Index to Financial Report

81 Directors' Report
89 Statement by Directors
90 Independent Auditor's Report
91 Profit Statement
92 Statement of Comprehensive Income
93 Balance Sheet
94 Statement of Changes in Equity
97 Cash Flow Statement
99 Notes to the Financial Statements
185 Particulars of Group Properties
189 Shareholding Statistics
190 Interested Person Transactions

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.

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.

directors' REPORT

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
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
- 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
- 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
- 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
- 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

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

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.

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.

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.

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.

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

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.

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.

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 ($'000)	THE GROUP 2013 ($'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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

(a) Share capital

	THE GROUP & THE COMPANY			
	2014		2013	
	No. of shares	**($'000)**	No. of shares	($'000)
<u>Ordinary shares issued and fully paid up</u>				
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).

notes to the FINANCIAL STATEMENTS

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

notes to the FINANCIAL STATEMENTS

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

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%).

notes to the FINANCIAL STATEMENTS

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

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

notes to the FINANCIAL STATEMENTS

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.

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

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.

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.

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 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 ($'000)	2013 ($'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	2013
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	2013
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.

notes to the FINANCIAL STATEMENTS

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.

notes to the FINANCIAL STATEMENTS

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

notes to the FINANCIAL STATEMENTS

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)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	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)

notes to the FINANCIAL STATEMENTS

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)	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.

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

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 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.

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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

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)	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

notes to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

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	Effective Shareholding 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	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