatives and strategic sponsorships, including the support of the 27th SEA Games and Myanmar National League, brought about volume and sales growth across its key brands such as *MYANMAR BEER* and *ANDAMAN GOLD*.

In FY2014, MBL entered the premium beer segment by launching a new *MYANMAR BEER* pint. Launched in the major cities across the country, sales have been encouraging. *ANDAMAN GOLD* upgraded its alcohol content from 4.5% to 5.0% for both its 330ml can and 640ml quart.

To ensure it is well-positioned to seize growth opportunities in the increasingly competitive landscape, MBL has also stepped up efforts on optimising supply chain, driving operational excellence and ensuring perfect execution for its brands.

F&N had on 31 October 2014 received the arbitration ruling related to MBL. The arbitral tribunal ruled that Myanma Economic Holdings Limited's valuation of US$246m did not represent a fair value of the Group's 55%-stake in MBL, and that the sale should take place at a price to be determined by an independent valuer to be appointed by both parties, failing which by a valuer named by the tribunal. At this stage, it is not clear when the valuation process will be completed. In the meantime, F&N and its shareholder, ThaiBev, continue to study ways to enable it to maintain its presence in the Myanmar market, which still has great growth potential and remains of keen interest to the Group.

In Malaysia, the successful re-positioning of the Group's brands has led to stronger volume growth, ahead of its category growth rate.

DAIRIES

Amidst a challenging environment of higher milk-based commodities prices, Dairies businesses in Malaysia, Singapore and Thailand turned in mixed performances this year. Overall, Dairies profit fell 5% despite recording strong topline growth of 6%.

In Malaysia, the successful re-positioning of the Group's brands in the canned and liquid milk categories has led to stronger volume growth. This year, domestic volume growth for both the Sweetened Condensed Milk ("SCM") and Evaporated Milk ("EVAP") categories continued unabated, ahead of the industry growth rate. Other factors such as lower input costs, conversion cost savings arising from the best-in-class Pulau Indah plant, better receivable management and non-recurring expenses in FY2013 have enabled Dairies Malaysia earnings to jump 25%. Excluding the non-recurring expenses, its FY2014 PBIT improved 8%, despite a weaker Ringgit.

Dairies Thailand registered topline growth of 12%, driven by stronger domestic and export sales, favourable sales mix and increased outlet penetration and presence. While savings from operational efficiencies and effective spending on advertising and promotions have helped cushion the impact of higher prices of milk-based commodities and pricing control by the Thai government, Dairies Thailand saw FY2014 PBIT decline 4%.

To meet the growing demand for canned milk, the production capacity of the manufacturing plant in Rojana, Thailand has been upgraded. Capacity for EVAP milk has been upped from 700 to 1,100 cans per minute, thus increasing supply by 300,000 cases a month. Likewise, the number of production lines for SCM has been doubled from four to eight, increasing supply by 400,000 cases a month. On top of that, the installation of automated packing has relieved problems of labour shortage.

In Singapore, while the Group has successfully retained leadership positions in our key brands, registering higher sales of 3%, PBIT was adversely impacted by a one-off adjustment.

	Malaysia	Thailand
Volume	+7%	+18%
Revenue	+4%	+12%
Profit Before Interest & Taxation	+25%	-4%

Total Volume

6%

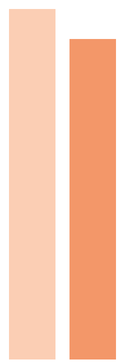
Total Revenue

6%

Total Profit Before Interest & Taxation

5%

Profit Before Interest & Taxation Margin (%)



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Market Positions of Core Brands

F&N

F&N TEA POT

	Malaysia	Thailand
	#1	#1

CEO business review • FOOD & BEVERAGE

F&N MAGNOLIA

In keeping with F&N's brand promise of "Pure Enjoyment. Pure Goodness", *F&N MAGNOLIA*'s latest "Drink Milk Fresh" campaign educated consumers on the importance of enjoying milk at its freshest. Consumers were encouraged to purchase twin 1-litre packs instead of 2-litre bottles so that the freshness of milk can be enjoyed by consuming it within three days of opening, in accordance with the recommendation of Agri-Food and Veterinary Authority of Singapore.

After attaining the Singapore Institute of Food Science & Technology Healthier Choice Award 2013 - 2015 last year, *F&N MAGNOLIA* Lo-Fat Hi-Cal Milk with Omega-3 DHA went on to represent Singapore in the International Union of Food Science and Technology Global Food Industry Awards held in Canada, and successfully bagged the award of Special Mention: Category of Communicating Science Related to Consumers. This award rewards excellence in communicating science-related knowledge to consumers aimed at improving their lifestyle.

The new flavour *F&N MAGNOLIA* Lo-Fat Hi-Cal Chocolate Milk with Omega-3 DHA has been well-received by consumers. Since its launch in October 2013, there has been a 27% increase in sales of *F&N MAGNOLIA*'s chocolate flavoured milk portfolio, with this new variant contributing 33%.

In Singapore, F&N leads the pasteurised yoghurt drink category with double-digit volume growth this year.

In Singapore, F&N leads the pasteurised yoghurt drink category with double-digit volume growth this year. *F&N MAGNOLIA* Yoghurt Smoothie range is the only yoghurt drink with chewy fruit bits and is made from non-fat yoghurt and real fruit juice. It is rich in BioLive™ cultures which is a specially formulated ingredient containing live probiotics to maintain a healthy digestive system. This product range was enhanced with the addition of *F&N MAGNOLIA* Yoghurt Smoothie Apple with Pear Bits in February 2014.

In Malaysia, *F&N MAGNOLIA*, together with its sister brand *FARMHOUSE*, continued on its growth path with packaging updates, continual tactical on-ground activations and outdoor advertising. These reinforced *F&N MAGNOLIA*'s brand presence and drove sales for both its pasteurised and sterlised milk categories. In particular, *F&N MAGNOLIA* sterilised milk achieved a 43% volume increase during the Deepavali and Thaipusam festivals as a result of strategic communication campaigns.

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1 *F&N MAGNOLIA* "Drink Milk Fresh" campaign
2 *F&N MAGNOLIA* Lo-Fat Hi-Cal Milk with Omega-3 DHA
3 *F&N MAGNOLIA* "Drink Milk Fresh" campaign
4 *F&N MAGNOLIA* Yoghurt Smoothie Apple with Pear Bits
5 Launch of *F&N FRUIT TREE FRESH* Yuzu Mixed Juice Drink

5

F&N FRUIT TREE FRESH

To enhance its product offering, F&N introduced the new *F&N FRUIT TREE FRESH* Yuzu Mixed Juice Drink, which is packed with vitamin C and uses fresh yuzus imported directly from Japan. A fully-integrated campaign emphasising the Japanese origins of this juice was activated, including event sponsorship, out-of-home advertising and in-store sampling. Consumer roadshows held over the weekends drove sales of *F&N FRUIT TREE FRESH* Yuzu Mixed Juice Drink, realising an average of five times incremental sales.

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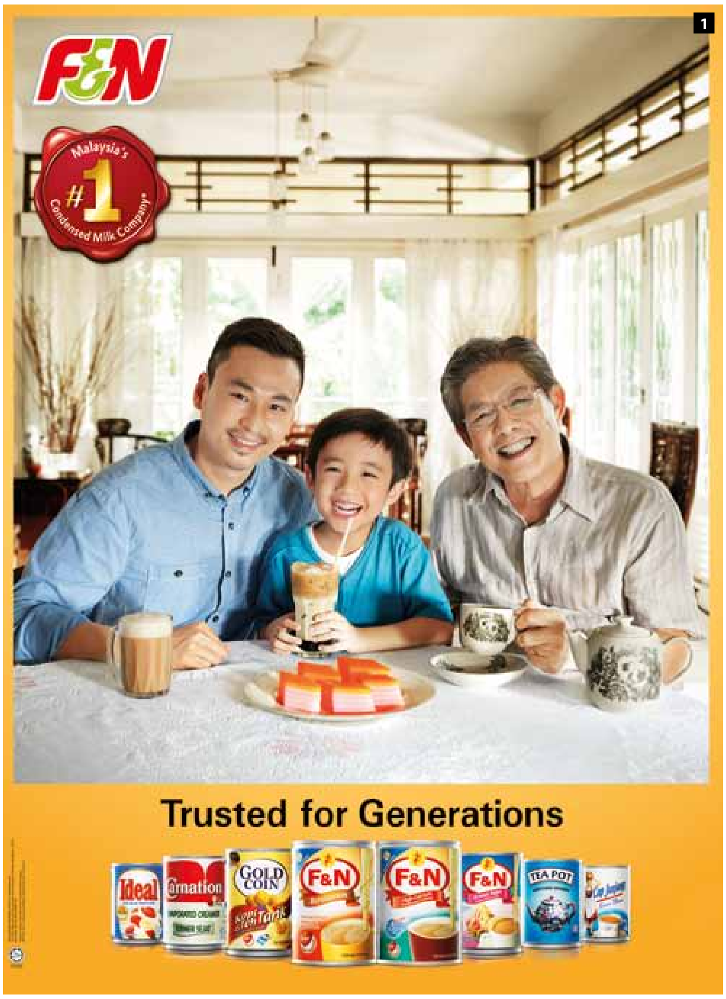

1 *F&N* #1 campaign
2 *F&N TEA POT*
3 *KING'S* Tic-Tac-Toe and Carnival
4 Launch of *JWEL*

F&N is the undisputed leader in the canned milk segment in Malaysia, led by its key brands *F&N* and *F&N TEA POT*.

F&N Canned Milk

Through the execution of tactical communications and consumer activities, F&N has successfully maintained its market leadership positions in Malaysia and Thailand's canned milk segment.

F&N is the undisputed leader in the canned milk segment in Malaysia, led by its key brands *F&N* and *F&N TEA POT*. *F&N* reinforced its close association with the daily lives of its consumers when it invited them to submit their most-loved family recipes using *F&N* canned milk. *F&N* has also established its synonymity with *Teh Tarik*, the tea that is ingrained in the culture of Malaysians. This year, it continued to host "Cabaran Raja Tarik", a nationwide competition where masters of *Teh Tarik* pit their gravity-defying skills against one another. To sustain its Number 1 position in both SCM and EVAP milk categories and to drive volume for both on-premise and end-consumers, *F&N* intensified its trade marketing activities, outdoor advertising efforts and on-ground consumer promotions.

F&N TEA POT

This year, Dairies Thailand focused its efforts on widening and deepening distribution of *F&N TEA POT* throughout the country. The "Happiness Thailand" campaign targeted at hawkers and business operators demonstrated the various applications for *F&N TEA POT*. Besides above and below-the-line promotions, the highlight of the year was the decoration of hawker push-cart stalls in *F&N TEA POT* livery. While increasing brand visibility, this campaign successfully recruited 6,000 hawkers, a 100% increase from the previous year, and doubled the number of distributor outlets to over 89,000. Consequently, domestic sales of the SCM and EVAP range surged by 32% and 106%, respectively.

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Ice Cream

F&N launched *JWEL*, a range of premium chocolate-coated ice cream sticks, in Singapore in December 2013. Part of its integrated marketing campaign included a specially customised public bus, "The JWEL Royal Ride", which had its interiors transformed to resemble a grand hall, accompanied by court jesters and local radio deejays. This campaign created substantial media buzz and social media interest among consumers.

In Malaysia, F&N re-launched the 36-year old *KING'S* range of tub ice cream with a new packaging and two new flavours, Tic-Tac-Toe and Carnival, supported by dessert making workshops conducted nationwide to generate interest and drive volume.

For the 3rd consecutive year, F&N's ice cream unit in Thailand was bestowed the highly prestigious Thai FDA Quality Award 2014 by Thailand's Food and Drug Administration. Dairies Thailand also received this award for the 2nd year running. Both units were recognised for their exceptional standards in product quality and safety control, manufacturing practices, customer relations and corporate social responsibility.

Looking Ahead

Through years of investment in branding, innovation and operational excellence, F&N has maintained leading positions across our key brands. In the year ahead, the Group will intensify brand-building initiatives in our core brands such as *100PLUS* and *F&N NUTRISOY*.

The Group's partnership with ThaiBev has, and will continue to allow us to reap the benefits of synergistic collaboration, through research and development, procurement, marketing and distribution alliances. The distribution of *Oishi*, which began in Malaysia in 2013, will be extended to Singapore in 2015. In the new year, we will also work together with ThaiBev to market *100PLUS* and *F&N NUTRISOY* in Thailand, as well as build and strengthen our route-to-market to deepen and widen our presence in new and existing markets to support Vision 2020.

We remain cautious on market outlook as the challenges faced by regional economies such as inflationary pressures, volatile commodity prices and weakened foreign currencies look set to continue in the new year. However, we are optimistic that our strong financial position, diverse portfolio of brands and strategies for maintaining our leadership positions will put us in good stead to seize growth opportunities in Southeast Asia.

CEO business review • PUBLISHING & PRINTING

SIEW PENG YIM
Chief Executive Officer,
Times Publishing Group

Business Overview

FY2014 was an important year and a good year of growth for the Publishing & Printing division. Marshall Cavendish Education continued to strengthen its position as a leading education solution provider. Printing made good progress, delivering improved profits from its core business against a backdrop of continuing economic weakness in many countries. We are pleased with the overall performance and, in particular, the successful addition of new revenue streams for Retail and Distribution.

While FY2014 PBIT saw a drop of 40% to $5m, mainly due to decreased contribution from associated companies, our underlying businesses (i.e. Times Publishing Group) recorded earnings growth of almost fourfold.

The strong recovery was the result of several growth initiatives undertaken by the Group. Over the past few years, we made fundamental changes to our Education Publishing business, restructured to position Marshall Cavendish Education as a total solution provider in print content, digital resources and professional development. Market expansion programmes are also on track, in addition to our exciting pipeline of new products which represent the next step in our strategy to deliver sustainable organic growth.

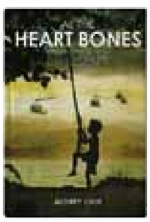
> “This year, Publishing & Printing has made good progress in the execution of its growth strategy. While each year presents a different set of challenges, we believe that the business is ready to enter into a new growth phase, and we endeavour to earn your trust.

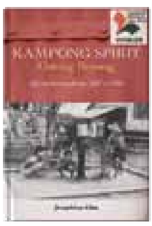
In addition, our investments in people, marketing and brand developments have also started to yield results.

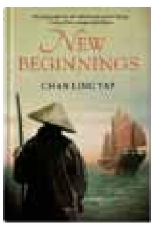
For Printing, growth was underpinned by improved manufacturing productivity, which translated to better pricing for our products and services. Export markets remained volatile this financial year. Sustaining revenue growth from the traditional sources of printing revenue – the US, Australia and Europe – continued to be very challenging. To reduce exposure to these markets, we have increased our focus on domestic and regional print sales, both of which saw positive growth in FY2014. In Singapore, digital print sales experienced double-digit growth, while print work in China and Malaysia increased over the previous year.

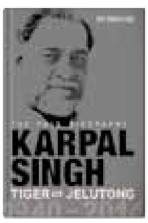
For Retail and Distribution, we aim to differentiate ourselves from our competitors, to evolve and to adapt to changing customer behaviour, technology and the competitive landscape.

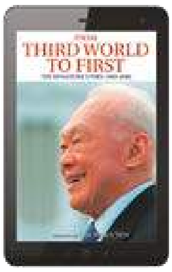
This year, Publishing & Printing has made good progress in the execution of its growth strategy. While each year presents a different set of challenges, we believe that the business is ready to enter into a new growth phase, and we endeavour to earn your trust.





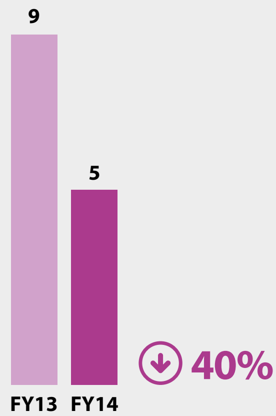




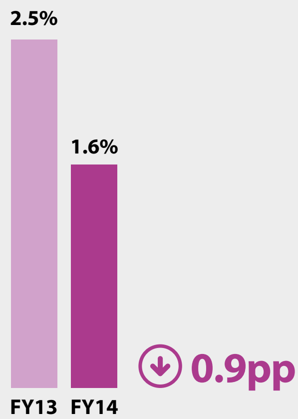


Revenue ($m)

Profit Before Interest & Taxation ($m)



Profit Before Interest & Taxation Margin (%)



CEO business review • PUBLISHING & PRINTING

> **Throughout FY2014, Marshall Cavendish Education continued to stamp its authority in the area of Mathematics.**

PUBLISHING

Marshall Cavendish Education

In March 2014, Marshall Cavendish International (Singapore) and Marshall Cavendish Online amalgamated to become Marshall Cavendish Education Pte Ltd. The amalgamation of the two companies marked the first step towards strengthening Marshall Cavendish Education's position as a provider of holistic educational solutions in print content, digital resources and professional development across local and international markets.

Harnessing the strengths of our print and digital product development teams, the Group successfully developed the Primary Maths Learning Solution. Accompanying the bestselling *My Pals are Here!* and *Shaping Maths*, the Primary Maths Learning Solution offered teachers increased flexibility and ease in lesson preparation, learning support, pupil assessment, as well as tracking of pupil progress and performance.

Throughout FY2014, Marshall Cavendish Education continued to stamp its authority in the area of Mathematics.

Following on the success of its textbook packages, *Primary Mathematics* and *Math in Focus* in the US, new editions based on the Common Core States Standards were published. In January 2014, the California State Board of Education approved *Math in Focus* for use in the state for the first time. With the approval, school districts in California will now adopt *Math in Focus* as their textbook programme. Marshall Cavendish Education also launched the digital programmes, *Math in Focus Digi+* and *Primary Digital*. Both digital programmes are completely aligned to the textbooks and contain thousands of interactive digital resources designed to support teachers and students with instruction, practice and assessment for K-5 Mathematics topics.

FY2014 also marked the year that Marshall Cavendish Education became the first Asian publisher

1 Young users of *My Pals Are Here!*
2 Launch of *Math In Focus Digi+*, *Primary Digital* and *Math Buddies LMS2.0*
3 *Mi Matemâtica*
4 Ms Lee Fei Chen, Head, Publishing Group, giving the opening address at Congreso MC Educación

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to be awarded a publishing tender in Chile. We worked with our local partner in Chile to successfully secure the tender for publishing Grade 2 Mathematics (*Mi Matemâtica*) for public schools. To attract more business opportunities in Latin America, Marshall Cavendish Education also held its inaugural Congreso MC Educación in July 2014 to establish thought leadership.

Our professional development unit, Marshall Cavendish Institute ("MCI"), cemented its reputation as a leading provider of professional development for teachers when it clinched a three-year deal to provide efficacy studies and professional development in Mathematics to Brunei's Ministry of Education. Partnering MCI, Marshall Cavendish Education was engaged to publish the *Primary Mathematics* textbook package for the Ministry.

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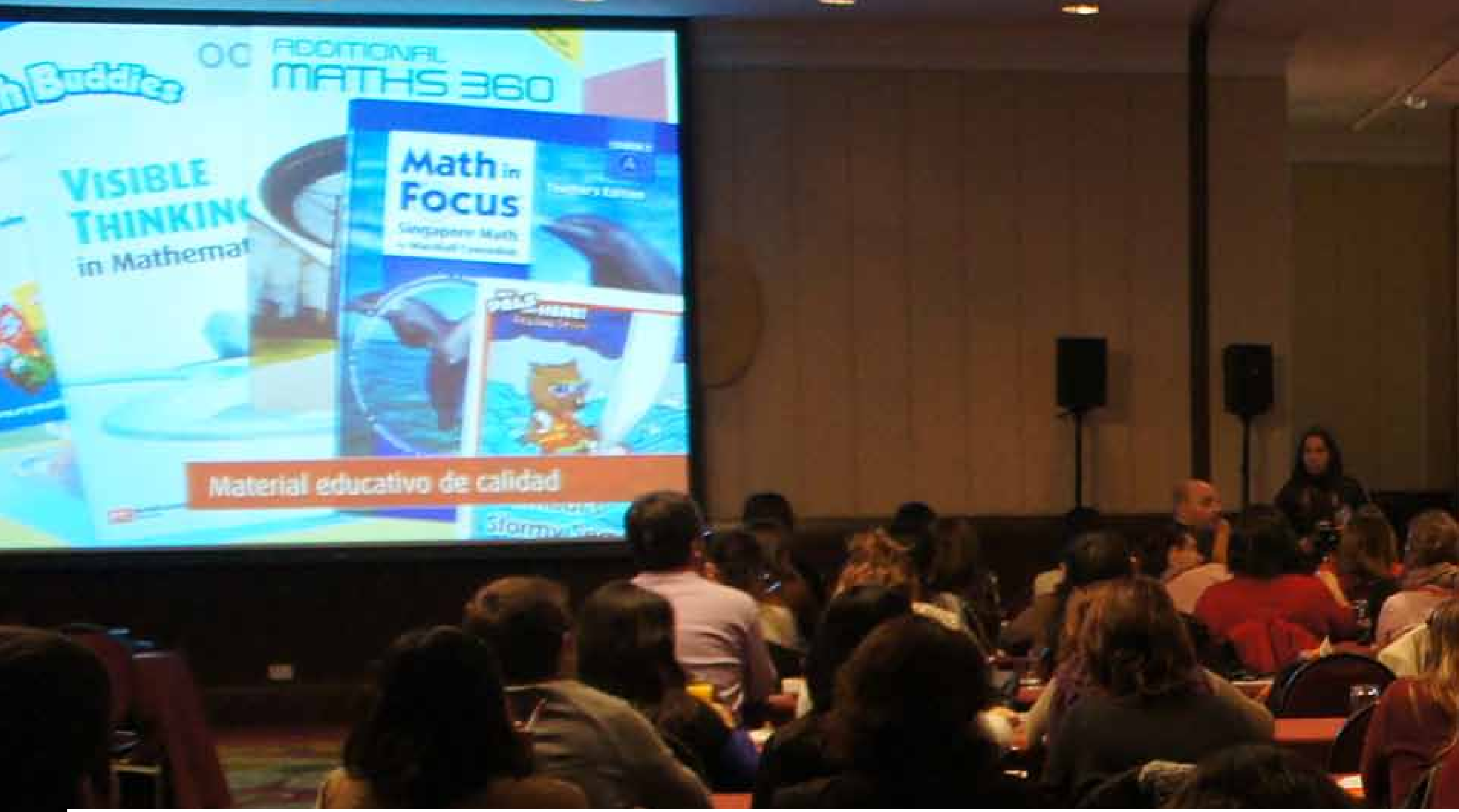
CEO business review • PUBLISHING & PRINTING



Extensive marketing programmes and activities were carried out throughout the year to reinforce the brand positioning and brand identity of Marshall Cavendish Education in the US market.

Expansion plans into the US education market on track

Extensive marketing programmes and activities were carried out throughout the year to reinforce the brand positioning and brand identity of Marshall Cavendish Education in the US market. Besides the traditional marketing campaigns, the Group ran, through Facebook, Twitter and blogs, a nationwide advertising campaign and social media activities to connect parents and educators online. In December 2013, the Marshall Cavendish Education US website was also launched. In the spring of 2014, an eCommerce component was added to the website to sell print and digital products. We also held the 4th Annual Singapore Math Summer Institute in Worcester University to facilitate the sharing and understanding of the Singapore Math pedagogy. To further bolster our position in Math education, our Marshall Cavendish brands and products were also showcased at the National Council of Teachers of Mathematics Annual Conference.

Strong foothold in Hong Kong

In Hong Kong, FY2014 saw the release of new print and digital titles in several subjects, as well as an increase in sales and community involvement.

At the Hong Kong Book Fair 2014, we showcased a selection of the Group's English Language Teaching, Mathematics and Science products. Sales at the fair were strong.

More than 5,000 primary students from 90 primary schools participated in our annual event, the Primary Chinese Writing Competition 2014. The Award Ceremony was held at the Hong Kong Book Fair's Children's Paradise Stage.

The *Primary Mathematics* textbook remains one of our bestselling titles in Hong Kong. More than 500 Mathematics teachers from 240 schools took part in a series of promotional events and training workshops for the launch of our new textbook series.

Our *Idioms in Conversation, Volume 1* was a finalist in the Children's Educational category at the 2014 International Book Awards (US), out of more than 1,200 entries received from authors and publishers around the world.

1 Hong Kong Book Fair 2014
2 Primary Chinese Writing Competition Award Ceremony
3 *Primary Mathematics* new book launch seminar
4 Congreso MC Educación

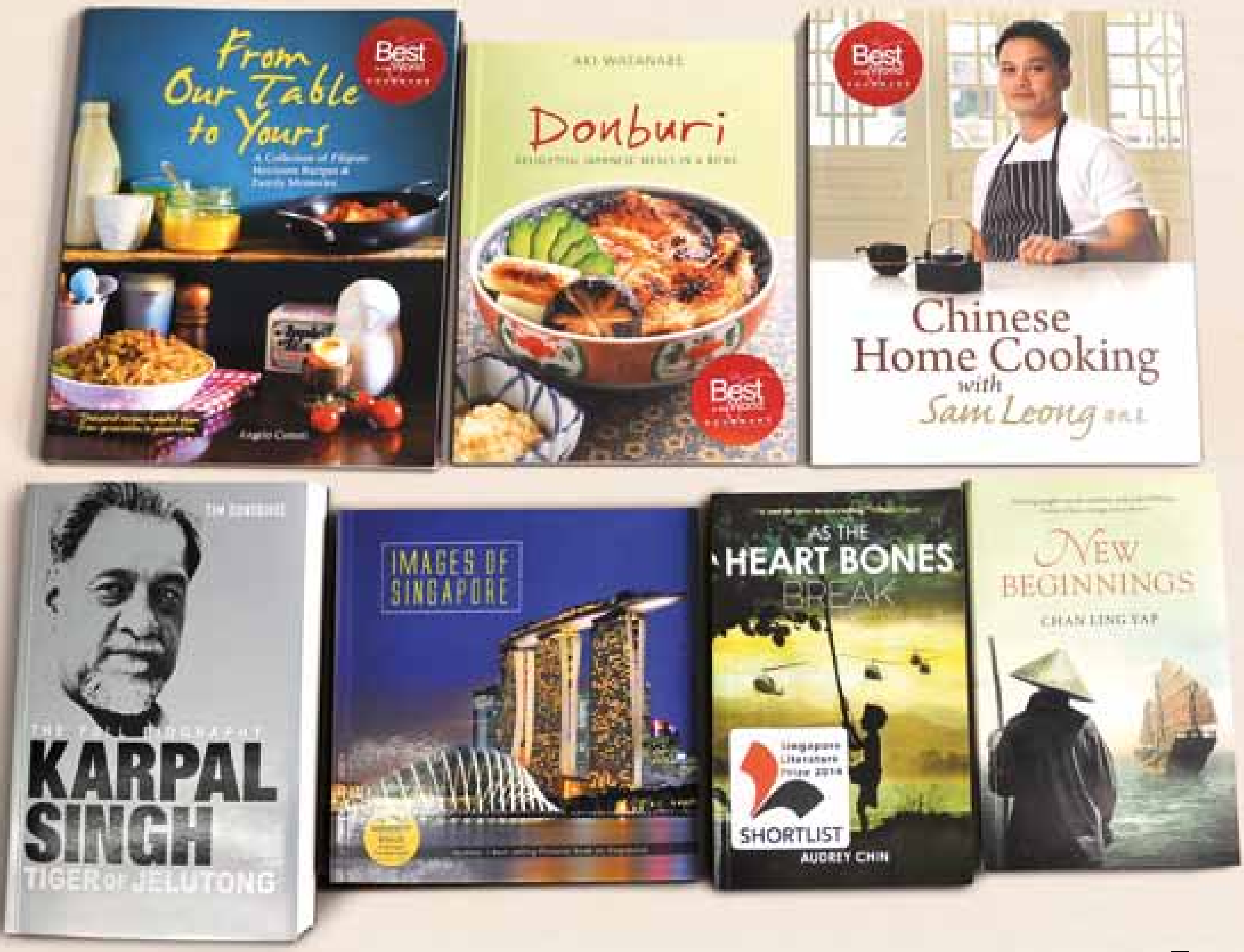
CEO business review • PUBLISHING & PRINTING

> Several tenders for corporate book projects were won in FY2014. These included the National Library Board's nationwide reading initiative, *Read! Singapore 2014*.

General and Reference

During the year, our General and Reference unit published several bestsellers such as *Karpal Singh: Tiger of Jelutong (The Full Biography)*, and expanded its base of award-winning titles. Among these were Josephine Chia's Kampong Spirit which won the Singapore Literature Prize for Best Non-Fiction, and the international Gourmand Award-winner *Donburi: Japanese Home Cooking* by chef Aki Watanabe. We also launched the digital edition of Lee Kuan Yew's two-volume Memoirs (*From Third World to First: The Singapore Story, 1965-2000* and *The Singapore Story: Memoirs of Lee Kuan Yew*) and debuted five children's book apps. These apps were developed from the winning entries in the National Arts Council's "Beyond Words" Picture Book Category award. The print books were also published by us with the support of the National Arts Council.

Several tenders for corporate book projects were won in FY2014. These included the National Library Board's nationwide reading initiative, *Read! Singapore 2014*. Two series of books in the four languages – English, Chinese, Malay and Tamil – and an extensive set of promotional materials including street banners and reading guides were designed and produced for the National Library Board.



1 Award-winning titles published by the General and Reference unit
2 Children's book apps by the General and Reference unit
3 Digital edition of Lee Kuan Yew's two-volume Memoirs (*From Third World to First: The Singapore Story, 1965-2000* and *The Singapore Story: Memoirs of Lee Kuan Yew*)
4 Corporate projects undertaken by the General and Reference unit

Awards & Achievements

Gourmand International World Cookbook Awards

- *Myanmar Cuisine, Culture and People* (Mohana Gill)
- *From Our Table to Yours* (Angelo Comsti)
- *Chinese Home Cooking with Sam Leong* (Sam Leong)
- *Donburi* (Aki Watanabe)
- *Around the World, Recipes from SATS*

Popular Readers' Choice award

- *A New Beginning* by Yap Chan Ling (Fiction category, 1st Prize)
- *Karpal Singh, Tiger of Jelutong* by Tim Donoghue (Non-Fiction category, 1st Prize)

Singapore Literature Prize 2014

- *As the Heart Bones Break*, by Audrey Chin (Best Fiction Category shortlist)
- *Kampong Spirit* by Josephine Chia (Best Non-Fiction Category winner)

Best Book, Harper's Bazaar Toy Awards 2014

- *The Forest Fable* (Gelyn Ong)
- *The Adventures of Mooty* (Jessie Wee)
- *Secrets of the Swamp* (Neil Humphreys, illustrated by Cheng Puay Koon)

A special customised cookbook titled *30 Years, 30 Recipes* was produced for The Ascott Limited to mark 30 years of The Ascott Singapore. *Hands: Gift of a Generation* was a custom-publishing project for the Singapore Memory Project. Based on the multi-sensory exhibition of the same name, the book documents the lives of Singaporeans and is an insightful window into Singapore's past. A Chinese edition of *The Bible in China* was published for the Bible Society.

The launch of *Kebaya Tales* at the 26th Baba Nyonya International Convention positioned Marshall Cavendish as the leading publisher of Peranakan books. Authored by Dr Lee Su Kim, the first woman President of the Peranakan Baba Nyonya Association of Kuala Lumpur and Selangor, the book follows on the success of her earlier bestselling *Sarong Secrets* and reaffirms our commitment to be the publisher of choice for the best authors and to attract and retain such authors.

We continue to invest in digital formats of our print books. Our eBook sales received a boost when GooglePlay eBookstore launched their Singapore store as part of their expansion plans in Asia. GooglePlay eBookstore offers readers in Asia direct access to local content and pricing.

A significant achievement was also made in expanding our distribution network with the appointment of Nippan Inc, Japan, to distribute our books directly in the difficult-to-penetrate Japanese market.

CEO business review • PUBLISHING & PRINTING

> In the new financial year, ETL will focus on rebuilding sales momentum in underperforming markets (Gulf, Thailand, Delhi region, Singapore and Malaysia) through dedicated training programmes and market-specific sales strategies.

Educational Technologies Limited

Revenue for Educational Technologies Limited ("ETL") was lower this financial year compared to the previous year due to the termination of the distributor for the Gulf region, political unrest in Thailand and the restructuring of the Delhi / Gurgaon region in India. A new distributor has since been appointed for the Gulf region.

Despite the decline in revenue, ETL continued to actively create excitement with new product offerings and upgrades. We added an optical reader function (Walter) to improve interactivity and user experience for our main products *Learning Math with Albert*, *A Child's First Library of Values* and *Early Learning Program*.

For our *English Time* line of products, we re-programmed selected games to make them compatible with different mobile devices and operating systems. We also launched a new product *Hands-On History*.

In the new financial year, ETL will focus on rebuilding sales in underperforming markets (Gulf, Thailand, Delhi region, Singapore and Malaysia) through dedicated training programmes and market-specific sales strategies.

Business Information

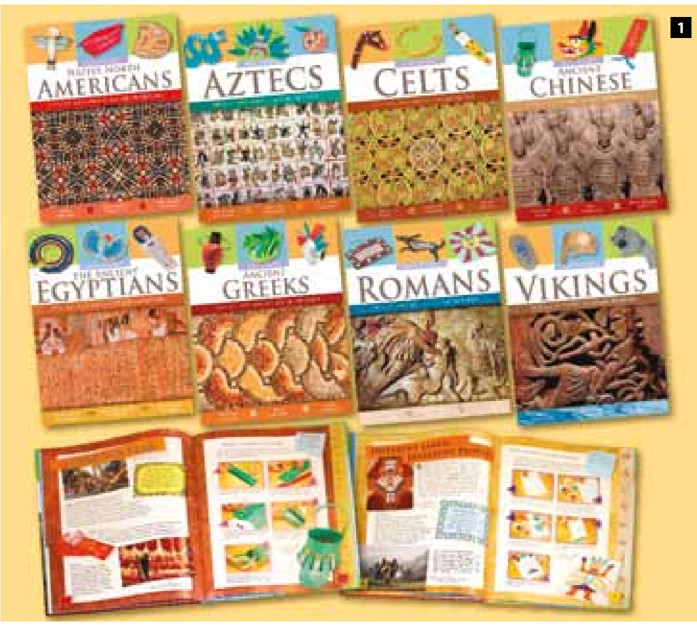
Despite challenging market conditions for business directories, our unit recorded sales growth during the financial year in Singapore, Malaysia and Hong Kong.

Profit remained largely flat due to higher costs incurred for online content acquisition and online marketing activities.

Efforts taken to develop the online business continued to bear fruit with a healthy 25% growth in visitorship to our websites. All business units in Singapore, Malaysia and Hong Kong reported higher online advertising sales compared to the previous year.

In FY2014, the Singapore operations secured a new publishing contract from the Singapore Electrical Trades Association to publish its 55th Anniversary Commemorative Book. At the same time, we ceased publication of *Cargonews Asia* in Hong Kong due to lacklustre sales and the unlikely prospects of a meaningful recovery.

1 *Hands-On History*
2 Publications by the Business Information unit



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We also maintained our record of raking up numerous print awards for excellence in printing.

PRINTING

Times Printers in Singapore saw a decline in revenue against the previous year due to lower selling prices, despite an increase in print volume. Profitability, however, improved due to improved productivity and lower paper cost.

Sales of conventional printed materials for the publishing segment remained a challenge. To balance this, we have intensified our efforts to explore and penetrate the non-publishing and commercial segment. While still a small proportion of our overall portfolio, the non-publishing and commercial segment shows promise, and we are seeing double-digit growth this year.

This financial year, we renewed our print contract with *Reader's Digest* and *The Economist* and increased the volume of directory printing out of Myanmar.

We continue to strive to bring new products and services to our customers. A one-day road show and appreciation night was held on 12 March 2014 during which we demonstrated our new product offerings that included scanning, archiving and on-demand printing. A total of about 70 guests attended the event.

Alongside our environmental initiatives, health and safety remained

a key focus for us. We are proud to announce that Times Printers obtained the OHSAS 18001:2007 certification in July 2014.

We also maintained our record of raking up numerous print awards for excellence in printing. Times Printers received the following at the 11th Asian Print Awards 2013 held in Kuala Lumpur on 28 November 2013:

1. Gold award – Web-Offset - Light Weight Coated (65gsm or less), *Silver Kris*
2. Gold award – Digital Colour Proofing
3. Bronze award – Sheetfed Magazines, *ST Wedding*
4. Bronze award – Web-Offset - Coated Stock > 70gsm, SWW

1 Products from the Road Show and Appreciation Night on 12 March 2014
2 Times Printers in Tuas, Singapore

CEO business review • PUBLISHING & PRINTING

As part of our commitment to good corporate citizenship, we participated in the OCBC–Today Children's Charity Golf event.

Our digital printing unit in Singapore began the year by optimising resources and realigning our business portfolio. Various key decisions were made to strengthen our core business and create new business opportunities. We continued to improve our cross-media marketing services which offer targeted marketing services.

Revenue from our on-site retail print services at three Institute of Technical Education ("ITE") colleges and INSEAD Asia campus remained positive. Contributions from the new ITE@College Central, HH Singapore (responsible for the marketing collaterals of Google), INSEAD postgraduate school and Moving Content Solutions saw sizeable growth in revenue this year.

We have also expanded our on-site retail printing services portfolio which now includes Curtin Singapore, James Cook University, Hwa Chong International School, and Dover Court Preparatory School. We also secured an annual print contract with City & Guilds (UK) for the printing of certificates for the Asia region.

In China, our printing operations experienced an overall decline in printing prices for the export market although printing prices for its local market remained stable. To mitigate this, we have focused on broadening our customer base and sales network, particularly in Australia and New Zealand – two of the largest markets. On the macro front, the challenges faced included the appreciation of the RMB, and the continued rise in the minimum wage which increased operational cost. Despite these challenges, profitability improved against the previous year's through tighter cost control which has helped to keep overall manufacturing cost low.

As part of our machine renewal programme, selective replacement of machinery was undertaken and investments were made in high output machines and productivity systems. At the same time, we also secured two major customers, one based in China and the other in Germany.

We won numerous accolades across different categories in two major business awards, the 6th Golden Printing Art Award (第六届金光印艺大奖) and the Annual Guangzhou Printing Association Packaging Products Quality Competition (广州出版印刷协会年度印刷包装品质量竞赛), which also saw us attaining the Overall Champion Prize.

In Malaysia, domestic revenue improved over the last financial year but exports to Europe and the US came under pressure. FY2014 saw an overall decline in print selling prices as competition intensified due to a glut in printing capacity. In addition, market dynamics shifted production from long print run volumes to shorter print runs and faster turnaround times, all of which posed a set of challenges which tested our capability and flexibility. We were also impacted by a nationwide utility price increase from the beginning of 2014.

1 Employees at press area
2 Times Bookstore staff completing a purchase for a satisfied customer
3 Store Manager assisting a customer with her query
4 Expo sale in August 2013

1

Besides refreshing our store offerings and merchandising mix, we initiated a series of activities to engage our members as well as the public at large. These in-store children's activities were well-received.

RETAIL

Times Bookstores

The high street retail environment for bookstores remained difficult as shopper traffic and transaction volumes declined. Whilst part of our decline in sales was mitigated by higher sales margins from improved merchandising mix, this was insufficient to cover the drop in sales affected by the traffic decline at some of the shopping malls in which our stores are located.

Aside from weaker sales across most of our Singapore stores, revenue was affected by the closure of our store in Marina Square. Part of the sales lost from the closure of the Marina Square outlet was recovered by the setting up of a temporary store in the mall itself. Two book sales were also organised at the Singapore Expo in February and August which attracted reasonable-sized crowds.

Besides refreshing our store offerings and merchandising mix, we initiated a series of activities to engage our members as well as the public at large. These in-store children's activities were well-received.


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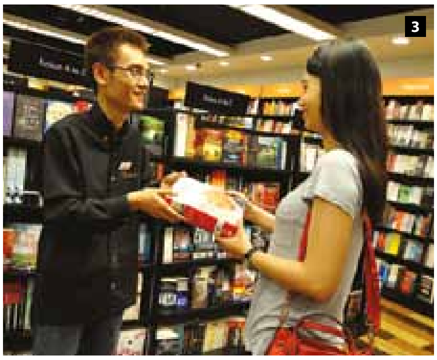
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Malaysia turned in mixed performances. Our stores in East Malaysia saw revenue growth while revenue declined slightly for our stores in West Malaysia. In East Malaysia, part of the increase in revenue was due to our success in capitalising the market for Malay language reading materials by offering more Malay titles on our shelves. The redemption of government book vouchers (Baucar Buku 1 Malaysia) in the East Malaysia outlets was also better compared to West Malaysia.

Our retail stores in West Malaysia faced strong competition from other major book retailers, which opened new stores in the Klang Valley area. Our stores in the Klang Valley were also affected by construction of the new MRT. To mitigate this, atrium and warehouse sales were organised. Response from such events proved encouraging.

Times Newslink, which operates books, press and convenience stores *Times Travel and RELAY*, and children's specialty stores *KABOOM* in Singapore Changi Airport achieved an increase in sales. This increase was attributed to growth in passenger traffic, increase in spending per customer due to successful promotional activities and improved merchandising mix. As a result, profitability improved significantly. Times Newslink currently operates 10 stores across three terminals in Singapore Changi Airport.

NoQ Webstore

Over the past three years, NoQ had been delivering books to customers through the online channel. However, despite growing at a steady rate, the online book retailing business did not reach our intended targets.

We therefore decided that the Group should commit its resources to developing a broader platform that would serve our online retail consumers as well as customers of our digital publishing content. To that end, NoQ ceased operations in September 2014.

CEO business review • PUBLISHING & PRINTING

As a business, we continually work towards providing excellent service to customers to maintain our edge as the leading book distributor.

DISTRIBUTION

Pansing Magazines

Magazine revenue declined against last year due to the reduction of distribution volume by key publishers to shore up sales efficiency and the cessation of non-performing magazine titles. Lower magazine readership in both Singapore and Malaysia affected overall sales. Trading cards, which was a significant segment for us, experienced high sales returns and low sales efficiency. The sourcing and distribution of non-print products proved to be very challenging given a marketplace that is highly competitive and saturated.

Both distribution units in Singapore and Malaysia secured new magazine titles from new and existing publishers which helped to mitigate some of the decline in volume. Our Hong Kong unit fared better due to successful partwork launches, a stable revenue from supply contracts to Hong Kong public libraries, as well as the acquisition of titles from competitors.

We successfully secured distribution operations for more local magazine titles in Singapore. Our focus in the coming months is to extract synergies from the consolidation of our distribution channels. We were also appointed the exclusive magazine distributors in Singapore, Malaysia and Hong Kong for the Marketforce (UK) range of titles.

In Malaysia, we are the leading distributor of magazines to bookstores, newsstands and seven outlets at the newly opened Kuala Lumpur International Airport 2. We also expanded our distribution points which now include Shell Select stores, Quick and Easy convenience stores and various supermarket chains.

To diversify our earnings, we took over the distributorship of Hallmark products for the territory of West Malaysia in January 2014. With that, we secured two standalone Hallmark stores at The Gardens Mall (Mid Valley City) and Publika Shopping Gallery, and concessionaire outlets mainly located at key book chain stores as well as major department stores like Parkson and Isetan. At these stores and outlets, we offer a wide selection of Hallmark cards and gifts for all ages and occasions and collectible bears like Forever Friends and Roly Bear. Through Hallmark, we also cater for corporate gift giving and seasonal gifts.

We plan to enhance Hallmark's brand presence in West Malaysia via new selective standalone stores and expansion through concessionaire outlets.

Pansing Books

Revenue for Pansing Book distribution increased over the last financial year, partly as a result of the new agreement with Hachette UK and additional sales from the runaway success of books by motivational speaker Nick Vujicic.

Profit was however impacted by adverse foreign exchange movements and higher operating costs, especially for logistics.

Moving forward, we will continue to work towards providing excellent service to customers to maintain our edge as the leading book distributor.

Musicway

Our lifestyle distribution business in Australia under Musicway continued to be challenged by sliding retail sales, overall poor economic conditions in this sector, turbulent political activity and public concerns over rising costs of living, all of which resulted in a tightening of consumer spending.

Against this backdrop, revenue for FY2014 remained flat as compared to FY2013 but profitability was eroded by demand from the retail trade for high margins.

The business has refreshed and expanded its offerings. We have expanded the distribution of the THULE brand luggage bags and these products can now be found in JB Hifi, The Good Guys and independent audio visual/IT and luggage retailers. The Nitelze brand that we distribute is now ranged in JB Hifi, Big W, selected Harvey Norman and independent retailers.

Our relationship with Merkury Innovations has strengthened over the financial year with a significant increase in products ranged at key partner Big W (Woolworths Group). Now with over a hundred products from the core range, we have a good platform to sustain recovery.

investor RELATIONS

The F&N Group is committed to providing the investment community with accurate and complete information in a timely and consistent way. It has consistently communicated its business strategies, growth drivers and operational direction to investors and analysts on an ongoing basis via multiple communications platforms, including analyst briefings, press releases, annual reports and website. Such commitment is to ensure investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

Besides communicating regularly with shareholders and the investment community via disclosures of material and other pertinent information through regular dialogues and announcements to SGX-ST, the Investor Relations team undertakes road shows (together with key senior management), investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance.

Total shareholder returns ("TSR") for the year under review improved 27%. Cumulatively over a three-year period, TSR improved 98%, and 237% over five years.

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2014, the directors have recommended a final dividend of 3.0 cents per share, which together with the interim dividend of 2.0 cents paid earlier brings total dividend for the year to 5.0 cents per share. In line with the Group's dividend policy, the proposed payout represents a distribution of 50% of the Group Attributable Profit before fair value adjustment and exceptional items (from continuing operations).

During the year, to achieve a more efficient capital structure, F&N distributed $0.42 in cash for each share held by shareholders via a capital reduction exercise, amounting to an aggregate distribution of approximately $607 million. This exercise was completed in April 2014.

Analyst coverage:
Four brokerage houses provide research coverage on F&N

CIMB Research
CLSA Limited
DBS Vickers Securities
Standard Chartered

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Share Registrar and Transfer Office

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 3405

Financial Calendar

30 January 2015
Annual General Meeting

12 February 2015
(after close of trading)
(tentative)
Announcement of 1st Quarter Results

07 May 2015
(after close of trading)
(tentative)
- **Announcement of 2nd Quarter Results**
- **Declaration of Interim Dividend**

06 August 2015
(after close of trading)
(tentative)
Announcement of 3rd Quarter Results

05 November 2015
(after close of trading)
(tentative)
- **Announcement of Full-Year Results**
- **Declaration of Final Dividend**

capital RESOURCES

The Group aims to maintain a prudent financial structure and adequate financial flexibility to ensure it continues to have access to capital at favourable terms. During the year the Group completed the relisting of its property arm, Frasers Centrepoint Limited by undertaking a dividend *in-specie* distribution of FCL shares ("FCL Distribution") to F&N shareholders. Shares of FCL were listed by way of introduction on the Main Board of the Singapore Exchange Securities Trading Limited on 9 January 2014. Following the dividend *in-specie* distribution, the Group's remaining core businesses, Food & Beverage and Publishing & Printing, are the Group's main sources of cash flows.

Management continuously monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rates exposures and overall liquidity position. To ensure that the Group has adequate overall liquidity to finance its operations and investment requirements, it maintains a significant amount of available banking facilities with a large number of banks. The Group's Medium Term Notes ("MTN") Programmes also provide us continued access to the debt capital markets.

In FY2014, the Group's balance sheet strengthened. The Group went from a net borrowing position of $1.5 billion to a net cash position of $0.2 billion. This resulted from the FCL Distribution, the capital-intensive property arm, as the Food & Beverage business continued to remain cash generative.

Interest cost in FY2014 was $12 million, 69% lower than the previous year's interest cost of $39 million due to lower borrowings.

Source of Funding

Besides cash flow from our businesses, the Group also relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 September 2014, the Group has $0.7 billion in banking facilities and $2.6 billion in MTN Programmes to meet the funding requirements of the Group.

Available Bank Lines by Banks as at 30 September 2014

The Group maintains an active relationship with a network of more than 12 banks of various nationalities, located in various countries where the Group operates. Our principal bankers are DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and The Hong Kong and Shanghai Banking Corporation.

The Group adopts the philosophy of engaging the banks as our core business partners. We continue to receive very strong support from our relationship banks across all segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group as at 30 September 2014 amounted to $0.7 billion. The principal bankers of the Group provided 56% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

Debt Capital Markets

The Group has various MTN Programmes in place to tap the debt capital market. F&N Treasury Pte Ltd has a $2 billion MTN Programme and Fraser & Neave Holdings Bhd has a RM1.5 billion MTN Programme.

Maturity Profile of Group Debt (excludes Finance Leases)

Maturing within one year	$23m
Maturing between 1 and 2 years	$1m
Maturing between 2 and 5 years	$117m
Maturing after 5 years	$1m
	$142m

As at the date of this report, the Group has more than sufficient resources to repay these loans as and when they fall due without having to refinance these loans.

Interest Rate Profile And Derivatives

On a portfolio basis, 97% of the Group's borrowings are in fixed rates, with an average fixed rate tenor of 3.5 years as at 30 September 2014. The fixed rate borrowings consist largely of the fixed rate notes issued under Fraser & Neave Holdings Bhd's MTN Programme. The remaining 3% of the Group's borrowings are in floating rates.

In managing the interest rate profile, the Group takes into account the interest rate outlook, expected cash flow generated from its business operations, holding period of long term investments and any acquisition and divestments plans.

The Group makes use of interest rates derivatives for the purpose of hedging interest rates risks and managing its portfolio of fixed and floating rate borrowings from time to time. The Group does not engage in trading of interest rates derivatives. It does not have any outstanding interest rate derivatives as at 30 September 2014.

Gearing and Interest Cover

The Group aims to keep the Group Net Gearing below 80%. As at 30 September 2014, the Group has net cash of $0.2 billion. Total interest incurred during the year amounted to $12 million. The net interest income credited to profit statement for the year was $9 million. The net interest cover over total interest incurred of $12 million was at 23 times.

Foreign Exchange Risks and Derivatives

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and

investment activities. Where exposures are certain, it is the Group's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group uses foreign currency forward exchange contracts and certain currency derivatives to manage these foreign exchange risks.

The Group does not engage in the trading of foreign exchange and foreign exchange derivatives. The Group uses foreign exchange contracts and derivatives solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the Audit Committee and the Board under the Group Treasury Policy. These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are in line with the Group's foreign exchange risk management objectives.

The Group's foreign exchange contracts and derivatives and the mark-to-market values as at 30 September 2014 are disclosed in the financial statement in Note 38.

The Group does not hedge its foreign exchange risks of its investments in overseas subsidiary, joint venture and associated companies. Such investments are long term in nature and therefore not feasible and economical to hedge. The Group only hedges the dividends cash flows payable from its overseas subsidiary, joint venture and associated companies.

Use of Proceeds from Issue of Shares

Pursuant to the subscription in January 2007 by Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited) of an aggregate 205.5 million new shares in the Company (the "Subscription Shares") representing approximately 14.9% of the enlarged share capital of the Company, the Company received aggregate issue proceeds of approximately $900 million (the "Net Proceeds") for the Subscription Shares. The Net Proceeds is to be used for working capital, making new investments in food and beverage businesses, and for growing the Company's existing and new food and beverage business.

Pursuant to Rule 1207(20) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the following is a status report on the usage of the Net Proceeds.

As at 30 September 2013, approximately $737.4 million of the Net Proceeds remained unutilised.

During the year ended 30 September 2014,

- The Company undertook a capital reduction exercise which returned an aggregate amount of approximately $606.9 million to shareholders. This was funded from existing cash and cash equivalents, including the unutilised Net Proceeds. After the capital reduction, a balance of approximately $130.5 million in Net Proceeds remained.

- The Company's F&B Division[1] deployed a total of $168.5 million for the purposes of making new investments in, and to grow, the Company's food and beverage business, brief particulars of which are set out below. The amount deployed exceeded the remaining balance of the Net Proceeds by approximately $38 million.

Therefore, as at 30 September 2014, the Net Proceeds have been fully deployed.

	FY2014
Acquisitions	$131.6m
Capital expenditure	$22.6m
New product development (advertising & promotion), new market and corporate development	$14.3m
Payment to shareholders pursuant to capital reduction	$606.9m
	$775.4m

Note:
1 Excludes Fraser & Neave Holdings Bhd

corporate social RESPONSIBILITY

1 *100PLUS* as supporter of local athletes
2 OCBC Cycle Singapore
3 Skechers Electric Run
4 The Straits Times Athlete of the Year Award
5 Operation Smile
6 Myanmar Care's Annual Blood Donation Drive

Our vision is to be a world-class multinational enterprise based on our ability to create and build long-term sustainable value for our stakeholders, responsibly.

Bearing a longstanding tradition of corporate social responsibility, the F&N Group remains steadfast in conducting our business in an ethical and sustainable manner. As a socially responsible corporate citizen, we strive to incorporate best practices in our business so as to contribute meaningfully to local communities, minimise our impact on the environment, provide product and service excellence to our customers and foster a creative and supportive work environment for our employees. This section highlights the Group's key initiatives this financial year.

COMMUNITY

The F&N Group remained committed to giving back to society by contributing in various areas ranging from sports to health and education, supporting groups from different ages and backgrounds in the region.

Championing Active Lifestyles

Cementing its position as a key pillar of the sporting community, *100PLUS* was the Official Hydration Partner for the 27th SEA Games 2013. Through its campaigns, it helped to raise the profiles of and garner support for the athletes representing Singapore and Myanmar.

In Singapore, *100PLUS* supported over 40 sporting events, most of which have been enduring partnerships, including the Standard Chartered Marathon Singapore, OCBC Cycle Singapore, Skechers Electric Run, The Color Run and SGX Bull Charge.

Committed to promoting active and healthy lifestyles to all, *100PLUS* became a key sponsor of the Singapore Sports Hub, bringing the *100PLUS* Promenade to Singaporeans. The *100PLUS* Promenade is the country's largest fully-sheltered free-to-use civic space that doubles up as a running and cycling track. In addition, *100PLUS* is also the official isotonic drink of the Singapore Sports Hub's Experience Sports and Community programme aimed at promoting community participation in sporting activities to people of all ages and sporting abilities.

A firm believer in nurturing our athletes, *100PLUS* continued its sponsorship of The Straits Times Star of the Month Award and The Straits Times Athlete of the Year Award for the 6th consecutive time. This year's Athlete of the Year Award winner, Safuwan Baharudin, is a local soccer hero and a skilled defender in the Singapore Lion's XII team. The partnership with the Singapore Table Tennis Association which started in 2010 has also been extended till 2016.

In Malaysia, *100PLUS* has been the Official Isotonic Drink of the Badminton Association of Malaysia ("BAM") for more than 10 years, supporting the National Circuit Championships and all tournaments and events hosted by BAM. It has also supported the Football Association of Malaysia as the Official Drink Sponsor for close to 10 years.

In Myanmar, *100PLUS* presented the 1st Active & Healthy Lifestyle Expo, an event endorsed by Myanmar's Ministry of Health and Ministry of Sports. At the expo, *100PLUS* educated the locals on the need to lead active and healthy lifestyles.

Making Health Care Accessible

F&N sponsored Operation Smile for the 4th consecutive time under Myanmar Care, our charity vehicle in Myanmar. Operation Smile is a Myanmar-Singapore Friendship Medical Mission which offers free and safe surgeries to children suffering from facial deformities. To date, 439 children have been treated successfully.

Another health care initiative of Myanmar Care is the annual blood donation drive, now into its 8th consecutive year. This year, the blood donation drive was extended beyond the main cities of Yangon and Mandalay into the outlying cities. Thousands of employees and partners of the Group's brewery in Myanmar pledged their support to this cause by participating in the blood donation drive. This year, a record 1,245 bags of blood were donated, marking this blood donation drive the Group's largest and most successful one to date.

Taking a step to strengthen its existing network of safe blood donors, Myanmar Care continued to offer free Hepatitis B vaccinations to blood donors for the 6th year running, focusing on areas with high prevalence rate of Hepatitis B like the Kachin, Shan and Mon states. A total of 40,722 bottles of vaccine have been donated by the Group since this programme started.

corporate social RESPONSIBILITY

Investing in Our Future Generations

At F&N, we believe that education is the key to a brighter future, and we have always endeavoured to make education more accessible through our social programmes.

In Malaysia, Fraser & Neave Holdings Bhd ("F&NHB") honoured 156 children of its employees with over RM260,000 at the 12th Chairman's Award. Started in 2003 to reward the children for outstanding achievement in academics and extracurricular activities, the F&N Chairman's Award has disbursed over RM2 million to 2,000 children of its employees to date. The annual award scheme is aimed at fostering a caring work environment and harmonious employer-employee relationships.

The range of charitable activities conducted by Dairies Malaysia continued strong throughout the year. The F&N Empowering Lives Through Education Programme ("E.L.I.T.E."), in collaboration with Kassim Chin Humanity Foundation ("KCHF"), provided children from 600 poor households with free tuition classes. Established in 2011, the F&N E.L.I.T.E. was established to empower underprivileged children and their families to rise above their conditions and strive for a better future. Under this partnership, Dairies Malaysia contributes RM60,000 annually to KCHF to help with overhead expenses of the Pangsapuri Enggang tuition centre. In addition, monthly food aid in the form of F&N milk products for the children have improved their nutrition levels. To date, 250 children have benefitted from this initiative.

Soft Drinks Malaysia has invested RM180,000 in the F&N IT Corner over the last four years, and certified over 100 youths from Montfort Town with the International Computer Driving License. Armed with computer literacy skills, these youths who have been unable to pursue a tertiary education received a much needed boost to secure job placements.

The Group's brewery in Myanmar organised several donation drives for the Amarawaddy Monastic Education School and the Monastic Education School in Mandalay. In addition, 29 reconditioned computers were donated to these schools, and employees and partners were encouraged to donate school books and stationery to the students.

In Hong Kong, Marshall Cavendish Education joined the 333 Learning Companion Leadership Programme sponsored by the We R Family Foundation. It pledged to donate 68,000 copies of children's readers in four instalments over one and a half years. The programme provides after-school academic and social guidance for underprivileged primary school students in Hong Kong.

Caring for the Less Fortunate

In the spirit of bringing festive joy to the less fortunate, the F&N Dairies Orphan Care Committee organised a meal during the Ramadan season for children from the Opah Hasnah's Children Home. Dairies Malaysia employees got involved to give another orphanage, Rumah Opah Hasnah, a makeover; they cleaned the premises, replaced the fans and gave the home a fresh coat of paint. The children were treated to meals and received gifts, while the home received a donation.

Similarly, Soft Drinks Malaysia worked with several homes this year. For the 10th year during Ramadan, it treated the children of Rumah Al-Munirah to a sumptuous feast and gifts, and donated RM40,000 worth of books to the home to encourage reading amongst the children. For Deepavali, staff of Soft Drinks Malaysia accompanied 22 children from Rumah Shalom on a clothing shopping spree,

sponsored by Soft Drinks Malaysia for the 3rd year, followed by a face painting and games session and lunch.

An F&N Charity Christmas Carnival was held for the first time at Soft Drinks Malaysia's premises. 21 children of Rumah KIDS were invited on a plant tour, played games and were treated to a meal. Soft Drinks Malaysia employees presented gifts to the children based on their Christmas wish lists, which were compiled beforehand and circulated to staff.

To spread Lunar New Year cheer to the elderly, for the 12th time, Soft Drinks Malaysia treated the residents of Rumah Sejahtera to a feast, gifted them F&N products, mandarin oranges and red packets, and donated medical kits and electrical appliances to the home. A similar Lunar New Year luncheon was held at Sarawak Hun Nam Siang Tng for the 3rd time. The 25 elderly residents were treated to complimentary haircuts to usher in the new year and presented with red packets and basic necessities.

In support of youth culture, *F&N Sparkling Drinks* presented the Singapore Dance Delight for the 5th consecutive year. The winning teams from the Dance Delight competitions held in the region joined Singapore's finalists at Singapore Dance Delight Vol. 5 to vie for the coveted spot to represent ASEAN at Japan Dance Delight, an annual dance competition held since 1994. *F&N Sparkling Drinks* is proud to help inject vibrancy into the local dance scene and support our young dancers on an international platform.

Times Printers supported the OCBC-TODAY Children's Fund this year by contributing $5,888 for a flight in the charity golf event to raise funds for the Singapore Children's Society. The OCBC-TODAY Children's Fund helps children from distressed families through counselling, mentoring and therapy. Besides the donation, Times Printers also sent a representative to play in the golf tournament, and invited its clients to take part so as to help spread awareness for Singapore Children's Society.

1 F&NHB's Chairman's Award
2 F&N E.L.I.T.E. programme
3 Soft Drinks Malaysia sharing the festive joy with the elderly
4 Complimentary haircuts for the elderly

corporate social RESPONSIBILITY

ENVIRONMENT

Environmental conservation remains a key focus area for F&N. The conscientious use of resources and adoption of best practices across our operating units underlie our commitment to safeguarding our environment.

Reducing our Carbon Footprint

As one of the region's largest F&B manufacturers and packaging users, we are constantly finding ways to improve our processes so as to minimise our waste and reduce our carbon footprint.

F&N Foods Pte Ltd attained the 3R Packaging Award (Merit) by the Singapore Packaging Agreement in recognition of its commitment to reducing packaging waste and effecting changes to its packaging designs. Reducing the amount of plastic material and ink used in its packaging has helped to achieve total savings of 6.91 tons of plastic material used and $194,500 per year.

Dairies Thailand continued to bag awards this year for its commendable efforts in reducing water and energy usage, as well as in waste and carbon emission in its manufacturing, supply chain and logistics processes. They include the ISO 14000 certification for its use of an effective environmental management system and the Thailand Kaizen Award 2014 from the Technology Promotion Association (Thailand-Japan).

At the Group's world-class Pulau Indah plant in Malaysia which already employs environmental conservation technologies in its operations, a complementary tree planting exercise was implemented. 100 employees from Dairies Malaysia, together with 50 students from Kolej Islam Sultan Alam Shah and SMK Sri Istana, planted 150 Golden Chain trees at Taman Bandar DiRaja, Klang in collaboration with the Klang Municipal Council (MPK). Through this exercise, Dairies Malaysia aims to help to enhance the biodiversity of the area, reduce its carbon dioxide emissions and provide shelter from the sun for visitors to enjoy the park amenities.

For its recycling movement Kempen Kitar Semula, Soft Drinks Malaysia expanded the campaign to include pre-schools this year, in addition to primary and secondary schools in Penang and Shah Alam. This is in line with the philosophy that one is never too young to start recycling. This year, a total of 130 schools took part to collect over 168 tonnes of recyclable materials. The campaign, which is in its 8th year, has seen tremendous success, with over 750 tonnes of recyclable materials collected to date.

In Singapore, some 190 staff members, together with their families, joined hands with grassroots adviser, Dr Lee Bee Wah and her constituency members in support of H.A.B.IT @ Nee Soon South, to help maintain a litter-free neighbourhood. The partnership demonstrated the Group's efforts to strengthen its ties with the local community, as well as to engage staff in community service to help keep our environment clean.

1 F&N staff participated in H.A.B.IT @ Nee Soon South
2 F&N S.O.S programme
3 F&N S.O.S programme

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Saving Our Seas

F&NHB's Save Our Seas ("F&N S.O.S") programme concluded its third and final instalment of coral reef rehabilitation and community outreach this year. F&N employees and its partners had been participating in F&N S.O.S, a 3-year initiative held in Terengganu's Redang Island aimed at restoring the marine ecosystem.

The coral transplanting programme, which is an integral part of F&N S.O.S, has seen a proven survival rate of 53-75% at its three nursery sites. With guidance from Reef Check Malaysia, the F&N S.O.S team planted 20 more reef rehabilitation frames, reaching its targeted pledge of 130 frames, in conjunction with the Group's 130th anniversary celebrated last year.

Apart from reef rehabilitation, the F&N S.O.S team engaged the local community through outreach programmes. Working with the Redang Resort Operators Association, F&N provided several resort operators with 60 recycling bins, educational posters and collaterals to promote awareness about responsible behaviours towards marine conservation, recycling and proper waste disposal among tourists. It also conducted a 1-day programme with 40 Sekolah Kebangsaan Pulau Redang students to educate them on their role in safeguarding the coral reefs and marine life through environmentally-friendly acts.

As an extension of F&N S.O.S, Dairies Thailand built five reef rehabilitation frames for the Marine and Coastal Conservation Centre, and planted 250 mangrove seedlings at the Rayong Mangrove Forest Station to enhance the marine ecosystem in Rayong, Thailand, as part of its 3-year project to plant 1,000 mangrove trees in the area.

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corporate social RESPONSIBILITY

PRODUCT EXCELLENCE

F&N is cognizant of our responsibility to deliver only products of the highest standards to our consumers. This is evident in our award-winning brands and products, as well as in the ways we manufacture and promote them to consumers.

Educating Consumers on Nutrition

In keeping with F&N's brand promise of "Pure Enjoyment. Pure Goodness", *F&N MAGNOLIA*'s latest "Drink Milk Fresh" campaign educated consumers on the importance of enjoying milk at its freshest, within three days of opening, in accordance with the recommendation of the Agri-Food and Veterinary Authority of Singapore.

As testament to *F&N MAGNOLIA*'s efforts in communicating science-related knowledge to consumers aimed at improving their lifestyle, *F&N MAGNOLIA* Lo-Fat Hi-Cal Milk with DHA Omega-3 represented Singapore and attained the award of Special Mention: Category of Communicating Science Related to Consumers at the International Union of Food Science and Technology Global Food Industry Awards held in Canada. This award came after it won the Singapore Institute of Food Science & Technology Healthier Choice Award 2013 – 2015 last year.

Raising Awareness of Heart Health

F&N NUTRISOY, Singapore's favourite soya milk and a leading brand in Malaysia, continued close engagement with the Singapore Heart Foundation. In keeping with its heart health proposition, *F&N NUTRISOY* participated in the Go Red For Women Luncheon, the Foundation's key event which focused on educating women on cardiovascular health with an added fundraising element. *F&N NUTRISOY* was proud to be the sponsor of this event, and the official beverage of choice during the luncheon.

Upholding Exceptional Standards

For the 3rd consecutive year, F&N's ice cream unit in Thailand was bestowed the highly prestigious Thai FDA Quality Award 2014 by Thailand's Food and Drug Administration. Dairies Thailand also received this award for the 2nd year running. Both units were recognised for their exceptional standards in product quality and safety control, manufacturing practices, customer relations and corporate social responsibility.

Dairies Thailand have also received the Consumer Protection Thailand Call Center Award 2014 from the Office of the Consumer Protection Board for its outstanding performance in receiving and handling consumers' complaints. The award was presented for the first time to honour achievements of major call centers in Thailand, and to encourage cooperation between the government and private sector so as to facilitate consumer complaints and inquiries effectively. Dairies Thailand was one of the only two organisations selected for the prestigious honour in the Food & Beverage category.

1 International Union of Food Science and Technology Global Food Industry Awards
2 Thai FDA Quality Award 2014
3 Consumer Protection Thailand Call Center Award 2014

HUMAN CAPITAL MANAGEMENT

At F&N, we put the well-being of our employees at the heart of our business. Through engaging employees in various welfare programmes, we aim to create a working environment that ensures employees' physical and mental health resilience, foster harmonious employer-employee relationships, and cultivate a healthy, happy and productive workforce.

Workplace Safety

As testament to its enduring commitment to ensuring a safe working environment for all employees, Dairies Thailand continued to garner more awards this year, including the National Occupational Safety and Health Award 2014 and the Zero Accident Award 2014 Silver Star Award for producing 5 million man hours without any accidents, both from Thailand's Ministry of Labour. It also received the Outstanding Establishment of Labour Relations and Welfare Award (National Level) 2014 from the Department of Labour Protection and Welfare, Ministry of Labour, Thailand.

Placing employee health and safety as a top priority, Times Printers garnered a OHSAS 18001:2007 certification in July 2014 for its sound occupational health and safety practices. OSHAS 18001 is an internationally applied standard widely recognised for occupational health and safety management systems.

Healthy Living

In Singapore, F&N Foods participated in the Health Promotion Board's 1 Million KG Challenge™, the first national incentive-based weight management programme to motivate and support those who want to achieve a healthy body weight. A roadshow launched to introduce the programme saw 120 employees in attendance. Employees with body mass index (BMI) above the healthy range were encouraged to sign up. F&N strongly supported the weight management journey of employees who pledged to lose 3kg over a 2 to 7-week period by providing a 1-hour time-off every Friday, so that they could use the time to exercise. F&N subsidised personal activities undertaken by these employees such as aerobics, Zumba and gym memberships, and rewarded those who managed to sustain their BMI below 23 over a 12-month period with cash vouchers.

Over at F&NHB, staff were encouraged to walk 10,000 steps a day with the launch of the F&N Active Fitness programme. The 10,000 steps a day initiative was introduced for its low-impact and suitability for all ages. Each participant was given a pedometer to record the number of steps taken, and a guide containing tips on how to increase their daily steps, healthy eating habits and the locations of parks in the vicinity. Throughout the 8-week programme, fitness classes and team walks were also organised to encourage staff to work towards the 10,000 steps target.

Bonding over Leisure Activities

To reward staff for their commitment, a special Labour Day private movie screening of the Hollywood blockbuster, "The Amazing Spider-Man 2", was organised for employees of the F&N Group. Staff could invite family members or friends and some 938 turned up for the private event.

Back by popular demand, the FuNtastic Club, F&N Foods' recreation club organised a Durian Fiesta for staff at the manufacturing facility in Singapore. Staff from various departments enjoyed different varieties of durians and other fruits. The casual feast helped to foster a more communicative and collaborative working relationship between colleagues.

Times Publishing Group held its first Family Day at the Singapore Zoological Gardens. Titled The Lost City, this event was planned in appreciation of the supportive role of the family. Besides admiring the attraction's sights, it was a treasured opportunity for 600 employees to bond over activities such as handicraft workshops, games and Parent-Child lookalike contests.

1 Launch of the F&N Active Fitness programme
2 F&N Foods' Durian Fiesta
3 Times Publishing Group's Family Day

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enterprise-wide risk MANAGEMENT

The objective of Enterprise-wide Risk Management ("ERM") is to safeguard shareholders' interests and the company's assets. Fraser and Neave, Limited, ("F&N" or the "Group") achieves this objective through having a risk management framework that encompasses all key areas of operations.

The Risk Management Committee ("RMC") assists the Board in carrying out its responsibility of overseeing risk management of the Group. Specifically, the RMC's role is to report to the Board and provide appropriate advice and recommendations on key risks, and to ensure that Management has in place an effective risk management system for the identification, mitigation and management of such key risks that may have a material impact on the Group.

The head of each business division is the risk owner, and is responsible for determining and managing the overall risk exposure of their business division.

There is a risk coordinator in each business division coordinating the implementation of the ERM programme, the updating and reporting of the risk status and risk register of their business division.

Enterprise-wide risk reporting is facilitated through a web-based Corporate Risk Scorecard ("CRS") system which enables entities within the Group to report risks and risk status using a common platform in a consistent and cohesive manner.

Risk Management Process

Risks are reported and monitored at the operational level on a Risk Scorecard which captures risks, mitigating measures, timelines for action items and risk ratings.

Risk parameters, upon which the ratings are based, are reviewed annually.

Where applicable, Key Risk Indicators ("KRIs") are established to monitor risks.

Material risks, mitigating measures and KRIs are presented on a Key Risk Dashboard and reviewed by Management at least three times a year.

There are three levels of risk reporting: operating unit, business division and respective CEOs of Food & Beverage ("F&B") and Publishing & Printing ("P&P") business divisions.

Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review by RMC.

Risk tolerance statements, which set out the nature and extent of the significant risks that the Group is willing to take in achieving its strategic objectives, are reviewed annually.

The Group periodically reviews the identification and recording of risks, streamlines the use of Risk Scorecards and upgrades the CRS system, where appropriate.

Risk Update

Risks are reported and monitored at the scorecard level and grouped under the following risk categories for the purpose of management reporting.

- Reputational risks
- Strategic risks
- Country and political risks
- Currency and interest rates risks
- Commodity risks
- Operational risks

At the end of each financial year, during the ERM validation, Management of the F&B and P&P business divisions provide assurance to the F&N Audit Committee and RMC regarding the adequacy and effectiveness of the company's risk management system.

F&N also seeks to benchmark its ERM programme against industry best practices and standards. In assessing areas for improvement and how the ERM processes and practices can be strengthened, reference is made to the best practices in risk management set out in the Code of Corporate Governance May 2012 and the Risk Governance Guidance for Listed Boards May 2012 issued by the Corporate Governance Council and the ISO 31000 standards on risk management. The ERM policy has been updated to incorporate these enhancements.

As every staff has a role to play in risk management, ERM and business continuity plan awareness workshops are facilitated jointly by the business divisions and Group Risk Manager/Risk Coordinator for new staff and entities of the Group at quarterly intervals and refresher sessions organised, where required.

Key Risks in Financial Year 2013/2014

As at 30 September 2014, the key risks of the Group have been largely mitigated. The proportion of risks that are rated as very significant risks and high risks were reduced substantially by about 40% after taking account mitigating measures.

The key categories of risks faced by the Group are summarised as follows.

Reputational - Food Safety Risks
Food safety risk remains as a key risk to the F&B division of the Group. In addition to close monitoring of food safety issues worldwide, a robust process has been put in place to mitigate the risk of food contamination through upholding the strict requirements stipulated under the various food safety standards and certifications.

The status of KRIs which are tracked for the management of food safety risk is reported to the RMC at quarterly intervals.

Reputational - Social Media and Communications Risks
With the increasing use of social media, business divisions closely monitor this medium of communication and periodically review the response plans put in place to mitigate risks.

Strategic Risks
Competition from the food and beverage players attracted to the growing Asia Pacific arena and competition from the digital media are key challenges to F&B and P&P. The Group closely tracks these developments and reviews the effectiveness of its strategies so as to sustain its competitiveness.

Country and Operational Risks
Globally the increase in cyber crime, heightened political tensions and threat of epidemic diseases reinforce the need for F&N to be resilient and respond promptly to unexpected changes in its operating environment.

The Group's cyber security measures are reviewed periodically to mitigate IT-related risks such as malware infection and unauthorised access. The robustness of business continuity plans are also tested through call notification, desktop and simulation exercises annually. The complexity and scale of the exercises are progressively stepped up in our efforts to increase awareness and preparedness. The insurance programmes are also finetuned to take into account the changing needs of the businesses and operating environment to better mitigate losses in the event of a claim.

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 12 countries where we have a presence, and continues its efforts to reinforce risk and business continuity plan awareness throughout the Group.

The Group continues to build on the close working relationships with local authorities and business partners to keep abreast of political, regulatory and economic developments in countries in where the Group operates.

corporate GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Fraser and Neave, Limited ("**F&N**" or the "**Company**") and its business divisions (the "**Group**" or the "**F&N Group**") recognises the importance of strong corporate governance, and to this end, has in place sound corporate policies, business practices and internal controls to help the Company safeguard its assets and Shareholders' interests while pursuing sustainable growth and value-enhancement strategies.

F&N is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and believes in compliance with applicable laws, rules and regulations, including the SGX-ST Listing Manual, and the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**"). The Company is guided in its corporate governance practices by the principles of the Code, and continues to strive toward a high standard of corporate governance and corporate transparency.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Our Board comprises highly qualified and effective members who set the Company's values and standards (including ethical standards). The Board has oversight of the business performance and affairs of the F&N Group, and is responsible for the Group's overall entrepreneurial leadership, strategic direction, performance objectives and long-term success. The Board also reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, monitors the financial performance of the Group and Management's performance, and ensures compliance by the Group with relevant laws and regulations. The Board meets regularly. During Board meetings, our Directors actively participate, discuss, deliberate and appraise matters requiring attention and decision. If required, time is set aside after scheduled Board meetings for discussions amongst our Directors without the presence of Management, as this facilitates a more effective check on Management.

On 8 January 2014, the following Directors:

Mr Charles Mak Ming Ying
Mr Chan Heng Wing
Mr Philip Eng Heng Nee
Mr Weerawong Chittmittrapap
Mr Panote Sirivadhanabhakdi

resigned from the Board of Directors of the Company in connection with the demerger of the property business of the Company through the dividend *in specie* of all the issued shares in the capital of Frasers Centrepoint Limited ("**FCL**") to shareholders of the Company and the listing and quotation of such shares on the SGX-ST by way of an introduction on 9 January 2014.

On 8 January 2014, Mr Timothy Chia Chee Ming and Tengku Syed Badarudin Jamalullail were appointed as non-executive and independent Directors of the Company contemporaneously with the above mentioned resignations, and changes were made to the composition of the various Board Committees.

As at 30 September 2014, the Board comprises nine Directors, all of whom are non-executive Directors (including two female directors in recognition of the importance and value of gender diversity). They are:

Mr Charoen Sirivadhanabhakdi (Chairman)
Khunying Wanna Sirivadhanabhakdi (Vice-Chairman)
Tengku Syed Badarudin Jamalullail[1]
Mr Timothy Chia Chee Ming[1]
Mr Koh Poh Tiong
Mrs Siripen Sitasuwan
Mr Chotiphat Bijananda
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot (Alternate Director to Mr Chaikriangkrai)

Note:
1 Tengku Syed Badarudin Jamalullail and Mr Timothy Chia Chee Ming were appointed as independent and non-executive Directors on 8 January 2014.

corporate GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Board Matters (cont'd)

Delegation of Authority on certain Board Matters

In order for the Board to efficiently provide strategic oversight of F&N, it delegates specific areas of responsibilities to six Board Committees namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration Committee, the Risk Management Committee, and the Food & Beverage Committee. Each Board Committee is governed by clear terms of reference which have been approved by the Board. Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company adopts a framework of delegated authorisations in its Manual of Authority ("**MOA**"). The MOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of investments. The MOA also contains a schedule of matters specifically reserved to the Board for approval. These include approval of annual budgets, financial plans, financial statements, business strategies and material transactions, such as major acquisitions, divestments, funding and investment proposals. The MOA authorises the Board Executive Committee (or Board EXCO) to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Below the Board and Board EXCO levels, there are appropriate delegation of authority and approval sub-limits at Management level, to facilitate operational efficiency. To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, Directors are required to abstain from voting, on any matter in which they are so interested or conflicted.

Board Executive Committee ("**Board EXCO**")

The Board EXCO is made up of the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Vice-Chairman
Mr Sithichai Chaikriangkrai	Member
Mr Prapakon Thongtheppairot	Member

The Board EXCO assumes oversight of the business affairs of F&N, and is empowered to exercise the full powers and authority of the Board when the Board does not meet except in respect of matters that specifically require the decision of the Board or any Board Committee.

Note:
1 Mr Chotiphat Bijananda and Mr Panote Sirivadhanabhakdi resigned from the Board EXCO on 8 January 2014.

Food & Beverage ("**F&B**") Committee

The F&B Committee oversees the F&N Group's F&B business strategy. Senior management of the F&B division devises and develops strategic plans and proposals which are then presented to the F&B Committee for discussion and/or debate before they are tabled to the Board. The meetings of this Board Committee also serve as a forum for discussions of key F&B issues and matters which may impact long-term operations of the Group's F&B business division.

The members of the F&B Committee are:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Prapakon Thongtheppairot	Member

The activities and responsibilities of the other Board Committees are described on pages 69, 71, 75 and 76 of this report.

Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. For the financial year ended 30 September 2014, a total of 10 Board meetings were held.

The Directors are also given direct access to the Management team of the Group's business divisions[1] through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions may also be arranged in order for Directors to have an intimate understanding

Note:
1 Following the demerger of the properties business on 9 January 2014, F&N Group comprises the following business divisions: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer) and Publishing & Printing. Prior to that, the Properties business was a business division of the Group.

Board Matters (cont'd)

of the key business operations of each division. The Company's Articles of Association provide for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2014 and the attendance of Directors at these meetings are as follows:

	Board	Board EXCO	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee[9]	F&B Committee
Meetings held for the financial year ended 30 September 2014 (for Directors as at 30 September 2014)							
Mr Charoen Sirivadhanabhakdi	10/10	-	-	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	10/10	-	-	-	-	-	-
Tengku Syed Badarudin Jamalullail[1,2]	8/8	-	-	-	-	Nil	-
Mr Timothy Chia Chee Ming[1,3]	6/8	-	4/4	-	N.A.	-	-
Mr Koh Poh Tiong[4]	10/10	5/5	-	3/3	-	-	10/10
Mrs Siripen Sitasuwan[5]	9/10	-	4/4	-	1/1	Nil	-
Mr Chotiphat Bijananda[6]	9/10	1/2	-	1/1	-	Nil	-
Mr Thapana Sirivadhanabhakdi[7]	10/10	5/5	-	3/4	1/1	Nil	10/10
Mr Sithichai Chaikriangkrai	10/10	5/5	6/6	4/4	-	-	10/10
Mr Prapakon Thongtheppairot (Alternate Director)[8]	10/10	4/5	-	2/4	-	-	10/10

Notes:
1 Tengku Syed Badarudin Jamalullail and Mr Timothy Chia Chee Ming were appointed as independent and non-executive Directors on 8 January 2014.
2 Tengku Syed Badarudin Jamalullail was appointed to the Nominating Committee on 8 January 2014.
3 Mr Timothy Chia Chee Ming was appointed to the Audit Committee and the Remuneration Committee on 8 January 2014.
4 Mr Koh Poh Tiong was appointed to the Risk Management Committee on 8 January 2014.
5 Mrs Siripen Sitasuwan was appointed to the Audit Committee and the Nominating Committee on 8 January 2014.
6 Mr Chotiphat Bijananda resigned from the Board EXCO, the Risk Management Committee and the Nominating Committee on 8 January 2014.
7 Mr Thapana Sirivadhanabhakdi was appointed to the Nominating Committee on 8 January 2014.
8 Mr Prapakon Thongtheppairot was appointed to the Risk Management Committee and the Board EXCO on 8 January 2014 and 27 January 2014 respectively.
9 All matters during the year requiring the Nominating Committee's approval were either dealt with via circular resolutions or discussions at Board meetings.

	Board	Board EXCO	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee	F&B Committee
Meetings held for the financial year ended 30 September 2014 (for Directors who resigned during the financial year ended 30 September 2014)							
Mr Charles Mak Ming Ying[1]	2/2	-	2/2	-	-	-	-
Mr Chan Heng Wing[1]	1/2	-	-	1/1	-	Nil	-
Mr Philip Eng Heng Nee[1]	2/2	-	2/2	-	1/1	-	-
Mr Weerawong Chittmittrapap[1]	2/2	-	-	1/1	-	Nil	-
Mr Panote Sirivadhanabhakdi[1]	2/2	2/2	-	-	-	-	-

Note:
1 Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Weerawong Chittmittrapap and Mr Panote Sirivadhanabhakdi resigned from the Board and from their respective memberships on the Board Committees of F&N on 8 January 2014.

A letter of appointment setting out, among other things, a Director's duties and obligations including, where appropriate, how to deal with conflicts of interest, is issued to all new Directors. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the F&N Group. This programme allows new Directors to get acquainted with senior Management, and also facilitates and fosters better rapport and communications with Management.

corporate GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Board Matters (cont'd)

Directors are continually and regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board has been briefed and updated on the impending changes to the Companies Act and changes to the Listing Manual. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business environment and outlook.

Principle 2: Board Composition and Guidance

As at 30 September 2014, the F&N Board comprises nine non-executive Directors, of whom three are independent. Although the prescribed Board composition changes under the Code only need to be complied with by the Company in its annual report for the financial year commencing 1 October 2016, the Company has begun reviewing its Board composition so as to work towards complying with this requirement. In the interim, the three independent Directors help to uphold good corporate governance at the Board level and their presence facilitates the exercise of independent and objective judgment on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its Shareholders.

Annually, a review of the size and composition of the Board is undertaken by the Company to ensure alignment with the needs of the Group. The Nominating Committee ("**NC**") is of the view that the current size and composition of the F&N Board is appropriate for the scope and nature of the Group's operations, and facilitates effective decision-making. In line with the Code, the NC is also of the view that the current size of the Board is not so large as to be unwieldy. In this regard, the NC also took into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. No individual or group dominates the Board's decision-making process.

The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is also reflected in the diversity of backgrounds and competencies of our Directors, whose competencies range from banking, finance and accounting to relevant industry knowledge, entrepreneurial and management experience, and to familiarity with regulatory requirements and risk management. This is beneficial to the Company and its Management as decisions by, and discussions with, the Board would be enriched by the broad range of views and perspectives and the breadth of experience of our Directors. The NC is of the view that there is an appropriate balance of expertise and skills amongst the Directors as they collectively bring with them a broad range of complementary competencies and experience.

The Directors are provided with accurate, complete and timely information and have direct and unrestricted access to Management. This is to give the Board and Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations. This will also allow our Directors to carry out their duties and discharge their oversight function more effectively.

Principle 3: Chairman and Chief Executive Officer

The Chairman and the Chief Executive Officers ("**CEOs**") of each of the Group's business divisions are separate persons to ensure an appropriate balance and separation of power, increased accountability, and clear division of responsibilities. The Chairman, who is non-executive, is not related to any of the CEOs of the business divisions. There is no business relationship between him and any of these CEOs. Likewise, none of the CEOs are related to each other, and neither is there any other business relationship between or among them.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of the Group. In addition, the Chairman promotes a culture of openness and debate at Board meetings and also ensures, with the support of the Group Company Secretary, that Directors are provided with clear, complete and timely information in order to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation by and contribution from all Directors, and facilitates constructive relations among and between them and Management. With the full support of the Board, Group Company Secretary and Management, the Chairman supports the Company in its bid to promote, attain and maintain highest

Board Matters (cont'd)

standards of corporate governance and transparency. With the help of F&N's corporate services, he also sees to it that there is overall effective communications to and with Shareholders on the performance of the Group. In turn, the CEOs of the Group's business divisions are responsible for executing the Group's strategies and policies, and are accountable to the Board for the conduct and performance of the respective business operations under their charge.

Principle 4: Board Membership

The Nominating Committee (or NC) is made up of the following Directors:

Tengku Syed Badarudin Jamalullail	Chairman
Mrs Siripen Sitasuwan	Member
Mr Thapana Sirivadhanabhakdi	Member

A majority of the members of this committee, including the Chairman, are independent and non-executive Directors.

Notes:

1 Mr Weerawong Chittmittrapap, Mr Chan Heng Wing and Mr Chotiphat Bijananda resigned from the NC on 8 January 2014.

2 Under the Code, an "independent" Director is one who has no relationship with the company, its related corporations, its ten percent (10%) shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company. Under the Code, a "10% shareholder" refers to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than ten percent (10%) of the total votes attached to all the voting shares in the company. "Voting shares" excludes treasury shares.

The NC is guided by written Terms of Reference, which set out the duties and responsibilities of the NC, and are approved by the Board. The NC reviews the structure, size and composition of the Board, identifies the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively and nominates candidates to meet the needs and requirements of the Group.

Besides evaluating annually the independence of each Director (as set out in the last paragraph of this section below), the NC appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. The Code recommends that listed companies fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. Details of other directorships and other principal commitments of our Directors may be found on pages 12 to 17. In determining whether each Director is able to devote sufficient time to discharge his or her duties, the NC has taken cognizance of the recommendations under the Code, but is of the view that its assessment should not be restricted to the number of board representations of each Director and their other principal commitments per se. The contributions by our Directors to and during meetings of the Board and relevant Board Committees as well as their attendance at such meetings are also holistically assessed and taken into account by the NC.

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees, and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities.

The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. It also reviews the composition of the Board – including the mix of expertise, skills and attributes of existing Directors – so as to identify needed and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

The Company's Articles of Association provides that at least one-third of its Directors shall retire from office and are subject to re-election at every Annual General Meeting of the Company ("**AGM**"). All Directors are required to retire from office at least once every three years. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. Newly-appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The Shareholders approve the appointment or re-appointment of Board members at the AGM.

The NC determines the independence of each Director annually, and as and when circumstances require, based on the definitions and guidelines of independence set out in the Code.

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Board Matters (cont'd)

For the financial year ended 30 September 2014, the Nominating Committee has performed a review of the independence of the Directors as at 30 September 2014 and following its assessment, has determined the status of each Director as follows:

Mr Charoen Sirivadhanabhakdi[1,2]	Non-Independent
Khunying Wanna Sirivadhanabhakdi[1,2]	Non-Independent
Tengku Syed Badarudin Jamalullail	Independent
Mr Timothy Chia Chee Ming	Independent
Mr Koh Poh Tiong[3]	Non-Independent
Mrs Siripen Sitasuwan	Independent
Mr Chotiphat Bijananda[2,4]	Non-Independent
Mr Thapana Sirivadhanabhakdi[2]	Non-Independent
Mr Sithichai Chaikriangkrai[5]	Non-Independent

Notes:

1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than ten percent (10%) of the total voting shares in the Company through their interests in TCC Assets Limited ("**TCCA**") and Thai Beverage Public Company Limited ("**ThaiBev**"). TCCA has a direct interest of 59.39% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.54% interest in the Company.

2 Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi. Mr Chotiphat Bijananda is their son-in-law, and Mr Thapana Sirivadhanabhakdi is their son.

3 Mr Koh Poh Tiong was previously employed by the Company within the past three financial years as CEO, F&B division, from 1 October 2008 through 30 September 2011. He is also an adviser to the Board, and has received significant compensation for provision of services other than Director's fees.

4 Mr Chotiphat Bijananda is a director of TCCA.

5 Mr Sithichai Chaikriangkrai is a Director and the Chief Financial Officer of ThaiBev.

Key Information regarding Directors

Key information on the Directors is set out on pages 12 to 17.

Principle 5: Board Performance

The Board has implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board committees and for assessing the contribution by each Director to the effectiveness of the Board.

Aon Hewitt Singapore Pte Ltd, an independent external consultant, is engaged to formulate and facilitate the implementation of a process for evaluating the effectiveness of the Board collectively and the various Board Committees. Engaging an independent third party ensures objectivity in the process.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board composition, information management, Board processes, Shareholder management, Board priorities, managing the Company's performance, effectiveness of the Board Committees, Director development and management, risk management and Director self-evaluation. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Principle 6: Access to Information

Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial forecasts, risk analyses, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

A calendar of activities is scheduled for the Board a year in advance. The Company recognises that information should be supplied to the Board in a timely manner and as far as possible, Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior Management is requested to attend meetings of the Board and the Board Committees in order to provide input and insight into matters being discussed, and to respond to any queries that the Directors may have. The Board also has separate and independent access to the Company's senior Management and the Group Company Secretary.

Board Matters (cont'd)

The Group Company Secretary attends all Board meetings, ensures that Board procedures are complied with, and provides advice and guidance on corporate governance, and on legal and regulatory compliance. Under the direction of the Chairman, the Group Company Secretary facilitates and acts as a channel of communications for the smooth flow of information to and within the Board and its Board Committees, as well as between and with senior Management. The Group Company Secretary also solicits and consolidates Directors' feedback and evaluation from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Group Company Secretary is the Company's primary channel of communication with SGX-ST.

Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee ("**RC**")

The RC is made up of non-executive Directors, the majority of whom, including the Chairman, are independent Directors. It comprises the following members:

Mr Timothy Chia Chee Ming	Chairman
Mrs Siripen Sitasuwan	Member
Mr Thapana Sirivadhanabhakdi	Member

Note:
1 Mr Philip Eng Heng Nee resigned from the RC on 8 January 2014.

The RC's main responsibility is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and development. Such policies are submitted to the Board and/or the Board EXCO for approval. The RC also reviews remuneration packages and service terms of individual Directors and the CEOs of the Company's business divisions. When carrying out its duties, the RC reviews and makes recommendations on the remuneration framework for the Board and key management personnel, for endorsement by the Board. The RC also oversees the framework for remuneration and other terms of service for other key Management of the Company.

Periodically, the RC reviews the level and mix of remuneration and benefits policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and that of individual employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key Management of the Group.

The RC also periodically conducts a review of the development and succession plans for key Management and the leadership pipeline for the Company. In doing so, the RC aligns the CEOs' leadership – through appropriate remuneration and benefits policies and long-term incentives – with the Company's strategic objectives and key challenges. Performance targets are also set for the CEOs and their performances evaluated yearly.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the Company to stay competitive in its remuneration packages. During the financial year ended 30 September 2014, Carrots Consulting Pte Ltd and Hay Group Pte Ltd were appointed as remuneration consultants. The Company does not have any relationship with these consultants which would affect their independence and objectivity.

Principle 8: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors and key Management. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive the Group's businesses to greater growth, efficiency and profitability. In its deliberation, the RC takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The Company's compensation framework comprises fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests to maximise long–term Shareholder value.

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Remuneration Matters (cont'd)

Long Term Incentive Plans

The RC administers the Company's share-based remuneration incentive plans, namely, the F&N Restricted Share Plan ("**RSP**") and F&N Performance Share Plan ("**PSP**").

Through the RSP and PSP, the Company seeks to foster a greater ownership culture within the F&N Group by aligning more directly the interests of key senior Management and senior executives with the interest of Shareholders, and for such employees to participate and share in the Group's growth and success.

The RSP is available to a broader base of senior executives compared to the PSP. Its objectives are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company and that of the individual. The PSP applies to senior Management in key positions who shoulder the responsibility of the Company's performance and who are able to drive the growth of the Company through superior performance. It serves as further motivation to key senior Management in striving for excellence and delivering long-term Shareholder value.

Under the RSP and PSP, the Company grants share-based awards ("**Base Awards**") conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. The performance period for the RSP and PSP are two and three years respectively. For the RSP, the targets set are the achievement of Attributable Profit Before Exceptional Items and Return On Capital Employed. For the PSP, the pre-set targets are based on Return On Invested Capital, Total Shareholders' Return Relative to Straits Times Index and Absolute Shareholders' Return as a multiple of Cost of Equity.

These awards represent the right to receive fully paid shares, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are met and/or exceeded, more shares than the Base Awards can be delivered, subject to a maximum percentage of the Base Awards. The first grant of Base Awards was made in December 2009.

The maximum number of Company shares which can be released, when aggregated with the number of new shares issued pursuant to the vesting of awards under the RSP and PSP will not exceed ten percent (10%) of the issued share capital of the Company.

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

Principle 9: Disclosure on Remuneration

Remuneration of Directors and Top Five Key Management Personnel

Information on the remuneration of Directors of the Company and key management personnel of the Group is set out below.

Directors of the Company as at 30 September 2014	Remuneration $	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	-[1]	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	-[1]	-	-	-	-
Tengku Syed Badarudin Jamalullail[2]	84,774	100	-	-	100
Mr Timothy Chia Chee Ming[2]	105,054	100	-	-	100
Mr Koh Poh Tiong	2,061,000[3]	9.7	87.4	2.9	100
Mrs Siripen Sitasuwan	155,527	100	-	-	100
Mr Chotiphat Bijananda	146,570	100	-	-	100
Mr Thapana Sirivadhanabhakdi	230,386	100	-	-	100
Mr Sithichai Chaikriangkrai	189,000	100	-	-	100
Mr Prapakon Thongtheppairot (Alternate Director)	75,797	100	-	-	100

Notes:

1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.

2 Tengku Syed Badarudin Jamalullail and Mr Timothy Chia Chee Ming were appointed as independent and non-executive Directors on 8 January 2014.

3 Includes payment of $1,801,258 being fees for services provided as Adviser to the Board and $60,000 being car allowance payable under his appointment as Adviser to the Board.

Remuneration Matters (cont'd)

Directors of the Company who resigned during the financial year ended 30 September 2014	Remuneration $	Fee %	Total %
Mr Charles Mak Ming Ying[1]	39,938	100	100
Mr Chan Heng Wing[1]	30,508	100	100
Mr Philip Eng Heng Nee[1]	41,295	100	100
Mr Weerawong Chittmittrapap[1]	35,580	100	100
Mr Panote Sirivadhanabhakdi[1]	31,151	100	100

Note:
1 Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Weerawong Chittmittrapap and Mr Panote Sirivadhanabhakdi resigned from the Board and from their respective memberships on the Board Committees of F&N on 8 January 2014.

Key Management Personnel of the F&N Group as at 30 September 2014	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long Term Incentive %	Total %
Dato' Ng Jui Sia	1,257,636	-	54	24	9	-	13	100
Mr Anthony Cheong Fook Seng	1,138,499	-	56	25	5	-	14	100
Mr Huang Hong Peng	1,090,049	-	93	-	7	-	-	100
Mr Hui Choon Kit	933,663	-	49	25	5	-	21	100
Mr Somsak Chayapong[1]	1,317,978[2]	-	42	-	6	52	-	100

Notes:
1 Appointed CEO, Fraser & Neave Holdings Bhd ("**F&NHB**") effective 1 July 2013, Mr Somsak Chayapong and F&NHB agreed to mutually separate with effect from 31 August 2014. Following the separation, Dato' Ng Jui Sia, CEO – Non-Alcoholic Beverages of the Company and a Non-Independent and Non-Executive Director of F&NHB, oversaw the management of F&NHB until 1 December 2014, when a successor to Mr Chayapong was appointed.
2 Includes payment of RM2,017,000 (approximately $783,274) pursuant to the terms of a mutual separation agreement entered into between F&NHB and Mr Chayapong (the "Mutual Separation Agreement").

Save for the above payment made to Mr Somsak Chayapong during the financial year ended 30 September 2014 pursuant to the terms of the Mutual Separation Agreement, no termination, retirement and post-employment benefits were granted to Directors and the top five key management personnel (who are not Directors or the CEO of the Company).

There are no employees within the F&N Group who are immediate family members of a Director, and whose remuneration exceeds $50,000 during the year.

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year (which remains unchanged from that in the preceding financial year i.e. ended 30 September 2013) is as set out below.

	Basic Fee ($)	Attendance Fee ($)
Board		
- Chairman	150,000	2,000
- Member	75,000	1,000
Audit Committee and Board EXCO		
- Chairman	50,000	2,000
- Member	25,000	1,000
F&B Committee, NC, RC and Risk Management Committee		
- Chairman	30,000	2,000
- Member	15,000	1,000

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Remuneration Matters (cont'd)

Shareholders' approval will be sought at the 116th AGM of the Company on 30th January 2015, for the payment of Directors' fees proposed for the financial year ending 30 September 2015 amounting to $2 million, the same amount for which approval was sought and obtained at the 115th AGM of the Company last year.

To better align with Shareholders' interests, Directors are encouraged to purchase the Company's shares from the open market and to hold the equivalent of a year's fees in such shares while they remain on the Board, subject to their compliance with applicable laws and regulations.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("**SFRS**") prescribed by the Accounting Standards Council. The Board provides Shareholders with quarterly and annual financial reports, and releases its quarterly and full-year financial results through announcements to the SGX-ST and, where appropriate, press releases and presentation packs. In communicating and disseminating its results, F&N aims to present a balanced and clear assessment of the Company's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

The Company maintains a sound system of risk management and internal controls with a view to safeguarding its assets and Shareholders' interests.

The Audit Committee ("**AC**"), through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls, including financial, compliance, operational and information technology controls, established by Management. In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The importance and emphasis placed by the F&N Group on internal controls is underpinned by the fact that the key performance indicators for Management's performance takes into account the findings of both internal and external auditors and the number of unresolved or outstanding issues raised in the process.

Risk Management Committee ("**RMC**")

The Board, through the RMC, reviews the adequacy of the Group's risk management framework to ensure that robust risk management and internal controls are in place. The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon.

The RMC oversees the risk management framework and policies of the Group. It is responsible for, among other things, reviewing the Group's strategy, policies, enterprise-wide risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. The RMC would report material matters, findings and recommendations to the Board. Together with the AC, the RMC helps to ensure that Management maintains a sound system of risk management and internal controls to safeguard the interests of Shareholders and the assets of the Group. The RMC also provides guidance to Management, and renders assistance to the Board for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives. The meetings of the RMC are attended by the senior Management of the Company's business divisions, and serve as a forum to review and discuss material risks and exposures of these businesses and their strategies to mitigate risks.

Accountability and Audit (cont'd)

The RMC comprises the following members:

Mr Thapana Sirivadhanabhakdi	Chairman
Mr Koh Poh Tiong	Member
Mr Sithichai Chaikriangkrai	Member
Mr Prapakorn Thongtheppairot	Member

Note:
1 Mr Chotiphat Bijananda, Mr Chan Heng Wing and Mr Weerawong Chittmittrapap resigned from the RMC on 8 January 2014.

Periodic updates are provided to the RMC on the Group's risk profile. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by Management to manage key risks.

Using a comfort matrix of key risks, the material financial, compliance, operational and information technology risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place. The Management of the Company's business divisions also carry out control self-assessments in key areas of their respective businesses and operations to evaluate the adequacy and effectiveness of their risk management measures and internal controls.

The Board has received assurance:

(a) from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company and the CFO of the Company that as at 30 September 2014 the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2014 give a true and fair view of the Group's operations and finances; and

(b) from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company that as at 30 September 2014:

   (i) the system of internal controls in place for the respective business divisions is adequate and effective as at 30 September 2014 to address financial, operational, compliance and information technology risks which the business divisions consider relevant and material to their operations; and

   (ii) the risk management system in place for the respective business divisions is adequate and effective as at 30 September 2014 to address risks which the business divisions consider relevant and material to their operations.

Based on the system of internal controls established and maintained by the Group, work performed by internal and external auditors and reviews performed by Management and various Board Committees and assurance from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate as at 30 September 2014 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the risk management framework established and assurance from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company, the Board is of the view that the Group's risk management system was adequate and effective as at 30 September 2014 to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

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

An outline of the Group's ERM framework and progress report is set out on page 64.

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Accountability and Audit (cont'd)

Principle 12: Audit Committee

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial and accounting practices, operational and compliance controls. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board and which set out its duties and responsibilities. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of Management, as well as the full discretion to invite any Director or executive officer to attend its meetings.

The AC comprises the following three members:

Mrs Siripen Sitasuwan	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Sitichai Chaikriangkrai	Member

Note:
1 Mr Charles Mak Ming Ying and Mr Philip Eng Heng Nee resigned from the AC on 8 January 2014.

The AC is made up of non-executive Directors, the majority of whom, including the Chairman, are independent Directors. The members of the AC are appropriately qualified. Their collective wealth of experience and expertise on accounting and financial management enables them to discharge their responsibilities competently. The AC has reasonable resources to enable it to discharge its functions effectively.

During the year, the key activities of the AC included the following:

- Reviewing the quarterly and full-year financial results and related SGX-ST announcements, including significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS
- Approving, on behalf of the Board, the 1st and 3rd Quarter financial results and corresponding SGX-ST announcements
- Recommending, for the approval of the Board, the half-year and annual financial results and related SGX-ST announcements
- Reviewing and evaluating with internal and external auditors, the adequacy and effectiveness of internal control systems, including financial, operational and compliance controls
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope
- Reviewing with internal and external auditors, the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures
- Reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group
- Reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required

The AC also meets with internal and external auditors without the presence of Management at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the AC periodically.

The AC makes recommendations to the Board for approval by Shareholders, the appointment, re-appointment and removal of the Company's external auditors. It also reviews and approves the remuneration and terms of engagement of the external auditors.

During the year, the AC conducted a review of the scope and results of audit by the incumbent auditors and its cost effectiveness, as well as the independence and objectivity of the auditors. It also reviewed all non-audit services provided

Accountability and Audit (cont'd)

by the incumbent auditors, and the aggregate amount of audit fees paid to them. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 119. The AC is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. It is also satisfied with the aggregate amount of audit fees paid to the auditors. Accordingly, the AC has recommended the re-appointment of the external auditors at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and reviewed a variety of factors including the adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, and size and complexity of the Group, its businesses and operations.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy. This Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting or other matters may be raised by staff and any other person in confidence and in good faith, without fear of reprisal. Details of this policy have been disseminated and made available to all employees. All matters which are raised are then independently investigated and appropriate actions taken. The AC ensures that independent investigations and any appropriate follow-up actions are carried out.

Principle 13: Internal Audit

The Internal Audit ("**IA**") Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group's system of internal controls. The Head of IA, who is a Chartered Accountant of Singapore, reports directly to the Chairman of the AC and administratively, to the Group Company Secretary.

The Head of IA and most of the internal audit staff are members of the Institute of Internal Auditors, Singapore and the department has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the IA Department also receive relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies.

The IA Department operates within the framework stated in its Terms of Reference, which is approved by the AC. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the F&N Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

During the year, the IA Department conducted its audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, the IA Department would submit to the AC a report on the status of the audit plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at AC meetings for discussion and follow-up action. The AC monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by Management.

The AC is satisfied that that the IA Department has adequate resources and appropriate standing within the Company to perform its function effectively.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

F&N believes in treating all Shareholders fairly and equitably. It aspires to keep all Shareholders and other stakeholders and analysts in Singapore and beyond informed of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares, on a timely and consistent manner.

Shareholders are also given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

Principle 15: Communication with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N aims to provide fair, relevant, comprehensive and timely information regarding the Group's performance and progress to Shareholders and the

corporate GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Shareholder Rights and Responsibilities (cont'd)

investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating communications between the Company and its Shareholders, as well as with the investment community.

The IR team communicates regularly with Shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team conducts roadshows (together with key senior Management), and participates in investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance. During the year, the IR team, together with senior Management, engaged with Singapore and foreign investors at non-deal roadshows as well as one-on-one and group meetings. The aim of such engagements is to provide Shareholders and investors prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. The Company makes available all its briefing materials to analysts and the media, its financial information, its annual reports and all announcements to the SGX-ST and on its website at www.fraserandneave.com, with contact details for investors to channel their comments and queries.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of the Annual Report on page 53.

The Company has a policy on the payment of dividends, which is to endeavour – barring unforeseen circumstances – to pay up to fifty percent (50%) of Group Attributable Profit before fair value gain and exceptional items.

Principle 16: Conduct of Shareholder Meetings

The Board supports and encourages active Shareholder participation at AGMs. It believes that general meetings serve as an opportune forum for Shareholders to meet the Board and senior Management, and to interact with them.

The Company's Articles of Association allows all Shareholders the right to appoint up to two proxies to attend and vote on their behalf in Shareholders' meetings. A copy each of the Annual Report and notice of AGM is sent to all Shareholders. Separate resolutions are proposed on each substantially separate issue at the meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior Management are present at each Shareholders' meeting to respond to any questions from Shareholders. The Company's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails Shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands), thereby allowing all Shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution are then screened at the meeting and announced to the SGX-ST after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM.

Code of Business Conduct

F&N has in place a Code of Business Conduct which sets out the business practices, standards and ethical conduct expected of all employees in the course of their employment with the F&N Group. The Code of Business Conduct is disseminated and distributed to all employees for compliance, and covers such aspects of the business operations of the Group as conflicts of interest and dealings with government officials, government employees, and suppliers and customers of the Company. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

Listing Rule 1207 sub-Rule (19) on Dealings in Securities

In compliance with Listing Rule 1207 sub-Rule (19) of the SGX-ST Listing Manual, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full-year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

Particulars of Key Management Personnel as at 30 September 2014

Name of Key Executive	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Dato' Ng Jui Sia	62	Bachelor of Business Administration, University of Singapore Associate, The Institute of Chartered Accountants in England and Wales	1982 – 1985 Audit Senior / Audit Manager, Price Waterhouse Singapore 1985 – 1989 Regional Financial Controller, MK Electric SEA Pte Ltd 1989 – 1995 General Manager (Hong Kong & South China), CarnaudMetalbox Asia Pacific 1995 – 1999 General Manager, Fraser and Neave, Limited / F&N Coca-Cola (Singapore) Pte Ltd 1999 – 2006 Managing Director, F&N Coca-Cola (Malaysia) Sdn Bhd 2006 – 2010 Chief Executive Officer, Times Publishing Limited 2010 – 2013 Chief Executive Officer, Fraser & Neave Holdings Bhd	Chief Executive Officer, Non-Alcoholic Beverages Fraser and Neave, Limited (Date appointed: 1 July 2013)
Mr Anthony Cheong Fook Seng	60	Associate, The Institute of Chartered Accountants in England and Wales Chartered Accountant, Institute of Singapore Chartered Accountants	1982 – 1989 Manager, Corporate Recovery Services, Ernst & Young 1989 – 2001 Company Secretary, CarnaudMetalbox Asia Ltd 2001 – 2002 Corporate General Manager, Finance, Times Publishing Limited	Group Company Secretary, Fraser and Neave Group (Date appointed: 1 April 2002) Acting Chief Executive Officer, Times Publishing Limited (Date appointed: 3 July 2013)
Mr Huang Hong Peng	55	Degree in Air Transport, Ecole Nationale de l'Aviation Civile, Toulouse, France Advanced Management Programme, Harvard Business School	1993 – 1994 Assistant Director (Airport Management), Civil Aviation Authority Singapore 1994 Management Assistant, Union Bank of Switzerland 1994 – 1995 Senior Manager, Projects, Asia Pacific Breweries Limited 1995 – 1997 Assistant General Manager, Projects, Asia Pacific Breweries Limited 1997 – 1998 General Manager, Myanmar Brewery Limited 1999 – 2000 General Manager, Hainan Asia Pacific Brewery Company Ltd 2000 – 2002 General Manager, Shanghai Asia Pacific Brewery Co Ltd 2002 – 2004 Regional Director, China, Asia Pacific Breweries Limited 2005 – 2006 Chief Operating Officer, Food & Beverage, Fraser and Neave, Limited 2006 – 2008 Regional Director, China, Asia Pacific Breweries Limited 2008 Regional Director, CEO's Office, Asia Pacific Breweries Limited 2008 – 2012 Deputy Chief Executive Officer, Food & Beverage, Fraser and Neave, Limited	Chief Executive Officer, Beer, Fraser and Neave, Limited (Date appointed: 1 July 2013)
Mr Hui Choon Kit	50	Master of Business Administration (Hospitality & Tourism Management), Nanyang Technological University Bachelor of Business, Curtin University of Technology Chartered Accountant, Institute of Singapore Chartered Accountants	1989 – 1991 Audit Senior, Ernst & Young 1991 – 1993 Executive Consultant, Ernst & Young Consultants Pte Ltd 1994 – 1997 Assistant Vice President, Investment Banking, Keppel Bank of Singapore Limited 1997 – 1999 Manager, Corporate Finance, Schroder International Merchant Bankers Limited 2000 Senior Manager, New Ventures, Fraser and Neave, Limited 2000 – 2001 Assistant General Manager, Corporate Planning & Business Development, Fraser and Neave, Limited 2001 – 2002 Deputy General Manager, Corporate Planning & Business Development / Budget Manager, Chairman's Office, Fraser and Neave, Limited 2002 – 2005 General Manager, Corporate Communications & Special Projects / Budget Manager, Chairman's Office, Fraser and Neave, Limited 2005 – 2008 General Manager, Treasury and Budget / Corporate Communications, Fraser and Neave, Limited 2008 – 2009 Deputy Group Financial Controller / General Manager, Corporate Communications, Fraser and Neave, Limited 2009 – 2012 Group Financial Controller, Fraser and Neave, Limited	Chief Financial Officer, Fraser and Neave, Limited (Date appointed: 1 October 2012)
Mr Somsak Chayapong	55	Bachelor of Science (Chemistry), Chulalongkorn University, Thailand Program for Executive Development, IMD Business School, Switzerland	1981 – 1983 Quality Control Chemist, ICI Paints (Thailand) Ltd 1983 – 2006 Zone Leader – Asia & Oceania, Nestle (Thai) Ltd 2006 – 2013 Managing Director, F&N Dairies (Thailand) Limited	Chief Executive Officer, Fraser & Neave Holdings Bhd (Date appointed: 1 July 2013)[1]

Note:

1 Mr Somsak Chayapong and Fraser & Neave Holdings Bhd agreed to mutually separate with effect from 31 August 2014. Following the separation, Dato' Ng Jui Sia, CEO – Non-Alcoholic Beverages of the Company and a Non-Independent and Non-Executive Director of Fraser & Neave Holdings Bhd, oversaw the management of Fraser & Neave Holdings Bhd.

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directors' REPORT

The directors have pleasure in submitting their report and the audited financial statements of Fraser and Neave, Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2014.

1. DIRECTORATE

The directors of the Company in office at the date of this report are:

Mr Charoen Sirivadhanabhakdi	(Chairman)		
Khunying Wanna Sirivadhanabhakdi	(Vice Chairman)		
Tengku Syed Badarudin Jamalullail		-	Appointed on 8 January 2014 *
Mr Timothy Chia Chee Ming		-	Appointed on 8 January 2014 *
Mr Koh Poh Tiong			
Mrs Siripen Sitasuwan			
Mr Chotiphat Bijananda			
Mr Thapana Sirivadhanabhakdi			
Mr Sithichai Chaikriangkrai			
Mr Prapakon Thongtheppairot (Alternate to Mr Sithichai Chaikriangkrai)			

* Re-appointed at the Annual General Meeting on 27 January 2014.

Consequent to the separate listing of Frasers Centrepoint Limited ("FCL"), the following directors stepped down from the Board on 8 January 2014 to serve on the FCL Board. The Board places on record its appreciation to these directors for their past services.

- Mr Charles Mak Ming Ying
- Mr Chan Heng Wing
- Mr Philip Eng Heng Nee
- Mr Weerawong Chittmittrapap
- Mr Panote Sirivadhanabhakdi

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

- Pursuant to Section 153 of the Companies Act (Chapter 50 of Singapore):
  - Mr Charoen Sirivadhanabhakdi
  - Khunying Wanna Sirivadhanabhakdi
  - Tengku Syed Badarudin Jamalullail

- By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Chotiphat Bijananda
  - Mr Thapana Sirivadhanabhakdi

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during, the financial year did there subsist any arrangements to which the Company or the Group was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this report.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year who had interests in the shares in or debentures of the Company and its related corporations as recorded in the register required to be kept under Section 164 of the Companies Act (Chapter 50 of Singapore) are as follows:

		As at 1 Oct 2013	As at 30 Sep 2014
Charoen Sirivadhanabhakdi			
- *Fraser and Neave, Limited*			
• Ordinary Shares		1,301,433,884 [1]	1,270,503,884 [1]
- *Frasers Centrepoint Limited*			
• Ordinary Shares		Nil	2,541,007,768 [2][2A]
- *FCL Treasury Pte. Ltd.*			
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)		Nil	S$250,000,000 [3]
- *Australand Property Group*			
• Stapled Securities		Nil	573,807,176 [4]
- *Fraser & Neave Holdings Bhd*			
• Ordinary Shares		203,470,910 [5]	203,470,910 [5]
- *TCC Assets Limited*			
• Ordinary Shares		25,000	25,000
Khunying Wanna Sirivadhanabhakdi			
- *Fraser and Neave, Limited*			
• Ordinary Shares		1,301,433,884 [1]	1,270,503,884 [1]
- *Frasers Centrepoint Limited*			
• Ordinary Shares		Nil	2,541,007,768 [2][2A]
- *FCL Treasury Pte. Ltd.*			
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)		Nil	S$250,000,000 [3]
- *Australand Property Group*			
• Stapled Securities		Nil	573,807,176 [4]
- *Fraser & Neave Holdings Bhd*			
• Ordinary Shares		203,470,910 [5]	203,470,910 [5]
- *TCC Assets Limited*			
• Ordinary Shares		25,000	25,000
Tengku Syed Badarudin Jamalullail			
- *Fraser & Neave Holdings Bhd*			
• Ordinary Shares		2,062,000 [6]	2,062,000
Koh Poh Tiong			
- *Fraser and Neave, Limited*			
• Ordinary Shares		Nil	192,830
• Conditional Award of Restricted Shares	(Year 1)	108,517 [7]	Nil [8]
• Conditional Award of Restricted Shares	(Year 2)	59,626 [9]	29,813 [10]
• Conditional Award of Performance Shares	(Year 2)	202,122 [11]	Nil [12]
- *Frasers Centrepoint Limited*			
• Ordinary Shares		Nil	385,660 [2]

directors' REPORT

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

(1) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued and paid-up share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares in Fraser and Neave, Limited ("F&N") in which TCCA has an interest.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 51% direct interest in Siriwana Company Limited, which in turn holds an approximate 45.27% direct interest in Thai Beverage Public Company Limited ("ThaiBev").

Further, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 100% direct interest in MM Group Limited ("MM Group"). MM Group holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC"). Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turns holds a 100% direct interest in InterBev Investment Limited ("IBIL"). Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all the shares in F&N in which IBIL has an interest.

(2) The interest arose from the completion of the distribution of dividend *in specie* by F&N of all the ordinary shares held by F&N in the issued share capital of Frasers Centrepoint Limited ("FCL") to the shareholders of F&N, on the basis of two ordinary shares in FCL for each share in F&N held by the shareholders of F&N and the listing of FCL on the Main Board of the Singapore Exchange Securities Trading Limited on 9 January 2014.

(2A) As at 30 September 2014:
- TCCA holds 1,716,160,124 shares in FCL; and
- IBIL holds 824,847,644 shares in FCL.

Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares in FCL in which TCCA and IBIL have an interest.

(3) TCC Prosperity Limited ("TCCP") subscribed for S$250 million in aggregate principal amount of subordinated perpetual securities issued by FCL Treasury Pte. Ltd. (a wholly-owned subsidiary of FCL) on 24 September 2014. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi own all the shares in TCCP in equal shares, and are therefore deemed to be interested in all the perpetual securities in which TCCP has an interest.

(4) On 7 July 2014, Frasers Amethyst Pte. Ltd., a wholly-owned subsidiary of FCL, made an off-market takeover bid to acquire up to 100% of the issued stapled securities of the Australand Property Group (each stapled security comprising one share in Australand Holdings Limited and one unit in each of Australand Property Trust, Australand Property Trust No.4 and Australand Property Trust No.5).

Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued and paid-up share capital of TCCA. TCCA holds more than 20% of the issued share capital of FCL. Accordingly, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to be interested in the 573,807,176 stapled securities in which TCCA has an interest held through FCL and its subsidiaries as at 30 September 2014.

(5) F&N holds a 55.63% direct interest in Fraser & Neave Holdings Bhd.

Therefore, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi have a deemed interest in the 203,470,910 shares held by F&N in Fraser & Neave Holdings Bhd.

(6) As at date of appointment, i.e. 8 January 2014.

(7) The deemed interest in 108,517 shares in F&N arose from the vesting of shares under and in accordance with the F&N Restricted Share Plan ("RSP") after adjustment due to a capital reduction undertaken by F&N during the financial year ended 30 September 2013.

(8) Shares have been released in accordance with the rules of the RSP.

(9) The deemed interest in 59,626 shares in F&N arose from the vesting of shares under and in accordance with the RSP after adjustment due to a capital reduction undertaken by F&N during the financial year ended 30 September 2013.

(10) The deemed interest in 29,813 shares in F&N arose from the release of shares in accordance with the RSP. Adjustments were made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the year. This resulted in the deemed interest increasing to 58,485 shares in F&N.

(11) The deemed interest in up to 202,122 shares in F&N arose from the grant of a conditional award of performance shares under the F&N Performance Share Plan ("PSP") after adjustment due to a capital reduction undertaken by F&N during the financial year ended 30 September 2013. The actual number of F&N shares to be delivered will range from 0% to 200% of the adjusted base award of 101,061 shares, depending on the level of achievement of performance targets set over a three-year performance period.

(12) Shares have been released in accordance with the rules of the PSP.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 October 2014, save as disclosed in this report.

Except as disclosed in this report, no director who held office at the end of the financial year had any interest in shares in or debentures of the Company or its related corporations.

directors' REPORT

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit required to be disclosed by Section 201(8) of the Companies Act (Chapter 50 of Singapore) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he had a substantial financial interest except as disclosed in this report or in the financial statements of the Company or of the Group, and except that certain directors have employment relations with, or are directors/officers of related corporations and have received remuneration/fees/benefits in those capacities.

5. SHARE OPTIONS AND SHARE PLANS

(a) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

The Company introduced the RSP and PSP (collectively, the "Share Plans") to replace the Fraser and Neave, Limited Executives' Share Option Scheme approved by the shareholders of F&N on 30 September 1999. The RSP and PSP were approved by the shareholders of F&N at the Extraordinary General Meeting of the Company held on 22 January 2009.

The Share Plans are administered by the Remuneration Committee which comprises the following three non-executive directors who do not participate in the Share Plans:

Mr Timothy Chia Chee Ming	(Chairman)
Mrs Siripen Sitasuwan	
Mr Thapana Sirivadhanabhakdi	

Share Grants Under RSP and PSP

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

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

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

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

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

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

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(a) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

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

No awards have been granted to directors of the Company. The awards granted to Mr Koh Poh Tiong were made during his tenure as CEO of the Food & Beverage division of the Company.

No employee has received 5% or more of the total number of shares available/delivered pursuant to grants under the RSP and PSP.

The first grant of the RSP and PSP was made in December 2009 for Financial Year 2009/10. The details of the shares awarded under the RSP and PSP in aggregate are as follows:-

(i) RSP

Shares	Grant Date	Balance as at 1.10.2013 or Grant Date if later	Cancelled	Achievement Factor	Vested	Adjustment	Balance as at 30.9.2014 or Grant Date if later
Year 1	14.12.2009	1,218,289	(2,436)	-	(1,215,853)	-	-
Year 2	14.12.2010	1,319,435	(327,695)	-	(658,747)	320,302	653,295
Year 3	14.12.2011	2,814,265	(586,645)	(603,070)	(1,087,750)	506,312	1,043,112
Year 4	14.12.2012	2,061,038	(1,163,346)	-	-	838,546	1,736,238
Year 5	01.10.2014	1,070,175 @	-	-	-	-	1,070,175
		8,483,202	(2,080,122) *	(603,070)	(2,962,350)	1,665,160 #	4,502,820 ^

@ Granted in respect of financial year ended 30 September 2014.

* Cancelled due to resignations and cessation of participation by employees of the FCL Group pursuant to distribution of dividend *in specie* of shares in, and listing of, FCL.

\# Adjustments were made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the year.

^ This takes into account the adjustments made on 7 October 2014.

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2013 or Grant Date if later	Cancelled	Achievement Factor	Vested	Adjustment	Balance as at 30.9.2014 or Grant Date if later
Year 2	14.12.2010	329,383	-	95,117	(424,500)	-	-
Year 3	14.12.2011	242,454	(185,648)	-	-	53,384	110,190
Year 4	14.12.2012	238,730	(184,598)	-	-	14,026	68,158
Year 5	01.10.2014	32,546 @	-	-	-	-	32,546
		843,113	(370,246) *	95,117	(424,500)	67,410 #	210,894 ^

@ Granted in respect of financial year ended 30 September 2014.

* Cancelled due to resignations and cessation of participation by employees of the FCL Group pursuant to distribution of dividend *in specie* of shares in, and listing of, FCL.

\# Adjustments were made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the year.

^ This takes into account the adjustments made on 7 October 2014.

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(b) Share Options pursuant to the Fraser & Neave Holdings Bhd ("F&NHB") Executives' Share Option Scheme Approved by Shareholders on 5 April 2007 ("F&NHB 2007 Scheme")

Information pertaining to Outstanding Options

At the end of the financial year, 751,000 unissued ordinary shares of F&NHB were under options granted pursuant to the F&NHB 2007 Scheme ("F&NHB Options").

Details of the options granted to executives pursuant to the F&NHB 2007 Scheme to acquire ordinary shares of RM1.00 each in the capital of F&NHB are as follows:

Options	Offer Date	Balance as at 1.10.2013	Options Exercised/ Lapsed	Balance as at 30.9.2014	Exercise Price/ Adjusted Exercise Price#	Exercise Period
2010	20.11.2009	196,400	(171,100)	25,300	RM11.34/10.47	20.08.2012 to 19.10.2014
2011	22.11.2010	1,874,700	(1,149,000)	725,700	RM14.52	22.08.2013 to 21.10.2015
		2,071,100	(1,320,100)*	751,000		

* Exercised (1,292,900); Lapsed due to resignations (27,200).

\# The adjustments which were effective 13 December 2010 relate to F&NHB's special interim single tier dividend of RM1.10 per share.

Statutory and other information regarding the F&NHB Options

The main features of the F&NHB 2007 Scheme are outlined below:

- The maximum number of new ordinary shares of RM1.00 each in F&NHB which may be issued on the exercise of options granted under the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

- Eligible full-time executives of the F&NHB group and executive directors of F&NHB with at least one year's service shall be eligible to participate in the F&NHB 2007 Scheme.

- The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of F&NHB during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

  (i) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of F&NHB group; and

  (ii) not more than 10% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of F&NHB.

The option price shall be the five-day weighted average market price of F&NHB's shares as quoted on Bursa Malaysia Securities Berhad immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date for the implementation of the F&NHB 2007 Scheme.

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(b) Share Options pursuant to the Fraser & Neave Holdings Bhd ("F&NHB") Executives' Share Option Scheme Approved by Shareholders on 5 April 2007 ("F&NHB 2007 Scheme") (cont'd)

Statutory and other information regarding the F&NHB Options (cont'd)

As a result of a capital distribution by way of the declaration of a special interim single tier dividend of RM1.10 per share, adjustments were made to the option price of the options effective 13 December 2010.

Following the adoption of the F&NHB Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP"), no further options have been granted under the F&NHB 2007 Scheme.

(c) F&NHB RSP and F&NHB PSP ("Share Grant Plan")

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

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

RSP

Shares	Offer Date	Balance as at 1.10.2013 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2014
Year 1	15.03.2012	356,400	(7,700)	(165,000)	(74,200)	109,500
Year 2	07.03.2013	349,500	(35,700)	-	-	313,800
Year 3	12.08.2014	574,200	-	-	-	574,200
		1,280,100	(43,400) *	(165,000)	(74,200)	997,500

* Cancelled due to resignations

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

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

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

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

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(c) F&NHB RSP and F&NHB PSP ("Share Grant Plan") (cont'd)

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

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

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

No awards have been granted to the directors of F&NHB.

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

(d) Other than those reported in this paragraph 5, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(e) Other than those reported in this paragraph 5, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this report relates.

6. AUDIT COMMITTEE

At a series of meetings convened during the twelve months up to the date of this report, the Audit Committee reviewed reports prepared by the external and the internal auditors and approved proposals for improvement in internal controls. The announcement of quarterly results and the financial statements of the Company and of the Group and the audit report thereon for the full year were also reviewed prior to consideration and approval of the Board.

The Audit Committee has nominated Ernst & Young LLP for re-appointment by the shareholders as auditor for the ensuing financial year.

7. AUDITOR

The auditor, Ernst & Young LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board

SIRIPEN SITASUWAN
Director

SITHICHAI CHAIKRIANGKRAI
Director

Singapore
13 November 2014

statement by DIRECTORS

We, **SIRIPEN SITASUWAN** and **SITHICHAI CHAIKRIANGKRAI**, being two of the Directors of Fraser and Neave, Limited, do hereby state that in the opinion of the Directors,

(i) the balance sheets, profit statements, statements of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 91 to 184, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2014 and of the results of the business and cash flows of the Group and changes in equity of the Company and of the Group for the year ended 30 September 2014; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

SIRIPEN SITASUWAN
Director

SITHICHAI CHAIKRIANGKRAI
Director

Singapore
13 November 2014

independent AUDITOR'S REPORT

TO THE MEMBERS OF FRASER AND NEAVE, LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Fraser and Neave, Limited ("the Company") and its subsidiaries (collectively, "the Group") set out on pages 91 to 184, which comprise the balance sheets of the Group and the Company as at 30 September 2014, the statements of changes in equity of the Group and the Company and the profit statement, statement of comprehensive income and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
13 November 2014

profit STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	THE GROUP 2014 ($'000)	2013 ($'000) (Restated)
Continuing operations			
REVENUE	3	**2,421,051**	2,294,119
Cost of sales		**(1,597,811)**	(1,520,310)
Gross profit		**823,240**	773,809
Other income/(expenses) (net)	4(a)	**23,559**	(3,886)
Operating expenses			
- Distribution		**(197,920)**	(187,591)
- Marketing		**(249,248)**	(233,906)
- Administration		**(148,768)**	(162,955)
		(595,936)	(584,452)
TRADING PROFIT		**250,863**	185,471
Share of associated companies' profit		**2,739**	9,747
Gross income from investments	6	**22,902**	18,653
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**276,504**	213,871
Finance income		**21,089**	77,773
Finance expense		**(12,093)**	(38,746)
Net finance income	4(b)	**8,996**	39,027
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**285,500**	252,898
Fair value adjustment of investment properties		**265**	5,509
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	**285,765**	258,407
Exceptional items	7	**(100,886)**	(183,429)
PROFIT BEFORE TAXATION		**184,879**	74,978
Taxation	8	**(49,698)**	(48,564)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		**135,181**	26,414
Discontinued operations			
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAXATION	29(a)	**138,121**	735,738
Loss on distribution *in specie* of discontinued operations	29(a)	**(17,661)**	-
Gain on disposal of discontinued operations	29(a)	**-**	4,751,514
PROFIT AFTER TAXATION		**255,641**	5,513,666
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items			
Continuing operations		**143,865**	143,508
Discontinued operations		**119,018**	401,080
		262,883	544,588
- Loss on distribution *in specie* of discontinued operations		**(17,661)**	-
- Gain on disposal of discontinued operations		**-**	4,751,514
- Fair value adjustment of investment properties			
Continuing operations		**265**	3,862
Discontinued operations		**-**	275,682
		265	279,544
- Exceptional items			
Continuing operations		**(100,193)**	(190,933)
Discontinued operations		**1,798**	45,541
		(98,395)	(145,392)
		147,092	5,430,254
Non-controlling interests			
Continuing operations		**91,244**	69,977
Discontinued operations		**17,305**	13,435
		108,549	83,412
		255,641	5,513,666

	Notes	2014	2013
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items [1]		**18.2 cts**	37.8 cts
Basic - after fair value adjustment and exceptional items [2]		**10.2 cts**	376.8 cts
Fully diluted - before fair value adjustment and exceptional items [1]		**18.1 cts**	37.6 cts
Fully diluted - after fair value adjustment and exceptional items [2]		**10.1 cts**	374.6 cts

1 Before the loss on distribution *in specie* and gain on disposal of discontinued operations
2 After the loss on distribution *in specie* and gain on disposal of discontinued operations

	Notes	2014	2013
Earnings per share from continuing operations attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**10.0 cts**	10.0 cts
Basic - after fair value adjustment and exceptional items		**3.1 cts**	(3.0) cts
Fully diluted - before fair value adjustment and exceptional items		**9.9 cts**	9.9 cts
Fully diluted - after fair value adjustment and exceptional items		**3.0 cts**	(3.0) cts

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

statement of COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
Profit after taxation	**255,641**	5,513,666
Other comprehensive income:		
Items that may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	**(5,014)**	(13,594)
Realisation of reserves on distribution *in specie* of subsidiary companies	**17,661**	-
Realisation of reserves on liquidation/disposal of subsidiary and joint venture companies	**(287)**	124,056
Net fair value changes on derivative financial instruments	**706**	4,696
Realisation of hedging loss from derivative financial instruments	**5,707**	2,390
Realisation of fair value gain on disposal of available-for-sale financial assets	**-**	(37,021)
Net fair value changes on available-for-sale financial assets	**(81,555)**	303,047
Currency translation difference	**(23,429)**	(44,532)
	(86,211)	339,042
Items that may not be reclassified to profit statement		
Remeasurement of defined benefit obligations	**(1,057)**	1,045
Other comprehensive income for the year, net of taxation	**(87,268)**	340,087
Total comprehensive income for the year	**168,373**	5,853,753
Total comprehensive income attributable to:		
Shareholders of the Company		
Continuing operations	**(34,155)**	249,896
Discontinued operations	**97,694**	5,544,284
	63,539	5,794,180
Non-controlling interests	**104,834**	59,573
	168,373	5,853,753

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

balance SHEET

AS AT 30 SEPTEMBER 2014

	Notes	THE GROUP 2014 ($'000)	THE GROUP 2013 ($'000) (Restated)	THE COMPANY 2014 ($'000)	THE COMPANY 2013 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	11	**844,585**	1,441,520	**844,585**	1,441,520
Treasury shares	11	**(23)**	(23)	**(23)**	(23)
Reserves	11	**760,266**	7,063,163	**66,547**	3,265,340
		1,604,828	8,504,660	**911,109**	4,706,837
NON-CONTROLLING INTERESTS		**396,113**	373,223	**-**	-
		2,000,941	8,877,883	**911,109**	4,706,837
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	**661,118**	699,109	**-**	-
Investment properties	13	**40,702**	3,155,404	**-**	-
Properties held for development	14	**21,276**	20,984	**-**	-
Subsidiary companies	15	**-**	-	**800,712**	3,945,938
Associated companies	17	**49,866**	1,278,877	**18,100**	18,100
Intangible assets	18	**93,039**	148,315	**-**	-
Brands	23	**31,033**	30,836	**212**	212
Other investments	20	**701,613**	675,236	**100,779**	6,205
Other receivables	26	**1,295**	91,614	**-**	-
Other assets	21	**-**	43,200	**-**	-
Deferred tax assets	33	**26,083**	34,325	**-**	-
Bank fixed deposits	22	**4,672**	-	**-**	-
		1,630,697	6,177,900	**919,803**	3,970,455
CURRENT ASSETS					
Properties held for sale	24	**48,199**	4,688,968	**-**	-
Inventories	25	**274,245**	249,406	**-**	-
Trade receivables	26	**309,187**	527,188	**-**	-
Other receivables	26	**50,480**	133,733	**855**	5,488
Prepaid land costs		**-**	398,033	**-**	-
Related parties	26	**5,163**	146	**1**	-
Subsidiary companies	15	**-**	-	**8,349**	5,695
Joint venture companies	16	**25,670**	4,520	**-**	-
Associated companies	17	**5**	12,710	**-**	-
Short term investments	28	**1**	100	**-**	-
Bank fixed deposits	22	**91,003**	876,333	**266**	255,674
Cash and bank balances	22	**265,084**	1,068,389	**3,898**	650,794
		1,069,037	7,959,526	**13,369**	917,651
Assets held for sale	29	**-**	7,961	**-**	-
		1,069,037	7,967,487	**13,369**	917,651
Deduct : CURRENT LIABILITIES					
Trade payables	30	**198,261**	526,379	**-**	-
Other payables	30	**225,334**	948,595	**10,260**	17,028
Related parties	30	**27,772**	1,652	**-**	-
Subsidiary companies	15	**-**	-	**950**	4,507
Joint venture companies	16	**-**	8	**-**	-
Associated companies	17	**1,854**	1,669	**-**	-
Borrowings	31	**22,990**	862,019	**-**	-
Provision for taxation		**42,456**	161,076	**9,494**	9,734
		518,667	2,501,398	**20,704**	31,269
Liabilities held for sale	29	**-**	1,845	**-**	-
		518,667	2,503,243	**20,704**	31,269
NET CURRENT ASSETS/(LIABILITIES)		**550,370**	5,464,244	**(7,335)**	886,382
Deduct: NON-CURRENT LIABILITIES					
Other payables	30	**15,114**	17,022	**-**	-
Related parties	30	**1,265**	-	**1,265**	-
Borrowings	31	**118,753**	2,582,525	**-**	150,000
Provision for employee benefits	32	**19,495**	18,356	**-**	-
Deferred tax liabilities	33	**25,499**	146,358	**94**	-
		180,126	2,764,261	**1,359**	150,000
		2,000,941	8,877,883	**911,109**	4,706,837

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

statement of CHANGES IN EQUITY

THE GROUP

	Notes	Share Capital ($'000)	Treasury Shares ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Hedging Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2014													
Balance at 1 October 2013		1,441,520	(23)	3,463	6,377,183	(98,510)	592,145	(5,521)	24,129	172,982	8,507,368	373,529	8,880,897
Effects of adopting Revised FRS 19		-	-	-	(2,797)	89	-	-	-	-	(2,708)	(306)	(3,014)
Balance at 1 October 2013, restated		1,441,520	(23)	3,463	6,374,386	(98,421)	592,145	(5,521)	24,129	172,982	8,504,660	373,223	8,877,883
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	-	170	(4,280)	(25)	(900)	21	-	(5,014)	-	(5,014)
Realisation of reserves on distribution *in specie* of subsidiary companies		-	-	5,322	(5,322)	18,361	(179)	(521)	-	-	17,661	-	17,661
Realisation of reserves on liquidation of a subsidiary company		-	-	-	(6)	(281)	-	-	-	-	(287)	-	(287)
Net fair value changes on derivative financial instruments		-	-	-	-	-	-	630	-	-	630	76	706
Realisation of hedging loss from derivative financial instruments		-	-	-	-	-	-	5,707	-	-	5,707	-	5,707
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	(81,555)	-	-	-	(81,555)	-	(81,555)
Remeasurement of defined benefit obligations		-	-	-	(1,519)	-	-	-	-	-	(1,519)	462	(1,057)
Currency translation difference		-	-	-	-	(19,176)	-	-	-	-	(19,176)	(4,253)	(23,429)
Other comprehensive income for the year		-	-	5,322	(6,677)	(5,376)	(81,759)	4,916	21	-	(83,553)	(3,715)	(87,268)
Profit for the year		-	-	-	147,092	-	-	-	-	-	147,092	108,549	255,641
Total comprehensive income for the year		-	-	5,322	140,415	(5,376)	(81,759)	4,916	21	-	63,539	104,834	168,373
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	3,049	-	3,049	62	3,111
Issue of shares in the Company upon vesting of shares awarded	11	9,926	-	-	-	-	-	-	(9,926)	-	-	-	-
Capital reduction	11	(606,861)	-	-	-	-	-	-	-	-	(606,861)	-	(606,861)
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	-	7,056	7,056
Transfer of reserves due to distribution *in specie* of subsidiary companies		-	-	-	-	-	-	-	(5,951)	-	(5,951)	-	(5,951)
Dividends:	9												
Distribution *in specie*		-	-	-	(6,153,835)	-	-	-	-	-	(6,153,835)	-	(6,153,835)
Dividends paid		-	-	-	(29,304)	-	-	-	-	(172,982)	(202,286)	(54,300)	(256,586)
Dividends proposed		-	-	-	(43,347)	-	-	-	-	43,347	-	-	-
Total contributions by and distributions to owners		(596,935)	-	-	(6,226,486)	-	-	-	(12,828)	(129,635)	(6,965,884)	(47,182)	(7,013,066)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	2,513	-	-	-	-	-	2,513	(2,513)	-
Acquisition of subsidiary companies		-	-	-	-	-	-	-	-	-	-	5,942	5,942
Distribution *in specie*		-	-	-	-	-	-	-	-	-	-	(38,191)	(38,191)
Total changes in ownership interests		-	-	-	2,513	-	-	-	-	-	2,513	(34,762)	(32,249)
Total transactions with owners in their capacity as owners		(596,935)	-	-	(6,223,973)	-	-	-	(12,828)	(129,635)	(6,963,371)	(81,944)	(7,045,315)
Balance at 30 September 2014		844,585	(23)	8,785	290,828	(103,797)	510,386	(605)	11,322	43,347	1,604,828	396,113	2,000,941

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

statement of CHANGES IN EQUITY

THE GROUP

	Notes	Share Capital ($'000)	Treasury Shares ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Hedging Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2013													
Balance at 1 October 2012		1,499,329	(23)	264,795	5,510,947	(187,561)	326,152	(13,657)	31,151	171,404	7,602,537	663,048	8,265,585
Effects of adopting Revised FRS 19		-	-	-	(3,108)	74	-	-	-	-	(3,034)	(133)	(3,167)
Balance at 1 October 2012, restated		1,499,329	(23)	264,795	5,507,839	(187,487)	326,152	(13,657)	31,151	171,404	7,599,503	662,915	8,262,418
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	109	(402)	(14,557)	(33)	1,289	-	-	(13,594)	-	(13,594)
Realisation of reserves on disposal of subsidiary and joint venture companies		-	-	(39,122)	39,135	124,056	-	-	(13)	-	124,056	-	124,056
Net fair value changes on derivative financial instruments		-	-	-	-	-	-	4,457	-	-	4,457	239	4,696
Realisation of hedging loss from derivative financial instruments		-	-	-	-	-	-	2,390	-	-	2,390	-	2,390
Realisation of fair value gain on disposal of available-for-sale financial assets		-	-	-	-	-	(37,021)	-	-	-	(37,021)	-	(37,021)
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	303,047	-	-	-	303,047	-	303,047
Remeasurement of defined benefit obligations		-	-	-	1,024	-	-	-	-	-	1,024	21	1,045
Currency translation difference		-	-	-	-	(20,433)	-	-	-	-	(20,433)	(24,099)	(44,532)
Other comprehensive income for the year		-	-	(39,013)	39,757	89,066	265,993	8,136	(13)	-	363,926	(23,839)	340,087
Profit for the year		-	-	-	5,430,254	-	-	-	-	-	5,430,254	83,412	5,513,666
Total comprehensive income for the year		-	-	(39,013)	5,470,011	89,066	265,993	8,136	(13)	-	5,794,180	59,573	5,853,753
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	12,706	-	12,706	611	13,317
Issue of shares in the Company upon exercise of share options and vesting of shares awarded	11	65,995	-	-	-	-	-	-	(19,715)	-	46,280	-	46,280
Capital reduction	11	(123,804)	-	-	(4,604,379)	-	-	-	-	-	(4,728,183)	-	(4,728,183)
Capital repayment to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(290)	(290)
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	-	9,214	9,214
Transfer of reserves		-	-	(222,319)	222,319	-	-	-	-	-	-	-	-
Dividends:	9												
Dividends paid		-	-	-	(52,021)	-	-	-	-	(171,404)	(223,425)	(60,606)	(284,031)
Dividends proposed		-	-	-	(172,982)	-	-	-	-	172,982	-	-	-
Total contributions by and distributions to owners		(57,809)	-	(222,319)	(4,607,063)	-	-	-	(7,009)	1,578	(4,892,622)	(51,071)	(4,943,693)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	3,599	-	-	-	-	-	3,599	(3,599)	-
Redemption of preference shares held by non-controlling interests		-	-	-	-	-	-	-	-	-	-	(595)	(595)
Disposal of subsidiary and joint venture companies		-	-	-	-	-	-	-	-	-	-	(294,000)	(294,000)
Total changes in ownership interests		-	-	-	3,599	-	-	-	-	-	3,599	(298,194)	(294,595)
Total transactions with owners in their capacity as owners		(57,809)	-	(222,319)	(4,603,464)	-	-	-	(7,009)	1,578	(4,889,023)	(349,265)	(5,238,288)
Balance at 30 September 2013		1,441,520	(23)	3,463	6,374,386	(98,421)	592,145	(5,521)	24,129	172,982	8,504,660	373,223	8,877,883

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

statement of CHANGES IN EQUITY

THE COMPANY

	Notes	Share Capital ($'000)	Treasury Shares ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2014									
Balance at 1 October 2013		1,441,520	(23)	(2,814)	3,073,846	150	21,176	172,982	4,706,837
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	(15,544)	-	-	(15,544)
Other comprehensive income for the year		-	-	-	-	(15,544)	-	-	(15,544)
Loss for the year		-	-	-	(57,023)	-	-	-	(57,023)
Total comprehensive income for the year		-	-	-	(57,023)	(15,544)	-	-	(72,567)
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	2,971	-	2,971
Issue of shares in the Company upon vesting of shares awarded	11	9,926	-	-	-	-	(9,926)	-	-
Capital reduction	11	(606,861)	-	-	-	-	-	-	(606,861)
Transfer of reserves due to distribution *in specie* of subsidiary companies		-	-	-	-	-	(5,951)	-	(5,951)
Dividends:	9								
Distribution *in specie*		-	-	-	(2,911,034)	-	-	-	(2,911,034)
Dividends paid		-	-	-	(29,304)	-	-	(172,982)	(202,286)
Dividends proposed		-	-	-	(43,347)	-	-	43,347	-
Total transactions with owners in their capacity as owners		(596,935)	-	-	(2,983,685)	-	(12,906)	(129,635)	(3,723,161)
Balance at 30 September 2014		844,585	(23)	(2,814)	33,138	(15,394)	8,270	43,347	911,109
YEAR ENDED 30 SEPTEMBER 2013									
Balance at 1 October 2012		1,499,329	(23)	1,036,460	1,601,604	1,886	28,965	171,404	4,339,625
Comprehensive income									
Realisation of fair value gain on disposal of available-for-sale financial assets		-	-	-	-	(2,121)	-	-	(2,121)
Net fair value changes on available-for-sale financial assets		-	-	-	-	385	-	-	385
Other comprehensive income for the year		-	-	-	-	(1,736)	-	-	(1,736)
Profit for the year		-	-	-	5,262,350	-	-	-	5,262,350
Total comprehensive income for the year		-	-	-	5,262,350	(1,736)	-	-	5,260,614
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	11,926	-	11,926
Issue of shares in the Company upon exercise of share options and vesting of shares awarded	11	65,995	-	-	-	-	(19,715)	-	46,280
Capital reduction	11	(123,804)	-	-	(4,604,379)	-	-	-	(4,728,183)
Transfer of reserves		-	-	(1,039,274)	1,039,274	-	-	-	-
Dividends:	9								
Dividends paid		-	-	-	(52,021)	-	-	(171,404)	(223,425)
Dividends proposed		-	-	-	(172,982)	-	-	172,982	-
Total transactions with owners in their capacity as owners		(57,809)	-	(1,039,274)	(3,790,108)	-	(7,789)	1,578	(4,893,402)
Balance at 30 September 2013		1,441,520	(23)	(2,814)	3,073,846	150	21,176	172,982	4,706,837

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

cash flow STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	**285,765**	258,407
Profit before taxation and exceptional items from discontinued operations	**166,197**	785,912
Profit before taxation and exceptional items	**451,962**	1,044,319
Adjustments for:		
Depreciation of fixed assets	**67,759**	78,317
Impairment of fixed assets and intangible assets	**2,677**	19,908
Impairment reversal of fixed assets and intangible assets	**(865)**	(855)
Impairment of other investment	**30**	30
Intangible assets written off	**7**	87
Fixed assets written off	**608**	723
Provision for employee benefits	**2,212**	2,380
Valuation gain on interest retained in a joint venture company	**(21,392)**	-
Allowance for foreseeable losses on properties held for sale (net)	**-**	8,452
(Gain)/Loss on disposal of fixed assets	**(568)**	669
Amortisation of brands and intangible assets	**16,987**	15,863
Interest income	**(10,941)**	(38,972)
Interest expenses	**14,764**	58,395
Share of associated companies' profits	**(13,719)**	(69,283)
Investment income	**(23,027)**	(18,943)
Profit on properties held for sale	**(135,735)**	(408,711)
Employee share-based expense	**3,280**	13,317
Fair value adjustment of financial instruments	**(3,952)**	5,010
Fair value adjustment of investment properties	**(265)**	(281,252)
Loss on disposal of financial instruments	**3,478**	6,134
Operating cash before working capital changes	**353,300**	435,588
Change in inventories	**(24,722)**	16,793
Change in receivables	**(102,558)**	35,201
Change in prepaid land costs	**(300,205)**	(398,033)
Change in joint venture and associated companies' balances	**(16,339)**	5,512
Change in payables	**(41,613)**	(57,272)
Progress payment received/receivable on properties held for sale	**605,826**	1,282,779
Development expenditure on properties held for sale	**(224,306)**	(1,255,835)
Currency realignment	**(4,376)**	10,421
Cash generated from operations	**245,007**	75,154
Interest income received	**11,136**	41,631
Interest expenses paid	**(22,166)**	(48,459)
Income taxes paid	**(50,085)**	(126,752)
Payment of employee benefits	**(1,923)**	(2,174)
Net cash from/(used in) operating activities	**181,969**	(60,600)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	**15,829**	62,528
Investment income	**23,027**	18,943
Proceeds from sale of fixed assets	**1,578**	1,591
Proceeds from sale of other and short term investments	**101**	63,599
Net cash outflow on distribution *in specie* and liquidation of subsidiary companies	**(700,504)**	-
Net cash inflow from disposal of joint venture companies	**-**	5,581,906
Proceeds from redemption of units by an associated company	**-**	306,158
Purchase of fixed assets and investment properties	**(62,485)**	(142,732)
Purchase of other investments	**(110,024)**	-
Net cash outflow on acquisition of subsidiary companies	**(13,169)**	-
Payment for intangible assets	**(12,217)**	(12,095)
Development expenditure on investment properties under construction	**(705,772)**	(13,329)
Investments in associated companies	**(2,526)**	(34,114)
Repayment of loans from/(loans to) associated companies	**8,071**	(71,688)
Net cash (used in)/from investing activities	**(1,558,091)**	5,760,767

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

cash flow STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans and bank borrowings	**(1,067,955)**	(435,044)
Capital reduction	**(606,861)**	(4,728,183)
Repayment of loans by a related party	**1,715,714**	-
Redemption of preference shares held by non-controlling interests	**-**	(595)
Capital repayment to non-controlling interests	**-**	(290)
Proceeds from issue of shares:		
- by subsidiary companies to non-controlling interests	**7,056**	9,214
- by the Company to shareholders	**-**	46,280
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(54,300)**	(60,606)
- by the Company to shareholders	**(202,286)**	(223,425)
Net cash used in financing activities	**(208,632)**	(5,392,649)
Net (decrease)/increase in cash and cash equivalents	**(1,584,754)**	307,518
Cash and cash equivalents at beginning of year	**1,943,070**	1,647,477
Effects of exchange rate changes on cash and cash equivalents	**(3,084)**	(11,925)
Cash and cash equivalents at end of year	**355,232**	1,943,070
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 22)	**356,087**	1,944,722
Bank overdrafts (Note 31)	**(855)**	(1,652)
	355,232	1,943,070
Analysis of acquisition, distribution *in specie* and liquidation/disposal of subsidiary and joint venture companies		
Net assets acquired:		
Fixed assets	**11,510**	-
Current assets	**5,772**	-
Bank borrowings	**(2,668)**	-
Current liabilities	**(2,958)**	-
Non-current liabilities	**(279)**	-
Cash and cash equivalents	**8,431**	-
	19,808	-
Non-controlling interests	**(5,942)**	-
Provisional goodwill on acquisition	**7,734**	-
Consideration paid	**21,600**	-
Less: Cash and cash equivalents of subsidiary companies acquired	**(8,431)**	-
Net cash outflow on acquisition of subsidiary companies	**13,169**	-
Net assets distributed/liquidated/disposed:		
Investment properties	**(4,084,506)**	-
Properties held for sale	**(4,515,019)**	-
Other non-current assets	**(1,358,848)**	-
Other current assets	**(744,367)**	(1,690,920)
Non-current liabilities	**3,121,392**	-
Current liabilities	**2,089,826**	690,616
Non-controlling interests	**38,191**	294,000
Cash and cash equivalents	**(700,504)**	-
	(6,153,835)	(706,304)
Realisation of reserves	**(17,380)**	(124,056)
Distribution *in specie* of subsidiary companies	**6,153,835**	-
Gain on disposal	**-**	(4,751,546)
Loss on distribution *in specie*/liquidation of subsidiary companies	**17,380**	-
Consideration received	**-**	(5,581,906)
Less: Cash of subsidiary companies distributed	**700,504**	-
Net cash outflow/(inflow) on distribution *in specie* and liquidation/disposal of subsidiary and joint venture companies	**700,504**	(5,581,906)

The Notes on pages 99 to 184 form an integral part of the Financial Statements.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

The following Notes form an integral part of the Financial Statements on pages 91 to 98.

1. GENERAL

Fraser and Neave, Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The registered office of the Company is located at 438 Alexandra Road, #20-00 Alexandra Point, Singapore 119958. TCC Assets Limited incorporated in the British Virgin Islands is the immediate and ultimate holding company.

The principal activities of the Group are:
(a) production and sale of beverages (includes soft drinks, beer and stout) and dairy products; and
(b) printing and publishing.

Following the completion of the demerger of Frasers Centrepoint Limited Group on 8 January 2014, the Group has substantially exited from the development and investment properties businesses during the financial year. Other than that, there were no significant changes in the nature of these principal activities during the financial year.

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

The Company's operation is managed through a wholly-owned subsidiary company.

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 13 November 2014.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act (Chapter 50 of Singapore). The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars and all values are rounded to the nearest thousand ($'000) unless otherwise stated.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and are consistent with those used in the previous financial year, except as disclosed below.

On 1 October 2013, the Group and the Company adopted the following new, revised and amendments to standards that are mandatory for application from that date.

Revised FRS 19	Employee Benefits
FRS 113	Fair Value Measurements
Amendments to FRS 107	Disclosures – Offsetting Financial Assets and Financial Liabilities
Improvements to FRSs 2012:	
Amendments to FRS 1	Presentation of Financial Statements
Amendments to FRS 16	Property, Plant and Equipment
Amendments to FRS 32	Financial Instruments: Presentation

Except for Revised FRS 19, the adoption of the above standards had no material effect on the financial performance or position of the Group and the Company.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

Revised FRS 19 Employee Benefits

The Group has adopted Revised FRS 19 Employee Benefits from 1 October 2013.

For defined benefit plans, the Revised FRS 19 requires all actuarial gains and losses to be recognised in other comprehensive income and unvested past service costs previously recognised over the average vesting period to be recognised immediately in profit statement when incurred.

Prior to adoption of the Revised FRS 19, the Group recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognised unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the Revised FRS 19, the Group changed its accounting policy to recognise all actuarial gains and losses in other comprehensive income and all past service costs in profit statement in the period they occur.

The Revised FRS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net balance sheet defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period. The change in accounting policy has been applied retrospectively.

Upon applying Revised FRS 19 retrospectively, the comparatives have been restated. The effects on the Group's financial statements are as follows:

	2013 ($'000)
Group Profit Statement	
Increase in administration expenses	917
Decrease in profit after taxation	(917)
Decrease in attributable profit to:	
- Shareholders of the Company	(713)
- Non-controlling interests	(204)
	(917)

The effect of the change in accounting policy on the earnings per share was immaterial.

Statement of Comprehensive Income	
Remeasurement of defined benefit obligations	1,045
Currency translation differences	25
	1,070
Increase in other comprehensive income attributable to:	
- Shareholders of the Company	1,039
- Non-controlling interests	31
	1,070

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

Revised FRS 19 Employee Benefits (cont'd)

Group Balance Sheet

	2013 ($'000)	2012 ($'000)
Decrease in revenue reserve	(2,797)	(3,108)
Increase in exchange reserve	89	74
Decrease in non-controlling interests	(306)	(133)
Increase in provision for employee benefits	3,014	3,167

2.2 Basis of Consolidation and Business Combinations

The Company's investments in subsidiary companies are stated at cost less accumulated impairment losses.

Subsidiary companies are those companies controlled by the Group. Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies.

Acquisitions of subsidiary companies are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary company comprises the fair value of the assets transferred, liabilities incurred, equity interest issued by the Group and any contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any change in the contingent consideration to be paid will be recognised in the profit statement. Acquisition-related costs are expensed as incurred.

All intra group transactions, balances and unrealised gains are eliminated on consolidation. Unrealised gains resulting from transactions with associated and joint ventures companies are eliminated to the extent of the Group's interest in them. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment.

Non-controlling interests in the acquiree is recognised on the acquisition date at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

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

When a change in the Company's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest and its fair value is recognised in the profit statement.

The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.11(b).

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations (cont'd)

Business combinations prior to 1 October 2010

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity. Any additional acquired interest did not affect previously recognised goodwill.

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

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

A change in ownership interest in subsidiary companies that do not result in a change of control is accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognised directly in equity and attributed to owners of the parent company.

A list of the Company's significant subsidiary companies is shown in Note 44.

2.3 Joint Venture Companies

A joint venture company (not being a subsidiary company) is a company in which the Group has a long-term interest of not more than 50% of the equity and has a contractual agreement to jointly share the control with one or more parties in the joint venture company's commercial and financial affairs.

The Group recognises its interest in joint venture companies using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture companies with the similar items, line by line, in its consolidated financial statements. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture company.

A list of the Company's significant joint venture companies is shown in Note 44.

2.4 Associated Companies

An associated company (not being a subsidiary company or joint venture company) is a company in which the Group exercises significant influence over the financial and operating policy decisions.

The Group's investments in associated companies are carried at cost less accumulated impairment losses and adjusted to recognise the Group's share of post-acquisition reserves of the associated companies. Investments in associated companies include goodwill.

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies (cont'd)

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of other comprehensive income is recognised in other comprehensive income. Net assets of the associated companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

In the Company's separate financial statements, investments in associated companies are carried at cost less impairment losses.

A list of the Company's significant associated companies is shown in Note 44.

2.5 Revenue Recognition

Sale of Goods

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

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

Sale of Development Properties Under Construction

Revenue from development properties under construction is recognised when the significant risks and rewards of ownership have been transferred to the purchasers. For residential development projects under progressive payment scheme in Singapore, whereby the legal terms in the sales contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into the profit statement only in respect of finalised sales contracts and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction and related costs incurred to date to the estimated total construction and related costs for each project.

For executive condominium projects in Singapore, residential development projects under deferred payment scheme in Singapore and overseas development projects, revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Sale of Completed Development Properties

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

Others

Rental income is recognised on a straight line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

Interest income is taken up on an accrual basis (using the effective interest method).

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

Other categories of revenue are taken up on an accrual basis.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.6 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.7 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary, joint venture and associated companies to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

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

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

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.8 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and replacements are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced parts is derecognised.

An asset is derecognised upon sale or retirement and any gain or loss on derecognition of the asset is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserve.

Depreciation is calculated on the straight-line method to write off the cost or valuation of fixed assets less residual value over their estimated useful lives. No depreciation is charged for freehold land and capital work-in-progress. The residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Leasehold land	-	Lease term (ranging from 10 to 99 years)
Building	-	Lease term (ranging from 10 to 60 years)
Plant, machinery and equipment	-	2.5% to 33%
Motor vehicle and forklift	-	10% to 20%
Postmix and vending machine	-	10% to 20%
Furniture and fitting, computer equipment and beer cooler	-	5% to 100%

Capital Work-in-Progress includes fixed assets under construction and advance payments and progress payments made for fixed assets and are not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

2.9 Investment Properties

(a) Completed Investment Properties

Completed investment properties are initially recognised at cost, including transaction cost and subsequently measured at fair value, determined annually by independent professional valuers on balance sheet date. Changes in fair values are recognised in the profit statement in the year in which they arise.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

On disposal of a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties (cont'd)

(b) Investment Property Under Construction

Investment properties under construction are initially stated at cost. Cost includes land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

They are subsequently measured at fair value with the changes in fair values being recognised in the profit statement when fair value can be measured reliably. Investment properties under construction for which fair value cannot be determined reliably is measured at cost less impairment.

Investment properties under construction are considered completed and are transferred to completed investment properties when they are ready for their intended use.

2.10 Borrowing Costs

Borrowing costs are generally expensed as incurred. However, borrowing costs that are directly attributable to acquisition and construction are capitalised as part of the cost of fixed assets, development properties held for sale or completed properties held for sale. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the asset is ready for its intended use. Borrowing costs capitalised in property held for sale are determined after netting off interest income earned from progress billings received and placed on fixed deposits.

2.11 Intangible Assets

Intangible assets acquired separately are capitalised at cost. Intangible assets from a business acquisition are capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense. Intangible assets with indefinite useful lives are subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Internally generated goodwill and internally generated intangible assets arising from research are not capitalised and the expenditure is charged to the profit statement when it is incurred. Deferred development costs arising from deferred expenditure are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.11 Intangible Assets (cont'd)

(a) Development costs of publications are expensed as incurred, except for development costs which can reasonably be expected to be recovered from related future revenues.

The development costs are then amortised in accordance with their estimated economic useful lives, upon completion of published products as follows:

	Directories	Curriculum	General	Reference
1st year	100%	33%	50%	33%
2nd year	-	33%	30%	27%
3rd year	-	34%	20%	20%
4th year	-	-	-	13%
5th year	-	-	-	7%

At each balance sheet date, the Group assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

(b) Goodwill on acquisition is identified as being the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

Positive goodwill is carried at cost less any accumulated impairment loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Internally generated goodwill is not capitalised.

(c) Management contracts with finite useful lives are amortised on a straight line basis over an estimated useful life of 8 years. Management contracts with indefinite useful lives are not amortised.

(d) Other intangible assets comprise licenses, web-content, software, customer relationships, and publishers and distributor relationships. The licenses are amortised based on the remaining lives of the licensing arrangements with the respective licensors. Customer, publisher and distributor relationships are amortised over the remaining useful lives.

2.12 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 14 years on a straight-line method to the profit statement.

Brands with indefinite lives are stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Internally generated brands are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.13 Properties Held For Sale

(a) Development Properties Held for Sale

Development properties held for sale are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Company's own use, rental or capital appreciation.

Development properties held for sale are measured at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, and financing charges and other net costs incurred during the period of development. Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties held for sale is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Development properties held for sale are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method. Progress billings not yet paid by customers are included within "trade and other receivables".

Development properties held for sale are stated at cost if their revenue is recognised upon completion. Payments received from purchasers prior to completion are included in "trade and other payables" as "progress billings received in advance".

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Developments are considered complete upon the issue of Temporary Occupation Permit. When completed, development properties held for sale are transferred to completed properties held for sale.

For revenue recognition on development properties held for sale, please refer to Note 2.5.

(b) Completed Properties Held for Sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, and financing charges and other net costs incurred during the period of development.

Allowance for impairment is made when it is anticipated that the net realisable value has fallen below cost.

For revenue recognition on completed properties held for sale, please refer to Note 2.5.

2.14 Inventories

All inventories including containers (comprising returnable bottles, crates and pallets) are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Cost in respect of raw materials, consumable stores and goods purchased for resale is stated based on first-in-first-out, weighted average or standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering spares and other inventories are valued on the weighted average cost basis less appropriate allowances for obsolete items.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.15 Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

2.16 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank, deposits with financial institutions and bank overdrafts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in bank borrowings on the balance sheet.

2.17 Financial Liabilities

Financial liabilities include trade payables, other payables, payables to subsidiary, joint venture and associated companies and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.18 Employee Benefits

(a) Retirement Benefits

Provision for retirement benefits is made in accordance with:

(i) the terms of agreements concluded with various categories of employees, or

(ii) pension and retirement benefit schemes, or

(iii) defined contribution plans under statutory regulations in the country, where applicable.

Retirement Benefits in accordance with agreements

The provisions represent the present value of the amounts likely to become payable in respect of services already rendered. An independent actuarial calculation of the provision is made every three years. Internal calculation of the provision is made each intervening year on the same basis as those used for the independent actuarial calculation.

Pension and Retirement Benefit Schemes

The cost of providing benefits under the defined benefits plans are determined by the project unit credit method. The liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality bonds that are denominated in the currency in which the benefits will be paid and have tenures approximating that of the related post-employment benefit obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in the profit statement.

Defined contribution plans under statutory regulations

Obligations for contributions to defined contribution plans are recognised as an expense in the profit statement as incurred.

2. ACCOUNTING POLICIES (cont'd)

2.18 Employee Benefits (cont'd)

(b) Equity Compensation Plans

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

Equity-settled transactions

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

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

(c) Accrued Annual Leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

2.19 Functional and Foreign Currencies

(a) Functional currency

The currency of the primary economic environment in which the Company operates ("the functional currency") is Singapore Dollars. The consolidated financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

(b) Foreign currency transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Currency translation differences on equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on equity investments classified as available-for-sale financial assets, are included in the fair value adjustment reserve within equity.

Currency translation differences arising from events which are treated as exceptional are dealt with as exceptional items in the profit statement.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.19 Functional and Foreign Currencies (cont'd)

(c) Foreign currency translations

On consolidation of subsidiary companies, proportionate consolidation for joint venture companies and equity accounting for associated companies, profit statement items are translated into presentation currency at average exchange rates ruling during the year and assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date. Exchange differences arising from translation of foreign subsidiary companies, joint venture companies and associated companies are recognised in other comprehensive income under exchange reserve as a separate component of the shareholders' funds.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in shareholders' funds relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

2.20 Exceptional Items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

2.21 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual installments.

2.22 Leases

(a) As lessee

A finance lease which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the lower of the fair value of the leased item and the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit statement. Contingent rents, if any, are expensed in the periods in which they are incurred.

A lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Operating lease payments are recognised as an expense in the profit statement on a straight-line basis over the lease term.

(b) As lessor

A lease whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Properties leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Contingent rents, if any, are recorded as income in the periods in which they are earned.

2. ACCOUNTING POLICIES (cont'd)

2.22 Leases (cont'd)

(c) **Other long term asset**

Other long term asset relates to the unguaranteed residual value which is the portion of the residual value of the leased asset, the realisation of which by the lessor is not assured or is guaranteed solely by a party related to the lessor. Estimated unguaranteed residual values used in computing the lessor's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognised immediately.

2.23 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement. Impairment loss on goodwill is not reversed in a subsequent period.

2.24 Financial Assets

(a) **Classification**

The classification of financial assets is determined at initial recognition. The Group classifies its investments in financial assets in the following categories:

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

Derivative financial instruments whose fair value is positive are classified as financial assets at fair value through profit or loss. The accounting policy for derivative financial instruments is included in Note 2.25.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless there is intention to dispose of the assets within 12 months after the balance sheet date.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.24 Financial Assets (cont'd)

(b) **Recognition and derecognition**

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when all risks and rewards of ownership have been substantially transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss recognised directly in equity is recognised in the profit statement.

(c) **Initial measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

(d) **Subsequent measurement**

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the profit statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated under fair value adjustment reserve within equity.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments in the fair value adjustment reserve within equity will be released through the profit statement.

(e) **Determination of fair value**

The fair value of quoted financial assets are based on current bid prices. Unquoted investments that do not have quoted market prices in an active market nor methods of reasonably estimating the fair value, are carried at cost.

(f) **Impairment**

(i) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit statement.

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.24 Financial Assets (cont'd)

(f) Impairment (cont'd)

(ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed in subsequent periods.

(iii) Available-for-sale financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit statement is removed from the fair value adjustment reserve within equity and recognised in the profit statement. Impairment losses recognised in the profit statement on equity investments are not reversed through the profit statement, until the equity investments are disposed of.

(g) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.25 Derivative Financial Instruments

The Company and the Group use derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit statement.

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Derivative instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.25 Derivative Financial Instruments (cont'd)

Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve within equity, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserve are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

2.26 Significant Accounting Estimates and Judgements

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

(a) Key sources of estimation uncertainty

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

(i) Impairment of non-financial and financial assets

Goodwill, brands and management contracts

Goodwill, brands and management contracts are tested for impairment at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill, brands and management contracts are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 18 and Note 23.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.26 Significant Accounting Estimates and Judgements (cont'd)

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

(i) ***Impairment of non-financial and financial assets*** (cont'd)

Investment in associated companies

The Group assesses at each reporting date whether there is any objective evidence that investment in associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the recoverable amount of the investee. The carrying amount of the investment in associated companies at balance sheet date have been disclosed in the balance sheet.

Investment in available-for-sale financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that any available-for-sale financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the market condition and whether there is a significant or prolonged decline in the values of these financial assets.

Where there is objective evidence of impairment for quoted available-for-sale financial assets, the difference between the cost and current fair value is recognised as impairment loss. Where there is objective evidence of impairment for unquoted available-for-sale financial assets, the recoverable value is estimated based on the amount and timing of the future cash flows.

Loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a loan or receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(ii) *Income taxes*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. ACCOUNTING POLICIES (cont'd)

2.26 Significant Accounting Estimates and Judgements (cont'd)

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

(iii) Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 1 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the fixed assets at balance sheet date is disclosed in the balance sheet.

(b) **Critical judgements made in applying accounting policies**

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

2.27 Discontinued Operations and Assets and Liabilities Held for Sale

A component of the Group is classified as a discontinued operation when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable FRSs. Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

Any impairment loss on initial classification and subsequent measurement is recognised as expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the profit statement.

In the profit statement of the current reporting period, and of the comparative period, all income and expenses from discontinued operations are reported separately from income and expenses from continuing activities.

2.28 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. ACCOUNTING POLICIES (cont'd)

2.29 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or

(b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.30 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
3. REVENUE		
Sale of goods	**2,186,965**	2,069,126
Sale of services	**219,818**	212,025
Others	**14,268**	12,968
Total revenue	**2,421,051**	2,294,119
4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS		
(a) Included in other income/(expenses) (net):		
Valuation gain on interest retained in a joint venture company (Note 24(b))	**21,392**	-
Exchange loss	**(10,083)**	(201)
Management fee income from a related party	**8,856**	-
Gain/(Loss) on disposal of fixed assets	**567**	(44)
(Loss)/Gain on disposal of derivatives	**(547)**	258
Fair value gain/(loss) on derivatives	**426**	(4,767)
(b) Net finance income:		
Finance income		
Interest income from bank and other deposits	**20,779**	77,708
Others	**310**	65
	21,089	77,773
Finance expense		
Interest expense from bank and other borrowings	**(11,993)**	(33,680)
Interest rate swap contracts	**-**	(2,831)
Foreign exchange contracts	**-**	(2,111)
Others	**(100)**	(124)
	(12,093)	(38,746)
	8,996	39,027

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

		THE GROUP	
		2014 ($'000)	2013 ($'000) (Restated)
(c)	**Profit before taxation and exceptional items have been arrived at after charging:**		
	Depreciation of fixed assets	**66,095**	70,662
	Impairment of fixed assets	**2,640**	14,138
	Impairment of other investments	**30**	30
	Impairment of intangible assets	**37**	5,770
	Amortisation of brands	**135**	269
	Amortisation of intangible assets	**16,724**	15,096
	Intangible assets written off	**7**	87
	Fixed assets written off	**608**	723
	Bad debts written off	**3**	352
	Allowance for bad and doubtful trade debts	**3,143**	2,148
	Allowance for inventory obsolescence	**6,527**	7,447
	Provision for employee benefits	**2,212**	2,380
	Directors of the Company:		
	Fee	**626**	526
	Remuneration of members of Board committees	**561**	341
	Adviser fees and allowances	**1,861**	939
	Resigned Directors of the Company:		
	Fee	**111**	892
	Remuneration of members of Board committees	**68**	259
	Key executive officers:		
	Remuneration	**5,695**	9,504
	Provident Fund contribution	**52**	47
	Employee share-based expense	**926**	1,214
	Staff costs (exclude directors and key executives)	**249,761**	249,140
	Defined contribution plans (exclude directors and key executives)	**23,291**	22,539
	Employee share-based expense (exclude directors and key executives)	**2,127**	6,719
	Auditors' remuneration:		
	Auditor of the Company	**709**	644
	Member firms of the Auditor of the Company	**832**	780
	Other auditors	**18**	119
	Professional fees paid to:		
	Auditor of the Company	**55**	241
	Member firms of the Auditor of the Company	**28**	296
	Other auditors	**1,133**	-
	and crediting:		
	Overprovision of audit fee	**-**	220
	Write back of allowance for bad and doubtful trade debts	**1,012**	962
	Write back of allowance for inventory obsolescence	**2,159**	1,349
	Reversal of impairment of fixed assets	**865**	841
	Reversal of impairment of intangible assets	**-**	14

5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating segments are namely beverages, dairies, printing and publishing and others. The Group operates in the following key geographical areas, namely Singapore, Malaysia, Other ASEAN, North/South Asia and certain countries outside Asia.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

5. SEGMENT INFORMATION (cont'd)

Following the classification of FCL Group results as Discontinued Operations, as detailed in Note 29(a), the remaining Properties components were grouped together under the Others segment. Last year's segment information was also revised to be comparable.

Year ended 30 September 2014

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	969,426	1,099,017	352,311	297	-	2,421,051
Revenue - inter-segment	15,381	-	195	155,032	(170,608)	-
Total revenue	**984,807**	**1,099,017**	**352,506**	**155,329**	**(170,608)**	**2,421,051**
Subsidiary companies	173,681	56,655	5,022	38,407	-	273,765
Associated companies	-	-	458	2,281	-	2,739
PBIT	**173,681**	**56,655**	**5,480**	**40,688**	**-**	**276,504**
Finance income						21,089
Finance expense						(12,093)
Profit before fair value adjustment, taxation and exceptional items						**285,500**
Fair value adjustment of investment properties						265
Exceptional items						(100,886)
Profit before taxation						**184,879**
Taxation						(49,698)
Profit from continuing operations after taxation						**135,181**
Profit from discontinued operations after taxation						**120,460**
Profit after taxation						**255,641**
Non-controlling interests						(108,549)
Attributable profit						**147,092**
Assets	455,047	580,065	343,037	884,877	-	2,263,026
Investments in associated companies	-	-	19,363	30,503	-	49,866
Tax assets						26,083
Bank deposits & cash balances						360,759
Total assets						**2,699,734**
Liabilities	141,530	180,689	88,700	78,176	-	489,095
Tax liabilities						67,955
Borrowings						141,743
Total liabilities						**698,793**
Other segment information:						
Capital expenditure	43,949	10,386	16,422	2,128	966,276*	1,039,161
Depreciation and amortisation	26,220	24,270	29,379	3,085	-	82,954
Impairment losses	1,181	1,411	4,380	-	-	6,972
Reversal of impairment losses	(755)	(110)	-	-	-	(865)
Attributable profit from continuing operations before fair value adjustment and exceptional items	74,122	25,809	7,424	36,510	-	143,865
Fair value adjustment of investment properties	-	-	265	-	-	265
Exceptional items	-	(451)	(101,292)	1,550	-	(100,193)
Attributable profit/(loss) from continuing operations	74,122	25,358	(93,603)	38,060	-	43,937
Attributable profit from discontinued operations						103,155
Total attributable profit						147,092

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore ($'000)	Malaysia ($'000)	Other ASEAN ($'000)	North/South Asia ($'000)	Outside Asia ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	474,890	1,023,952	825,202	90,360	6,647	-	2,421,051
PBIT	10,586	114,109	155,385	(306)	(3,270)	-	276,504
Non-current assets	136,221	460,129	887,350	61,864	4,512	-	1,550,076
Investments in associated companies	-	30,503	-	-	19,363	-	49,866
Current assets	172,416	352,187	132,877	51,400	4,070	-	712,950
Capital expenditure	13,499	24,890	29,704	4,772	20	966,276*	1,039,161

Other ASEAN: Myanmar, Thailand, Vietnam and Indonesia
North/South Asia: China, Taiwan and India
Outside Asia: Australia, Europe and USA

* Adjustments relates to the demerger of FCL as detailed in Note 29(a).

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2013 (Restated)

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	886,794	1,041,644	362,909	2,772	-	2,294,119
Revenue - inter-segment	12,162	-	294	226,328	(238,784)	-
Total revenue	**898,956**	**1,041,644**	**363,203**	**229,100**	**(238,784)**	**2,294,119**
Subsidiary companies	122,008	59,521	1,298	21,297	-	204,124
Associated companies	-	-	7,880	1,867	-	9,747
PBIT	**122,008**	**59,521**	**9,178**	**23,164**	**-**	**213,871**
Finance income						77,773
Finance expense						(38,746)
Profit before fair value adjustment, taxation and exceptional items						**252,898**
Fair value adjustment of investment properties						5,509
Exceptional items						(183,429)
Profit before taxation						**74,978**
Taxation						(48,564)
Profit from continuing operations after taxation						**26,414**
Profit from discontinued operations after taxation						**5,487,252**
Profit after taxation						**5,513,666**
Non-controlling interests						(83,412)
Attributable profit						**5,430,254**
Assets	406,406	591,970	362,607	778,111	8,748,369*	10,887,463
Investments in associated companies	-	-	116,155	29,063	1,133,659*	1,278,877
Tax assets						34,325
Bank deposits & cash balances						1,944,722
Total assets						**14,145,387**
Liabilities	134,641	157,325	95,087	76,959	1,051,514*	1,515,526
Tax liabilities						307,434
Borrowings						3,444,544
Total liabilities						**5,267,504**
Other segment information:						
Capital expenditure	21,163	24,375	15,432	4,560	117,954*	183,484
Depreciation and amortisation	26,814	24,269	31,150	3,794	-	86,027
Impairment losses	11,483	2,448	9,341	120	-	23,392
Reversal of impairment losses	(641)	(200)	(14)	-	-	(855)
Attributable profit from continuing operations before fair value adjustment and exceptional items	50,978	28,863	2,458	61,209	-	143,508
Fair value adjustment of investment properties	-	-	1,762	2,100	-	3,862
Exceptional items	-	10,035	(121,544)	(79,424)	-	(190,933)
Attributable profit/(loss) from continuing operations	50,978	38,898	(117,324)	(16,115)	-	(43,563)
Attributable profit from discontinued operations						5,473,817
Total attributable profit						5,430,254

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore ($'000)	Malaysia ($'000)	Other ASEAN ($'000)	North/South Asia ($'000)	Outside Asia ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	479,548	1,002,195	711,187	93,448	7,741	-	2,294,119
PBIT	18,823	74,213	121,127	924	(1,216)	-	213,871
Non-current assets	168,209	419,512	855,966	69,262	4,645	3,347,104*	4,864,698
Investments in associated companies	-	29,063	-	96,395	19,760	1,133,659*	1,278,877
Current assets	178,701	243,977	144,870	43,898	10,054	5,401,265*	6,022,765
Capital expenditure	14,568	28,457	17,956	4,528	21	117,954*	183,484

Other ASEAN: Myanmar, Thailand, Vietnam, Philippines and Indonesia
North/South Asia: China, Taiwan, Japan, Korea and India
Outside Asia: Australia, New Zealand, Europe and USA

* Adjustments relates to the demerger of FCL as detailed in Note 29(a).

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
6. GROSS INCOME FROM INVESTMENTS		
Interest income	**255**	255
Dividend income	**22,647**	18,398
	22,902	18,653
7. EXCEPTIONAL ITEMS		
Write back/(Provision) for restructuring and re-organisation costs of operations	**652**	(9,750)
Gain on liquidation/disposal of subsidiary and associated companies	**281**	861
Provision for impairment in value of associated companies and investments	**(96,395)**	(118,767)
Corporate and debt restructuring expenses	**(3,855)**	-
Others	**(1,569)**	(4,750)
Insurance claims relating to flood in Thailand (net of assets written off and other expenses incurred)	**-**	12,307
Business interruption insurance claim relating to flood in Thailand	**-**	7,321
Gain on disposal of other investments	**-**	2,333
Professional fee relating to the general offers	**-**	(72,984)
	(100,886)	(183,429)
8. TAXATION		
Based on profit for the year:		
Singapore tax	**15,901**	16,917
Overseas tax		
- current year	**43,290**	31,129
- withholding tax	**3,078**	4,780
Deferred tax		
- current year	**7,164**	4,969
- adjustment of tax rate	**-**	24
	69,433	57,819
(Over)/Under provision in preceding years		
- current income tax	**(11,596)**	(10,803)
- withholding tax	**(2,220)**	-
- deferred tax	**(5,919)**	1,548
Income tax attributable to continuing operations	**49,698**	48,564
Income tax attributable to discontinued operations (Note 29(a))	**30,479**	96,583
	80,177	145,147

8. TAXATION (cont'd)

	THE GROUP	
	2014	2013
	%	%
		(Restated)

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:

Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**7.9**	0.3
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**0.2**	-
Income not subject to tax (tax incentive/exemption)	**(4.5)**	(14.9)
Expenses not deductible for tax purposes	**10.4**	1.0
Utilisation of previously unrecognised tax losses in determining taxable profit	**(4.8)**	(0.2)
Over provision in prior years	**(6.1)**	(0.2)
Deferred tax benefits not recognised	**1.6**	0.1
Tax effect of fair value adjustments	**-**	(0.8)
Withholding tax	**1.2**	0.2
Other reconciliation items	**1.0**	0.1
	23.9	2.6

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit from continuing operations for the year is as follows:

Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**8.9**	18.0
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**0.1**	0.1
Income not subject to tax (tax incentive/exemption)	**(9.0)**	(25.7)
Expenses not deductible for tax purposes	**17.1**	58.6
Utilisation of previously unrecognised tax losses in determining taxable profit	**(1.0)**	(1.1)
Over provision in prior years	**(10.7)**	(12.3)
Deferred tax benefits not recognised	**2.4**	3.9
Withholding tax	**1.7**	6.3
Other reconciliation items	**0.4**	-
	26.9	64.8

As at 30 September 2014, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $26,888,000 (2013: $28,652,000) and unabsorbed capital allowances of $980,000 (2013: $829,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $65,991,000 (2013: $60,190,000), unutilised investment allowances of approximately $149,875,000 (2013: $159,697,000) and unabsorbed capital allowances of $15,889,000 (2013: $30,140,000). The availability of these losses and capital allowances to set off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of tax residence. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 33.

For the year of assessment ("YA") 2014 certain subsidiary companies have transferred loss items of $1,040,000 (YA 2013: $1,566,000) to offset against the taxable income of other companies in the Group. Tax benefits of $2,081,000 (YA 2013: $1,904,000) arising from the utilisation of group relief are not recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

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9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2014 ($'000)	2013 ($'000)
Interim paid of 2.0 cents per share (2013: 3.5 cents per share)	**29,304**	52,021
Final proposed of 3.0 cents per share (2013: 12.0 cents per share)	**43,347**	172,982
	72,651	225,003

The final dividend is proposed by the Directors after the balance sheet date and subject to the approval of shareholders at the next annual general meeting of the Company.

On 8 January 2014, the Company announced the completion of the proposed demerger of its property business by effecting a distribution *in specie* of all the ordinary shares in the issued share capital of Frasers Centrepoint Limited (as disclosed in Note 29(a)). This resulted in a distribution of $6,154,000,000 and $2,911,000,000 of the Group and Company's reserves to shareholders.

10. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	THE GROUP					
	Continuing Operations		Discontinued Operations		Total	
	2014 ($'000)	2013 ($'000) (Restated)	**2014 ($'000)**	2013 ($'000)	**2014 ($'000)**	2013 ($'000) (Restated)
Group attributable profit/(loss) to shareholders of the Company						
- before fair value adjustment and exceptional items [1]	**143,865**	143,508	**119,018**	401,080	**262,883**	544,588
- after fair value adjustment and exceptional items [2]	**43,937**	(43,563)	**103,155**	5,473,817	**147,092**	5,430,254
	— No. of shares —					
Weighted average number of ordinary shares in issue	**1,444,624,049**	1,441,222,592	**1,444,624,049**	1,441,222,592	**1,444,624,049**	1,441,222,592
Earnings Per Share (Basic)						
- before fair value adjustment and exceptional items [1]	**10.0 cts**	10.0 cts	**8.2 cts**	27.8 cts	**18.2 cts**	37.8 cts
- after fair value adjustment and exceptional items [2]	**3.1 cts**	(3.0) cts	**7.1 cts**	379.8 cts	**10.2 cts**	376.8 cts

1 Before loss on distribution *in specie* and gain on disposal of discontinued operations
2 After loss on distribution *in specie* and gain on disposal of discontinued operations

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

10. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit to shareholders of the Company by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit to shareholders of the Company is adjusted for changes in subsidiary companies attributable profit resulting from exercise of all dilutive share options and potential dilutive shares under share plans of a subsidiary company. The reconciliation of the Group adjusted attributable profit to shareholders of the Company used to compute diluted earnings per share is as follows:

	THE GROUP					
	Continuing Operations		Discontinued Operations		Total	
	2014 ($'000)	2013 ($'000) (Restated)	**2014 ($'000)**	2013 ($'000)	**2014 ($'000)**	2013 ($'000) (Restated)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items [1]	**143,865**	143,508	**119,018**	401,080	**262,883**	544,588
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	**(174)**	(148)	**-**	-	**(174)**	(148)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items [1]	**143,691**	143,360	**119,018**	401,080	**262,709**	544,440
Group attributable profit/(loss) to shareholders of the Company after fair value adjustment and exceptional items [2]	**43,937**	(43,563)	**103,155**	5,473,817	**147,092**	5,430,254
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	**(171)**	(176)	**-**	-	**(171)**	(176)
Group adjusted attributable profit/(loss) to shareholders of the Company after fair value adjustment and exceptional items [2]	**43,766**	(43,739)	**103,155**	5,473,817	**146,921**	5,430,078

1 Before loss on distribution *in specie* and gain on disposal of discontinued operations
2 After loss on distribution *in specie* and gain on disposal of discontinued operations

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10. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share (cont'd)

The weighted average number of ordinary shares is adjusted to assume exercise of all potential dilutive shares under share plans of the Company. The reconciliation of the weighted average number of ordinary shares used to compute diluted earnings per share is as follows:

	THE GROUP					
	Continuing Operations		Discontinued Operations		Total	
	2014	2013 (Restated)	**2014**	2013	**2014**	2013 (Restated)
			—— No. of shares ——			
Weighted average number of ordinary shares used to compute basic earnings per share	**1,444,624,049**	1,441,222,592	**1,444,624,049**	1,441,222,592	1,444,624,049	1,441,222,592
Adjustment for potential dilutive shares under share plans of the Company	**4,713,714**	8,223,594	**4,713,714**	8,223,594	**4,713,714**	8,223,594
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,449,337,763**	1,449,446,186	**1,449,337,763**	1,449,446,186	**1,449,337,763**	1,449,446,186
Earnings Per Share (Fully diluted)						
- before fair value adjustment and exceptional items [1]	**9.9 cts**	9.9 cts	**8.2 cts**	27.7 cts	**18.1 cts**	37.6 cts
- after fair value adjustment and exceptional items [2]	**3.0 cts**	(3.0) cts	**7.1 cts**	377.6 cts	**10.1 cts**	374.6 cts

1 Before loss on distribution *in specie* and gain on disposal of discontinued operations
2 After loss on distribution *in specie* and gain on disposal of discontinued operations

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11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

(a) Share capital

	THE GROUP & THE COMPANY			
	2014		2013	
	No. of shares	**($'000)**	No. of shares	($'000)
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,441,523,536**	**1,441,520**	1,428,367,788	1,499,329
Issued during the year				
- pursuant to the exercise of Executives' Share Options	**-**	**-**	11,055,498	56,813
- pursuant to the vesting of shares awarded under Share Plans	**3,386,850**	**9,926**	2,100,250	9,182
Capital reduction				
- additional shares issued	**-**	**-**	1,441,519,436	4,604,379
- cancellation of additional shares	**-**	**-**	(1,441,519,436)	(4,728,183)
- cash payment	**-**	**(606,861)**	-	-
Balance at end of year	**1,444,910,386**	**844,585**	1,441,523,536	1,441,520

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 3rd April 2014, the Company distributed $607 million to the shareholders through a capital reduction of $0.42 in cash for each ordinary share in the capital of the Company.

On 31 July 2013, a capital reduction of $3.28 in cash for each ordinary share in the capital of the Company was effected. The Company, as part of the capital reduction, capitalised an amount of $4.604 billion from the revenue reserves of the Company to increase the issued share capital. A total of $4.728 billion cash was returned to the shareholders comprising (i) $4.604 billion of the revenue reserves which have been capitalised; and (ii) $124 million from the existing issued share capital of the Company.

The Company has the following employee share plans under which share awards conditional on the achievement of pre-determined targets has been granted.

(i) Fraser and Neave Limited Restricted Share Plan
(ii) Fraser and Neave Limited Performance Share Plan

During the year, the consideration received following the exercise of Executives' Share Options was $Nil (2013: $46,280,000).

(b) Treasury shares

	THE GROUP & THE COMPANY			
	2014		2013	
	No. of shares	**($'000)**	No. of shares	($'000)
Balance at beginning and end of year	**(4,100)**	**(23)**	(4,100)	(23)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company did not acquire any share (2013: Nil shares) in the Company during the financial year.

The Company did not reissue any treasury shares pursuant to its share plans in this financial year (2013: Nil shares).

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

(c) Reserves

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000) (Restated)	**2014 ($'000)**	2013 ($'000)
The reserves comprise the following:				
Capital Reserve	**8,785**	3,463	**(2,814)**	(2,814)
Fair Value Adjustment Reserve	**510,386**	592,145	**(15,394)**	150
Hedging Reserve	**(605)**	(5,521)	**-**	-
Share-based Payment Reserve	**11,322**	24,129	**8,270**	21,176
Revenue Reserve	**290,828**	6,374,386	**33,138**	3,073,846
Dividend Reserve (Note 9)	**43,347**	172,982	**43,347**	172,982
Exchange Reserve	**(103,797)**	(98,421)	**-**	-
Total reserves	**760,266**	7,063,163	**66,547**	3,265,340

Capital reserve of the Company comprises the loss on reissuance of treasury shares. During the year ended 30 September 2013, the Company transferred $1,039,274,000 from capital reserve to revenue reserve relating to the revaluation reserve on investments in subsidiaries which crystalised on 1 October 2005 upon adoption of FRS 39 Financial Instruments: Recognition and Measurement. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies and the loss on reissuance of treasury shares.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired. During the year, $Nil (2013: $37,021,000) was reclassified to profit statement upon disposal of available-for-sale financial assets.

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

Movement of hedging instruments designated as cash flow hedges are as follows:

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Balance at beginning of year	**(5,521)**	(13,657)
Fair value gains during the year	**630**	4,457
Share of associated company's hedging reserve	**(900)**	1,289
Realisation of reserves on distribution *in specie* of subsidiary companies	**(521)**	-
Reclassification adjustments for losses included in the statement of comprehensive income	**5,707**	2,390
Balance at end of year	**(605)**	(5,521)

Share-based payment reserve represents the equity-settled options and share plans granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and share plans, and is reduced by the expiry or exercise of the share options and shares awarded.

Dividend reserve relates to proposed final dividend of 3.0 cents (2013: 12.0 cents) per share.

Exchange reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

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12. FIXED ASSETS

	THE GROUP						
	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progress ($'000)	Other Assets ($'000)	Total ($'000)
For the year ended 30 September 2014							
At cost							
Balance at beginning of year	45,781	39,811	305,259	651,222	13,950	340,138	1,396,161
Currency realignment	191	312	517	1,114	(84)	376	2,426
Additions	-	-	675	8,052	23,536	29,278	61,541
Acquisition of subsidiary companies	-	2,698	6,727	1,115	-	970	11,510
Disposals	-	-	(80)	(8,063)	-	(10,396)	(18,539)
Write off for the year	-	-	-	(196)	-	(4,029)	(4,225)
Reclassification	-	-	65	6,495	(5,632)	(928)	-
Reclassified to intangible assets	-	-	-	-	(1,842)	(15,984)	(17,826)
Reclassified to properties held for sale	-	-	-	-	-	(65)	(65)
Distribution *in specie* of subsidiary companies	-	-	-	-	-	(72,459)	(72,459)
Balance at end of year	45,972	42,821	313,163	659,739	29,928	266,901	1,358,524
Accumulated depreciation and impairment							
Balance at beginning of year	897	11,232	78,942	392,625	-	213,356	697,052
Currency realignment	10	50	129	995	-	355	1,539
Depreciation charge for the year							
- Continuing operations	-	674	6,410	34,389	-	24,622	66,095
- Discontinued operations	-	-	-	-	-	1,664	1,664
Impairment charge for the year	-	-	-	639	-	2,001	2,640
Impairment reversal for the year	-	-	-	(102)	-	(763)	(865)
Disposals	-	-	(17)	(7,685)	-	(9,811)	(17,513)
Write off for the year	-	-	-	(134)	-	(3,444)	(3,578)
Reclassified to intangible assets	-	-	-	-	-	(7,754)	(7,754)
Distribution *in specie* of subsidiary companies	-	-	-	-	-	(41,874)	(41,874)
Balance at end of year	907	11,956	85,464	420,727	-	178,352	697,406
Net book value at end of year	45,065	30,865	227,699	239,012	29,928	88,549	661,118

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

12. FIXED ASSETS (cont'd)

	THE GROUP						
	Freehold Land ($'000)	**Leasehold Land ($'000)**	**Building ($'000)**	**Plant & Machinery ($'000)**	**Capital Work-in-Progress ($'000)**	**Other Assets ($'000)**	**Total ($'000)**
For the year ended 30 September 2013							
At cost							
Balance at beginning of year	46,972	40,523	302,471	673,901	11,863	344,913	1,420,643
Currency realignment	(1,191)	(712)	(2,833)	(12,190)	(8,149)	(5,493)	(30,568)
Additions	-	-	489	6,639	18,906	32,849	58,883
Disposals	-	-	(26)	(5,408)	-	(17,695)	(23,129)
Write off for the year	-	-	(2,468)	(25,134)	-	(4,848)	(32,450)
Reclassification	-	-	3,725	13,414	(7,551)	(9,588)	-
Reclassified from assets held for sale	-	-	4,554	-	-	-	4,554
Reclassified to investment properties	-	-	(653)	-	(1,119)	-	(1,772)
Balance at end of year	45,781	39,811	305,259	651,222	13,950	340,138	1,396,161
Accumulated depreciation and impairment							
Balance at beginning of year	932	10,920	75,799	375,834	-	209,711	673,196
Currency realignment	(35)	(242)	(1,120)	(7,510)	-	(5,869)	(14,776)
Depreciation charge for the year							
- Continuing operations	-	554	6,856	35,550	-	27,702	70,662
- Discontinued operations	-	-	-	-	-	7,655	7,655
Impairment charge for the year	-	-	270	12,272	-	1,596	14,138
Impairment reversal for the year	-	-	-	(2)	-	(839)	(841)
Disposals	-	-	(9)	(5,025)	-	(15,835)	(20,869)
Write off for the year	-	-	(2,468)	(25,126)	-	(4,133)	(31,727)
Reclassification	-	-	-	6,632	-	(6,632)	-
Reclassified to investment properties	-	-	(386)	-	-	-	(386)
Balance at end of year	897	11,232	78,942	392,625	-	213,356	697,052
Net book value at end of year	**44,884**	**28,579**	**226,317**	**258,597**	**13,950**	**126,782**	**699,109**

(a) Other assets comprise motor vehicles, postmix and vending machines, beer coolers, fixture and fittings and computer equipment.

(b) The carrying amount of assets held under finance leases at 30 September 2014 amounted to $50,000 (2013: $18,000).

(c) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

	2014 ($'000)	2013 ($'000)
Leasehold Land	**2,655**	-
Building	**6,874**	284
Plant and machinery	**6,429**	8,030

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13. INVESTMENT PROPERTIES

		THE GROUP	
		2014 ($'000)	2013 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**2,911,454**	2,516,934
	Currency realignment	**4,136**	15,372
	Additions	**944**	83,843
	Distribution *in specie* of subsidiary companies	**(2,876,097)**	-
	Net fair value gain recognised in the profit statement	**265**	171,392
	Reclassified from assets held for sale	**-**	16,961
	Reclassified from investment properties under construction	**-**	105,566
	Reclassfied from fixed assets	**-**	1,386
	Balance at end of year	**40,702**	2,911,454
(b)	**Investment Properties under Construction**		
	Balance at beginning of year	**243,950**	320,853
	Additions	**964,459**	28,663
	Reclassified to completed investment properties	**-**	(105,566)
	Distribution *in specie* of subsidiary companies	**(1,208,409)**	-
	Balance at end of year	**-**	243,950
	Total Investment Properties	**40,702**	3,155,404

(c) Completed investment properties comprise serviced residences and commercial properties that are leased mainly to third parties under operating leases (Note 35).

The following amounts are recognised in the income statement:

	2014	2013
Rental income from investment properties:		
- Minimum lease payments	**60,150**	227,288
- Contingent rent based on tenants' turnover	**497**	2,894
Direct operating expenses arising from rental generating properties	**22,360**	84,174

Completed investment properties are stated at fair value which has been determined based on valuations performed at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The valuations are based on open market values on the as-is basis and were prepared primarily using the Investment and Comparison Method. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

(c) Independent professional valuations were carried out by the following valuers:

Valuers	**Country**
CB Richard Ellis (Pte) Ltd	Singapore
CB Richard Ellis Limited	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

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13. INVESTMENT PROPERTIES (cont'd)

(d) Investment properties under construction are stated at fair value which has been determined based on valuations performed as at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and catergory of the properties being valued. The valuation is prepared on an ungeared basis. The fair value of investment properties under construction is determined using a combination of Market Comparison and Discounted Cash Flow Analysis and Investment, Comparable Sales and Residual Land Value Methods. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

As at 30 September 2013, investment properties under construction amounting to $243,950,000 has been mortgaged to the bank as security for bank facilities.

14. PROPERTIES HELD FOR DEVELOPMENT

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Properties held for development comprise:		
Freehold land	**19,380**	19,125
Development costs	**1,896**	1,859
	21,276	20,984

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2014 ($'000)	2013 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**866,915**	3,085,949
Allowance for impairment	**(199,165)**	(26,649)
	924,103	3,315,653
Amounts owing by subsidiary companies (unsecured)	**47**	760,641
Amounts owing to subsidiary companies (unsecured)	**(123,438)**	(130,356)
	800,712	3,945,938
MARKET VALUE		
Quoted shares	**1,345,007**	1,456,677

The amounts owing by subsidiary companies are due on loan account, not repayable within the next 12 months and are interest free except for amounts of $Nil (2013: $759,940,000) which bear interest at an average rate of Nil% (2013: 0.75%) per annum.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, interest free, no fixed repayment term and to be settled in cash.

15. SUBSIDIARY COMPANIES (cont'd)

The carrying amounts of the amounts owing from and to subsidiary companies are largely denominated in Singapore Dollar, United States Dollar, Malaysia Ringgit and Thai Baht.

During the financial year, an impairment loss of $172,518,000 (2013: $Nil) was recognised by the Company on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value. The decrease in the recoverable value of the subsidiary company is mainly due to dividend payment made during the year and impairment made by the subsidiary company in its investment in associated company, Fung Choi Media Group Limited ("FCM"), based on its cost of investment. Correspondingly, the Group has made an impairment loss of $96,395,000 in FCM as disclosed in Note 17(e).

Details of significant subsidiary companies are included in Note 44.

(a) Acquisition of subsidiary companies

Soft Drinks

On 27 August 2014, the Group through Magnolia-PDL Dairies (1993) Sdn Bhd, a wholly-owned subsidiary company, completed the acquisition of 70% shareholding interest in Yoke Food Industries Group ("YFI Group"). Upon acquisition, YFI Group became a subsidiary company of the Group. A provisional goodwill of $7,734,000 was recognised on the acquisition based on the difference between the consideration and the provisional fair value of the identifiable assets and liabilities at the date of the acquisition subject to completion of the Purchase Price Allocation exercise. The provisional goodwill arising from the acquisition is attributable to the brands, earnings and overseas growth potential of YFI Group.

The fair value of the identifiable assets and liabilities of YFI Group as at the acquisition date were as follows:

	Fair Value at Date of Acquisition ($'000)
Fixed assets	11,510
Current assets	5,772
Bank borrowings	(2,668)
Current liabilities	(2,958)
Non-current liabilities	(279)
Cash and cash equivalents	8,431
Total identifiable net assets at fair value	19,808
Non-controlling interest	(5,942)
Provisional goodwill arising from acquisition	7,734
Consideration paid	21,600
Less: Cash and cash equivalents in subsidiary companies acquired	(8,431)
Net cash outflow on acquisition of subsidiary companies	13,169

Impact of the acquisition on profit statement

If the business combination has taken place at the beginning of the year, the contribution to the Group's revenue from continuing operations would have been $25,055,000 and the contribution to the Group's profit from continuing operations after tax would have been $4,430,000.

Transaction costs

Transaction costs related to the acquisition of $335,000 have been recognised under "Administration expenses" in the Group's profit statement for the year ended 30 September 2014.

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15. SUBSIDIARY COMPANIES (cont'd)

(b) Frasers Centrepoint Limited ("FCL") Distribution

On 8 January 2014, the Company completed the distribution *in specie* of all the issued shares of FCL (the "FCL Distribution"). Following the FCL Distribution, FCL ceased to be a subsidiary company of the Company. In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of FCL Group has been presented separately on the Group Profit Statement as Discontinued Operations.

The effects of the FCL Distribution are disclosed in Note 29(a) Discontinued Operations.

(c) Liquidation of subsidiary companies

During the financial year, the Group liquidated the following subsidiary companies:

(i) Red Lion Holdings Pty Ltd
(ii) Starprint Production Pte Ltd

The effects of the liquidation is disclosed in the Consolidated Cash Flow Statement.

16. JOINT VENTURE COMPANIES

The following amounts represent the Group's share of the revenue, expenses, assets and liabilities of the joint venture companies and are included in the consolidated profit statement and balance sheet using the line-by-line format of proportionate consolidation.

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
(a) The Group's share of the consolidated results of the joint venture companies for the year is as follows:		
Revenue	**16,526**	14,703
Profit before taxation and exceptional items	**372**	(1,101)
Taxation	**98**	-
(b) The Group's share of the consolidated assets and liabilities of the joint venture companies is as follows:		
Non-current assets	**693**	385,504
Current assets	**56,486**	1,185,795
Current liabilities	**(53,775)**	(664,572)
Non-current liabilities	**-**	(542,609)
	3,404	364,118

(c) The share of the results, assets and liabilities as stated in paragraphs (a) and (b) above is based on the accounts of the joint venture companies to 30 September 2014.

(d) The amounts owing from/to joint venture companies classified under current assets and current liabilities are unsecured, trade in nature, interest free, to be settled in cash and are denominated mostly in Malaysia Ringgit and United States Dollar.

(e) The Group's share of capital commitments of the joint venture companies as at 30 September 2014 is $11,287,000 (2013: $Nil).

Details of significant joint venture companies are included in Note 44.

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17. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Unquoted investments, at cost	**-**	125,375	**-**	-
Quoted investments, at cost	**208,906**	965,001	**93,783**	93,783
Share of post acquisition reserves, net	**67,838**	241,309	**-**	-
Allowance for impairment	**(226,878)**	(130,483)	**(75,683)**	(75,683)
	49,866	1,201,202	**18,100**	18,100
Loans owing from associated companies (unsecured)	**-**	77,675	**-**	-
	49,866	1,278,877	**18,100**	18,100
MARKET VALUE				
Quoted shares	**51,385**	935,294	**20,869**	15,333

(a) As at 30 September 2013, the loan owing from an associated company of $63,617,000 bears interest at 6.2% per annum, is unsecured and is repayable in November 2022.

The remaining loan owing from an associated company is interest free, non-trade in nature, unsecured and has no fixed repayment term. The fair value of the loan is not determinable as the timing of future cash flows arising from the repayment of the loan cannot be estimated reliably. Accordingly, the loan is recorded at transaction price.

(b) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade in nature, interest free, to be settled in cash except for loan to an associated company of $Nil (2013: $8,071,000) which bears interest at Nil% (2013: 6.0%) per annum. The amounts due from/to associated companies are denominated mostly in Malaysia Ringgit and Hong Kong Dollar.

(c) The summarised financial statements of the associated companies, not adjusted for the proportion of ownership interest held by the Group is as follows:

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Revenue	**1,123,135**	2,074,163
Profit before taxation	**20,258**	(49,536)
Taxation	**(8,067)**	(10,995)
Profit after taxation	**12,191**	(60,531)
Non-current assets	**379,149**	5,076,136
Current assets	**267,578**	1,820,553
Current liabilities	**(189,658)**	(1,010,981)
Non-current liabilities	**(81,509)**	(2,085,554)
	375,560	3,800,154

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17. ASSOCIATED COMPANIES (cont'd)

(d) The Group's share of capital commitments of the associated companies as at 30 September 2014 is $74,000 (2013: $13,058,000).

(e) Fung Choi Media Group Limited's ("FCM") auditor has issued a disclaimer of opinion on 3 November 2014 on the financial statements of FCM for the year ended 30 June 2014. The basis for the disclaimer of opinion is as follows:

- The auditor is unable to complete satisfactorily their audit procedures to assess the recognition of the sales and the related cost of sales and the corresponding assets and liabilities of the supply chain management business segment.

- Up to the date of the audit report, management of FCM has not provided the auditor with the requested information and documentation on subsequent events. As a result, the auditor is unable to form an opinion on whether significant transactions or events which occurred during the period from 1 July 2014 to the date of the audit report were properly accounted for and adequately disclosed.

- An event of default has occurred under a bond issued by FCM and receivers have been appointed by the bondholder to take over management of a subsidiary of FCM. These conditions indicate the existence of a material uncertainty which may cast significant doubt on FCM's ability to continue as a going concern. The auditor is unable to obtain sufficient and appropriate audit evidence that the going concern basis of preparation of consolidated financial statements is appropriate.

As at 30 September 2014, an impairment loss of $96,395,000 relating to the investment in FCM was recognised as an exceptional item in the profit statement. The Group has not recognised its share of the current year profit of FCM nor included FCM's financial statements in part (c) above. As FCM was suspended from trading on 15 September 2014, the market value of the Group's investment in FCM has not been included in the computation of the market value of quoted shares in associated companies.

(f) As at 30 September 2013, impairment losses of $121,614,000 relating to investment in associated companies was recognised as an exceptional item in the profit statement. This represents the write-down of the carrying values to the recoverable amounts. The recoverable amounts were estimated based on recoverable values calculations applying discount rates of 7.9% - 10.4% and terminal growth rates of between 0% - 2.5%.

Details of significant associated companies are included in Note 44.

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18. INTANGIBLE ASSETS

	THE GROUP				
	Goodwill ($'000)	Deferred Development Costs ($'000)	Management Contracts ($'000)	Other Intangible Assets ($'000)	Total ($'000)
For the year ended 30 September 2014					
At cost					
Balance at beginning of year	**68,188**	**71,796**	**67,250**	**23,824**	**231,058**
Currency realignment	**229**	**576**	**-**	**-**	**805**
Additional expenditure during the year	**-**	**11,687**	**-**	**530**	**12,217**
Acquisition of subsidiary companies	**7,734**	**-**	**-**	**-**	**7,734**
Distribution *in specie* of subsidiary companies	**-**	**-**	**(67,250)**	**(185)**	**(67,435)**
Reclassified from fixed assets	**-**	**-**	**-**	**17,826**	**17,826**
Write off for the year	**(6,254)**	**(18,187)**	**-**	**(62)**	**(24,503)**
Balance at end of year	**69,897**	**65,872**	**-**	**41,933**	**177,702**
Accumulated amortisation and impairment					
Balance at beginning of year	**11,627**	**51,544**	**2,940**	**16,632**	**82,743**
Currency realignment	**24**	**564**	**-**	**5**	**593**
Amortisation charge for the year					
- Continuing operations	**-**	**13,179**	**-**	**3,545**	**16,724**
- Discontinued operations	**-**	**-**	**122**	**6**	**128**
Impairment charge for the year	**4,265**	**37**	**-**	**-**	**4,302**
Distribution *in specie* of subsidiary companies	**-**	**-**	**(3,062)**	**(23)**	**(3,085)**
Reclassified from fixed assets	**-**	**-**	**-**	**7,754**	**7,754**
Write off for the year	**(6,254)**	**(18,180)**	**-**	**(62)**	**(24,496)**
Balance at end of year	**9,662**	**47,144**	**-**	**27,857**	**84,663**
Net book value	**60,235**	**18,728**	**-**	**14,076**	**93,039**
For the year ended 30 September 2013					
At cost					
Balance at beginning of year	68,655	69,924	67,250	28,354	234,183
Currency realignment	(380)	987	-	1	608
Additional expenditure during the year	-	11,911	-	184	12,095
Reclassified to brands	-	-	-	(1,883)	(1,883)
Disposal for the year	-	(2,206)	-	-	(2,206)
Write off for the year	(87)	(8,820)	-	(2,832)	(11,739)
Balance at end of year	68,188	71,796	67,250	23,824	231,058
Accumulated amortisation and impairment					
Balance at beginning of year	3,298	47,794	2,450	17,166	70,708
Currency realignment	(71)	898	-	-	827
Amortisation charge for the year					
- Continuing operations	-	12,806	-	2,290	15,096
- Discontinued operations	-	-	490	8	498
Impairment charge for the year	8,400	824	-	-	9,224
Impairment reversal for the year	-	(14)	-	-	(14)
Disposal for the year	-	(1,944)	-	-	(1,944)
Write off for the year	-	(8,820)	-	(2,832)	(11,652)
Balance at end of year	11,627	51,544	2,940	16,632	82,743
Net book value	56,561	20,252	64,310	7,192	148,315

As at 30 September 2014, all intangible assets have finite useful lives of not more than 20 years. As at 30 September 2013, all intangible assets have finite useful lives of not more than 20 years except management contracts with a cost of $62,601,000 are assessed to have an indefinite useful life and not amortised. This is the value ascribed to management contracts entered into between a subsidiary company and an associated company. Management is of the view that these intangible assets have an indefinite useful life as the contracts are contracts which go into perpetuity, and will only be terminated upon the removal of the subsidiary company as the manager.

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

(a) Goodwill

The carrying value of the Group's goodwill arising from acquisitions of subsidiary companies was assessed for impairment during the financial year.

	($'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax Discount rate
Carrying value of capitalised goodwill based on cash generating units				
As at 30 September 2014				
Subsidiary companies:				
Printing and Publishing Group	**15,396**	**Value-in-use and Fair value less cost to sell**	**0%**	**7.0% - 7.5%**
Dairies Group	**389**	**Value-in-use**	**5.5%**	**8.6%**
Beverages Group	**44,450**	**Value-in-use and Fair value less cost to sell**	**11.4%**	**8.6%**
	60,235			
As at 30 September 2013				
Subsidiary companies:				
Printing and Publishing Group	19,512	Value-in-use	0%	6.4% - 18.8%
Dairies Group	384	Value-in-use	3.0%	9.0%
Beverages Group	36,665	Value-in-use and Fair value less cost to sell	5.0%	9.0%
	56,561			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year periods. Cash flows beyond these periods are extrapolated using the estimated growth rates stated in the table above. The fair value less cost to sell calculations are based on quoted market prices obtained from active markets or using the net carrying amount adjusted for the unrecognised fair value changes to the properties.

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the entity operates.

The discount rates applied to the cash flow projections reflect managements' estimates of the risks specific to the respective cash generating units at the date of assessment.

The impairment losses of $4,265,000 (2013: $8,400,000) were recognised in the profit statement. The recoverable amount of the goodwill has been determined based on fair value less cost to sell and value-in-use. The value-in-use calculations were determined using 5 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 7.5% to 19.1% (2013: 5.6% - 12.4%) and the terminal growth rate is 0% (2013: 0% - 3.0%).

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

(b) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of $37,000 (2013: $824,000) was recognised under "Cost of Sales" in the profit statement as the carrying value was assessed to be in excess of its recoverable value.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections is 7.0% - 19.0% (2013: 6.4% - 18.8%) and the terminal growth rate is 0% (2013: 0%).

A reasonable change to the assumptions used by the management to determine the impairment required, particularly the discount rate and terminal growth rate, would not significantly affect the results.

20. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Quoted available-for-sale financial assets				
Equity investments				
At fair value	**701,541**	672,985	**100,765**	6,191
Unquoted available-for-sale financial assets				
Equity investments				
At cost (less impairment loss)	**72**	2,251	**14**	14
Total	**701,613**	675,236	**100,779**	6,205

(a) Certain unquoted investments do not have quoted market prices in an active market nor are other methods of reasonably estimating the fair values readily available. Hence it is not practicable to determine their fair value with sufficient reliability without incurring excessive costs.

(b) Market value of quoted investments are determined by reference to stock exchange quoted prices.

21. OTHER ASSETS

Other assets as at 30 September 2013 relates to the unguaranteed residual value in relation to the Group's freehold interest retained in Alexandra Technopark after the expiry of the 99-year lease to an associated company.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

22. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Non-Current				
Bank fixed deposits	**4,672**	-	**-**	-
Current				
Bank fixed deposits	**91,003**	876,333	**266**	255,674
Cash and bank balances	**265,084**	1,068,389	**3,898**	650,794
	356,087	1,944,722	**4,164**	906,468
	360,759	1,944,722	**4,164**	906,468

The weighted average effective interest rate for current bank fixed deposits is 2.52% (2013: 1.16%).

The Group's non-current bank fixed deposits relates to the portion of consideration for acquisition of Yoke Foods Industries Sdn Bhd and its subsidiaries held as profit guarantee. The profit guarantee will be released upon the achievement of pre-defined targets as set out in the sale and purchase agreement.

Included in the Group's cash and bank balances, and bank fixed deposits are $Nil (2013: $18,913,000 and $181,444,000 respectively) held under the Project Account Rules (1997 Ed), withdrawals from which are restricted to payments for development expenditure incurred on development properties held for sale.

As at 30 September 2014, cash and bank deposits held by the Group are in the following major foreign currencies: Malaysia Ringgit - 32.8% (2013: 6.5%), Myanmar Kyat - 29.7% (2013: 3.0%), Thai Baht -12.6% (2013: 1.4%).

23. BRANDS

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
At cost				
Balance at beginning of year	**42,049**	40,984	**8,647**	8,647
Currency realignment	**299**	(818)	**-**	-
Reclassified from intangible assets	**-**	1,883	**-**	-
Balance at end of year	**42,348**	42,049	**8,647**	8,647
Accumulated amortisation				
Balance at beginning of year	**11,213**	10,647	**8,435**	8,435
Currency realignment	**(33)**	297	**-**	-
Amortisation charge for the year	**135**	269	**-**	-
Balance at end of year	**11,315**	11,213	**8,435**	8,435
Net book value	**31,033**	30,836	**212**	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of $29,554,000 (2013: $29,222,000).

The recoverable amount of the brands have been determined based on value-in-use calculations using 5 year cash flow projections approved by management.

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the cash generating unit operates.

notes to the FINANCIAL STATEMENTS

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23. BRANDS (cont'd)

The discount rate applied to the cash flow projections reflect managements' estimates of the risks specific to the respective cash generating units at the date of assessment.

The pre-tax discount rates applied to the cash flow projections was 8.6% (2013: 9.0%) and terminal growth rates applied was 1.0% (2013: 0.0%).

24. PROPERTIES HELD FOR SALE

		THE GROUP	
		2014 ($'000)	2013 ($'000) (Restated)
(a)	**Development Properties Held for Sale**		
	Properties in the course of development, at cost	**4,305,188**	4,467,656
	Allowance for foreseeable losses	**(49,421)**	(51,021)
		4,255,767	4,416,635
	Development profit	**538,140**	469,864
		4,793,907	4,886,499
	Progress payments received	**(1,122,000)**	(1,035,875)
	Distribution *in specie* of subsidiary companies	**(3,623,708)**	-
	Balance at end of year	**48,199**	3,850,624
(b)	**Completed Properties Held for Sale**		
	Completed units, at cost	**913,548**	861,079
	Allowance for foreseeable losses	**(22,237)**	(22,735)
	Distribution *in specie* of subsidiary companies	**(891,311)**	-
	Balance at end of year	**-**	838,344
	Total Properties Held for Sale	**48,199**	4,688,968

(i) The following table provides information about agreements that are in progress at the reporting date whose revenue are recognised on a percentage of completion basis:

Aggregate amount of costs incurred and recognised to date	**2,353,335**	2,813,050
Less: Progress billings	**(1,122,000)**	(1,094,295)
	1,231,335	1,718,755

(ii) Interest capitalised during the year was $15,508,000 (2013: $63,981,000). The borrowing cost of loans used to finance the projects have been capitalised at interest rates of between 1.0% and 7.3% (2013: 1.0% and 7.3%) per annum.

(iii) Certain subsidiary and joint venture companies have granted fixed and floating charge over their properties held for sale totalling $Nil (2013: $1,897,151,000) to banks as securities for credit facilities.

(iv) Development properties expense recognised in the profit statement during the year was $424,211,000 (2013: $1,214,094,000).

(v) Due to the distribution *in specie* of subsidiary companies as disclosed in Note 29(a), the shareholding in a former subsidiary company was diluted and is now accounted for as a joint venture company. Subsequently, a valuation gain of $21,392,000, based on valuation performed by an independent professional valuer, was recognised on our interest retained in the joint venture company's property held for sale.

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

25. INVENTORIES

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Containers	**7,516**	7,488
Raw materials	**90,989**	88,594
Manufactured inventories	**112,657**	83,487
Engineering spares, work-in-progress and other inventories	**16,779**	20,472
Packaging materials	**16,277**	20,273
Goods purchased for resale	**30,027**	29,092
	274,245	249,406

(a) Write back of allowance for inventory obsolescence during the year amounted to $2,159,000 (2013: $1,349,000).

(b) The cost of inventories recognised as an expense in cost of sales during the year was $1,365,372,000 (2013: $1,318,689,000).

26. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Trade receivables	**309,187**	527,188	**-**	-
Other receivables:				
Current				
Accrued income	**1,225**	20,881	**-**	31
Prepayments	**7,790**	18,428	**602**	246
Deposits paid	**5,250**	12,748	**-**	-
Tax recoverable	**7,567**	12,109	**253**	5,067
Staff loans	**3,891**	4,730	**-**	-
Amount receivable from joint venture partners	**2,649**	8,884	**-**	-
Derivative financial instruments (Note 27)	**806**	1,919	**-**	123
Advanced project cost paid	**169**	570	**-**	-
Sundry debtors	**5,122**	7,360	**-**	-
Other receivables	**16,011**	46,104	**-**	21
	50,480	133,733	**855**	5,488
Related parties	**5,163**	146	**1**	-
	364,830	661,067	**856**	5,488
Non-current				
Prepayments	**304**	310	**-**	-
Staff loans	**643**	556	**-**	-
Loans to non-controlling interests	**-**	90,429	**-**	-
Other receivables	**348**	319	**-**	-
	1,295	91,614	**-**	-
	366,125	752,681	**856**	5,488

(a) Included in trade receivables is an amount of $Nil (2013: $187,812,000) which relates to the balance of sales proceeds from completed properties held for sale, which will be received upon issuance of certificate of statutory completion, notice of vacant possession, expiry of defect liability period and/or title subdivision, and outstanding balances of progress billings which are due within 14 days after the purchasers receive notices to make payments.

26. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

(b) As at 30 September 2014, trade receivables, other receivables and related parties held by the Group are in the following major foreign currencies: Malaysia Ringgit - 40.8% (2013: 19.6%), Thai Baht - 13.6% (2013: 9.3%), United States Dollar - 7.3% (2013: 3.7%) and Chinese Renminbi - 5.1% (2013: 2.3%).

(c) As at 30 September 2013, loans to a non-controlling interest are non-trade related, secured by assets in Australia, bears interest at 8.0% per annum and have no fixed repayment terms.

(d) Current amounts due from related parties are trade and non-trade related, unsecured, interest free and repayable upon demand and to be settled in cash.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $70,835,000 (2013: $107,654,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the aging analysis at the balance sheet date is as follows:

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Trade receivables past due:		
1 to 30 days	**51,099**	66,066
31 to 60 days	**8,777**	21,004
61 to 90 days	**4,141**	14,569
91 to 120 days	**1,809**	1,621
more than 120 days	**5,009**	4,394
	70,835	107,654

Trade receivables that are impaired

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

	THE GROUP			
	Collectively impaired		**Individually impaired**	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Trade receivables - nominal amounts	**266**	317	**8,353**	12,147
Less: Allowance for impairment	**(266)**	(317)	**(5,701)**	(8,405)
	-	-	**2,652**	3,742
Movement in allowance accounts:				
Balance at beginning of year	**317**	306	**8,405**	9,033
Charge for the year				
- Continuing operations	**156**	408	**2,987**	1,740
- Discontinued operations	**-**	-	**281**	2,556
Written back				
- Continuing operations	**(150)**	(356)	**(862)**	(606)
- Discontinued operations	**-**	-	**(330)**	(2,042)
Acquisition of subsidiary companies	**45**	-	**-**	-
Distribution *in specie* of subsidiary companies	**-**	-	**(2,716)**	-
Written off	**(104)**	(48)	**(2,023)**	(2,160)
Reclassification	**-**	22	**-**	(22)
Exchange difference	**2**	(15)	**(41)**	(94)
Balance at end of year	**266**	317	**5,701**	8,405

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26. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

Receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

27. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Assets				
Current				
Forward currency contracts	**806**	1,919	**-**	123
Liabilities				
Current				
Interest rate swaps	**-**	6,583	**-**	-
Forward currency contracts	**427**	6,175	**-**	-
	427	12,758	**-**	-
Non-current				
Interest rate swaps	**-**	3,940	**-**	-
	427	16,698	**-**	**-**
Net position	**379**	(14,779)	**-**	123

As at 30 September 2013, the Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms, and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a half yearly basis.

28. SHORT TERM INVESTMENTS

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Quoted available-for-sale financial assets		
Equity investments at fair value	**1**	100
Total	**1**	100

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29. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

(a) Discontinued operations

Properties

On 27 August 2013, the Directors announced the proposed demerger of its property business by effecting a distribution *in specie* (the "FCL Distribution") of all the ordinary shares in the issued share capital of Frasers Centrepoint Limited ("FCL"), a wholly owned subsidiary of the Company to shareholders of the Company, on the basis of two ordinary shares in FCL for each ordinary share of the Company and the listing of the FCL shares on the main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") by way of an Introduction.

On 13 November 2013, the shareholders of the Company approved the FCL Distribution. Prior to the quarter ended 31 December 2013, the Company subscribed for 1,806,520,790 new shares in FCL for a total subscription amount of $670 million. Subsequently, the Company announced the completion of the FCL Distribution on 8 January 2014.

Upon completion of the FCL Distrbution and in accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of FCL Group has been presented separately on the Group Profit Statement as Discontinued Operations.

Profit statement disclosures

The results of the discontinued operations for the year ended 30 September are as follows:

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Revenue	**631,044**	2,049,997
Expenses	**(465,908)**	(1,538,395)
Trading profit	**165,136**	511,602
Share of associated companies' profits	**10,980**	59,536
Gross income from investments	**125**	290
Profit before interest and taxation	**176,241**	571,428
Net interest expenses	**(10,044)**	(61,259)
Profit from discontinued operations before fair value adjustment, taxation and exceptional items	**166,197**	510,169
Fair value adjustment of investment properties	**-**	275,743
Profit from discontinued operations before taxation and exceptional items	**166,197**	785,912
Exceptional items	**2,403**	46,409
Profit from discontinued operations before taxation	**168,600**	832,321
Taxation	**(30,479)**	(96,583)
Profit from discontinued operations after taxation	**138,121**	735,738
Loss on distribution *in specie* of discontinued operations	**(17,661)**	-
Profit after taxation	**120,460**	735,738

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29. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE (cont'd)

(a) Discontinued operations (cont'd)

Properties (cont'd)

	THE GROUP	
	2014 ($'000)	2013 ($'000)

Cash flow statement disclosures

The cash flows attributable to the discontinued operations for the year ended 30 September are as follows:

Operating cash outflows	**(101,748)**	(303,168)
Investing cash (outflows)/inflows	**(687,269)**	219,803
Financing cash inflows/(outflows)	**987,770**	(613,110)
Net cash inflows/(outflows)	**198,753**	(696,475)

Earnings per share disclosures

Earnings per share from discontinued operations attributable to the shareholders of the Company:

		–– cents per share ––	
- Basic	- before loss on distribution *in specie* of discontinued operations, fair value adjustment and exceptional items	**8.2 cts**	27.8 cts
	- after loss on distribution *in specie* of discontinued operations, fair value adjustment and exceptional items	**7.1 cts**	50.1 cts
- Diluted	- before loss on distribution *in specie* of discontinued operations, fair value adjustment and exceptional items	**8.2 cts**	27.7 cts
	- after loss on distribution *in specie* of discontinued operations, fair value adjustment and exceptional items	**7.1 cts**	49.8 cts

Breweries

On 15 November 2012, the Company completed the disposal of its entire 39.7% interest in APBL and other assets held through APIPL for a total aggregate consideration of S$5.6 billion. The gain on disposal of $4.75 billion was presented under "Gain on disposal of discontinued operations" in last year's profit statement.

Basic and diluted earnings per share attributable to shareholders of the Company arising from the disposal were 329.7 cents and 327.8 cents respectively.

(b) Assets and liabilities held for sale

The assets and liabilities held for sale relate to the discontinuation of joint ventures with certain printing companies. The disposal of the assets and liabilities previously classified as held for sale has been completed as at 30 September 2014.

	THE GROUP	
	2014 ($'000)	2013 ($'000)
Assets		
Fixed assets	**-**	6,111
Current assets	**-**	1,850
	-	7,961
Liabilities		
Current liabilities	**-**	1,845

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30. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Current				
Trade payables	**198,261**	526,379	**-**	-
Other payables				
Accrued operating expenses	**78,121**	105,402	**111**	39
Sundry accruals	**49,787**	48,141	**1,160**	1,435
Sundry deposits	**6,867**	70,348	**-**	-
Staff costs payable	**43,046**	55,390	**-**	-
Accrual for unconsumed annual leave	**3,755**	5,696	**-**	-
Amounts due to non-controlling interests	**-**	159,082	**-**	-
Progress billings received	**-**	302,629	**-**	-
Provision for bank profit share	**-**	14,036	**-**	-
Deferred income	**487**	19,857	**-**	-
Derivative financial instruments (Note 27)	**427**	12,758	**-**	-
Interest payable	**1,385**	13,695	**-**	2,544
Other payables	**41,459**	141,561	**8,989**	13,010
	225,334	948,595	**10,260**	17,028
Related parties	**27,772**	1,652	**-**	-
	451,367	1,476,626	**10,260**	17,028
Non-current				
Other payables				
Derivative financial instruments (Note 27)	**-**	3,940	**-**	-
Other payables	**15,114**	13,082	**-**	-
	15,114	17,022	**-**	-
Related parties	**1,265**	-	**1,265**	-
	16,379	17,022	**1,265**	-
	467,746	1,493,648	**11,525**	17,028

(a) As at 30 September 2013, amounts due to non-controlling interests are non-trade in nature, unsecured, interest free and repayable in cash on demand, except for loans of $17,372,000 which bear interest at 2.0% per annum.

(b) As at 30 September 2014, the trade payables, other payables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 47.0% (2013: 12.9%), Thai Baht - 11.8% (2013: 3.6%) and Myanmar Kyat - 7.4% (2013: 1.2%).

(c) Current amounts due to related parties are trade and non-trade related, unsecured, interest free and repayable upon demand and to be settled in cash.

(d) Non-current amounts due to related parties are non-trade related, unsecured, interest free and have no fixed term of repayment and to be settled in cash.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

31. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2014 ($'000)	THE GROUP 2013 ($'000)	THE COMPANY 2014 ($'000)	THE COMPANY 2013 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	4.81%		**853**	261,090	**-**	-
Bank overdrafts	7.04%		**855**	1,652	**-**	-
			1,708	262,742	**-**	-
Term loans	3.79%	(a)	**19,465**	92,376	**-**	-
Secured						
Bank loans	1.88%	(b)	**1,154**	506,901	**-**	-
Term loans	6.45%	(b)	**647**	-	**-**	-
Finance leases			**16**	-	**-**	-
			22,990	862,019	**-**	-
Repayable after one year:						
Unsecured						
Bank loans	-		**-**	34,751	**-**	-
Term loans	4.31%	(a)	**116,790**	1,532,153	**-**	150,000
Secured						
Bank loans	-	(b)	**-**	1,015,621	-	-
Term loans	6.45%	(b)	**1,918**	-	**-**	-
Finance leases			**45**	-	**-**	-
		(d)	**118,753**	2,582,525	**-**	150,000
Total			**141,743**	3,444,544	**-**	150,000
Fair value		(c)	**163,462**	3,481,281	**-**	155,055

Notes

(a) As at 30 September 2014, term loans comprise medium term notes and commercial papers issued by a subsidiary company.

As at 30 September 2013, term loans comprise variable rate notes, medium term notes, fixed rate notes, transferable term loan, commercial papers and fixed and floating rate bonds issued by the Company and subsidiary companies. In connection with the FCL Distribution as disclosed in Note 29(a), the Group and the Company had repaid the fixed rate notes, transferable term loan and fixed and floating rate bonds. The effect of this has been presented in the Group Cash Flow Statement.

(b) The secured bank loans and term loans are secured by certain subsidiary companies by way of a charge over certain property, plant and machinery, floating charge over certain assets and mortgages on leasehold land and building.

As at 30 September 2013, the secured bank loans is secured by certain subsidiary companies by way of a charge over fixed deposit, plant and machinery, pledge of shares of a subsidiary company, fixed and floating charge over certain assets and mortgages on freehold and leasehold land under development.

(c) The carrying amounts of bank borrowings and finance leases approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for bank loans of $116,790,000 (2013: $931,249,000) which have a fair value of $138,509,000 (2013: $967,986,000).

The aggregate fair value of term loans are determined by reference to market value.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

31. BORROWINGS (cont'd)

(d) Maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Between 1 and 2 years	**656**	883,839	**-**	-
Between 2 and 5 years	**117,787**	1,363,531	**-**	150,000
After 5 years	**310**	335,155	**-**	-
	118,753	2,582,525	**-**	150,000

(e) As at 30 September 2014, the borrowings held by the Group are in the following major currencies: Malaysia Ringgit - 99.1% (2013: 4.4%) and Hong Kong Dollar - 0.9% (2013: 0.1%).

32. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
Defined benefit plan	**19,424**	18,285
Long service leave/severance allowance/gratuity	**71**	71
	19,495	18,356

(a) Defined Contribution Plan

The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia, Hong Kong, Australia and the United Kingdom.

Accruals for defined contribution plans are included in Other Payables under Note 30.

(b) Defined Benefit Plan

The defined benefit plan in the United Kingdom is a funded, defined benefit pension scheme, the assets of which are held in a separate trustee-administrated fund. The defined benefit plans in Malaysia and Thailand do not have separately funded assets. They provide lump sum benefit at normal retirement age.

The following tables summarise the components of net benefit expense and benefit liability:

	2014 ($'000)	2013 ($'000) (Restated)
Net benefit expense		
Current service cost	**1,393**	1,197
Net interest cost on benefit obligation	**819**	431
Past service cost	**-**	(21)
Net benefit expense	**2,212**	1,607
Actual return on plan assets	**1,215**	740
Benefit liability		
Present value of funded benefit obligation	**26,569**	25,732
Fair value of plan assets	**(21,814)**	(22,056)
Deficit of funded plans	**4,755**	3,676
Present value of unfunded benefit obligation	**14,669**	14,609
	19,424	18,285

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

The weighted average duration of the defined benefit obligation as at 30 September 2014 were 14.6 years (2013: 15.2 years).

The Group expects to contribute $725,000 to the defined benefit plans in 2015.

	THE GROUP	
	2014 ($'000)	2013 ($'000) (Restated)
Change in present value of defined benefit plan are as follows:		
Balance at beginning of year	**40,341**	41,723
Interest cost	**1,818**	1,349
Current service cost	**1,393**	1,197
Past service cost	**-**	(21)
Benefits paid	**(3,846)**	(2,281)
Remeasurements:		
- actuarial gain and losses arising from change in demographic assumptions	**58**	(53)
- actuarial gain and losses arising from change in financial assumptions	**1,687**	10
- experience adjustments	**(856)**	(1,180)
Currency realignment	**643**	(403)
Balance at end of year	**41,238**	40,341
Change in fair value of plan assets are as follows:		
Balance at beginning of year	**22,056**	21,282
Interest income	**999**	918
Contributions by employer	**1,246**	710
Benefits paid	**(3,169)**	(817)
Remeasurements on return on plan assets (excluding interest income)	**224**	(178)
Currency realignment	**458**	141
Balance at end of year	**21,814**	22,056
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Equity instruments	**12,559**	13,292
Debt instruments	**9,000**	8,646
Other assets	**255**	118
	21,814	22,056
The major assumptions used by the qualified independent actuaries were:		
Rate of increase in salaries	**4.0% to 7.0%**	4.0% to 6.0%
Expected rate of return on assets	**7.0%**	4.3%
Discount rate	**3.7% to 5.5%**	4.4% to 5.3%

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) **Defined Benefit Plan** (cont'd)

Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

		Impact on defined benefit obligation	
	Change in assumption	**Increase in asssumption ($'000)**	**Decrease in asssumption ($'000)**
The Group			
Discount rate	1%	(4,907)	6,109
Rate of increase in salaries	1%	1,350	(1,187)

(c) **Long Service Leave/Severance Allowances/Gratuity**

Long service leave, severance allowances and gratuity are provided based on the number of years of service the employees have rendered at the end of each financial year as required by local legislation.

(d) **Share Options**

The equity-based equity-settled share option scheme of the Group is:

		Approval by Shareholders
Fraser & Neave Holdings Bhd Executives' Share Option Scheme	("F&NHB 2007 Scheme")	5 April 2007

The options granted under the above scheme are for a term of no longer than 10 years from date of grant.

Information regarding F&NHB 2007 Scheme

(i) The maximum number of new ordinary shares of RM1.00 each in F&NHB which may be issued on the exercise of the options granted under the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

(ii) Eligible full-time executives of F&NHB group and executive directors of F&NHB with at least one year's service shall be eligible to participate in the F&NHB 2007 Scheme.

(iii) The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of F&NHB during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

(1) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of F&NHB group; and

(2) not more than 10% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of F&NHB.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

(iv) The option price shall be the five-day weighted average market price of F&NHB's shares as quoted on Bursa Malaysia Securities Berhad immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

(v) The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date of the implementation of the F&NHB 2007 Scheme.

(vi) Following approval by F&NHB shareholders on 13 January 2012, F&NHB adopted the F&NHB Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP"). No further options have been granted under the F&NHB 2007 Scheme.

Information with respect to the number of options granted under the share option scheme is as follows:

Options	Offer Date	Balance as at 1.10.2013	Options Exercised/ Lapsed	Balance as at 30.9.2014	Exercise Price/ Adjusted Exercise Price#	Exercise Period
2010	20.11.2009	196,400	(171,100)	25,300	RM11.34/10.47	20.08.2012 - 19.10.2014
2011	22.11.2010	1,874,700	(1,149,000)	725,700	RM14.52	22.08.2013 - 21.10.2015
		2,071,100	(1,320,100)*	751,000		

* Exercised (1,292,900); Lapsed due to Resignations (27,200).

\# The adjustments which were effective 13 December 2010 relate to F&NHB's special interim single tier dividend of RM1.10 per share.

No options were granted during the year.
The weighted average share price for options exercised during the year was RM18.05 (2013: RM18.39).

(e) Share Plans

Fraser and Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the RSP

(i) Depending on the achievement of pre-determined targets over a two year period for the RSP, the final number of restricted shares awarded could range between 0% to 150% of the initial grant of the restricted shares.

(ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP awards will vest. The balance will vest equally over the subsequent two years with fulfillment of service requirements.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) **Share Plans** (cont'd)

Fraser and Neave Limited Restricted Share Plan ("RSP") (cont'd)

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2013 or Grant Date if later	Cancelled	Achievement Factor	Vested	Adjustment	Balance as at 30.9.2014 or Grant Date if later
Year 1	14.12.2009	1,218,289	(2,436)	-	(1,215,853)	-	-
Year 2	14.12.2010	1,319,435	(327,695)	-	(658,747)	320,302	653,295
Year 3	14.12.2011	2,814,265	(586,645)	(603,070)	(1,087,750)	506,312	1,043,112
Year 4	14.12.2012	2,061,038	(1,163,346)	-	-	838,546	1,736,238
Year 5	01.10.2014	1,070,175 [@]	-	-	-	-	1,070,175
		8,483,202	(2,080,122) *	(603,070)	(2,962,350)	1,665,160 #	4,502,820 ^

@ Granted in respect of financial year ended 30 September 2014.

* Cancelled due to resignations and cessation of participation by employees of the FCL Group pursuant to distribution of dividend *in specie* of shares in, and listing of, FCL.

\# Adjustments were made on 7 October 2014 following F&N's distribution to its shareholders by the way of dividend *in specie* and a capital reduction undertaken by F&N during the year.

^ This takes into account the adjustments made on 7 October 2014.

The expense recognised in profit statement granted under the RSP during the financial year is $2,761,000 (2013: $5,110,000).

The estimated fair value of shares granted during the year ranges from $2.90 to $3.03 (2013: $8.71 to $9.10). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2014	2013
Dividend yield (%)	**2.1**	2.2
Expected volatility (%)	**33.4**	21.4
Risk-free interest rate (%)	**0.4 to 1.0**	0.3
Expected life (years)	**1.3 to 3.3**	2.1 to 4.1
Share price at date of grant ($)	**3.10**	9.57

Fraser and Neave Limited Performance Share Plan ("PSP")

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the PSP

(i) Depending on the achievement of pre-determined targets over a three-year period, the final number of performance shares awarded could range between 0% to 200% of the initial grant of the performance shares.

(ii) PSP awards will vest based on meeting stated performance conditions over a three-year performance period.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

Fraser and Neave Limited Performance Share Plan ("PSP") (cont'd)

Information with respect to the number of shares granted under the PSP is as follows:

Shares	Grant Date	Balance as at 1.10.2013 or Grant Date if later	Cancelled	Achievement Factor	Vested	Adjustment	Balance as at 30.9.2014 or Grant Date if later
Year 2	14.12.2010	329,383	-	95,117	(424,500)	-	-
Year 3	14.12.2011	242,454	(185,648)	-	-	53,384	110,190
Year 4	14.12.2012	238,730	(184,598)	-	-	14,026	68,158
Year 5	01.10.2014	32,546 @	-	-	-	-	32,546
		843,113	(370,246)*	95,117	(424,500)	67,410 #	210,894^

@ Granted in respect of financial year ended 30 September 2014.

* Cancelled due to resignations and cessation of participation by employees of the FCL Group pursuant to distribution of dividend *in specie* of shares in, and listing of, FCL.

\# Adjustments were made on 7 October 2014 following F&N's distribution to its shareholders by the way of dividend *in specie* and a capital reduction undertaken by F&N during the year.

^ This takes into account the adjustments made on 7 October 2014.

The expense recognised in profit statement granted under the PSP during the financial year is $163,000 (2013: $675,000).

The estimated fair value of shares granted during the year ranges from $2.96 to $3.95 (2013: $6.67 to $8.89). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2014	2013
Dividend yield (%)	**2.1**	2.2
Expected volatility (%)	**33.4**	21.4
Cost of equity (%)	**7.5**	9.7
Risk-free interest rate (%)	**0.7**	0.3
Expected life (years)	**2.3**	3.1
Share price at date of grant ($)	**3.10**	9.57

F&NHB Restricted Share Plan ("F&NHB RSP")

The F&NHB RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of F&NHB at an Extraordinary General Meeting held on 13 January 2012.

Information regarding the F&NHB RSP

(i) Depending on the achievement of pre-determined targets over a two-year period for the F&NHB RSP, the final number of restricted shares awarded could range between 0% to 150% of the initial grant of the restricted shares.

(ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the F&NHB RSP awards will vest. The balance will vest equally over the subsequent two years with fulfillment of service requirements.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) **Share Plans** (cont'd)

F&NHB Restricted Share Plan ("F&NHB RSP") (cont'd)

Information with respect to the number of shares granted under the F&NHB RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2013 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2014
Year 1	15.03.2012	356,400	(7,700)	(165,000)	(74,200)	109,500
Year 2	07.02.2013	349,500	(35,700)	-	-	313,800
Year 3	12.08.2014	574,200	-	-	-	574,200
		1,280,100	(43,400)*	(165,000)	(74,200)	997,500

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM15.36 to RM16.80. (2013: RM15.36 to RM16.67). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2014	2013
Dividend yield (%)	**3.9**	3.7
Expected volatility (%)	**12.2**	20.9
Risk-free interest rate (%)	**3.2 to 3.5**	3.0 to 3.2
Expected life (years)	**1.4 to 3.4**	1.9 to 3.9
Share price at date of grant (RM)	**17.68**	18.00

F&NHB Performance Share Plan ("F&NHB PSP")

The F&NHB PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of F&NHB at an Extraordinary General Meeting held on 13 January 2012.

Information regarding the F&NHB PSP

(i) Depending on the achievement of pre-determined targets over a three-year period, the final number of restricted shares awarded could range between 0% to 200% of the initial grant of the restricted shares.

(ii) PSP awards will vest based on meeting stated performance conditions over a three-year performance period.

As at 30 September 2014, no share has been granted under F&NHB PSP.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

33. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000) (Restated)	**2014 ($'000)**	2013 ($'000)
Deferred tax liabilities						
Differences in depreciation	**24,119**	37,872	**(445)**	(729)	**-**	-
Tax effect on revaluation surplus	**-**	37,729	**-**	(129)	**-**	-
Provisions, expenses and income taken in a different period	**2,226**	75,549	**(3,921)**	719	**-**	-
Fair value adjustments	**2,631**	2,108	**408**	595	**94**	-
Other deferred tax liabilities	**300**	479	**(228)**	-	**-**	-
Gross deferred tax liabilities	**29,276**	153,737	**(4,186)**	456	**94**	-
Less: Deferred tax assets						
Employee benefits	**(1,865)**	(1,752)	**(243)**	201	**-**	-
Unabsorbed losses and capital allowances	**(525)**	(4,157)	**746**	2,922	**-**	-
Provisions, expenses and income taken in a different period	**(1,387)**	(1,465)	**76**	(324)	**-**	-
Other deferred tax assets	**-**	(5)	**-**	-	**-**	-
Gross deferred tax assets	**(3,777)**	(7,379)	**579**	2,799	**-**	-
Net deferred tax liabilities	**25,499**	146,358	**(3,607)**	3,255	**94**	-

Some subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	**(1,578)**	(1,237)	**(457)**	(49)	**-**	-
Differences in depreciation	**12,359**	11,326	**906**	978	**-**	-
Unabsorbed losses and capital allowances	**3,155**	(994)	**3,465**	5,746	**-**	-
Provisions	**(8,326)**	(9,660)	**(320)**	(1,616)	**-**	-
Investment allowances	**(31,693)**	(33,760)	**1,258**	(1,773)	**-**	-
Net deferred tax assets	**(26,083)**	(34,325)	**4,852**	3,286	**-**	-

The deferred tax charge relating to fair value adjustment in other comprehensive income during the year is $103,000 (2013: deferred tax written back of $83,000).

Deferred tax liabilities of $51,000 (2013: $9,027,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $303,000 at 30 September 2014 (2013: $53,100,000).

Deferred tax liabilities of $45,000 (2013: $100,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $452,000 at 30 September 2014 (2013: $1,003,000) of certain of the Group's subsidiaries as the Group has determined that the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	THE GROUP 2014 ($'000)	THE GROUP 2013 ($'000) (Restated)
34. FUTURE COMMITMENTS		
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contracts placed		
Fixed assets	**12,247**	4,164
Investment properties	**-**	788,414
Properties held for sale	**-**	2,144,290
Share of joint venture companies' commitments	**-**	339,446
	12,247	3,276,314
(b) Other amounts approved by directors but not contracted for:		
Fixed assets	**20,460**	13,862
Total	**32,707**	3,290,176

35. LEASE COMMITMENTS

Operating Leases

Lease commitments under non-cancellable operating leases where the Group is a lessee:

	2014 ($'000)	2013 ($'000) (Restated)
Payable within one year	**16,042**	40,042
Payable between one and five years	**12,982**	23,442
Payable after five years	**28,359**	24,111
	57,383	87,595
Operating lease expense for the year	**26,161**	24,265

The operating leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other leasing agreements.

Lease commitments under non-cancellable operating leases where the Group is a lessor:

	2014 ($'000)	2013 ($'000) (Restated)
Receivable within one year	**633**	125,450
Receivable between one and five years	**1,115**	166,796
Receivable after five years	**-**	63
	1,748	292,309

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

35. LEASE COMMITMENTS (cont'd)

Finance Leases

Lease commitments under non-cancellable finance leases where the Group is a lessee:

	THE GROUP			
	2014 ($'000)		2013 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**19**	**16**	-	-
Payable between one and five years	**48**	**45**	-	-
Total minimum lease payments	**67**	**61**	-	-
Less: Future finance charges				
Payable within one year	**(3)**	**-**	-	-
Payable between one and five years	**(3)**	**-**	-	-
	(6)	**-**	-	-
	61	**61**	-	-

The finance leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other leasing agreements.

36. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following were the significant related party transactions entered into between the Group and related parties during the year:

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
(a) Transactions with an entity in which an associate of the Director of the Group is a member				
Fees paid for legal services	**-**	(2,811)	**-**	(2,811)
(b) Transactions with TCC Group of Companies				
Sales	**2,168**	891	**-**	-
Corporate service recoveries	**1,547**	-	**-**	-
Management fee income	**8,856**	-	**-**	-
Interest income	**1,019**	-	**-**	-
Purchases	**(17,518)**	(12,721)	**-**	-
Management fee expense	**(443)**	-	**-**	-
Insurance premium expense	**(902)**	-	**-**	-
Rental and other expenses	**(2,316)**	(9)	**-**	(6)

These transactions were based on agreed fees or terms between the parties.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

37. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $2,498,192,000 (2013: $3,833,669,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $2,498,192,000 (2013: $3,833,669,000) corporate guarantees given by the Company, $Nil (2013: $1,349,090,000) has been utilised by its subsidiary companies as security for its borrowings, and these borrowings have been included as borrowings under the Group Balance Sheet.

38. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit Committee to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

(a) Foreign Currency Risk

The Group and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's and Company's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's and the Company's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group and the Company use foreign currency forward exchange contracts to manage these foreign exchange risks.

At 30 September 2014, the Group had entered into foreign currency forward exchange buy contracts amounting to $42,288,000 (2013: $75,710,000) and sell contracts amounting to $5,920,000 (2013: $572,181,000). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amount and market value of the contracts) are gains of $278,000 (2013: losses of $971,000) and $101,000 (2013: losses of $3,285,000) respectively.

At 30 September 2014, the Company had entered into foreign currency forward exchange sell contracts amounting to $Nil (2013: $3,138,000). The fair value adjustments of the sell contracts (which is the difference between the notional principal amount and market value of the contracts) is $Nil (2013: gain of $123,000).

The fair values of foreign currency forward exchange contracts have been calculated using rates quoted by the Group's and Company's bankers to terminate the contracts at the balance sheet date.

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total equity and the Group's profit net of tax to a reasonably possible 10% strengthening of the Australia Dollar, Sterling Pound, United States Dollar, Vietnamese Dong, Euro, Singapore Dollar and Malaysia Ringgit exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	THE GROUP		THE COMPANY	
	Equity ($'000)	Profit ($'000)	Equity ($'000)	Profit ($'000)
Year Ended 30 September 2014				
Australia Dollar	**-**	**(1,018)**	**-**	**-**
Sterling Pound	**-**	**(81)**	**-**	**-**
United States Dollar	**-**	**590**	**-**	**142**
Vietnamese Dong	**69,453**	**29**	**9,436**	**-**
Euro	**-**	**209**	**-**	**-**
Singapore Dollar	**-**	**402**	**-**	**-**
Malaysia Ringgit	**-**	**(793)**	**-**	**46**
Year Ended 30 September 2013				
Australia Dollar	-	(8,555)	-	5
Sterling Pound	-	(21,005)	-	-
United States Dollar	-	(27,877)	-	64
Vietnamese Dong	66,611	14	-	-
Euro	-	75	-	-
Singapore Dollar	-	51	-	-
Malaysia Ringgit	-	(568)	-	411

A 10% weakening of the above currencies at the balance sheet date would have had the equal but opposite effect on the respective functional currencies of the Group entities as the amounts shown above, on the basis that all other variables remain constant.

(b) Liquidity Risk

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group maintains sufficient cash and marketable securities, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

The table below analyses the maturity profile of the Group's and Company's financial assets and liabilities (including derivative financial instruments) based on contractual undiscounted cash flows.

		Cash Flows			
	Carrying amount ($'000)	Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Group					
Year Ended 30 September 2014					
Financial Assets					
Trade receivables	309,187	309,187	309,187	-	-
Other receivables (excluding derivative financial instruments)	27,539	27,539	26,896	139	504
Derivative financial instruments	806	806	806	-	-
Related parties	5,163	5,163	5,163	-	-
Joint venture companies	25,670	25,670	25,670	-	-
Associated companies	5	5	5	-	-
Bank fixed deposits	95,675	95,692	91,003	4,689	-
Cash and bank balances	265,084	265,084	265,084	-	-
	729,129	729,146	723,814	4,828	504
Financial Liabilities					
Trade payables	198,261	198,261	198,261	-	-
Other payables (excluding derivative financial instruments)	231,046	231,063	226,374	4,689	-
Derivative financial instruments	427	427	427	-	-
Borrowings	141,743	163,636	30,303	133,000	333
Related parties	29,037	29,037	27,772	1,265	-
Associated companies	1,854	1,854	1,854	-	-
	602,368	624,278	484,991	138,954	333
Total net undiscounted financial assets/(liabilities)		104,868	238,823	(134,126)	171

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows: Contractual Cash flow ($'000)	Cash Flows: Less than 1 year ($'000)	Cash Flows: Between 1 and 5 years ($'000)	Cash Flows: Over 5 years ($'000)
The Group					
Year Ended 30 September 2013					
Financial Assets					
Trade receivables	527,188	527,188	527,188	-	-
Other receivables (excluding derivative financial instruments)	178,442	186,091	95,106	90,985	-
Derivative financial instruments	1,919	1,919	1,919	-	-
Related parties	146	146	146	-	-
Joint venture companies	4,520	4,520	4,520	-	-
Associated companies	90,385	126,561	16,667	15,828	94,066
Bank fixed deposits	876,333	876,333	876,333	-	-
Cash and bank balances	1,068,389	1,068,389	1,068,389	-	-
	2,747,322	2,791,147	2,590,268	106,813	94,066
Financial Liabilities					
Trade payables	526,379	526,379	526,379	-	-
Other payables (excluding derivative financial instruments)	563,372	563,372	560,203	-	3,169
Derivative financial instruments	16,698	16,698	12,894	3,804	-
Borrowings	3,444,544	3,693,748	942,705	2,400,413	350,630
Related parties	1,652	1,652	1,652	-	-
Joint venture companies	8	8	8	-	-
Associated companies	1,669	1,669	1,669	-	-
	4,554,322	4,803,526	2,045,510	2,404,217	353,799
Total net undiscounted financial (liabilities)/assets		(2,012,379)	544,758	(2,297,404)	(259,733)

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

		Cash Flows			
	Carrying amount ($'000)	Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Company					
Year Ended 30 September 2014					
Financial Assets					
Subsidiary companies	**8,396**	**8,396**	**8,349**	**47**	**-**
Related parties	**1**	**1**	**1**	**-**	**-**
Bank fixed deposits	**266**	**266**	**266**	**-**	**-**
Cash and bank balances	**3,898**	**3,898**	**3,898**	**-**	**-**
	12,561	**12,561**	**12,514**	**47**	**-**
Financial Liabilities					
Other payables	**10,260**	**10,260**	**10,260**	**-**	**-**
Subsidiary companies	**124,388**	**124,390**	**952**	**123,438**	**-**
Related parties	**1,265**	**1,265**	**-**	**1,265**	**-**
	135,913	**135,915**	**11,212**	**124,703**	**-**
Total net undiscounted financial (liabilities)/assets		**(123,354)**	**1,302**	**(124,656)**	**-**
Year Ended 30 September 2013					
Financial Assets					
Other receivables (excluding derivative financial instruments)	52	52	52	-	-
Derivative financial instruments	123	123	123	-	-
Subsidiary companies	766,336	766,649	6,008	760,641	-
Bank fixed deposits	255,674	255,674	255,674	-	-
Cash and bank balances	650,794	650,794	650,794	-	-
	1,672,979	1,673,292	912,651	760,641	-
Financial Liabilities					
Other payables	17,028	17,028	17,028	-	-
Borrowings	150,000	161,039	5,430	155,609	-
Subsidiary companies	134,863	134,863	4,507	130,356	-
	301,891	312,930	26,965	285,965	-
Total net undiscounted financial assets		1,360,362	885,686	474,676	-

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk

At the balance sheet date, the Group's and the Company's total exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	THE GROUP			
	2014		2013	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**93,907**	**30%**	297,153	57%
Malaysia	**135,124**	**44%**	133,539	25%
Other ASEAN	**51,910**	**17%**	52,406	10%
North/South Asia	**26,876**	**9%**	28,033	5%
Outside Asia	**1,370**	**0%**	16,057	3%
	309,187	**100%**	527,188	100%
By Business Segment:				
Beverages	**89,340**	**29%**	84,669	16%
Dairies	**136,240**	**44%**	132,401	25%
Printing & Publishing	**83,604**	**27%**	88,182	17%
Commercial Property	**-**	**-**	17,119	3%
Development Property	**-**	**-**	190,508	36%
Others	**3**	**0%**	14,309	3%
	309,187	**100%**	527,188	100%

The Group and the Company have no significant concentration of credit risk. The Group and the Company have policies in place to monitor its credit risk. Sales of products and services are made to customers with an appropriate credit history. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties are only transferred upon full settlement.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have a sound credit rating. Management does not expect any counterparty to fail to meet its obligations.

Information regarding financial assets that are either past due or impaired and aging analysis is disclosed in Note 26. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's total credit risk exposure for foreign exchange contracts and interest rate swap contracts are limited to the fair value adjustments of these contracts. It is the Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

The Group and the Company do not have significant exposure to any individual customer or counterparty.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Group agree with other parties to exchange, at specified intervals mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

There are no outstanding interest rate swap contracts as of 30 September 2014. At 30 September 2013, the Group had entered into interest rate swap contracts amounting to $777,384,000 with fair value losses of $10,523,000. The fixed interest rate of outstanding interest rate swap contracts is between 1.2% to 4.0%, while the floating interest rates are mainly linked to Singapore Interbank Offered Rates.

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Floating rates	Fixed rates		
	($'000)	Less than 1 year ($'000)	Between 1 to 5 years ($'000)	After 5 years ($'000)
The Group				
Year Ended 30 September 2014				
Assets				
Cash and bank deposits	**15,626**	**97,636**	**4,672**	**-**
Liabilities				
Borrowings	**4,626**	**20,282**	**116,835**	**-**
Other financial liabilities	**-**	**-**	**4,672**	**-**
Year Ended 30 September 2013				
Assets				
Cash and bank deposits	162,957	1,444,000	-	-
Other financial assets	22	8,071	90,429	63,617
Liabilities				
Borrowings	1,713,378	153,676	1,253,606	323,884
Other financial liabilities	10,523	-	-	-
The Company				
Year Ended 30 September 2014				
Assets				
Cash and bank deposits	**-**	**371**	**-**	**-**
Year Ended 30 September 2013				
Assets				
Cash and bank deposits	-	906,393	-	-
Liabilities				
Borrowings	-	-	150,000	-

38. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument or for which interest rate swaps have been entered into. The other financial instruments of the Group and the Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The Group and the Company are in a net finance income position for the years ended 30 September 2014 and 2013.

Sensitivity analysis for interest rate risk

The below table shows the impact of 100 basis points (bps) increase in interest rate to the Group's profit after tax and hedging reserves at the reporting date. A decrease of 100 bps in interest rate would have an equal but opposite effect. The analysis is performed on the same basis for 2013.

	THE GROUP	
	2014 ($'000)	2013 ($'000)
100 bps increase		
Profit after tax	**91**	(12,956)
Hedging reserve	**-**	(9,800)

(e) Market Price Risk

The Group and the Company are exposed to market price risk and the risk of impairment in the value of investments held. The Group and the Company manage the risk of impairment by evaluation of investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

Sensitivity analysis for quoted investment risk

If prices for available-for-sale investments increase by 10% with all other variables including tax rate being held constant, the impact on fair value adjustment reserve will be as follows:

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000)	**2014 ($'000)**	2013 ($'000)
Fair value adjustment reserve	**69,977**	67,125	**9,960**	514

There will be no impact to profit after tax.

A 10% decrease in the underlying equity prices would have had the equal but opposite effect as the amounts shown above. The analysis is performed on the same basis as for 2013 and assumes that all other variables remain constant.

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38. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

(i) Cash and bank deposits, other receivables and other payables

The carrying amounts of these items in current assets and current liabilities approximate fair value due to their short term nature. The carrying amount of non-current fixed deposits approximates their fair values as these fixed deposits bear interest rate at the market prevailing interest for similar type of fixed deposits instrument at the end of the reporting period.

(ii) Trade receivables and trade payables

The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(iii) Amounts due from/to related companies

The carrying amounts of amounts due from/to related companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due to related companies included in long term liabilities, no disclosure of the fair value has been made, as it is not practicable to determine the fair value with sufficient reliability since these balances have no fixed terms of repayment.

(iv) Short term and other investments

Market value of quoted investment is determined by reference to stock exchange quoted prices.

Certain unquoted investments do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.

(v) Bank borrowings and term loans

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 31. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate borrowings and loans approximate their fair value.

(vi) Assets and liabilities measured at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the asset or liability that are not based on observable market data

38. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

The following table shows an analysis of assets and liabilities financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Group				
Year Ended 30 September 2014				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**701,541**	**-**	**-**	**701,541**
Derivative financial instruments (Note 27)	**-**	**806**	**-**	**806**
Short term investments (Note 28)				
- Quoted available-for-sale financial assets	**1**	**-**	**-**	**1**
	701,542	**806**	**-**	**702,348**
Non-Financial Assets				
Investment properties (Note 13)				
- Commerical	**-**	**-**	**40,702**	**40,702**
Financial Liabilities				
Derivative financial instruments (Note 27)	**-**	**427**	**-**	**427**
The Company				
Year Ended 30 September 2014				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**100,765**	**-**	**-**	**100,765**

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 2014.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to their published market bid price at the balance sheet date.

The fair value of derivatives categorised within Level 2 of the fair value hierarchy are valued using a valuation technique with market observable inputs. These include forward pricing and swap models, using present value calculations. The models incoporate various inputs such as foreign exchange spot and forward rates.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 30.9.2014	Valuation techniques	Unobservable inputs	Range
Investment Properties	40,702	Direct Comparison Method, Income/ Investment Approach	Discount rate	7% to 7.25%

The investment properties cateogorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the properties.

The following table presents the reconciliation for the investment properties measured at fair value based on unobservable inputs (Level 3):

	2014 ($'000)
The Group	
As at 1 October 2013	3,155,404
Additions	965,403
Net fair value gain recognised in the profit statement	265
Distribution *in specie* of subsidiary companies	(4,084,506)
Currency realignment	4,136
As at 30 September 2014	40,702

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38. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments

Set out below is a comparison by category of carrying amounts of all the Group's and the Company's financial instruments that are carried in the financial statements:

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
Year Ended 30 September 2014							
Assets							
Fixed assets	-	-	-	-	-	661,118	661,118
Investment properties	-	-	-	-	-	40,702	40,702
Properties held for development	-	-	-	-	-	21,276	21,276
Joint venture companies	25,670	-	-	-	-	-	25,670
Associated companies	5	-	-	-	-	49,866	49,871
Intangible assets	-	-	-	-	-	93,039	93,039
Brands	-	-	-	-	-	31,033	31,033
Other investments	-	-	-	701,613	-	-	701,613
Other receivables	27,539	806	-	-	-	23,430	51,775
Deferred tax assets	-	-	-	-	-	26,083	26,083
Properties held for sale	-	-	-	-	-	48,199	48,199
Inventories	-	-	-	-	-	274,245	274,245
Trade receivables	309,187	-	-	-	-	-	309,187
Related parties	5,163	-	-	-	-	-	5,163
Short term investments	-	-	-	1	-	-	1
Bank fixed deposits	95,675	-	-	-	-	-	95,675
Cash and bank balances	265,084	-	-	-	-	-	265,084
	728,323	806	-	701,614	-	1,268,991	2,699,734
Liabilities							
Trade payables	-	-	-	-	198,261	-	198,261
Other payables	-	427	-	-	231,046	8,975	240,448
Associated companies	-	-	-	-	1,854	-	1,854
Related companies	-	-	-	-	29,037	-	29,037
Borrowings	-	-	-	-	141,743	-	141,743
Provision for taxation	-	-	-	-	-	42,456	42,456
Provision for employee benefits	-	-	-	-	-	19,495	19,495
Deferred tax liabilities	-	-	-	-	-	25,499	25,499
	-	427	-	-	601,941	96,425	698,793

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38. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
Year Ended 30 September 2013							
Assets							
Fixed assets	-	-	-	-	-	699,109	699,109
Investment properties	-	-	-	-	-	3,155,404	3,155,404
Properties held for development	-	-	-	-	-	20,984	20,984
Joint venture companies	4,520	-	-	-	-	-	4,520
Associated companies	90,385	-	-	-	-	1,201,202	1,291,587
Intangible assets	-	-	-	-	-	148,315	148,315
Brands	-	-	-	-	-	30,836	30,836
Other investments	-	-	-	675,236	-	-	675,236
Other receivables	178,442	1,919	-	-	-	44,986	225,347
Prepaid land costs	-	-	-	-	-	398,033	398,033
Other assets	-	-	-	-	-	43,200	43,200
Deferred tax assets	-	-	-	-	-	34,325	34,325
Properties held for sale	-	-	-	-	-	4,688,968	4,688,968
Inventories	-	-	-	-	-	249,406	249,406
Trade receivables	527,188	-	-	-	-	-	527,188
Related parties	146	-	-	-	-	-	146
Short term investments	-	-	-	100	-	-	100
Bank fixed deposits	876,333	-	-	-	-	-	876,333
Cash and bank balances	1,068,389	-	-	-	-	-	1,068,389
Assets held for sale	-	-	-	-	-	7,961	7,961
	2,745,403	1,919	-	675,336	-	10,722,729	14,145,387
Liabilities							
Trade payables	-	-	-	-	526,379	-	526,379
Other payables	-	6,835	9,863	-	563,372	385,547	965,617
Joint venture companies	-	-	-	-	8	-	8
Associated companies	-	-	-	-	1,669	-	1,669
Related companies	-	-	-	-	1,652	-	1,652
Borrowings	-	-	-	-	3,444,544	-	3,444,544
Provision for taxation	-	-	-	-	-	161,076	161,076
Liabilities held for sale	-	-	-	-	1,845	-	1,845
Provision for employee benefits	-	-	-	-	-	18,356	18,356
Deferred tax liabilities	-	-	-	-	-	146,358	146,358
	-	6,835	9,863	-	4,539,469	711,337	5,267,504

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

38. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Company						
Year Ended 30 September 2014						
Assets						
Subsidiary companies	**8,396**	**-**	**-**	**(123,438)**	**924,103**	**809,061**
Associated companies	**-**	**-**	**-**	**-**	**18,100**	**18,100**
Brands	**-**	**-**	**-**	**-**	**212**	**212**
Other investments	**-**	**-**	**100,779**	**-**	**-**	**100,779**
Other receivables	**-**	**-**	**-**	**-**	**855**	**855**
Related parties	**1**	**-**	**-**	**-**	**-**	**1**
Bank fixed deposits	**266**	**-**	**-**	**-**	**-**	**266**
Cash and bank balances	**3,898**	**-**	**-**	**-**	**-**	**3,898**
	12,561	**-**	**100,779**	**(123,438)**	**943,270**	**933,172**
Liabilities						
Other payables	**-**	**-**	**-**	**10,260**	**-**	**10,260**
Subsidiary companies	**-**	**-**	**-**	**950**	**-**	**950**
Related parties	**-**	**-**	**-**	**1,265**	**-**	**1,265**
Provision for taxation	**-**	**-**	**-**	**-**	**9,494**	**9,494**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**94**	**94**
	-	**-**	**-**	**12,475**	**9,588**	**22,063**
Year Ended 30 September 2013						
Assets						
Subsidiary companies	766,336	-	-	(130,356)	3,315,653	3,951,633
Associated companies	-	-	-	-	18,100	18,100
Brands	-	-	-	-	212	212
Other investments	-	-	6,205	-	-	6,205
Other receivables	52	123	-	-	5,313	5,488
Bank fixed deposits	255,674	-	-	-	-	255,674
Cash and bank balances	650,794	-	-	-	-	650,794
	1,672,856	123	6,205	(130,356)	3,339,278	4,888,106
Liabilities						
Other payables	-	-	-	17,028	-	17,028
Subsidiary companies	-	-	-	4,507	-	4,507
Borrowings	-	-	-	150,000	-	150,000
Provision for taxation	-	-	-	-	9,734	9,734
	-	-	-	171,535	9,734	181,269

39. UNUSUAL ITEM

In August 2013, Fraser & Neave Holdings Bhd ("F&NHB"), a subsidiary of the Company listed on Bursa Malaysia, was served with a Kuala Lumpur High Court Writ of Summons and Statement of Claim by BJC-OI Glass Pte Ltd ("BJC-OI"). BJC-OI's action against F&NHB was for damages for alleged breaches of a share purchase agreement dated 14 May 2010 (the "Share Purchase Agreement") between Berli Jucker Public Company Ltd ("BJC"), ACI International Pty Ltd ("ACI") and F&NHB for the sale by F&NHB to BJC and ACI as purchasers of the entire issued and paid-up share capital of Malaya Glass Products Sdn Bhd. BJC and ACI subsequently assigned their rights in the Share Purchase Agreement to BJC-OI.

BJC-OI is claiming for special damages of RM43 million (approximately S$17 million) as well as general and consequential damages to be determined by the court (the "Suit").

BJC-OI is a 50-50 joint venture between Thailand-listed conglomerate Berli Jucker Public Company Ltd ("BJC") and Owens-Illinois Singapore Pte Ltd, which is a subsidiary of NYSE-listed Owens-Illinois Inc. BJC is a subsidiary of TCC Holding Company Limited ("TCCH").

On 9 January 2014, F&NHB entered into a settlement agreement (the "Settlement Agreement") with BJC-OI, BJC and ACI in respect of the Suit instituted by BJC-OI against F&NHB pursuant to which F&NHB agreed to pay a total sum of USD4,973,912 (approximately RM16 million) (the "Settlement Sum") to BJC-OI and Thai Malaya Glass Co Ltd ("TMG"), without any admission as to any claims and/or liabilities.

The Settlement Agreement covers all claims pleaded in the Suit and/or in connection with the Share Purchase Agreement, save and except for:

(a) claims relating to Sichuan Malaya Glass Co Ltd ("SMG") as pleaded in the Suit ("SMG Claims"). SMG is one of the subsidiaries of Malaya Glass Products Sdn Bhd ("MGP") of which the entire issued and paid-up share capital was purchased by BJC and ACI, through BJC-OI, pursuant to the Share Purchase Agreement; and

(b) claims relating to Taxation assessment liabilities pursuant to the terms and conditions in the Share Purchase Agreement ("Tax Claims").

The other salient terms of the Settlement Agreement are, as follows:

(a) BJC, ACI and BJC-OI hereby assign absolutely all of their rights, benefits and obligations under the Share Purchase Agreement including the right to sue (but excluding the rights, benefits and obligations in relation to the SMG Claims and the Tax Claims) to ACI, which assignment shall take effect upon receipt of the Settlement Sum.

(b) F&NHB, BJC, ACI and BJC-OI expressly agree, consent to and acknowledge that ACI's right to institute fresh proceedings against F&NHB in respect of the Share Purchase Agreement is limited to the SMG Claims as pleaded in the Suit, and BJC-OI's right to institute fresh proceedings against F&NHB in respect of the Share Purchase Agreement is limited to the Tax Claims.

(c) Upon receipt of the Settlement Sum, BJC, ACI and BJC-OI release and forever discharge F&NHB from all actions relating to all claims pleaded in the Suit and/or in connection with the Share Purchase Agreement, save and except for the SMG Claims and Tax Claims, and vice versa.

The Settlement Sum has been paid and the Suit was withdrawn on 20 January 2014.

As of the date of this report, no claims in respect of the SMG Claims and Tax Claims have been filed against F&NHB. F&NHB has made adequate provision in respect of the SMG Claims and Tax Claims.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value. No changes were made in the objectives, policies or processes during the years ended 30 September 2014 and 2013.

The Group monitors its cashflow, debt maturity profile, cost of funds, overall liquidity position and gearing ratio on a continuous basis. The Group's policy is to keep gearing ratio at not more than 80% of total equity.

The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as borrowings less cash and bank deposits. Total equity is calculated as shareholders' fund plus non-controlling interests.

	THE GROUP		THE COMPANY	
	2014 ($'000)	2013 ($'000) (Restated)	**2014 ($'000)**	2013 ($'000)
Cash & bank deposits	**360,759**	1,944,722	**4,164**	906,468
Borrowings	**(141,743)**	(3,444,544)	**-**	(150,000)
Net cash/(borrowings)	**219,016**	(1,499,822)	**4,164**	756,468
Shareholders' fund	**1,604,828**	8,504,660	**911,109**	4,706,837
Total equity (including non-controlling interests)	**2,000,941**	8,877,883	**911,109**	4,706,837
Net borrowings/Shareholders' fund	**-**	0.18	**-**	-
Net borrowings/Total equity	**-**	0.17	**-**	-

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. The Group and the Company are in compliance with all externally imposed capital requirements.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

The Group has not adopted the following relevant standards and interpretations that have been issued as at balance sheet date but are not yet effective:

Description		**Effective for annual periods beginning on or after**
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosures of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 110, FRS 111 and FRS 112	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27	Investment Entities	1 January 2014
Amendments to FRS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs 2014		
Amendment to FRS 102	Share Based Payment	1 July 2014
Amendment to FRS 103	Business Combinations	1 July 2014
Amendment to FRS 108	Operating Segments	1 July 2014
Amendment to FRS 16	Property, Plant and Equipment	1 July 2014
Amendment to FRS 24	Related Party Disclosures	1 July 2014
Amendment to FRS 38	Intangible Assets	1 July 2014
Amendment to FRS 113	Fair Value Measurement	1 July 2014
Amendment to FRS 40	Investment Property	1 July 2014
FRS 114	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

Except for Revised FRS 27, Revised FRS 28, FRS 110, FRS 111 and FRS 112, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the following FRS are described below.

(a) **FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements**

FRS 110 establishes a single control model that applies to all entities (including special purpose entities). The changes introduced by FRS 110 will require the management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

The Group is currently determining the impact of the changes to the concept of control.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

(b) FRS 111 Joint Arrangements and Revised FRS 28 Investment in Associates and Joint Ventures

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have rights to the assets and obligations for the liabilities whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The Group currently applies proportionate consolidation for its joint ventures. Upon adoption of FRS 111, the Group expects the change to equity accounting for these joint ventures and this will affect the Group's financial statement presentation.

(c) FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

42. SUBSEQUENT EVENTS

On 31 October 2014, the Company announced that it had received the decision on its arbitration with Myanma Economic Holdings Limited ("MEHL"). The Company had previously on 29 August 2013 and 10 September 2013 announced MEHL's intention to commence arbitration proceedings and subsequently, the receipt of notice of arbitration from MEHL, in relation to the Company's shares in Myanmar Brewery Limited ("MBL").

MEHL had sought to compel the Company to sell its 55% stake in MBL to MEHL at US$246 million (approximately $313 million) under the terms of the joint venture agreement between the parties.

The arbitral tribunal has ruled that MEHL's valuation of US$246 million does not represent a fair value of the Company's stake in MBL and that the sale should take place at a price to be determined by an independent valuer.

43. COMPARATIVE FIGURES

Certain comparative figures have been changed due to the adoption of Revised FRS 19, as disclosed in Note 2.1 and the FCL Distribution, as disclosed in Note 29(a). The effects of the restatement due to the adoption of Revised FRS 19 is not significant and consequently a restated opening balance sheet as at 1 October 2012 has not been presented.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding		
		2014	2013	**Principal Activities**
	SUBSIDIARY COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business: **Singapore**			
	Fraser & Neave (Singapore) Pte. Limited	**100.0%**	100.0%	Management Services
	F&N Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	F&N Foods Pte Ltd	**100.0%**	100.0%	Manufacture and Distribution of Dairy Products and Beverages
	Asia Dairies (S) Pte Ltd	**100.0%**	100.0%	Dormant
	F&N Dairy Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	F&N Interflavine Pte Ltd	**100.0%**	100.0%	Beverage Base Manufacturing
	International Theme Parks (Singapore) Pte Ltd	**100.0%**	100.0%	Dormant
	Times Publishing Limited	**100.0%**	100.0%	Investment Holding
	F&NBev Manufacturing Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Dormant
	F&N Treasury Pte Ltd	**100.0%**	100.0%	Provision of Treasury and Financial Services
	F&N Creameries (Singapore) Pte Ltd *(Held by a subsidiary company)*	**100.0%**	100.0%	Distribution of Ice-Cream
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Fraser & Neave Investments (HK) Ltd	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave Holdings Bhd	**55.6%**	55.8%	Investment Holding
(A)	Tiger Taverns Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Magnolia - PDL Dairies (1993) Sdn Bhd	**100.0%**	100.0%	Investment Holding
(A)	F&N Services (F&B) (M) Sdn Bhd	**100.0%**	100.0%	Technical Application and Brand Marketing Support Services
(A)	F&N Services (L) Bhd	**100.0%**	100.0%	Dormant
(C)	Yoke Food Industries Sdn Bhd *(Held by a subsidiary company, accounting year ends on 31 Dec)*	**70.0%**	-	Manufacture, Export and Distribution of Soft Drinks
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N United Ltd *(Held by a subsidiary company)*	**95.0%**	95.0%	Manufacture and Distribution of Dairy Products

Notes

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2014	Effective Shareholding 2013	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)			
	Country of Incorporation and Place of Business: **Myanmar**			
(A)	Myanmar Brewery Limited *(Accounting year ends on 31 March)*	**55.0%**	55.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **Indonesia**			
(B)	PT F&N Indonesia *(Held by subsidiary companies)*	**100.0%**	100.0%	Sale and Distribution of Asian Soft Drinks
	SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	F&N Ice Cream Manufacturing (M) Sdn Bhd	**100.0%**	100.0%	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (M) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream
(A)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	**100.0%**	100.0%	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (Sarawak) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream
	SUBSIDIARY COMPANIES OF YOKE FOOD INDUSTRIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(C)	Lee Fah Marketing Sdn Bhd *(Accounting year ends on 31 Dec)*	**70.0%**	-	Distribution of Soft Drinks
	Country of Incorporation and Place of Business: **Indonesia**			
(C)	PT Yoke Food Industries Indonesia *(Accounting year ends on 31 Dec)*	**70.0%**	-	Distribution of Soft Drinks
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**55.6%**	55.8%	Management Services and Property Investment Holding
(A)	F&N Beverages Marketing Sdn Bhd	**55.6%**	55.8%	Distribution of Soft Drinks
(A)	F&N Beverages Manufacturing Sdn Bhd	**55.6%**	55.8%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**55.6%**	55.8%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**55.6%**	55.8%	Dormant
(A)	Four Eights Sdn Bhd	**55.6%**	55.8%	Dormant

Notes

(A) Audited by Ernst & Young in the respective countries.

(B) To be appointed.

(C) Audited by other firms of auditors.

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2014	2013	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Malaysia** (cont'd)			
(A)	F&N Foods Sdn Bhd	**55.6%**	55.8%	Dormant
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**55.6%**	55.8%	Dormant
(A)	Wimanis Sdn Bhd	**55.6%**	55.8%	Property Development
(A)	Lettricia Corporation Sdn Bhd	**38.9%**	39.1%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**55.6%**	55.8%	Property Development
(A)	Nuvak Company Sdn Bhd	**55.6%**	55.8%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**55.6%**	55.8%	Property Development
(A)	Utas Mutiara Sdn Bhd	**55.6%**	55.8%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**55.6%**	55.8%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A)	F&N Dairies Manufacturing Sdn Bhd	**55.6%**	55.8%	Manufacture and Distribution of Dairy Products
(A)	F&N Properties Sdn Bhd	**55.6%**	55.8%	Provision of Property Management Services
(A)	F&N Capital Sdn Bhd	**55.6%**	55.8%	Provision of Treasury and Financial Services
(A)	Tropical League Sdn Bhd	**55.6%**	55.8%	Dormant
	Country of Incorporation and Place of Business: **Singapore**			
	F&N Dairies Distribution (Singapore) Pte Ltd	**55.6%**	55.8%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N Dairies (Thailand) Limited	**55.6%**	55.8%	Manufacture and Distribution of Dairy Products
(A)	F&N Beverages (Thailand) Limited	**55.6%**	55.8%	Dormant
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**55.6%**	55.8%	Brand Owner

Notes

(A) Audited by Ernst & Young in the respective countries.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		
		2014	2013	**Principal Activities**
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Marshall Cavendish International Private Limited	**100.0%**	100.0%	Investment Holding
	Marshall Cavendish International (Asia) Private Limited	**100.0%**	100.0%	Publishing of Trade Books
	Marshall Cavendish Education Pte. Ltd. *(Formerly Marshall Cavendish International (Singapore) Private Limited)*	**100.0%**	100.0%	Publishing - Education
	Marshall Cavendish Business Information Private Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
	Educational Technologies Private Limited	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Marshall Cavendish Institute Pte. Ltd. *(Formerly Panpac Education Pte Ltd)*	**100.0%**	100.0%	Publishing - Education
	Pansing Distribution Private Limited	**100.0%**	100.0%	Distribution of Books and Magazines
	Goodwill Binding Pte. Ltd.	**51.0%**	51.0%	Printing and Binding
	JCS Digital Solutions Pte. Ltd.	**100.0%**	100.0%	Digital Printing
(D)	Times Editions Pte Ltd	**100.0%**	100.0%	Dormant
	Times Graphics Private Limited	**100.0%**	100.0%	Dormant
	Times Printers Private Limited	**100.0%**	100.0%	Commercial Printing
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
	Times The Bookshop Pte Ltd	**100.0%**	100.0%	Retail of Books, Stationery, Magazines and Periodicals
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Marshall Cavendish (Malaysia) Sdn. Bhd.	**100.0%**	100.0%	Publishing - Education, Business Information and Trade Books
(A)	STP Distributors (M) Sendirian Berhad	**100.0%**	100.0%	Dormant
(A)	Pansing Marketing Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
(A)	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing
(A)	Pansing Distribution Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines

Notes

(A) Audited by Ernst & Young in the respective countries.

(D) Not required to be audited under the laws of the country of incorporation.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2014	Effective Shareholding 2013	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation: **Hong Kong** Place of Business: **Thailand**			
(A)	Far East Publications Limited	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Thailand**			
(A) (1)	Marshall Cavendish International (Thailand) Co., Ltd	**49.0%**	49.0%	Publishing - Education
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Everbest Printing Holdings Limited	**100.0%**	100.0%	Investment Holding
(A)	Everbest Printing Investment Limited	**100.0%**	100.0%	Investment Holding
(A)	Everbest Printing Company Limited	**100.0%**	100.0%	Commercial Printing
(A)	Marshall Cavendish Business Information (HK) Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
(A)	Times Publishing (Hong Kong) Limited	**100.0%**	100.0%	Education Publishing and Distribution of Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Hong Kong/Taiwan**			
(A)	Educational Technologies Limited	**100.0%**	100.0%	Publishing and Selling of Home Library Reference Books
	Country of Incorporation and Place of Business: **China**			
(A)	Everbest Printing (Guangzhou) Company Limited	**100.0%**	100.0%	Commercial Printing
(A)	Shanxi Xinhua Times Packaging Printing Co., Ltd	**51.0%**	51.0%	Commercial Printing and Packaging
(C)	Marshall Cavendish (Beijing) Co. Ltd. *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **India**			
(A)	Direct Educational Technologies India Pvt. Ltd.	**100.0%**	100.0%	Distribution of Home Library Reference Books

Notes

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policy of the company.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2014	Effective Shareholding 2013	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Australia**			
(A)	Musicway Corporation Pty Ltd	**100.0%**	100.0%	Distribution of Lifestyle Accessories and Storage Products
(D)	Marshall Cavendish (Australia) Pty. Limited	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(A)	Marshall Cavendish Limited	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **Poland**			
(D)**	Marshall Cavendish Polska Sp. zo.o	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **Ukraine**			
(D)**	Wholly Owned Subsidiary Marshall Cavendish Ukraine	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **United States of America**			
(C)	Marshall Cavendish Corporation	**100.0%**	100.0%	Publishing of Library Reference Books
	Country of Incorporation and Place of Business: **Chile**			
(A)	Marshall Cavendish Education Chile SpA	**100.0%**	100.0%	Publishing - Education
	JOINT VENTURE COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A) (2)	Vacaron Company Sdn Bhd	**27.8%**	77.9%	Property Development
	JOINT VENTURE COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Times Newslink *(Accounting year ends on 31 December)*	**50.0%**	50.0%	Retail of Books and Magazines

Notes

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

(2) Subsequent to the demerger of FCL, Vacaron Company Sdn Bhd is treated as a joint venture of the Company.

** In voluntary liquidation

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2014	Effective Shareholding 2013	Principal Activities
	ASSOCIATED COMPANIES OF THE COMPANY			
	Country of Incorporation: **Bermuda** Place of Business: **China**			
(C)	Fung Choi Media Group Limited *(Accounting year ends on 30 June)*	**29.5%**	29.5%	Printing and Packaging
	Country of Incorporation and Place of Business: **Australia**			
(C) (1)	PMP Limited *(Accounting year ends on 30 June)*	**12.1%**	12.1%	Printing and Packaging
	ASSOCIATED COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(C)	Cocoaland Holdings Berhad *(Accounting year ends on 31 December)*	**15.1%**	15.2%	Investment Holding
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(C)	Beijing Universal Times Culture Development Co., Ltd. *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant
	Country of Incorporation and Place of Business: **Nigeria**			
(C)	Transworld Times Press (Africa) Ltd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant

Note

(C) Audited by other firms of auditors.

(1) Company is treated as an associated company of the Group by virtue of significant influence over the company.

particulars of GROUP PROPERTIES

The main properties as at 30 September 2014 and their net book values are indicated below:
("F&N" refers to Fraser and Neave Group and "TPL" refers to Times Publishing Group)

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS (Note 12 to the Financial Statements)**				
	FREEHOLD				
	Singapore				
	TPL	-	1.1 hectares industrial property at Times Centre, 1 New Industrial Road	6,100	4,774
	Peninsular Malaysia				
	F&N	-	18.0 hectares industrial property at Lot 3-1 & Lot 3-2, Lion Industrial Park, Shah Alam	18,911	23,733
		-	2.1 hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,837	744
		-	2.7 hectares industrial property at 217, Jalan Lahat, Ipoh	1,096	1,357
		-	2.2 hectares industrial property at 701, Jalan Tampoi, Johor Bahru	2,983	61
		-	0.6 hectares industrial property at 598, Jalan Tampoi, Johor Bahru	409	1,237
		-	0.1 hectares office premise at No. 3, Jalan Metro Pudu, Fraser Business Park, Kuala Lumpur	-	5,156
		-	0.4 hectares industrial property at Seksyen 26, Shah Alam, Selangor	561	349
		-	2.0 hectares industrial property at Lot 7399, Jalan Mempaga, Mukim Sabai, Karak, Pahang	1,440	2,403
		-	0.3 hectares office premise at Level 1, 5, 6 & 7, Kompleks Metro Pudu, No.1 Jalan Metro Pudu 2, Fraser Business Park, Kuala Lumpur	-	5,087
		-	Other properties	363	162
	TPL	-	1.2 hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,499	2,309
	East Malaysia				
	F&N	-	1.1 hectares industrial property at Lot 924 Block 4, Matang Land District, Sarawak	1,705	1,531
	Thailand				
	F&N	-	1.2 hectares industrial property at 90 Moo 8 Mitapap Road, Phayayen District, Amphur Pakchong, Nakonratchasima Province 30320	-	1,184
		-	9.2 hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,674	44,883
	Australia				
	TPL	-	0.2 hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	850	328
	United States of America				
	TPL	-	0.2 hectares commercial property at 99 White Plains Road, Tarrytown, New York	637	2,666
	Total Freehold			**45,065**	**97,964**

particulars of GROUP PROPERTIES

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD				
	Singapore				
	F&N	-	4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	11,584
		-	0.1 hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	46
	TPL	-	Commercial property at Unit #04-08 - #04-11, The Centrepoint, 176 Orchard Road (Lease expires year 2078)	-	8
		-	1.8 hectares offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	12,222
	Peninsular Malaysia				
	F&N	-	15.1 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	10,768	63,865
		-	2.0 hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,340	4,704
		-	2.0 hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	1,315	1,916
		-	Other properties	486	224
	East Malaysia				
	F&N	-	1.8 hectares industrial property at 3.5 Miles Penrissen Road, Kuching (Lease expires year 2038)	550	6,640
		-	2.6 hectares industrial property at 5.5 Miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	812	1,922
		-	1.2 hectares industrial property at Lot 1557 Block 218 KNLD, Kuching (Lease expires year 2038)	2,307	-
		-	2.4 hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching (Lease expires year 2038)	1,630	1,146
		-	0.4 hectares office premise at Lot 142 Block 63, Kuching (Lease expires year 2784)	88	64
		-	0.4 hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching (Lease expires year 2035)	48	124
	Thailand				
	F&N	-	3.5 hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	333	3,150
	TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	21
	Myanmar				
	F&N	-	5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2025)	814	6,603

particulars of GROUP PROPERTIES

			Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**			
	LEASEHOLD (cont'd)			
	China/Hong Kong			
	TPL	- Residential property at Unit 1AF Riverside Garden, Shenyang, China (Lease expires year 2054)	-	169
		- Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	6
		- Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,266	12,183
		- Industrial property at Unit A1, C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	258
		- Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	-	2,693
		- Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,164	99
		- Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,944	88
	Total Leasehold		**30,865**	**129,735**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)		**75,930**	**227,699**
(B)	**CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES (Note 13 to the Financial Statements)**			
	Singapore			
	TPL	- 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	17,200
	Peninsular Malaysia			
	F&N	- A building comprising office (LG to 5th floor) at Kompleks Metro Pudu, No. 1 Jalan Metro Pudu 2, Fraser Business Park, Kuala Lumpur Freehold, lettable area - 5,034 sqm	-	20,885
		- Office at Lot 682 Seksyen 92, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 3,787 sqm	-	1,338
	Hong Kong			
	TPL	- Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,187	92
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		**1,187**	**39,515**

particulars of GROUP PROPERTIES

	Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(C) CLASSIFIED AS PROPERTIES HELD FOR DEVELOPMENT (Note 14 to the Financial Statements)			
Peninsular Malaysia			
F&N - Freehold land of approximately 3,788 sqm at Fraser Business Park, Off Jalan Yew, Kuala Lumpur.	-	-	56
- Freehold land of approximately 245,287 sqm for a residential property development at Lot 609, Geran 24235, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
- Freehold land of approximately 12,268 sqm for a commercial property development at Lot 15350 to 15351 & Lot PTB 20048, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru.	-	-	56
(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (Note 24 to the Financial Statements)			
Peninsular Malaysia			
F&N - Leasehold land (Lease expires year 2069) of approximately 51,491 sqm at Petaling Jaya, Selangor for a proposed mixed development with a total of approximately 180,717 sqm of gross floor area for sale.			
- Phase 1a - Services Apartment and Street Retail	-	4th Quarter 2018	28
- Phase 1b - SOHO	-	2nd Quarter 2019	28
- Phase 2 - Boutique Office and Shopping Mall	-	2nd Quarter 2020	28
- Phase 3 - Corporate Tower	-	4th Quarter 2019	28
- Phase 4 - Business Hotel	-	1st Quarter 2021	28

shareholding STATISTICS

AS AT 12 DECEMBER 2014

Class of Shares - Ordinary shares
Voting Rights - One vote per share

Size of Holding	No. of Shareholders	%	No. of Shares	%
1 - 999	287	3.55	87,874	0.01
1,000 - 10,000	6,355	78.63	22,424,387	1.55
10,001 - 1,000,000	1,424	17.62	64,628,122	4.47
1,000,001 and above	16	0.20	1,357,765,903	93.97
TOTAL	**8,082**	**100.00**	**1,444,906,286**	**100.00**

TOP TWENTY SHAREHOLDERS (as shown in the Register of Members and Depository Register)

No.	Shareholder's Name	Shareholdings	%*
1	DBS Nominees Pte Ltd	436,475,149	30.21
2	United Overseas Bank Nominees Pte Ltd	430,527,129	29.80
3	InterBev Investment Limited	412,423,822	28.54
4	Citibank Nominees Singapore Pte Ltd	29,705,398	2.06
5	BNP Paribas Nominees Singapore Pte Ltd	13,981,615	0.97
6	DBS Vickers Securities (Singapore) Pte Ltd	10,463,130	0.72
7	UOB Kay Hian Pte Ltd	6,398,310	0.44
8	Raffles Nominees (Pte) Ltd	5,023,122	0.35
9	Lee Seng Tee	2,500,000	0.17
10	HSBC (Singapore) Nominees Pte Ltd	2,445,891	0.17
11	Phay Thong Huat Pte Ltd	1,799,000	0.13
12	DBSN Services Pte Ltd	1,360,106	0.09
13	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,344,604	0.09
14	CIMB Securities (Singapore) Pte Ltd	1,246,907	0.09
15	Chua Eng Him	1,065,000	0.07
16	The Titular Roman Catholic Archbishop of Kuala Lumpur	1,006,720	0.07
17	Choo Meileen	906,065	0.06
18	Chee Swee Cheng & Co Pte Ltd	846,610	0.06
19	Bank of Singapore Nominees Pte Ltd	731,086	0.05
20	DB Nominees (Singapore) Pte Ltd	728,405	0.05
TOTAL		**1,360,978,069**	**94.19**

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
TCC Assets Limited	858,080,062	59.39	-	-
InterBev Investment Limited	412,423,822	28.54	-	-
International Beverage Holdings Limited (1)	-	-	412,423,822	28.54
Thai Beverage Public Company Limited (2)	-	-	412,423,822	28.54
Siriwana Company Limited (3)	-	-	412,423,822	28.54
MM Group Limited (4)	-	-	412,423,822	28.54
Maxtop Management Corp. (4)	-	-	412,423,822	28.54
Risen Mark Enterprise Ltd. (4)	-	-	412,423,822	28.54
Golden Capital (Singapore) Limited (4)	-	-	412,423,822	28.54
Charoen Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.93
Khunying Wanna Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.93

To the best of the Company's knowledge and based on records of the Company as at 12 December 2014, approximately 12% of the issued shares (excluding treasury shares) of the Company are held in the hands of the public and this complies with Rule 723 of the Listing Manual.

Notes:

* Percentage is based on 1,444,906,286 shares (excluding 4,100 shares held as treasury shares) as at 12 December 2014.

(1) International Beverage Holdings Limited ("**IBHL**") holds a 100% direct interest in InterBev Investment Limited ("**IBIL**") and is therefore deemed to be interested in all of the shares of Fraser and Neave, Limited ("**F&N**") in which IBIL has an interest.

(2) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(3) Siriwana Company Limited holds an approximate 45.27% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

Siriwana Company Limited is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(4) MM Group Limited ("**MM Group**") holds a 100% direct interest in each of Maxtop Management Corp. ("**Maxtop**"), Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**");
- Maxtop holds a 17.23% direct interest in ThaiBev;
- RM holds a 3.32% direct interest in ThaiBev;
- GC holds a 0.06% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

MM Group is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(5) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued and paid-up share capital of TCC Assets Limited ("**TCCA**"), and is therefore deemed to be interested in all of the shares of F&N in which TCCA has an interest.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:
- a 51% direct interest in Siriwana Company Limited, which in turn holds an approximate 45.27% direct interest in ThaiBev; and
- a 100% direct interest in MM Group. MM Group holds a 100% direct interest in each of Maxtop, RM and GC. Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

interested person TRANSACTIONS

Particulars of interested person transactions ("**IPTs**") for the period 1 October 2013 to 30 September 2014 as required under Rule 907 of the SGX Listing Manual.

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
TCC Group of Companies [1]		
- Payment for services purchased	$114,464	Nil
- Recovery of costs for services rendered	$918,000	Nil
- Lease of office space	Nil	$1,223,684
- Provision of contract printing services	Nil	$128,800

Note:

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

MATERIAL CONTRACTS (RULE 1207(8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.

notice of ANNUAL GENERAL MEETING

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

NOTICE OF ANNUAL GENERAL MEETING

Date : Friday, 30 January 2015
Place : Ballrooms II and III
Level 2, InterContinental Singapore
80 Middle Road
Singapore 188966

NOTICE IS HEREBY GIVEN that the 116th Annual General Meeting of FRASER AND NEAVE, LIMITED (the "**Company**") will be held at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Friday, 30 January 2015 at 9.30 a.m. for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the report of the Directors and audited financial statements for the year ended 30 September 2014 and the auditors' report thereon.

2. To approve a final tax-exempt (one tier) dividend of 3.0 cents per share in respect of the year ended 30 September 2014.

3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors[1]:

(a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Charoen Sirivadhanabhakdi be and is hereby re-appointed as a Director of the Company, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company."

Subject to his re-appointment, Mr Charoen will be re-appointed as Chairman of the Board of Directors.

(b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Khunying Wanna Sirivadhanabhakdi be and is hereby re-appointed as a Director of the Company, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company."

Subject to her re-appointment, Khunying Wanna will be re-appointed as Vice Chairman of the Board of Directors.

(c) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Tengku Syed Badarudin Jamalullail be and is hereby re-appointed as a Director of the Company, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company."

Subject to his re-appointment, Tengku Syed, who is considered an independent Director, will be re-appointed as Chairman of the Nominating Committee.

(d) "That Mr Chotiphat Bijananda, who will retire by rotation pursuant to Article 117 of the Articles of Association of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

(e) "That Mr Thapana Sirivadhanabhakdi, who will retire by rotation pursuant to Article 117 of the Articles of Association of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

Subject to his re-appointment, Mr Thapana will be re-appointed as Chairman of the Risk Management Committee, Vice Chairman of the Board Executive Committee, and a Member of each of the Remuneration, Nominating and Food & Beverage Committees.

[1] Detailed information on the Directors who are proposed to be re-appointed can be found under "Board of Directors" and "Corporate Governance" in the Company's Annual Report 2014.

notice of ANNUAL GENERAL MEETING

4. To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2015 (last year: S$2,000,000).

5. To re-appoint Ernst & Young LLP as the Company's auditors for the ensuing year and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

6. "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company, excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares in the capital of the Company, excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company, excluding treasury shares, at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

notice of ANNUAL GENERAL MEETING

7. "That approval be and is hereby given to the Directors of the Company to:

   (a) grant awards in accordance with the provisions of the F&N Restricted Share Plan (the "**Restricted Share Plan**") and/or the F&N Performance Share Plan (the "**Performance Share Plan**"); and

   (b) allot and issue such number of ordinary shares in the capital of the Company as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan and/or the Performance Share Plan,

   provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares in the capital of the Company (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time."

8. "That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme."

9. "That:

   (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 9 January 2015 (the "**Letter**"), with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");

   (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

   (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

OTHER BUSINESS

10. To transact any other business which may properly be brought forward.

By Order of the Board
Anthony Cheong Fook Seng
Group Company Secretary

Singapore, 9 January 2015

A member of the Company entitled to attend the meeting and vote is entitled to appoint not more than two proxies to attend and vote instead of him; a proxy need not be a member of the Company. Where a member of the Company appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.

notice of ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(a) The Ordinary Resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares in the capital of the Company, excluding treasury shares, with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution.

(b) The Ordinary Resolution proposed in item 7 above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares in the capital of the Company pursuant to the Restricted Share Plan and the Performance Share Plan provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares in the capital of the Company (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time. The Committee administering the Restricted Share Plan and the Performance Share Plan currently does not intend, in any given year, to grant awards under the Restricted Share Plan and the Performance Share Plan which would comprise more than 1% of the total number of issued ordinary shares from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

(c) The Ordinary Resolution proposed in item 8 above is to authorise the Directors of the Company to allot and issue ordinary shares in the capital of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

(d) The Ordinary Resolution proposed in item 9 above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Letter to Shareholders dated 9 January 2015. Please refer to the Letter for more details.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("**AGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

Proxy Form

ANNUAL GENERAL MEETING

IMPORTANT

CPF Investors

1. For investors who have used their CPF monies to buy Fraser and Neave, Limited shares, the Annual Report 2014 is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used, or purported to be used, by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Fraser and Neave, Limited. (Agent Banks: please see note No. 8 on required format.)

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 January 2015.

I/We ______________________________ (Name) ______________________ (NRIC/Passport Number)

of ____ (Address)

being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at 9.30 a.m. on Friday, 30 January 2015 at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

NOTE: The Chairman of the AGM will be exercising his right under Article 70(a) of the Articles of Association of the Company to demand a poll in respect of the resolutions to be put to the vote at the AGM and at any adjournment thereof. Accordingly, such resolutions at the AGM will be voted on by way of a poll.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the report of the Directors and audited financial statements for the year ended 30 September 2014 and the auditors' report thereon.		
2.	To approve a final tax-exempt (one-tier) dividend of 3.0 cents per share in respect of the year ended 30 September 2014.		
3.	(a) To re-appoint Director: Mr Charoen Sirivadhanabhakdi		
	(b) To re-appoint Director: Khunying Wanna Sirivadhanabhakdi		
	(c) To re-appoint Director: Tengku Syed Badarudin Jamalullail		
	(d) To re-appoint Director: Mr Chotiphat Bijananda		
	(e) To re-appoint Director: Mr Thapana Sirivadhanabhakdi		
4.	To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2015.		
5.	To re-appoint Ernst & Young LLP as the Company's auditors for the ensuing year and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To authorise Directors to issue shares and to make or grant convertible instruments.		
7.	To authorise Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.		
8.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.		
9.	To approve the proposed renewal of the mandate for interested person transactions.		
	OTHER BUSINESS		
10.	To transact any other business which may properly be brought forward.		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this ____________ day of ____________ 2015.

Total Number of Shares held (Note 4)	

____
Signature/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold and seal here

NOTES TO PROXY FORM:

1. A member of the Company entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
4. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
8. Agent Banks acting on the request of CPF investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting.

Fold here

Affix Postage Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#20-00 Alexandra Point
438 Alexandra Road
Singapore 119958

Fold here

design & production by **Q-Plus Design**

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Fax : (65) 6271 0811
www.fraserandneave.com

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

For online version of F&N FY2014 Annual Report, please refer to http://fraserandneave.com/investor-relations
For easy-to-read guides on annual reports, please refer to www.sgx.com/wps/wcm/connect/mp_en/site/highlights/highlight_contents/Investors_Guide